

2023 Reconciliation Report

EITI Timor-Leste

Message from Timor-Leste Multi Stakeholders Working Group

The Multi-Stakeholder Working Group (MSWG) is thrilled to announce the approval and publication of the **16th** Timor-Leste EITI Reconciliation Report, covering the Fiscal Year 2023.

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

Key highlights of the 16th report include:

- **Detailed Data Disclosure:** Information is presented with greater granularity, disaggregated by reporting entities, revenue types, and project levels.
- **Broadened Reporting Scope:** The report incorporates data on mining licenses, anti-corruption efforts, environmental impacts, climate change, and energy transition assessments for the extractive industries.
- **Beneficial Ownership Transparency:** Details of contractors' beneficial ownership for 2023 and 2022 are included.
- **Strengthened Stakeholder Participation:** The MSWG welcomed new members, including representatives from Autoridade Nacional dos Minerais, Murak Rai Timor, E.P., civil society organizations (CSOs), and female representatives, enhancing diversity and inclusivity.

This year's report includes contributions from 32 operators (including subsidiaries) and 19 subcontractors, as well as relevant government entities. The mining sector has also been highlighted with additional information, reflecting its growing importance.

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

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

Sincerely,

Industries

Government

Civil Society

TIMOR GAP E.P.

List of abbreviations

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

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Executive Summary

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 sixteenth EITI report, covering the period from 1 January to 31 December 2023. 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 2023, the Timor-Leste Petroleum Fund reported oil & gas cash entries of USD 426.7 million. The Government revenue from the Oil & Gas sector decreased significantly compared to 2022 representing a sharp decline of 61% compared to USD 1,106 million in 2022. Revenues comprised USD 54.6 million in petroleum taxes, USD 366.8 million in royalties and profit oil, and USD 5.3 million in other fees, in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law.

Although, based on ANP's clarification, portion of these amounts correspond to petroleum product sales from 2022 that were transferred to the Petroleum Fund at the beginning of 2023. This precautionary measure was to cover potential overpayment settlements expected in 2023 and to adhere to the PSCs' provisions. On April 4, 2023, the withheld amount of USD 308,297,276 from December was eventually deposited into the Petroleum Fund. Additionally, USD 31.26 million accrued in 2023 was only transferred to the Petroleum Fund in July 2024.

Therefore, after considering additional cutoff adjustments from ANP (cash transfers that were reported in a different period) the total revenue from petroleum operations in 2023 was USD 149.54 million. See Section 3.5 "Revenue generated from extractive sector" to observe the reconciliation between revenues reported by the Petroleum Fund and the Govt entities on the EITI templates.

Bayu-Undan was the only operating field in 2023, and its production is in steep decline as the field approaches the end of its life. Output peaked in 2012 and has fallen consistently since then. Annual production continued to drop sharply in 2023, totaling 6.8 million BOE compared to 16.8 million BOE in 2022—a reduction of nearly 60%. This decline affected all product streams: condensate fell by 47%, LPG by 59%, and natural gas by 62%. Cargo sales mirrored this trend, with significantly fewer shipments of condensate, LPG, and LNG compared to the previous year. The total production from 2004 to 2023 was 954 million BOE. For more details refer to section 1.2.

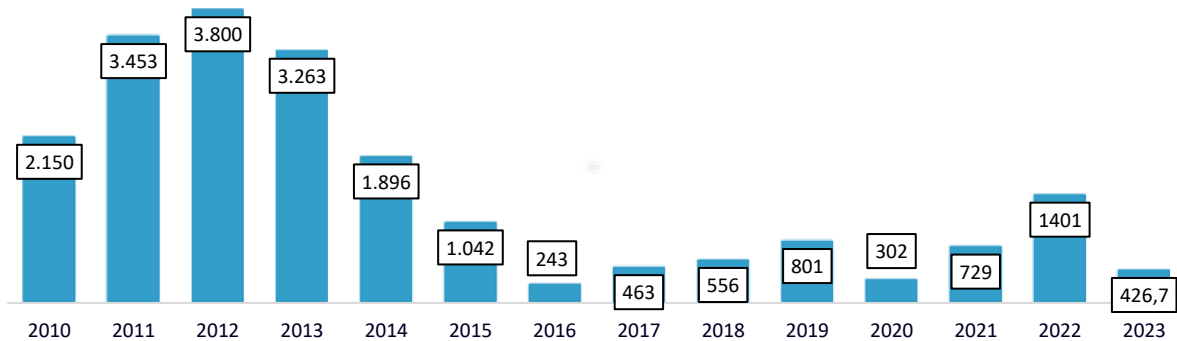
In addition to lower production volumes, petroleum prices were weaker in 2023 than in 2022, when prices were inflated by geopolitical tensions and Covid-19. The average Brent crude oil price in 2023 was USD 82.47 per barrel, down USD 18 from the previous year's average. LNG prices also softened, reflecting global oversupply and reduced demand. These factors are combined to reduce the value of petroleum exports and government receipts.

The impact on the broader economy was significant. Oil GDP fell by 81.8%, from USD 1,533 million in 2022 to USD 278 million in 2023, while non-oil GDP grew modestly by 7.5%. Petroleum exports dropped by 75.8%, from USD 1,728.6 million to USD 417.8 million, reversing the trade surplus of 2022 into a deficit of USD -904 million. Withdrawals from the Petroleum Fund continued to finance over 70% of the state budget, exceeding the Estimated Sustainable Income by USD 600 million, which raises concerns about fiscal sustainability as the Fund faces possible depletion by 2034 under current spending trends.

In summary, 2023 marked a critical turning point for Timor-Leste's oil and gas sector. The sharp decline in production and revenues reflects structural depletion rather signaling the end of the Bayu-Undan era. On June 13, 2025, ANP announced on its official website that production at the Bayu-Undan field had ceased on June 4, 2025. On that date, the ANP received formal notification from the Bayu-Undan Joint Venture regarding the cessation of production, driven by a limited gas market and high operational costs. Production officially ended and the production sharing contracts were terminated, triggering the activation of the Decommissioning Agreement.

Figure 1.1 shows historical data on revenues from the past twelve years, based on previous EITI reports. It illustrates the severe decline of revenues since 2012, the slight increase since 2016, and the moderate recovery since 2020 following the impacts of COVID-19 and natural disasters.

Figure 1.1 Oil & Gas Revenues 2010-2023 (USD million)



1.2 Production

In 2023, all of Timor-Leste's oil and gas was sourced from the Bayu-Undan field, found in the offshore area formerly known as JPDA. Three types of petroleum products, namely Condensate, Liquefied Petroleum Gas, and Natural Gas, are produced in Bayu-Undan. The field has been the sole source of production since the Kitan field ceased operations in December 2015.

Table 1.1 Production in thousands of USD ('000) by commodity¹

Commodity	2023	2022	Variation	Variation (%)
Crude	-	-	-	-
Condensate	105 213	231 577	-126 364	-55%
Natural Gas	308 205	1 423 138	-1 114 933	-78%
LPG	14 527	86 783	-72 256	-83%
Total	427 944	1 741 498	-1 313 554	-75,43%

Figure 1.2 Percentage of production by commodity (in monetary amount - USD)

Crude - No production	Condensate 24.59% total production
LPG 3.39% total production	Natural Gas 72.02% total production

Annual production has continued to decline as the field reached expiration. Production in 2023 was 6.8 million barrels of oil equivalent (BOE) compared to 16.83 million BOE in 2022.

¹ Source: Template provided by ANPM with 2023 data & Extractive companies' template.

In addition to lower production, falling demand and over-supply drove oil prices down in 2023.

Table 1.2 Production in BOE ('000) by commodity

Commodity (BOE Thousands)	2023	2022	Variation	Variation (%)
Crude	-	-	-	-
Condensate	1 521	2 892	-1 371	-47,41%
Natural Gas	4 837	12 818	-7 981	-62,27%
LPG	481	1 184	-703	-59,35%
Total	6 839	16 893	-10 054	-59,52%

The Contracting company operate in the Bayu-Undan. The Bayu-Undan field lies in the contract areas of PSC TL-SO-T 19-12 (former PSC JPDA 03-12) and PSC TL-SO-T 19-13 (former PSC JPDA 03-13). Bayu-Undan upstream produces condensate, liquefied petroleum gas, while liquefied natural gas is produced at the Darwin liquefaction plant under the downstream facilities. The production performance for 2023 outlines below.

Table 1.3 Production and Export in volume² ('000) by company and commodity

Contractor	Interest	Total		Gas Condensate		Natural Gas		LPG	
		Production	Export	Production	Export	Production	Export	Production	Export
SK	25,00%	1 709,70	1 611,18	380,23	371,88	1 209,17	1 209,17	120,30	30,13
ENI	10,986%	751,31	708,02	167,09	163,42	531,35	531,35	52,87	13,24
INPEX	11,378%	778,13	733,29	173,05	169,25	550,32	550,32	54,75	13,71
TTSR	9,198%	629,03	592,79	139,89	136,82	444,88	444,88	44,26	11,09
Santos	43,440%	2 970,63	2 799,45	660,65	646,15	2 100,95	2 100,95	209,03	52,36
Total	100,00%	6 838,80	6 444,73	1 520,92	1 487,53	4 836,67	4 836,67	481,22	120,53

1.3 Reconciliation process

EY was engaged to assist the MSWG in producing the 2023 Timor-Leste EITI Report. As part of this report, the Independent Administrator (IA) is required to define the EITI reconciliation scope applied to the 16th report. This assignment represents the initial step in commencing the reconciliation process.

² There is a discrepancy in LNG volume between the ANPM's template and the data on the ANPM website due to the usage of different conversion factors. For reconciliation with extractive entities, we used the ANPM data submitted in the template. For more detail, please refer to the Section 3.4.1.

Furthermore, the IA must reconcile the 2023 data submitted by companies and government reporting entities. The IA is also responsible for obtaining the necessary assurances from these entities regarding the comprehensiveness and reliability of the data provided.

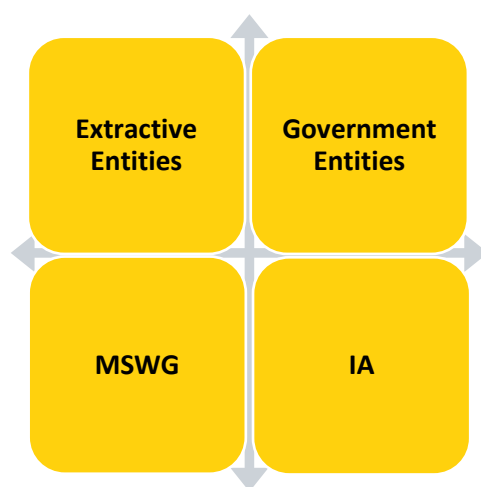
The procedures conducted were as follows:

- Perform entities selection based on the MSWG approved threshold (payments and revenue streams above USD 100,000);
- Obtain from extractive companies and government authorities the 2023 information on taxes, non-taxes and other payments;

Ministry of Petroleum and Mineral Resources (MPRM) representative issued instructions requesting 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.

The reconciliation process involves four main stakeholders (see Figure 1.3): Extractive Entities, Government Entities, MSWG, and IA.

Figure 1.3 Key Stakeholders in the Reconciliation Process

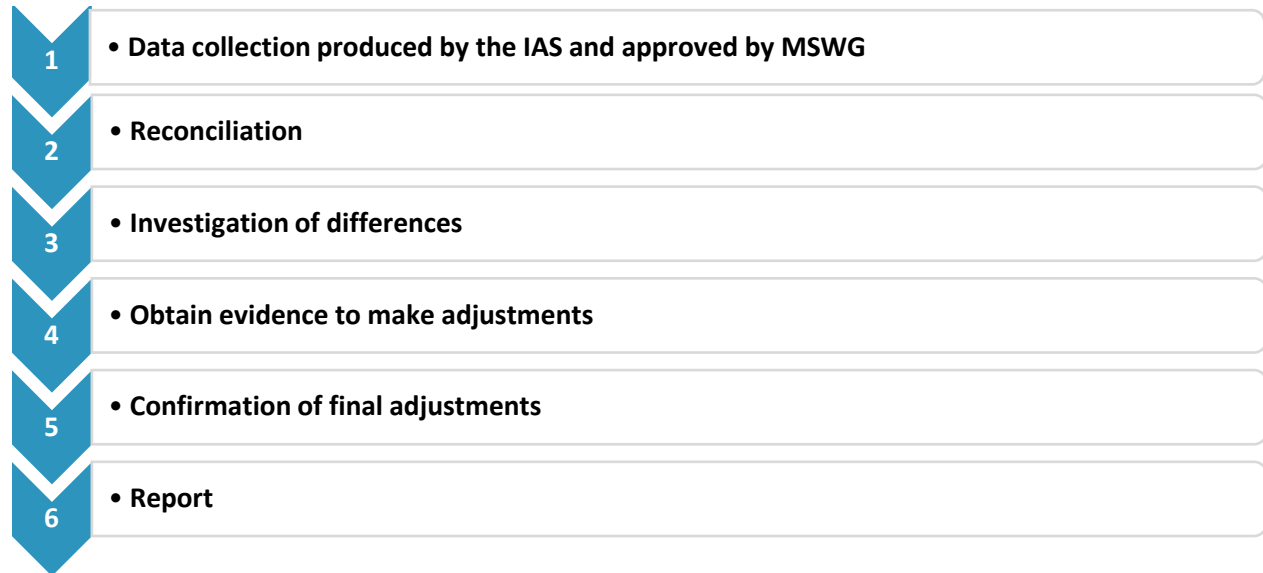


After completing data collection, EY initiated the reconciliation process. Non-responding entities were reported to the TL EITI Secretariat, and IA made additional efforts to obtain the missing information.

In cases of discrepancies, the IA engaged directly with the reporting entities and requested appropriate supporting documentation, where applicable, to facilitate adjustments. If the explanations provided were inconclusive, further queries were addressed to the relevant government authority to obtain detailed payment information.

Where discrepancies remained unresolved after receiving explanations from both companies and government authorities, these differences were classified in the EITI Report as unreconciled.

The summary of reconciliation process is presented on Figure 1.4 below:

Figure 1.4 Steps in the Reconciliation Process

1.4 Scope (Revenue streams and Entities)

Oil & Gas Sector

The Government entities involved in Timor Oil and Gas operations are listed in table 1.4.

Table 1.4 Government entities involved in Timor's O&G operations

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

According to the threshold defined and approved by MSWG the material revenue streams from Timor-Leste relevant to the EITI report are:

Table 1.5 O&G Revenues Streams in scope for 2023

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

NON-TAX REVENUE:
FTP
ROYALTIES
PROFIT OIL & GAS PAYMENTS
CONTRACT SERVICES FEE
DEVELOPMENT FEE
SEISMIC DATA FEE
SURFACE RENTAL FEE

The EITI Standard states that all extractive companies exceeding the materiality threshold are required to report as part of the reconciliation process.

Table 1.6 lists **32 contractors** that made payments above the threshold to the government regarding oil & gas activities (including tax and non-tax payments), despite the fact that MSGW agreed selecting all contractors were above the threshold.

Table 1.6 O&G Contractors in scope for 2023

OIL & GAS ENTITIES IN SCOPE CONTRACTORS	
BU12 Australia Pty Ltd	Santos (JPDA 91-12) Pty Ltd
BU13 Australia Pty Ltd	TIMOR GAP Rarahana Unip Lda
ENI JPDA 03-13 Ltd	TIMOR GAP G RL 2 Unip Lda
ENI JPDA 06-105 PTY LTD	TIMOR GAP G S 03-20 Unip Lda
ENI TIMOR 22-23 BV	TIMOR GAP Chudith Unip Lda
ENI Timor-Leste S.P.A	TIMOR GAP Greater 03-19 Unip Lda
Inpex Sahul Ltd	TIMOR GAP Greater Sunrise RL Unip Lda
Inpex Timor Sea Ltd	TIMOR GAP Offshore Block Unipessoal
Timor Resources Pty Ltd	TIMOR GAP Onshore Block C Unip Lda
Tokyo Timor Sea Resources Pty Ltd	TIMOR GAP Onshore Block Unip Lda
SundaGas Banda Unip Ltd	TIMOR GAP PSC 11-106 Unip Ld
Santos NA (19-12) Pty Ltd	TIMOR GAP Pualaca Block Unipessoal
Santos NA (19-13) Pty Ltd	Woodside Petroleum (Timor Sea 19) Pty Ltd
Santos NA Timor Sea	Woodside Petroleum (Timor Sea 20) Pty Ltd
Sanots NA Emet	Carnarvon Petroleum Timor Unipessoal Lda
Santos NA Bayu Undan	Finder Energy (was ENI JPDA 11-106 BV BRANCH)
32	

As in past years, the MSGW 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 2023. The same criteria used previously were applied to selecting the extractive entities in scope - those making payments to significant revenue streams above USD 100,000. The following **19 subcontractors** were selected:

Table 1.7 O&G Subcontractors in scope for 2023

OIL & GAS ENTITIES IN SCOPE SUB-CONTRACTORS	
Caltech Unipessoal	TIMOR GAP Seismic Services Lda
Laloran Marine Services	TIMOR GAP Drilling Unip Lda
Baker Hughes Australia PTY Limited	Offshore Services Australasia Pty Ltd
Chandler Macleod Group Limited	Clough Wood Pty Ltd

OIL & GAS ENTITIES IN SCOPE SUB-CONTRACTORS	
Kotug Maritime Services	Compass Group (Australia) Pty Ltd
Schlumberger Australia Pty Ltd	Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)
Weatherford Australia Pty Ltd	SGS Australia Pty Ltd
Haliburton Australia Pty Ltd	Konnekto Unipessoal Lda
Santos NA Timor-Leste Pty Ltd	Tidewater Offshore Pty Ltd
Tidewater Onshore Operations Pte	
19	

Table 1.8 below summarizes the petroleum-related receipts reported by the government's designated authorities in the EITI templates during 2023:

Table 1.8 Revenues associated to 2023 operations collected by Government institution, (USD)

Government institution responsible for revenue collection	Actual Revenues
Total Tax Revenue Reported by MoF	50 118 958
Total Non-Tax Revenue reported by ANP	89 630 016
Total Non-Tax Revenue reported by ANP - Other fees	4 989 623
Total Other (pipeline) fees reported by BCTL - Pipeline fees	5 333 600
Total revenue reported by GoV entities	150 072 197

For a detailed look into the revenue reconciliation between the data from the Petroleum Fund Annual Report and the government's templates, refer to Sections 3.5 and Section 10.

In table 1.9 below outlines the amount of revenue from the Oil & Gas sector in scope for 2023 fiscal year reconciliation report. Notable that 12 subcontractors were excluded from the reconciliation scope, as their cumulative payments did not exceed the materiality threshold defined for this process. Although out of scope, these entities represent an insignificant share of total revenue, amounting to USD 120,704.

Table 1.9 Oil&Gas Revenue in scope for 2023, USD

Oil&Gas Revenue	Total	Scope	
Contractors	136 437 714	136 437 714	100%
Subcontractors	8 300 884	8 180 180	98,55%
Pipeline fees (BCTL)	5 333 600	5 333 600	100%
Total	150 072 197	149 951 493	99,92%

Based on the selection made, the 2023 EITI Report covers 99.92% of the total revenue, which consists of the total sample of contractors and 98,55% of subcontractor's entities.

Mining Sector

The Government entities involved in mining operations are listed in table 1.10.

Table 1.10 Government entities involved in Timor's O&G and mining operations

GOVERNMENT ENTITIES
AUTORIDADE NACIONAL DOS MINERAIS TIMOR-LESTE, I.P.
MURAK RAI TIMOR, E.P.

Table 1.11 Mining Revenues Streams in scope for 2023

MINING REVENUE STREAMS
PAYMENT FOR MINERAL LICENSE
PAYMENT FOR MINERAL PERMITS
COMPENSATION FOR UNAUTHORIZED MINING ACTIVITY
EXPLORATION LICENSE - SURFACE FEE
MINERAL PUBLIC TENDER

In the context of total revenue received from extractive industries in Timor-Leste, the mining sector contributed only 1% of overall revenue, indicating a relatively low impact on total earnings for 2023.

Additionally, factors such as the industry's maturity, development stage, and timing considerations influenced the MSWG's decision—consistent with the EITI Standard requirements on significant reporting thresholds—to classify the mining sector as immaterial for the purposes of this report.

Nevertheless, in line with recommendations from the recent EITI Timor-Leste Validation, MSWG decided to include certain mining entities in the reconciliation process to support the upcoming transition to a potential scenario where mining may be deemed material.

Table 1.12 lists 3 mining entities that made significant payments above the threshold during 2023 fiscal year.

Table 1.12 Voluntary mining entities in scope for 2023

MINING ENTITIES IN SCOPE
China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)
Chongqing International Construction Corporation, R.P. – CICO
Li Britadeira Lda
3

1.5 Summary of revenue reconciliation process

Table 1.13 presents the reconciliation results for petroleum revenue, including contractors, subcontractors, and pipeline fees.

Table 1.13 Petroleum revenue reconciliation results for 2023

	Revenue in scope				Revenue out of scope	Total Revenue
	Reconciled	Unreconciled	Adjustments identified	Total in scope		
Contractors	135 902 245	299 958	235 510	136 437 713	-	136 437 713
Subcontractors	5 101 687	3 106 213	-27 720	8 180 180	120 704	8 300 884
Pipeline fees	5 333 600	-	-	5 333 600	-	5 333 600

Total	146 337 532	3 406 171	207 790	149 951 493	120 704	150 072 197
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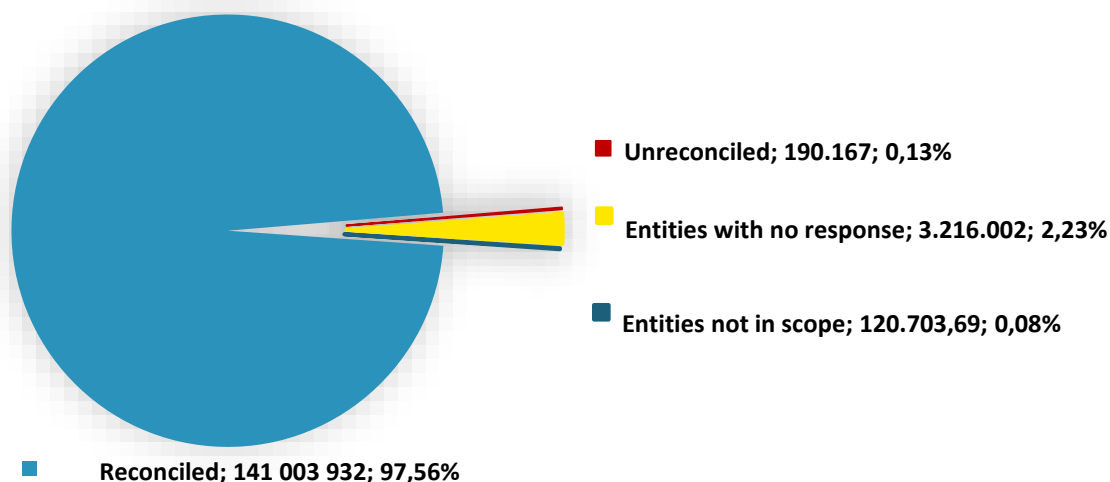
Considering the possibility of cross-referencing information from independent entities (contractors and subcontractors), we successfully reconciled USD 141,003,932 (97.50%) of the total tax and non-tax revenue reported by government entities.

The unreconciled amount of USD 3.4 million consists of:

- USD 0.19 million (0.13% of total revenue) from discrepancies that remained unresolved after receiving explanations from both companies and government authorities; and
- USD 3.22 million (2.23% of total revenue) from entities that failed to respond to the data collection template.

The names of the entities with unreconciled amounts are reported in Sections 10.2.6 and 10.3.6 accordingly. It is important to note that the amount of revenue (USD 120,704) excluded from the reconciliation process represents only 0.08% of the total revenue for 2023 operations.

Figure 1.5 Reconciliation Results for 2023 fiscal year, percentage



1.6 Summary of major improvements throughout the EITI 2023 report

The 2023 EITI Report incorporates significant enhancements to improve transparency and compliance with the EITI Standard. In line with Requirement 3.2(a), production data has been disaggregated by individual projects in Section 3.4 and by contractors in Section 1.2, providing greater clarity and comparability across operations. Additionally, under Requirement 2.2, the report now discloses transfer processes and evaluates deviations from legal procedures, as detailed in 7.1.

Further improvements include expanded contract transparency under Requirement 2.4, with direct links to the full texts of all active PSCs, including annexes and amendments, disclosed in Section 3.4.

Beneficial ownership disclosures (Requirement 2.5) have also been strengthened through requests for data from all contractors, correction of broken links to stock exchange filings, and consideration of lowering thresholds for PEP and BO. These updates are presented in Section 7.3.

In accordance with Requirement 6.3, employment figures are now reported with detailed disaggregation by gender, company, and occupation in Section 11.4, supporting more robust social and economic analysis.

Lastly, in line with recommendations from the recent EITI Timor-Leste Validation, the MSWG decided to include certain mining entities in the voluntary reconciliation process. Although the mining sector as a whole is considered immaterial, some individual mining companies made payments above the materiality threshold in 2023. This proactive approach aims to support a potential transition to a scenario where mining may be deemed material in future reporting years.

A photograph of two workers on an offshore oil rig. One worker in the foreground is wearing a red jumpsuit and a white hard hat, looking down. Another worker in the background is wearing a dark blue jumpsuit and a white hard hat, looking towards the camera. They are standing on a yellow metal platform with a red valve or piece of equipment visible on the right. The background shows a clear blue sky and the rig's structure.

Extractive Industries Transparency Initiative in Timor-Leste

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the management of revenues from natural resources. Timor-Leste has been an EITI member since 2008, reaffirming its commitment to good governance and public trust in the extractive sector.

In 2025, Timor-Leste enters a new chapter with the implementation of the 2023 EITI Standard, preparing its second report under this updated framework. This transition introduces strengthened requirements on anti-corruption, gender equity, energy transition, revenue collection, and stakeholder engagement—key priorities for sustainable development and international credibility.

By meeting these objectives, Timor-Leste continues to uphold the EITI principles, ensuring that revenues from oil, gas, and minerals contribute to national development and benefit all citizens.

2

2. Extractive industries transparency initiative in Timor-Leste

2.1 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.

Established in September 2002, EITI currently includes over 50 implementing countries, all required to comply with the 2023 EITI Standard, the fourth edition of the global standard for transparency and good governance of the oil, gas and mining sector. The EITI Standard requires implementing countries to disclose financial and non-financial data from their extractive industries, combat corruption, and promote national transparency.

On June 12th, 2023, EITI International launched the 2023 EITI Standard, replacing the 2019 edition. The revised EITI Standard introduces new and refined provisions requiring countries to address key challenges in natural resource governance. It strengthens EITI disclosures and governance requirements to improve understanding of the impact of the energy transition, address corruption risks, promote gender equity and strengthen revenue collection.

This report is Timor-Leste's second prepared under the new standard, ahead of assessments against the 2023 EITI Standard beginning January 1, 2025.

2.2 EITI progress in Timor-Leste

Timor-Leste joined EITI in 2008, and its first validation began on 1 July 2016. The EITI Board concluded that Timor-Leste achieved meaningful progress in implementing the 2016 EITI Standard, noting strong government commitment and effective oversight by the Multi-Stakeholder Working Group.

The second validation for Timor-Leste began on 11th 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 for implementing the 2019 EITI Standard was assessed as 'fairly low' at 58 points, reflecting the average of three component scores: stakeholder engagement, transparency, and outcomes and impact.

The EITI Board noted regressions in eight areas compared to the previous validation. The Board gave Timor-Leste until April 2025 to address these deficiencies³.

After approving the 2023 Standard, the EITI Board clarified that validation of reports under its provisions will begin on 1 January 2025. Timor-Leste was among the first countries to implement these requirements, starting with the report for the 2022 fiscal year. To support this transition, Timor-Leste aligned its work plans with Requirement 1.5, focusing on core objectives, systematic disclosure, and cost-effective quality assurance for EITI data.

This report represents more than a compliance requirement—it is an opportunity to demonstrate progress on previous recommendations and meet new provisions that emphasize anti-corruption, gender equity, energy transition, and revenue collection.

³ Source: [Timor-Leste 2022 Validation Report](#)

The 2025 Work Plan⁴ of the Timor-Leste EITI Multi-Stakeholder Group prioritizes implementing the 2023 Standard and closing gaps from the last validation. It includes capacity-building, stakeholder engagement, and improved reporting practices.

The 15th Report addressed several validation recommendations, while current 16th EITI Report aims to go further, closing remaining gaps and reaffirming Timor-Leste's commitment to best practices in natural resource governance.

Implementing and managing EITI's objectives in Timor-Leste

In Timor-Leste, EITI aims to provide a clear and concise report on revenues and payments to the Government of Timor-Leste from oil, gas, and mining companies, covering both tax and non-tax receipts derived from the production and sale of these resources. External parties conduct a financial reconciliation to verify these figures, and the results are published in the annual EITI report.

In 2010, Timor-Leste became the first country in Southeast Asia to achieve EITI compliance. However, Timor-Leste has not yet enacted official EITI law, although several legislative amendments for extractive industries have been implemented to meet EITI reporting requirements.

Table 2.1 Legislation of Timor-Leste implemented to comply with the EITI requirements

Decree / Law	Sector	Article	Requirement
Decree-Law No. 32/2016 (17 Aug)	Offshore oil operations	Article 97 – Payment Report	Contractor shall comply with the reporting requirements related to the Timor-Leste Extractive Industry Transparency Initiative (EITI), as applicable from time to time in accordance with Applicable Law in Timor-Leste.
Decree-Law No. 18/2020 (13 May)	Onshore oil operations	Article 98 – EITI Report	The Ministry and the Contractor shall comply with the reporting requirements related to the Timor-Leste Extractive Industry Transparency Initiative (EITI), as applicable from time to time in accordance with Applicable Law.
Decree-Law No. 43/2022 (8 Jun)	Mining company (CMTL, S.A.)	Article 9 – Transparency Audit	CMTL, its corporate bodies, and workers must observe EITI principles, guidelines, standards, and rules.
Law No. 12/2021 (30 Jun)	Mining activities	Article 54 – Dissemination of Data	Compliance with EITI standards for data and information dissemination.
Law No. 12/2021 (30 Jun)	Mining activities	Article 150 – Disclosure of Revenues	Government must publish annual reports on state revenues and economic benefits from mining, aligned with EITI.

⁴ Source: [WORK-PLAN-2025.pdf](#)

Multi-stakeholder group of the EITI of Timor-Leste

The TL-EITI Secretariat, established in 2008, supports the Multi-Stakeholder Working Group (MSWG) by managing contacts with relevant entities and ensuring the final report is published. Additionally, the Secretariat promotes EITI in both public and private sectors, arranging meetings and organizing workshops and seminars to raise awareness of its importance for Timor-Leste. Citizens and civil society organizations also play an active role in monitoring the EITI process.

The involvement of Independent Administration

EITI's framework requires an independent administrator (IA) to reconcile financial data between company payments and the revenue received by the government.

EY was appointed to define the scope of the 16th EITI Report for the year 2023. The firm has served as the Independent Administrator (IA) for Timor-Leste since the 2014 EITI Report.

Table 2.2 EITI Reports in Timor-Leste

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	
2021	March 2024	729	
2022	December 2024	1,106	

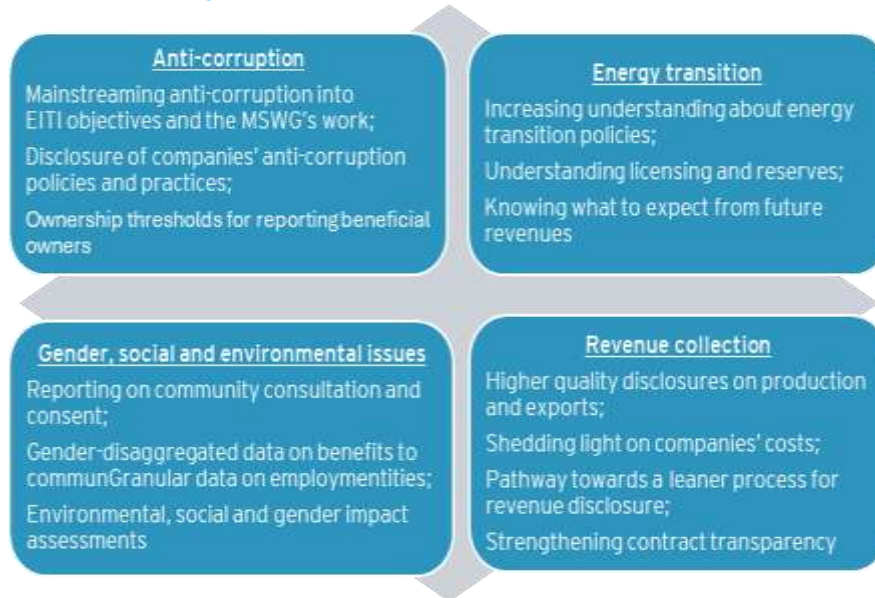
The IA obtained assurances from reporting entities regarding the comprehensiveness and reliability of the data. The IA's work was conducted independently and in accordance with the Terms of Reference (TOR). The IA followed these phases:

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

2.3 Changes introduced by EITI Standard 2023

The EITI Standard has evolved to address stakeholder needs and adapt to a changing global context. Now in its fourth edition, the 2023 EITI Standard introduces new and refined provisions to help countries address pressing challenges in natural resource governance. These provisions broadly cover five thematic areas: anti-corruption, energy transition, gender equity, social and environmental issues, and revenue collection.

Figure 2.1 New areas covered by the 2023 EITI Standard





Overview of Timor-Leste Oil and Gas sector

Oil and gas revenues continue to be a key source of income for Timor-Leste. The Petroleum Fund, which comprises accumulated petroleum revenues and investment returns, is the primary source of financing for the state budget, particularly for infrastructure and development programs. Despite notable progress in economic growth, Timor-Leste remains highly dependent on oil.

This section is prepared to ensure compliance with Requirement 6.3 (Contribution of the Extractive Sector to the Economy) and Requirement 3.1 (Exploration Activities). It provides disclosures on the oil and gas sector's contribution to Timor-Leste's economy, including its share in GDP and government revenues, as well as the level of dependency on natural resources. This section also provides information on exploration activities, production volumes, and output valuation, offering a basis for assessing expected government revenues.

Due to the Bayu-Undan field's declining liquid production since its peak in 2012, the section also highlights the implications of reduced output for future revenue streams. Through these disclosures, the section aims to enhance transparency and public understanding of the sector's economic significance and operational dynamics.

3. Overview of Timor-Leste's Oil and Gas sector

3.1 Contribution of the Oil and Gas sector to Timor-Leste's economy

Petroleum Fund continues to be the main source of financing for the State budget

One of the Government's main priorities is to reduce the country's dependence on financing from the Petroleum Fund. In the 2024 General State Budget (GSB), the Government continued to highlight its commitment to "tax reform" policy⁵, aimed at improving the country's fiscal framework and expanding domestic revenues mobilization from non-oil resources and activities.

Table 3.1 presents the financing sources for the 2023 budget, its subsequent rectification, and projections for 2024. The data confirms that the Petroleum Fund remains dominant source, accounting for 70% of total financing for public expenditure in 2023 and projected to rise to around 73% of the consolidated budget for 2024. Conversely, domestic revenue (non-oil & gas) contributed only 10% of total financing in 2023, with a slight decline expected in 2024. This trend highlights the continued stagnation of domestic revenue, underscoring the country's persistent reliance on the Petroleum Fund.

Table 3.1 Source of public expenditure funding, 2024 General State Budget

Figures USD mil	Original OGE 2023	Share (%)	Rectified OGE 2023	Share (%)	Proposed OGE 2024	Share (%)
Total Petroleum Withdrawals	1 346	70,1%	1 208	70,4%	1 378	72,9%
Estimated Sustainable Income (ESI)	490	25,5%	490	28,6%	522	27,6%
Excess withdrawals from the Petroleum Fund	856	44,6%	718	41,8%	856	45,3%
Domestic Revenues	175	9,1%	179	10,5%	192	10,2%
Loans	74	3,9%	35	2,0%	25	1,3%
Direct Budget Support	5	0,3%	10	0,6%	15	0,8%
Australia	3	0,2%	7	0,4%	13	0,7%
European Union	2	0,1%	3	0,2%	3	0,1%
Cash Balance Financing	318	16,5%	282	16,5%	278	14,7%
Fees and Charges	3	0,1%	1	0,1%	2	0,1%
Total	1 920	100%	1 717	100%	1 890	100%

Actual withdrawals from the Petroleum Fund totaled USD 1,090.0 million in 2023, USD 118.2 million less than the amount approved under the 2023 Rectification Budget. This represents 90% of the forecasted transfer for 2023 and exceeds the Estimated Sustainable Income (ESI) by USD 600 million (see Table 3.2). Note that this value represents a decrease of USD 314 million compared to 2022, due to lower public spending and a reduction in the value of the non-oil fiscal deficit. Despite registering a reduction, the annual value withdrawn from PF continues to be well above its ESI, valued at USD 490 million (USD 554 million in 2022 and USD 548 million in 2021), which translates into a continued reduction in accumulated revenue of the PF.

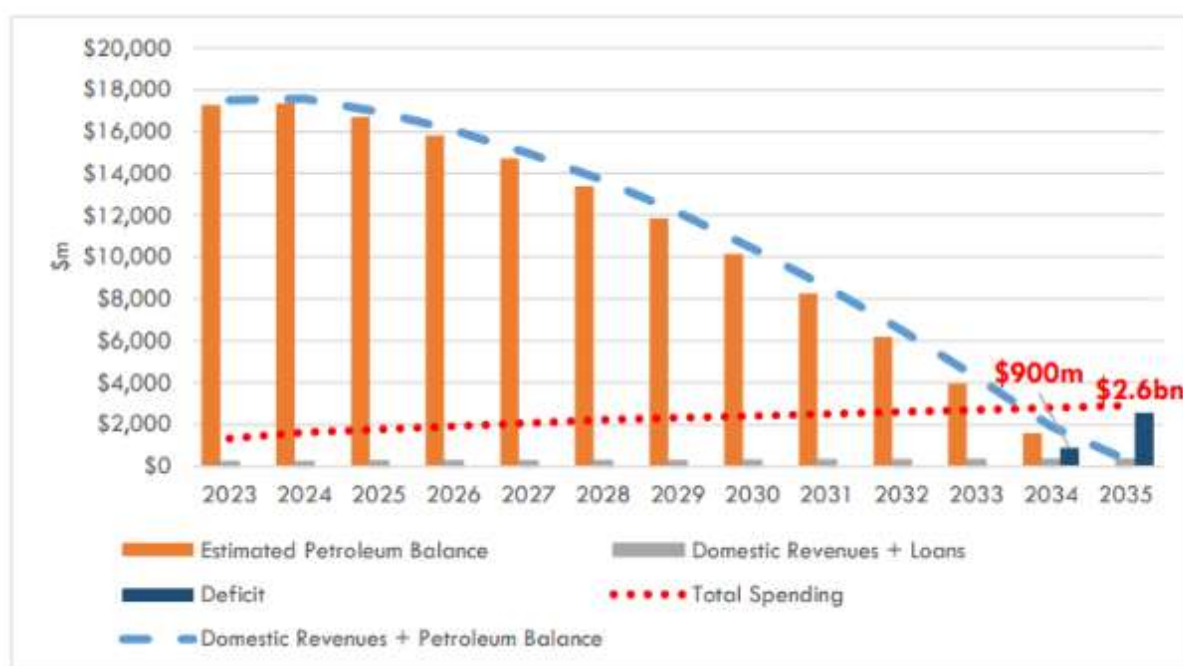
⁵ Source: <https://www.laohamutuk.org/econ/OGE24/FinalBooks/240206RelatorioEn.pdf>, page 21 (1.76 - 1.77)

Table 3.2 Actual Petroleum withdrawals during 2021-2023

	2021, USD mill	2022, USD mill	2023, USD mill	Var, FY21&FY22	Var, FY22&FY23
Estimated Sustainable Income	548	554	490	6	-64
Excess Withdrawals	600	850	600	250	-250
Total	1148	1404	1090	256	-314

As such, the key focus of Fiscal Sustainability Analysis in Timor-Leste is centered on predicting the lifespan of the Petroleum Fund. Under the current expenditure trend, the Petroleum Fund is set to fully deplete by 2034.

This is shown in Figure 3.1 below. This estimation is based on the budget ceiling for Budget 2024.

Figure 3.1 : Petroleum Fund Lifespan under current trajectory

Source: Estimates from the Directorate of National Economic Policy DNPE, Ministry of Finance

The projections indicate that government expenditure from 2025 to 2028 will align with the levels necessary to meet the government's growth target of 5% GDP growth. Beyond 2028, government spending is expected to rise in accordance with inflation and population growth. At the same time, the modelling is based on the assumption that no additional petroleum resources will be discovered and extracted before the Fund fully depletes.

If the Petroleum Fund is depleted before new petroleum revenues are discovered and extracted, there are major consequences for government expenditure and for the economy. In this scenario, at the point that the Petroleum Fund depletes, the government will not have sufficient revenues to carry out its most basic functions such as paying salaries to public sector workers, providing social security payments to the elderly, continuing payments to veterans and paying back loans.

This situation would also affect the country's capacity to maintain its current level of imports and manage internal currency circulation. The existing dollarized economy relies on Petroleum Fund revenues to ensure

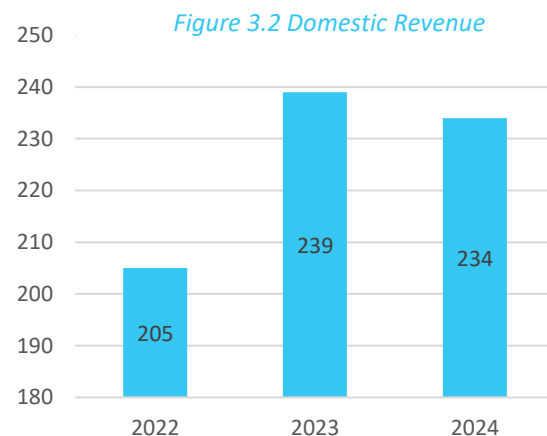
a steady influx of US dollars. A substantial non-oil trade deficit is sustainable only within this dollarized framework, as the inflows from the Petroleum Fund offset the outflows associated with imports. Without a viable currency alternative established prior to the depletion of the Petroleum Fund, persistent trade deficits could lead to a liquidity crisis, leaving individuals and businesses without the necessary currency for daily transactions.

In summary, these considerations highlight the state budget's continued heavy dependence on financing from oil revenues, particularly transfers from the Petroleum Fund, which substantially exceed its sustainable income. Therefore, extending the lifespan of the Petroleum Fund would allow the country to have more time to build up alternative revenue sources and prepare for implementing a new currency.

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

Regarding domestic revenues (Non-Oil & Gas revenues), it increased from USD 205 million in 2022⁶ to USD 239 million in 2023. Domestic revenues reached their highest level since 2015, totaling US\$ 233.9 million in 2024.

Direct taxes remained stable throughout most of the period. Indirect taxes grew steadily, supported by higher rates introduced between 2020 and 2023. Import duties peaked at US\$ 36.9 million in 2023. Sales tax revenues consistently increased, reaching US\$ 27.0 million in 2024. Although service tax collections were modest, they more than doubled during the same period.



The overall structure of domestic revenues has undergone a significant shift. Tax revenues have become the main driver of growth, while non-tax revenues have declined in importance. By 2024, excise duties and income taxes accounted for a larger share of total revenues, indicative of both policy changes and structural reforms.

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

3.2 Gross Domestic Product (GDP)

National Institute of Statistics (INETL)

Timor-Leste compiles and disseminates statistical data through the Timor-Leste's National Accounts. The publication represents a comprehensive and consistent set of macroeconomic accounts that are useful for economic analysis to support the development and monitoring of policy making. The National Institute of Statistics (INETL) under the Ministry of Finance is responsible for producing these accounts, ensuring they are comprehensive and consistent across all economic activities and their impact on various agents within the economy. All economic activity data compilation follows the United Nations System of National Accounts 2008 (2008 SNA).

⁶ Source: [Ministry of Finance, General State Budget \(GSB\) 2026](#), page 100, figure 24

This publication is essential for data-informed economic policymaking, playing a vital role in Timor-Leste's ongoing development efforts. It is accessible at <https://inetl-ip.gov.tl/>.

Changes in Oil Compilation

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

To ensure clarity and continuity in the data, especially for comparative analysis of figures from 2019 and earlier, the accounts maintain a clear distinction between the oil and non-oil components. This segregation is instrumental in facilitating a focused analysis of the oil sector's substantial contribution to Timor-Leste's national economy, reaffirming its emphasizing as a central pillar of the country's economic structure.

This section draws on the latest data from Timor-Leste's National Accounts for 2005-2024 (TL-NA 2005-2024). In line with the Timor-Leste National Accounts revision policy, TL-NA 2005-2024 incorporates updated primary data sources and methodological improvements, which may cause discrepancies with figures published in earlier reports, including in the 2022 EITI report. When new methods or indicators are introduced, the TL-National Accounts applies them retrospectively across all the years to maintain consistency in comparative data across different years. Lastly, the amounts presented below are in current prices, which means that the value of the price is estimated on a period basis to which the observation relates.

Contribution of the oil sector to the GDP

The year 2023 is marked by a slowdown in economic activity after the recovery in 2021 and 2022 following the COVID-19 pandemic. Table 3.3 shows that the GDP at current prices in 2023 was USD 2,080 million, consisting of USD 1,802 million from the non-oil sector and USD 278 million from the oil sector. An 81.8% decrease in oil production offset strength in the non-oil economy, resulting in a 35.18% fall in total GDP at current prices (oil and non-oil sectors).

Table 3.3 GDP Composition (Oil vs Non-oil Sector), in thousands of USD⁷

GDP	2023	Share (%) of total GDP	2022	Share (%) of total GDP	Var, USD	Var (%)
Oil Sector	278	13,37%	1 533	47,77%	-1 255	-81,87%
Non-oil Sector	1 802	86,63%	1 676	52,23%	126	7,52%
Total	2 080	100%	3 209	100%	-1 129	-35,18%

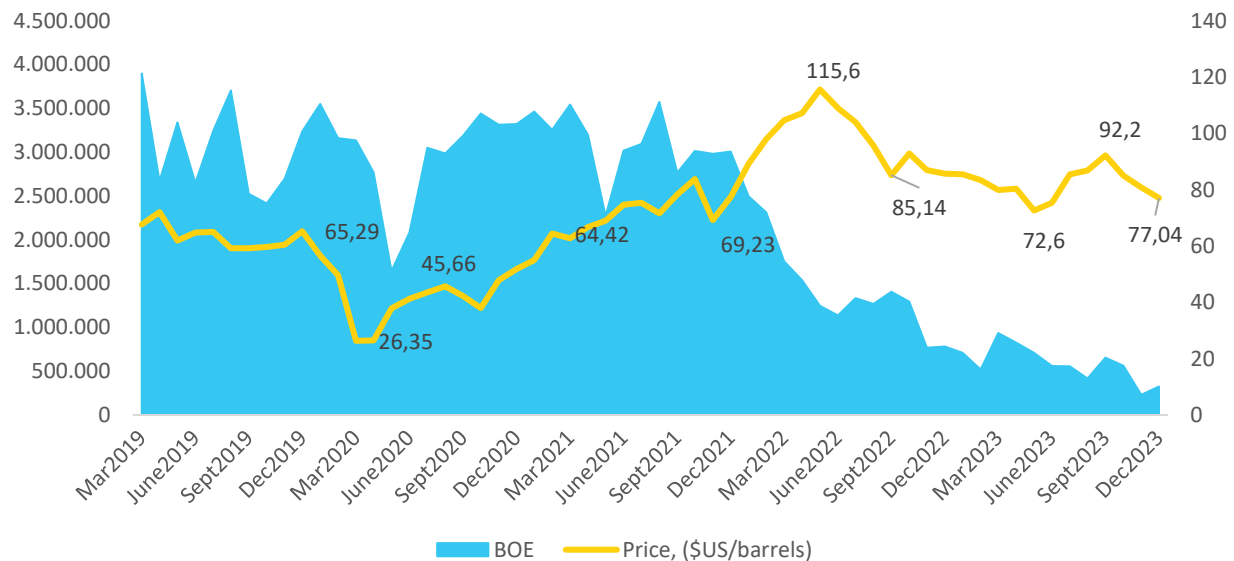
Despite this decrease, it is important to note that Timor-Leste's economy remains heavily dependent on oil revenues. However, a combination of specific factors, such as significant fluctuations in global oil prices and a reduction in production levels—have collectively constrained the oil sector's contribution to GDP. According to the data highlighted in Figure 3.6, Timor-Leste has experienced a complex dynamic between oil price and production volume since 2019.

⁷ Source: [Timor-Leste National Accounts 2005-2024](#), Section I., Table 1.1: Key national accounts aggregates

Oil prices fell at the onset of the Coronavirus pandemic down in 2020 but then started to rise sharply and reached USD 115,6 per barrel in May 2022 due to the conflict in Ukraine. During 2023 Brent crude averaged \$82.47/b which is \$18/b lower than the previous year's average. The outlook for oil prices remains uncertain and could rise further with the recent escalation of conflict in the Middle East.

Simultaneously, annual production significantly decreased from 17.3 million barrels of oil equivalent (BOE) in 2022 to 7 million BOE in 2023 proving further the depletion of oil and gas in Bayu-Undan.

Figure 3.3 Oil&Gas production and oil prices⁸



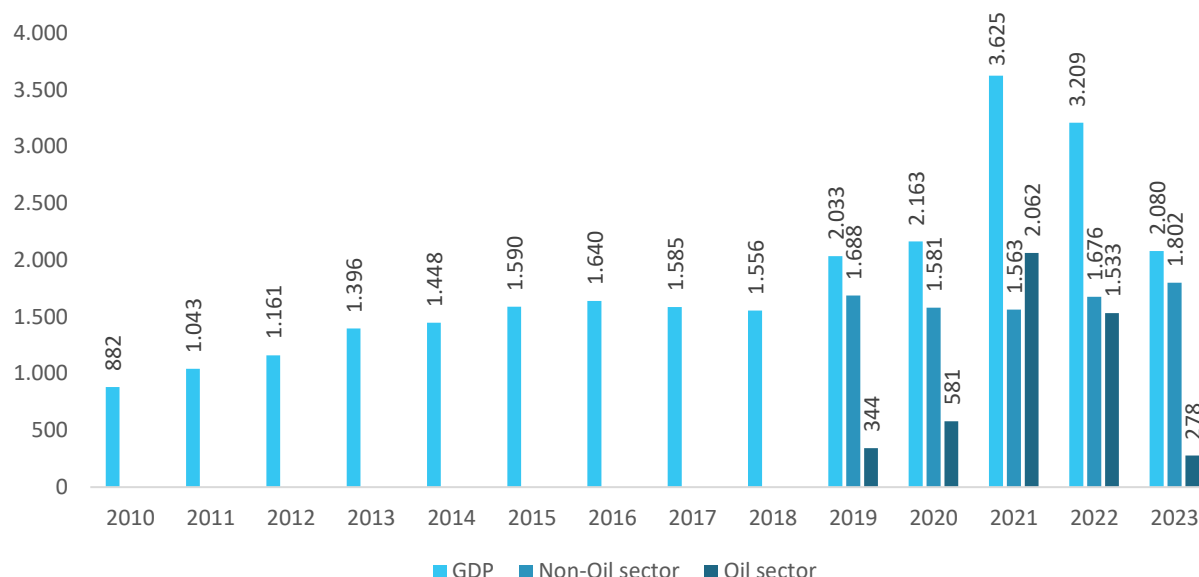
The challenges mentioned above have resulted in a substantial decline in the oil GDP of 81,8% compared to the Oil GDP in 2022, underscoring the vulnerability of the economy to external shocks and emphasizing the need for economic diversification.

In comparison, non-oil industries experienced an increase of 7.5%, rising from USD 1,676 million in 2022 to USD 1,802 million in 2023. The expansion of the non-oil economy was driven by several key components. Final consumption witnessed a substantial increase of 5.2% (USD 125.6M) in 2023 as compared to 2022. The Gross Fixed Capital Formation (GFCF), which had experienced contraction for five consecutive years, exhibited a significant turnaround in 2022 with a growth rate of 33.8%, rebounding from a decline of 5% in the previous year, 2021, and for 2023 it also grew by 13.7%. The growth of exports of goods and services by 5.9% (USD 3.27million) was driven by a remarkable surge in the exports of services by 63.9%. The increase in exports of services was due to the rise in travel services. The change in inventories increased 21.8% (USD 8.97 million) in 2023, continuing the raising of 104.2% (USD 21 million) in 2022. However, the 4.5% increase in imports of goods and services has a negative impact on the Non-Oil GDP, resulting in a loss of USD 51.79 million.

In Figure 3.4 we present the evolution of the GDP trajectory since 2010.

Figure 3.4 GDP Evolution, million USD

⁸ Source: [Investing.com, Brent Oil Futures Historical Data](https://www.investing.com/chart/Brent-Oil-Futures-Historical-Data)



Contribution of the oil sector to the GNI

For 2023 in nominal terms Gross National income (GNI) grew to USD 2,293 million. This was higher than Nominal GDP at USD 2,080 million. This is reflective of Timor-Leste generating a Primary Income Surplus of USD 213 million, due to strong investment earnings from the Petroleum Fund. These earnings outweighed the payments made to foreign investors in both the oil and non-oil sectors. This is the first time since 2020 that a Primary Income Surplus has been achieved.

Looking only at the non-oil economy, foreign investors are earning about USD 41 million more on their Timor assets than Timorese investors earn abroad (USD 1802.72 million vs. USD 1760 million). This is because nearly all of Timor's foreign assets are held in the Petroleum Fund, which is classified under oil GDP⁹.

Table 3.4 GNI Composition (Oil vs Non-oil Sector), in thousands of USD

GNI	2023	2022	Var	Var (%)
Oil sector	533	1 405,1	-872,1	-62,1%
Non-oil sector	1 760	1 651,7	108,3	6,6%
Total	2 293	3 056,8	-763,8	-25,0%

3.3 Export and import data

Trade deficits in Timor-Leste

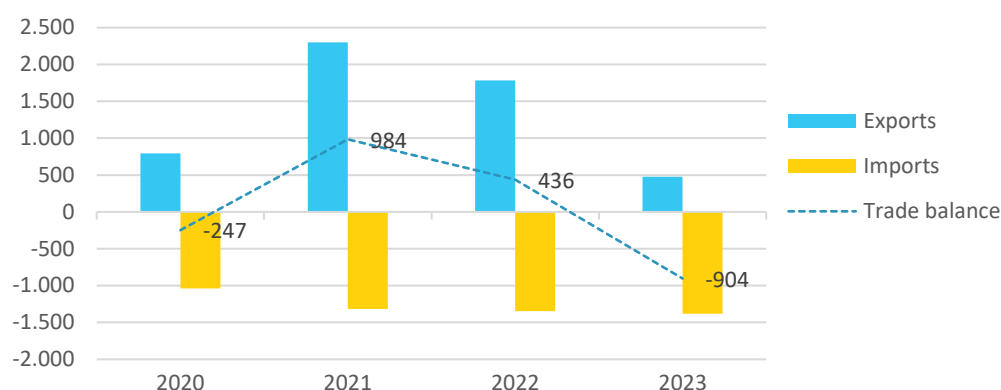
In 2023 Timor-Leste was the number 190 in the world in terms of total exports and the number 182 in total imports¹⁰.

⁹ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)

¹⁰ Source: [The Observatory of Economic Complexity \(OEC\) – Timor-Leste](#)

In the year under review, the trade balance, as shown on Figure 3.5, including the export of petroleum products, recorded a deficit of USD - 904 million, which translated into an increase in the deficit compared to the surplus observed in 2022 of USD 436 million¹¹.

Figure 3.5 Timor-Leste's Exports and Imports



This evolution was mainly due to a sharp reduction in the export of petroleum products (see Table 3.5 TL's OIL and non-Oil Industry Exports below). However, when oil revenues are excluded, the trade deficit worsened further to USD - 1,135 million in 2023. This decline was attributed to a slight increase in imports of goods during the year, while the country's non-oil exports of goods remained insignificant.

Exports

Compared to 2022, the oil sector's exports experienced a sharp decline, falling from USD 1,728.6 million to USD 417.8 million in 2023, a significant reduction of USD 1,310.8 million (-75.8%), primarily due to lower gas exports. This contraction in oil exports contributed to the overall slowdown in economic growth and reflected changes in external demand. Conversely, the non-oil sector demonstrated resilience, with exports rising by 5.9%, from USD 55.8 million in 2022 to USD 59 million in 2023. This growth was largely driven by a 63.9% increase in services exports, particularly in the travel sector, which helped partially offset the decline in oil exports and supported the positive contribution of net external demand observed in 2023, even if in a discreet way.

Table 3.5 TL's Oil and non-oil Industry Exports

EXPORT	2023	2022	Var	Var (%)
Oil sector	417,8	1 728,6	- 1 310,8	-75,8%
Goods	417,8	1 728,6	- 1 310,8	-75,8%
Services	-	-	-	0,0%
Non-oil sector	59,0	55,8	3,3	5,9%
Goods	17,1	30,2	- 13,1	-43,4%
Services	41,9	25,6	16,4	63,9%

¹¹ Source: [TIMOR-LESTE NATIONAL ACCOUNTS 2004-2023 - INETL, I.P](#)

EXPORT	2023	2022	Var	Var (%)
Total Exports G&S	476,8	1 784,4	- 1 307,5	-73,3%

Imports

In 2023, Timor-Leste's import trends revealed a clear contrast between the oil and non-oil sectors. The oil sector saw a reduction in imports, with a 9.3% decrease from USD 205.2 million in 2022 to USD 186.0 million in 2023. This drop was reflected on goods, while services had an increase within the sector, the goods decreased 29.5% and services increased 4.8%. Imports relating to maintenance and other costs associated with Bayu-Undan will continue until the field is fully decommissioned.

Conversely, non-oil imports increased by 4.5%, rising from USD 1,142.7 million to USD 1,194.5 million. Goods imports grew by 2.2%, a much smaller increase compared to the 41.9% surge recorded last year. Service imports expanded by 9.1%, largely due to higher expenditures in transport, travel, and financial services.

Table 3.6 TL's Extractive Industry Imports

IMPORT	2023	2022	Var	Var (%)
Oil sector	186,0	205,2	- 19,2	-9,3%
Goods	59,5	84,4	- 24,9	-29,5%
Services	126,5	120,8	5,7	4,8%
Non-oil sector	1 194,5	1 142,7	51,8	4,5%
Goods	781,3	764,2	17,2	2,2%
Services	413,2	378,6	34,6	9,1%
Total Imports G&S	1 380,5	1 347,9	32,6	-4,8%

3.4 Production data

Fields

In 2023 Bayu-Undan field is the main producing field. 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.

In 2023, there were fourteen (15) PSCs that consist of four (4) PSCs in the Onshore Area, nine (9) PSCs in the Offshore Area of the Timor-Leste territory, and two (2) PSC (03-19 and 03-20) of the Greater Sunrise Special Regime Area in accordance with the Maritime Boundary Treaty. Table 3.7 below briefly outlines the status of each of the 14 PSCs in 2023. In Annex E it is possible to find more detailed information about the PSCs.

Table 3.7 List of current petroleum production sharing contracts both in the Timor-Leste territory and the special regime based on the ANP Annual report for 2023

N	Contract Operator	License number (Click on the name to see the contract)	Location	Status
1	Santos NA (19-12) Pty Ltd	TL-SO-T 19-12	Timor Leste Offshore Territory	Production Stage
2	Santos NA (19-12) Pty Ltd	TL-SO-T 19-13	Timor Leste Offshore Territory	Production Stage
3	Eni JPDA 06-105 Pty Ltd	TL-SO-T 19-10 (Kitan Field)	Timor Leste Offshore Territory	Decommissioning Stage
4	Woodside Petroleum (Timor Sea 19) Pty Ltd & Woodside Petroleum (Timor Sea 20) Pty Ltd	Greater Sunrise PSC: 03-19 03-20	Greater Sunrise Special Regime Area	Exploration Stage – Development Concept Studies.
5	Eni JPDA 11-106 Pty Ltd	TL-SO-T 19-11	Timor Leste Offshore Territory	Exploration Stage
6	Eni Timor Leste SPA	S-06-04 (PSC TLOA S06-04 Block E)	Timor Leste Offshore Territory	Relinquishment Stage ¹²
7	TIMOR GAP Offshore Unip.Ltd	TL-S0-15-01	Timor Leste Offshore Territory	Exploration Stage
8	Carnarvon Petroleum LTD	TL-SO-T 19-14	Timor Leste Offshore Territory	Relinquishment Stage ¹³
9	Timor Resources Pty Ltd	TL-OT-17-08	Timor Leste Onshore Territory	Exploration Stage
10		TL-OT-17-09	Timor Leste Onshore Territory	Exploration Stage
11	Sunda Gas Banda	TL-SO-T 19-16	Timor Leste Offshore Territory	Exploration Stage
12	TIMOR GAP Pualaca Block	TL-OT-21-17	Timor-Leste Onshore Territory	Exploration Stage
13	TIMOR GAP Rarahana Unip. Ltd	TL-OT-22-18	Timor-Leste Onshore Territory	Exploration Stage
14	Eni Timor 22-23 B.V	TL-SO-22-23	Timor Leste Offshore Territory	Exploration Stage

Introduction to PSC Updates Post-2023

While the scope of this report is limited to the 2023 fiscal year, we would like to highlight several important developments related to Production Sharing Contracts (PSCs) which occurred after the reporting period. These updates are not included in the detailed analysis or annexes of the current report,

¹² Public notice of ENI Block E PSC termination is available at: [The Public Announcement for the Termination of Authorization of PSC S-06-04 – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

¹³ Public notice of Carnarvon PSC termination is available at: [TERMINATION OF AUTHORIZATION OF PSC TL-SO-T 19-14 – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

but they are noteworthy as they reflect ongoing changes in Timor-Leste's petroleum sector. The following section outlines key PSC developments post-2023, including the signing of new contracts, termination of existing agreements, and amendments to current PSCs.

Signing of new Production Sharing Contract PSC TL-OT-22-22

In March 2024, ANP signed 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 petroleum operations through the national oil company, TIMOR GAP E.P., either through exploration or development phases.

This PSC is not included in Annex E because they were not within the scope of the 2023 EITI Report. Nonetheless, we believe it is crucial to note the recently signed PSCs, as they emphasize the current operational activities in the country.

Termination of Authorization of Production Sharing Contract PSC TL-SO-T 19-14

PSC TL-SO-T 19-14 was terminated effectively from 16 December 2024 according to the result of the exploration drilling which was unsatisfactory and the development of the field is commercially unviable.

Signing of Deed Amendment for Production Sharing Contract PSC TL-SO-T 19-11

In August 2024, the ANP approved the change of control and change of operator and assignment where FINDER acquired the interest of INPEX and ENI and becomes the Operator for PSC TL-SO-T 19-11. This amendment also includes essential conditions such as a 3-year extension of the term of the PSC which includes Minimum Exploration Work Commitments agreed to be undertaken by FINDER TIMOR-LESTE B.V, FINDER PSC 19-11 PTY LTD and TIMOR GAP PSC 11-106 Unipessoal, Limitada.

Signing of Amendment of Joint Operating Agreement for Production Sharing Contract PSC TL-SO-T 19-16

The purpose of signing of the Amendment of Joint Operating Agreement between SundaGas Banda and TIMOR GAP was to amend the participating interests by increasing TIMOR GAP's share from 25% to 40% and reducing SundaGas Banda's share from 75% to 60%.

Signing of the Agreement for the Assignment and Acceptance of the State's Participation in Petroleum Operations under the Production Sharing Contract for Contract Area PSC-TL-SO-22-23

With the signing of this Agreement, Timor-Leste through its oil national company TIMOR GAP acquired 12.5% interest representing State participation in the PSC TL-SO-22-23.

Santos NA Timor-Leste Pty Ltd withdrawal from Offshore Area (Block R)

ANP approved the withdrawal of Santos NA Timor-Leste Pty Ltd from the offshore area (Block R) due to a changing circumstance and a shift in business orientations. Santos NA Timor-Leste has been awarded the Block R in the second licensing round on 22nd April 2022.

Bayu Undan Field

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 of 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 petroleum revenue of any Timor-Leste field and has been the only field in production since 2015¹⁴.

The initial discovery was in early 1995, when the Bayu-1 well intersected a 177m gas condensate column, at a reservoir depth of 3,923m. In July 1995, Undan was discovered 10km north-west of Bayu, where a 141m gross hydrocarbon column. The Bayu-Undan field at the reservoir level has an area around 160Km², with water depths around 80m. The total recoverable field of reserves ranges between 350 and 400 million barrels of hydrocarbon liquids and 3.4tcf of gas.

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

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

For the 2023 reporting period¹⁵:

- The total of wet gas production was 42.28 BCF (102.84 BCF in 2022) with average production rate of 3,52 bscf per month which is lower than previous years due to field depletion;
- In 2023 the cumulative liquid production was 2.00 mmbbls with a monthly production of 0.16 mmbbls;
- The lean gas injection throughout the year was 1.61 bscf with a monthly average injection rate of 0.13 bscf due to various planned and unplanned event impacting DNLG and BU operations.

In 2023, production from the Bayu-Undan field is depleting as the field matures and nears the end of its productive life. To optimize the production from the last quarter of 2023, the ANP approved the gas sales agreement to supply the gas produced and saved from the Bayu-Undan field to Power and Water Corporation for Australia Northern Territory energy demand.

Kitan field

The Kitan field is located in the Timor-Leste offshore approximately 170 km South of the Timor-Leste coast. There is no current production from Kitan field as production was ceased on 16th December 2015 due to the drop in oil price at the time with higher FPSO (Floating Production Storage and Offloading) operating cost. Associated production flowlines and risers were disconnected from FPSO left in-situ. The FPSO and topside process cleaning by flushing and purging of production plant was completed. FPSO departed from Kitan field on 27th February 2016.

¹⁴ On June 4, 2025, the Autoridade Nacional do Petróleo I.P. (ANP) received formal notification from the Bayu-Undan Joint Venture (BUJV) regarding the cessation of production at the field, driven by a limited gas market and high operational costs. Production was officially ceased at 10:52 Dili time, and the production sharing contracts were terminated, resulting in the activation of the Decommissioning Agreement. [Source: BAYU-UNDAN CESSATION OF PRODUCTION – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

¹⁵ Source: [ANP Annual Report 2023](#)

ANP was in continuous discussion with Eni JPDA 06-105 Pty Ltd (Contract Operator) on the method of Kitan wells P&A and time for the final subsea system abandonment from the field whilst assessing the field redevelopment options for the purpose of maximizing recovery from the field.¹⁶

Chuditch field

The Chuditch field is located approximately 185 kilometres south of Timor-Leste, 100 kilometres east of the producing Bayu-Undan field, 50 kilometres south of the potential Greater Sunrise development and covers approximately 3,571 km² in water depths of 40-120 metres¹⁷.

The Chuditch-1 discovery well, drilled by Shell in 1998 in 64 metres water depth, encountered a 25-metre net gas column in Jurassic Plover Formation sandstone reservoirs at a depth of around 2,900 metres on the flank of a large, faulted structure. The discovery and neighbouring prospects are largely covered by a 3D seismic survey acquired in 2012 and subsequently reprocessed by Baron.

The reprocessed 3D seismic data was delivered in 2022, and its evaluation—alongside a series of geological and engineering studies—was completed in 2023.

SundaGas engaged consultancy group ERC Equipoise Ltd (“ERCE”) to prepare a Competent Person’s Report (“CPR”) providing an independent assessment of the Chuditch resource in accordance with SPE PRMS standards. CPR was released on 28 February 2023. For the Chuditch-1 discovery, ERCE assessed gross Pmean Contingent Resources of 1.16 Tcf of gas. The classification of the resources as Contingent rather than Prospective marked a significant milestone, reflecting the improved understanding of the discovery through seismic reprocessing and supporting studies.

In addition, the CPR identified aggregated gross Pmean Prospective Resources of 1,562 Bcf of gas across three prospects: Chuditch SW, Chuditch NE, and Quokka. Geological Chances of Success (“GCOS”) for these prospects range from 52% to 26%, offering substantial follow-on, low-risk exploration potential to complement any Chuditch-1 development. Detailed resource tabulations and further commentary are available in the Company’s RNS announcement dated 28 February 2023, and in the full CPR document published on SundaGas’s corporate website¹⁸.

On 7 February 2024, the SundaGas entered into a Farm-Up Agreement with TIMOR GAP, whereby TIMOR GAP would increase its participation in the Chuditch PSC from a 25% to a 40% working interest. The incremental 15% interest assigned included a share of the obligation to carry the costs of the initial TIMOR GAP 25% interest and accordingly the Group’s 60% share is now responsible for 80% of the costs of the Chuditch project and TIMOR GAP pays a 20% share of the costs of the Chuditch project.

An operational update was provided on 28 May 2024 with a full description of the status of operational planning. The Chuditch-2 well is scheduled to commence in H1 2026, with the objectives of validating the resources assessed by SundaGas’ work and the CPR, plus the carrying out of a production flow test (DST) to establish the potential flow rates that may be achieved in an anticipated future development.

Greater Sunrise

The Greater Sunrise fields are located approximately 450 kilometers northwest of Darwin, Australia, and 150 kilometers south of Timor-Leste. The development comprises the Sunrise and Troubadour gas and

¹⁶ Source: [ANP Annual Report 2023](#)

¹⁷ Source: [Timor-Leste - Chuditch Project - Sunda Energy](#); BARON OIL PLC Annual Report and Financial Statements for the year ended 31 December 2023: https://wp-sunda-energy-2024.s3.eu-west-2.amazonaws.com/media/2024/06/Baron-Oil-AR2023-CL_final.pdf

¹⁸ Source: [Timor-Leste - Chuditch Project - Sunda Energy](#)

condensate fields, originally discovered in 1974 during offshore exploration in Australia's Northern Territory.

Although the fields have undergone multiple appraisal phases, development has remained on hold due to a combination of geopolitical and technological challenges. These include prolonged negotiations over maritime boundaries, regulatory and fiscal jurisdictions, and the strategic placement of the LNG processing and export facilities.

Following the ratification of a new maritime boundary treaty between Australia and Timor-Leste in 2019, negotiations have continued between both governments and the Sunrise Joint Venture (SJV) participants regarding a production sharing contract for Greater Sunrise. The proposed development, including a pipeline to Timor-Leste's southern coast, is considered critical to the country's long-term economic growth and development.

In 2023, the SJV participants—TIMOR GAP (56.56%), Operator Woodside Energy (33.44%), and Osaka Gas Australia (10%)—awarded the Greater Sunrise Concept Study contract to Wood Australia Pty Ltd (Wood PLC)¹⁹. The study aims to evaluate key considerations for the development, processing, and commercialization of gas, with a strong emphasis on delivering gas to Timor-Leste for LNG processing and export. An alternative option involving delivery to Australia is also under review.

In December 2024, the Government of Timor-Leste announced via its official website that the conceptual study confirmed the viability of developing Greater Sunrise within Timor-Leste. Conducted independently by British Wood between April and November 2024, the study concluded that the Timor-Leste-based development option is both feasible and economically advantageous, offering substantial social and economic benefits to the nation.

The study assessed four primary development scenarios: Timor-Leste Liquefied Natural Gas (TLNG), Darwin LNG (DLNG), Ichthys LNG, and a new LNG facility in Australia. All options were deemed technically viable, each with its own set of risks, but all considered feasible²⁰.

According to TIMOR GAP website, natural gas production from the Greater Sunrise project is expected to commence between 2028 and 2030²¹.

Figure 3.6 Map of the Greater Sunrise Fields

¹⁹ Source: Media Release – Woodside: [Progress continues on Greater Sunrise development](#)

²⁰ Source: Government of Timor-Leste website. News: Study Confirms Viability of Greater Sunrise Development in Timor-Leste - <https://timor-leste.gov.tl/?p=41344&lang=en&n=1>

²¹ Source: [Greater Sunrise - TIMOR GAP E.P.](#)



Discovered oil fields in Timor-Leste post-2023

In August 2024, FINDER Energy Holdings Limited (Finder) announced the acquisition of a 76% working interest, becoming the operator, in the PSC TL-SO-T 19-11, located offshore Timor-Leste. The remaining 24% working interest is held by TIMOR GAP²², the national oil company of Timor-Leste. The terms of the acquisition include an upfront payment of USD 2 million, with additional payments of up to USD 6.5 million contingent upon the FID. Additionally, a 5% royalty on future production is stipulated in the terms. This acquisition positions Finder as the operator of four discovered undeveloped oil fields: Kuda Tasi, Jahal, Krill, and Squilla, which together have a combined 45 million barrels of contingent resources.

The PSC 19-11 encompasses oil-rich blocks situated approximately 160 kilometers southeast of Suai in Timor-Leste. Initially signed on August 28, 2019, the contract was set to expire in August 2024. Finder successfully negotiated a three-year extension, now set to expire in 2027, to conduct exploration, appraisal, and production activities. The strategic objective focuses on the rapid development of the fully appraised Kuda Tasi and Jahal fields, with development plans centering on a subsea tieback to a Floating FPSO unit.

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

The Kuda Tasi and Jahal fields together hold a combined 22 million barrels of 2C contingent oil resources, while the Krill and Squilla fields contain an additional 23 million barrels. Significant near-field exploration potential exists, with an estimated 116 million barrels of prospective resources identified across the area.

²² Source: [JOINT PRESS RELEASE PSC 19-11 \(ANP, FINDER Energy, TIMOR GAP\) - TIMOR GAP E.P.](#)

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

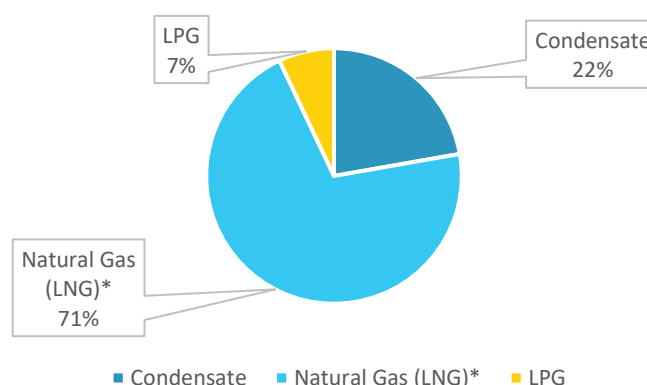
Timor-Leste is recognized as a proven oil province, characterized by a high exploration success rate of 71% and excellent reservoir conditions featuring high API gravity oil.

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

3.4.1 Production in BOE

Bayu-Undan produces three petroleum products—Condensate, Liquefied Petroleum Gas, and Natural Gas—with liquid production declining since its peak in 2012. The overall decrease in petroleum output in Timor-Leste is mainly due to the natural depletion of the Bayu-Undan field, compounded by the shutdown of the Kitan field in 2015. Production of petroleum products dropped significantly from 16.8 million barrels of oil equivalent in 2022 to 6.8 million in 2023 (see Figure 3.7 Production Data).

Figure 3.7 Production Data



According to the requirement 3.2(a) the production data should be disaggregated by project. For the year 2023, only Bayu Undan PSCs are in production phase. Although the two Production Sharing Contracts, PSC-TL-SO-T 19-12 and PSC-TL-SO-T 19-13, have been unitized under a Unitization Agreement to enable petroleum activities within the Bayu-Undan contract area and to facilitate the sharing of petroleum entitlements, we were able to disclose production data for each individual PSC as outlined in table 3.8 below.

It is important to note that, as Bayu-Undan approached the end of its field life, production rates declined. Consequently, certain production volumes—particularly condensate and LPG—were stored in the inventory until sufficient quantities were accumulated to meet cargo size requirements for sale.

Table 3.8 Production and Exports in 2023, (BOE Thousands)

PSC	Total Commodities		Gas Condensate		Natural Gas (LNG)*		LPG	
	Production	Export	Production	Export	Production	Export	Production	Export
TL-SO-T 19-12	4 050	3 816	901	881	2 864	2 864	285	71
TL-SO-T 19-13	2 789	2 630	620	607	1 973	1 973	196	50
Total	6 839	6 446	1 521	1 488	4 837	4 837	481	121

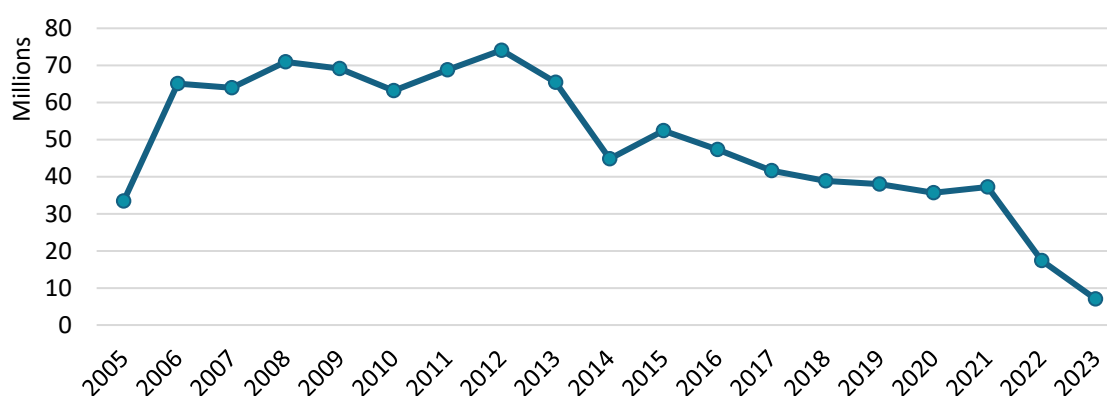
***Note:** The discrepancy in LNG volume between ANP's Annual Report and the website data stems from the use of differing conversion factors. For reconciliation with extractive entities, we used the ANP data submitted in the template.

Production volumes and values are primarily derived from the monthly production reports submitted by the Contractor. Both gas condensate and LPG are reported in barrels (bbls) within these reports. Export volumes, however, are consistently presented in kilosm³ (kSm³) or million standard cubic feet (MMscf).

To convert export gas volumes into barrels of oil equivalent (BOE), the standard conversion factor of 6,000 is applied. Additionally, the contractual sales agreements specify gas condensate volumes in barrels, LPG volumes in metric tonnes (MT), and export gas volumes in million British thermal units (MMBTU).

The information related to total production is available at ANP website (Lafaek Database) that contains information in relation to Bayu-Undan and Kitan field production, contracts, etc. This information is generally publicly accessible²³. Figure 3.8 below illustrates the historical trend of total production in BOE since 2005, based on publicly available sources.

Figure 3.8 Total Production BOE



Following the figure, Table 3.9 provides a detailed comparison of production volumes between 2022 and 2023, expressed in BOE, highlighting the variation by commodity and the corresponding percentage change.

Table 3.9 Variation of Production between 2022 and 2023 in BOE ('000)

Commodity (BOE Thousands)	2023	2022	Variation	Variation (%)
Crude	-	-	-	-
Condensate	1 521	2 892	-1 371	-47,41%
Natural Gas	4 837	12 818	-7 981	-62,27%
LPG	481	1 184	-703	-59,35%
Total	6 839	16 893	-10 054	-59,52%

Existing mechanisms to monitor and verify the accuracy of production data

²³ Sources: [ANPM website - JPDA Production, Barrels of Oil Equivalent \(BOE\)](#) & Template provided by ANP with 2023 data

ANP has established mechanisms to monitor and verify the accuracy of production data, including the authority to conduct metering audits at agreed fiscal measurement points. In the Bayu Undan field, gas is measured at the Darwin LNG, while LNG fiscal measurements occur on the LNG ships. For liquids such as condensate and LPG, fiscal measurements are taken at the offtake terminal. To enhance accuracy, independent third parties are engaged to verify both the quantity and quality of the petroleum products sold. Additionally, the ANP retains the right to perform inspections and audits on production and sales quantities.

Proven economic O&G reserves

Based on ANP's response, there are no proven economic reserves from existing exploration PSCs as of 2023.

3.4.2 Production in USD

The information below presents production values by commodity.

The production and exports in thousands of USD ('000) in 2023 were as follows:

Table 3.10 Production and Exports in USD ('000) in 2023

PSC	Total Commodities		Gas Condensate		Natural Gas		LPG	
	Production	Export	Production	Export	Production	Export	Production	Export
TL-SO-T 19-12	253 371	245 557	62 293	60 925	182 478	182 478	8 601	2 154
TL-SO-T 19-13	174 573	169 190	42 920	41 978	125 727	125 727	5 926	1 485
Total	427 944	414 747	105 213	102 903	308 205	308 205	14 527	3 639

The variation of production values was as follows²⁴:

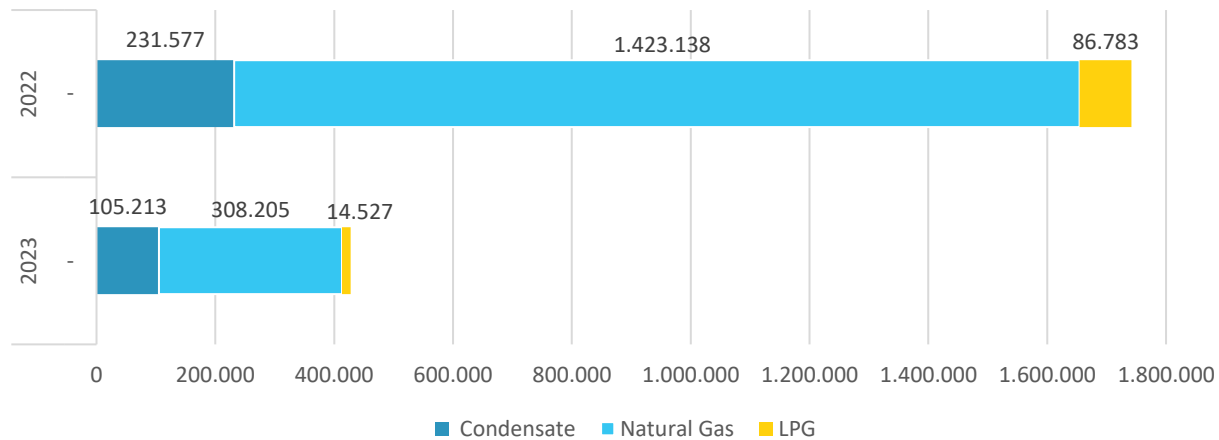
Table 3.11 Variation of Production Values between 2022 and 2023 in USD ('000)

Commodity	2023	2022	Variation	Variation (%)	2023; %	2022; %
Crude oil	-	-	-	-	-	-
Condensate	105 213	231 577	-126 364	-55%	24,59%	13,30%
Natural Gas	308 205	1 423 138	-1 114 933	-78%	72,02%	81,72%
LPG	14 527	86 783	-72 256	-83%	3,39%	4,98%
Total	427 944	1 741 498	-1 313 554	-75,43%	100%	100%

Figure 3.9 illustrates the breakdown of commodity production in USD terms. In 2023, the proportion of commodities produced remained consistent. Natural Gas (LNG) is the most significant commodity.

Figure 3.9 Production by commodity by USD, million

²⁴ Sources: Template provided by ANP with 2023 data



3.5 Revenue generated from Oil and Gas sector

In 2023 government revenue from the Oil & Gas sector decreased significantly compared to 2022. The amount reported as revenue, including receipts from subcontractors, totaled USD 426.7 million, representing a decline of USD 679.7 million (-61%) compared to the previous year. It is important to note that these figures reflect revenue as reported by the Petroleum Fund (PF) on a cash basis, rather than the actual revenue accrued during the year. The reconciliation method applied in this report is explained below.

Additionally, tax revenue fell by 89% (USD 437,2 million) due to substantial drop in Corporate Income Tax and Annual APT receipts.

Table 3.12 Revenue from Oil&Gas sector, (USD million)

Revenue	2023	%	2022	%	Variation	%
Tax revenue	54.6	13%	491.8	35%	-437,2	-89%
Royalties and Profit Oil	366.8	86%	611.7	65%	-244,9	-40%
Other fees	5.3	1%	2.9	0%	2,4	84%
Total	426.7	100%	1 106.4	100%	-679,7	-61%

The ANP annual report includes revenue from Profit Oil and FTP received from contractors. However, based on ANP's clarification, portion of these amounts correspond to petroleum product sales from 2022 that were transferred to the Petroleum Fund at the beginning of 2023. For example, the cutoff amount of USD 308.42 million, reported as ANP's Royalties and Profit Oil revenue in 2023, relates to Q4 2022 production. Additionally, USD 31.26 million accrued in 2023 was only transferred to the Petroleum Fund in July 2024.

Therefore, the true state of Royalties and Profit Oil revenue in Timor-Leste, when considering the cutoff amount in the period it accrued is USD 89.63 million, calculated as: USD 366.79 million (2023 revenue) minus USD 308.42 million (2022 cutoff), plus USD 31.26 million (2023 cutoff). By comparison, 2022 the revenue totaled USD 534.4 million (i.e., USD 906 million – USD 371.6 million 2021 cutoff). This represents an 83% decrease from 2022 to 2023. This decline is consistent with the decline in oil and gas production, which dropped from 16.8 million barrels of oil equivalent (BOE) in 2022 to 6.8 million BOE in 2023.

The operator's royalties and profit shares are collected by ANP, as the regulatory authority for the petroleum activities in Timor-Leste. The Petroleum-related taxes are paid directly by the contractor into the Petroleum Fund. These taxes are administered by the Direção Nacional de Receitas Petrolíferas (DNRP) of the Taxation Authority under the Ministry of Finance, while the Banco Central de Timor-Leste (BCTL) is responsible for maintaining the books of account for the Petroleum Fund on behalf of MoF.

Table 3.13 presents the petroleum-related receipts reported by the government's designated authorities in the EITI templates during 2023. A reconciliation between the data from the Petroleum Fund Annual Report and the government's templates is provided further along in the report.

Table 3.13 Revenues reported by Government's Authorities in 2023, (USD million)

	2023	2022	Variation	Variation (%)
Revenues generated from Oil & Gas extractive activities (Contractors):	141.8	1 390.5	-1 248.7	-90%
Direção Nacional de Receitas Petrolíferas (DNRP) receipts	41.82	479.7	-437.9	-91%
Autoridade Nacional do Petróleo (ANP) receipts - Royalties and O&G profits	89.63	906.0	-816.4	-90%
Autoridade Nacional do Petróleo (ANP) receipts – Other fees	4.99	4.8	0.2	4%
Banco Central de Timor-Leste (BCTL) receipts	5.3	0.0	5.3	100%
Revenues generated from Oil & Gas related activities (Subcontractors):	8.30	10.5	-2.2	-21%
Direção Nacional de Receitas Petrolíferas (DNRP) receipts	8.30	10.5	-2.2	-21%
Total revenues generated from Oil & Gas Sector	150.07	1 401.0	-1 250.9	-89%

Reconciliation Between the 2023 Petroleum Fund Annual Report and Government-Submitted Data

The purpose of this report is to ensure full transparency in disclosing company payments and government revenues from oil and gas. The initial objective was to determine the total amount of revenue attributed to the 2023 fiscal year. To support this, Table 3.14 summarizes revenues collected by government institutions during 2023.

Please note that, for consistency in reconciliation, all amounts presented in the tables have been rounded to the nearest million.

Table 3.14 Revenues associated to 2023 operations collected by government institution, (USD million)

Government institution responsible for revenue collection	Actual Revenues
Total Tax Revenue Reported by MoF	50.12*
Total Non-Tax Revenue reported by ANP	89.63*

Government institution responsible for revenue collection	Actual Revenues
Total Non-Tax Revenue reported by ANP - Other fees	4.99*
Total Other (pipeline) fees reported by BCTL - Pipeline fees	5.33
Total revenue reported by GoV entities	150.07
Adjustments for reconciliation purpose with PF report related to the ANP's fees and interests	-0.53**
Total O&G revenues reported by GoV Entities	149.54

Notes: *From the data that ANP provided to EY, the amount of USD 4,99 million is related to annual fees paid by the Contractor. For the payment of fees, the Contractors transfer directly to Petroleum Fund, except the fees from Sunrise PSC (USD320,000), which are recognized as Designated Authority's revenue per the Annex B of Maritime Boundary Treaty. However, the Petroleum Fund recorded these fees as tax revenue under Article 6.1(a) in their Annual Report for 2023.

** For reconciliation purposes with the Petroleum Fund, certain payments were found to be duplicated under Article 6.1(a) due to a misallocation of other fees. As a result, an adjustment was made to remove fees totaling USD 0.53 million from the Petroleum Fund accounts, consisting of:

- Removal of duplicated fees: USD 40,292.83 (ENI JPDA 11-106 BV Branch), USD 75,523.29 (ENI Timor Leste S.P.A), and USD 94,527.96 (Timor Gap Pualaca Block Unipessoal). These amounts were initially reported by the Tax Office under the category of tax; however, based on details provided by ANP, the Tax Office confirmed that these amounts relate to fee payments, not taxes. Those amounts were adjusted during the reconciliation process (see section 10.2.2).
- Exclusion of USD 320,000 from other fees, which was not recorded in the PF accounts (see explanation above*).

Based on government-submitted data, the total revenue from petroleum operations in 2023 was USD 149.54 million. To ensure accuracy and reliability, this figure was reconciled with the Petroleum Fund Annual Report.

The Petroleum Fund Annual Report stated that the total revenue collected from petroleum in 2023 was USD 426,70 million. The revenues included USD 54.58 million in petroleum taxes and USD 366.79 million in royalties and profit from oil and gas, and USD 5.3 million of other pipeline fees. These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law, respectively.

As was mentioned above, since amount of revenue on the Petroleum Fund Annual report was reported on a cash basis, the additional cutoff adjustments from ANP (cash transfers that were reported in a different period) was taken into account. The reconciliation details are presented in Table 3.15.

Table 3.15 Petroleum Fund revenue reconciliation in 2023, (USD millions)

Petroleum Fund Annual Report 2023	Amount
Article 6.1 (a) receipts	54.58
Article 6.1 (b) receipts	366.79
Article 6.1 (e) receipts	5.33
Amount reported by Petroleum Fund	426.70

Cash ANP 01-01-2023	-308.42*
Cash ANP 31-12-2023	31.26**
Revenues reported by Petroleum Fund - Reconciled	149.54

Notes: *The opening balance was distributed to Petroleum Fund at the beginning of 2023.

**Due to the uncertainty and sharp decline in Bayu-Undan field production, ANP withheld cash from profit oil and gas, rather than distributing it to the Petroleum Fund of the Central Bank of Timor-Leste, to allow for potential refunds in case of overpayment. In addition, this approach is presented, to ensure that ANP, as parties to the PSCs comply with the provision under the PSCs. However, in July 2024, as the final adjustment for 2023 is made, the withheld amount of USD 31,26 million was subsequently distributed to the Petroleum Fund.

Tax and Non-Tax Revenue Disclosure

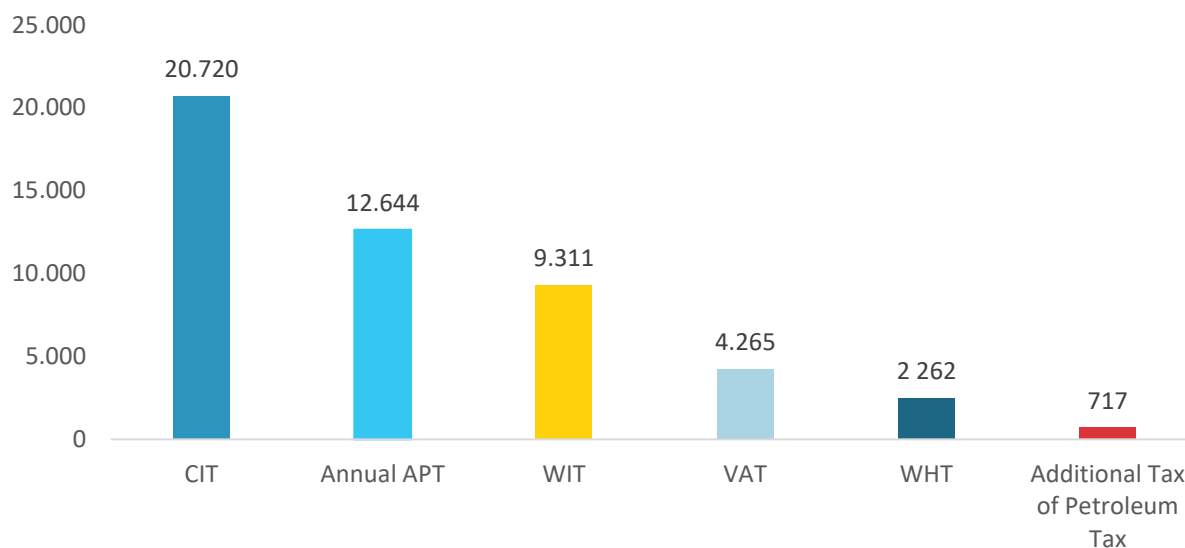
The 2023 EITI Standard mandates the disclosure of government revenues in accordance with Requirement 4.1 (Comprehensive Disclosure of Taxes and Revenues) and Requirement 4.7 (Level of Disaggregation).

Following the high-level validation exercises outlined above, we have confirmed the consistency of the disclosed data presented in the Petroleum Fund report and by government entities. Accordingly, the information below summarizes tax and non-tax payments related to the 2023 fiscal year.

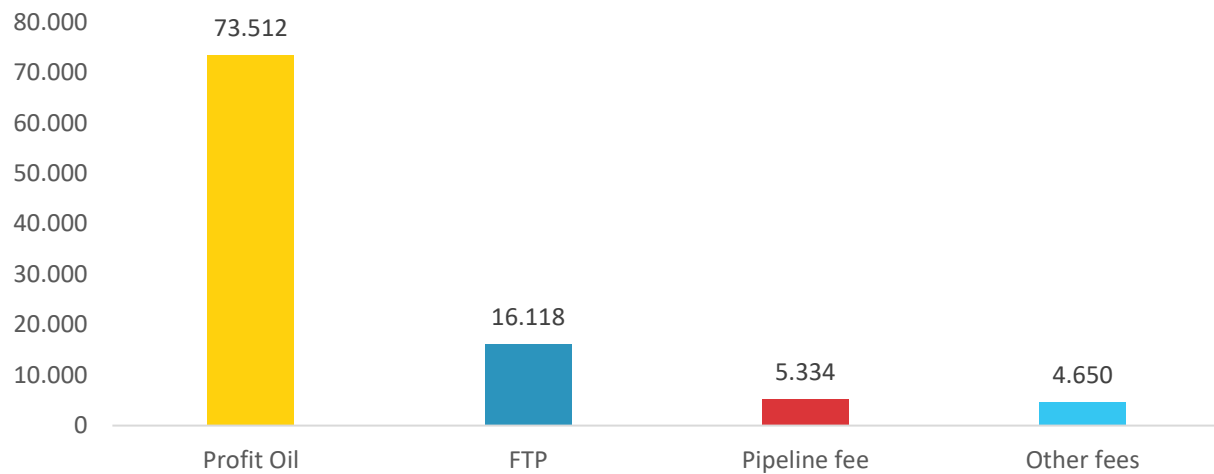
To complement the report in line with Requirement 4.1, these payments will be subject to a reconciliation process to ensure the reliability of financial information disclosed for the oil and gas sector.

Figures 3.10 below describe the tax revenue. The most significant Tax Revenue in 2023 is Corporate Income Tax, followed by the Annual APT. The composition of tax revenue has remained the same compared to 2022.

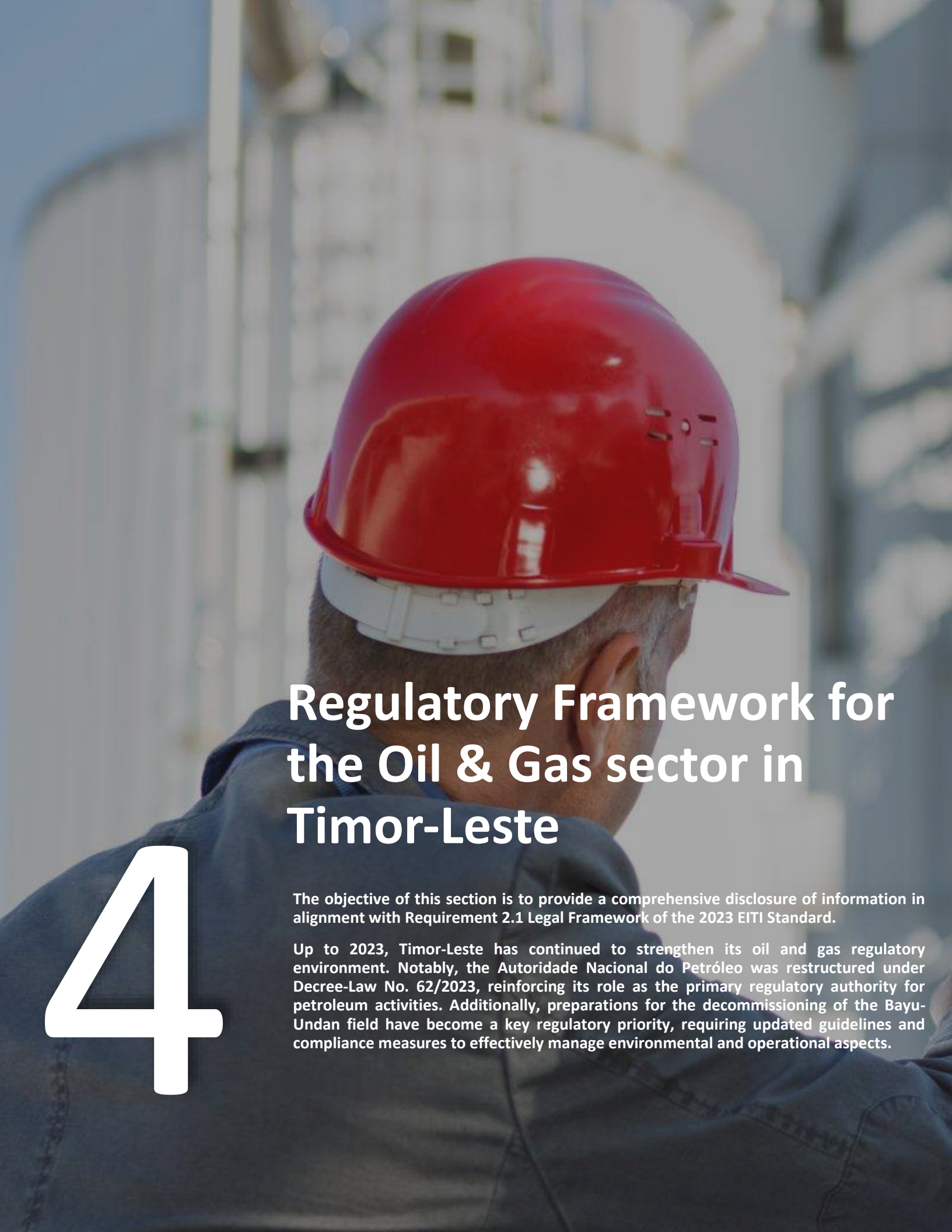
Figure 3.10 Tax Revenue for 2023 (USD'000)



Profit Oil has been the main source of non-tax revenue for the Petroleum Fund. The First Tranche Petroleum (FTP) and various fees, such as contract services and development fees, also contribute to the Petroleum Fund, as shown in Figure 3.11. Due to the immateriality of individual amounts of these fees, the Development Fee, Contract Services Fee, Surface Rental Fee, and Seismic Data Fee have been aggregated under the category "Other Fees."

Figure 3.11 Non-Tax Revenue for 2023 (USD'000)

The collection of tax and non-tax payment data, disaggregated by taxpayer including contractors and subcontractors within the extractive industry forms an essential component of this report. This information will be disclosed and reconciled in Section 10 of the current report, taking into account the established materiality threshold.

A worker wearing a red hard hat and a dark blue shirt is seen from the back, looking towards an industrial facility with large white storage tanks and metal structures. The background is slightly blurred, emphasizing the worker and the title.

Regulatory Framework for the Oil & Gas sector in Timor-Leste

4

The objective of this section is to provide a comprehensive disclosure of information in alignment with Requirement 2.1 Legal Framework of the 2023 EITI Standard.

Up to 2023, Timor-Leste has continued to strengthen its oil and gas regulatory environment. Notably, the Autoridade Nacional do Petróleo was restructured under Decree-Law No. 62/2023, reinforcing its role as the primary regulatory authority for petroleum activities. Additionally, preparations for the decommissioning of the Bayu-Undan field have become a key regulatory priority, requiring updated guidelines and compliance measures to effectively manage environmental and operational aspects.

4. Legal framework for the Oil and Gas sector in Timor-Leste

Timor-Leste's oil and gas sector has been a critical pillar of the national economy since the restoration of sovereignty in 2002. The regulatory framework governing this sector has evolved significantly over time, shaped by geopolitical developments, international negotiations, and domestic legal reforms. This section of the Report aims to present a comprehensive overview of the business context for the extractive industries in Timor-Leste, establishing the basis for a correct understanding of the sector information through an overview of the industry's institutions and relevant laws and regulations.

4.1 The sector's institutional framework – ANP and Petroleum Fund

The institutional framework governing the oil and gas sector in Timor-Leste comprises key government entities:

- **Autoridade Nacional do Petróleo (ANP):** Responsible for administering, supervising and regulating petroleum activities both offshore and onshore in Timor-Leste areas under Timor-Leste's jurisdiction.
- **Petroleum Fund:** A sovereign wealth fund established under Law No. 9/2005 to manage the petroleum revenues, ensure transparency, and support long-term fiscal sustainability (see section 4.4). It is not itself an institution. The Ministry of Finance is responsible for the overall management of Fund, while Banco Central de Timor-Leste acts as the operational manager.

Notable, the regulatory landscape of the oil and gas sector in Timor-Leste has undergone significant transformations, particularly with the establishment of Autoridade Nacional do Petróleo (ANP), previously known as the Autoridade Nacional do Petróleo e Minerais (ANPM). Below is the outline of the key changes that have shaped ANP's current operational framework, highlighting the implications of these transformations for the management of Timor-Leste's valuable petroleum resources.

Regulatory transformations of ANPM prior to Decree-Law No. 62/2023: From foundation to reform

The ANPM was established by Decree-Law No. 1/2016 on February 9, amending Decree-Law No. 20/2008 of June 19. This amendment recognized the ANPM as the authority for administering and regulating petroleum and mining activities in Timor-Leste's territorial waters, including the Joint Petroleum Development Area (JPDA), in accordance with the Timor-Leste Petroleum Activities Law, the Timor Sea Treaty, and the Mining Code.

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

After Resolution No. 15/2019, the ANPM's authority expanded to include the Greater Sunrise Special Regime Area and the former JPDA, which became exclusively under Timor-Leste's jurisdiction. The former ANPM manages and regulates petroleum and mining activities within Timor-Leste's Exclusive Jurisdiction, including:

- The Timor-Leste Petroleum Activities Law, amended by Law No. 1/2019 and Law No. 6/2019;
- Resolution No. 15/2019, amending the Timor Sea Treaty;
- New legislation following the rectification of the Maritime Boundary Treaty in August 2019;

- The Petroleum Mining Code and related legal frameworks for the Greater Sunrise Special Regime Area.

The ANPM is responsible to oversees the regulation and management of upstream petroleum activities, ensuring compliance with health, safety, and environmental standards. The ANPM is also mandated to regulate downstream petroleum activities, including the supply, processing, storage, transportation, trading, and marketing of oil and gas products. Additionally, it oversees mineral activities throughout the territory.

The objectives of the ANPM include:

- Ensuring effective exploration, development, management, and regulation of petroleum and mineral resources;
- Delivering economic benefits to contracting states;
- Maximizing employment opportunities for Timor-Leste nationals;
- Promoting organizational excellence;
- Ensuring adherence to best health, safety, and environmental practices;
- Regulating all downstream petroleum activities;
- Enhancing economic activities in the petroleum and mineral sectors.

Establishment of ANP and ANM: A new era in resource management

In 2023, Decree-Law No. 62/2023, enacted on September 6, marked a restructuring of the ANPM into two entities: the Autoridade Nacional do Petróleo (ANP) and the Autoridade Nacional dos Minerais (ANM). This division reflects the differing developmental stages of the petroleum and mineral sectors and aims to enhance regulatory efficiency.

The ANP retains the goals and responsibilities of the former ANPM, focusing on the oil and gas sector, while the ANM will regulate the mineral resources sector.

The ANP continues to manage and regulate both upstream and downstream petroleum activities in Timor-Leste and the Greater Sunrise Special Regime Area, as defined by the Maritime Boundary Treaty with Australia. Its responsibilities now also encompass:

- Supervision and regulation of Carbon Capture, Utilization, and Storage (CCUS);
- Management of hydrogen production, storage, transport, and marketing;
- Oversight of synthetic fuels and related activities.

The ANP remains committed to fulfilling its obligations under existing contracts and will notify all relevant parties of these changes.

4.2 Historical background of the regulatory framework

The current subsection presents an overview of the legal and institutional milestones that have defined the development and regulation of the petroleum sector in Timor-Leste pre-2019.

Timor Sea Treaty (TST)

Timor-Leste officially recovered its sovereignty on May 20th, 2002. On this day, the Timor Sea Treaty was signed between the Government of Timor-Leste and the Government of Australia, establishing the Joint Petroleum Development Area (JPDA) a defined area in the Timor Sea for joint petroleum development. The treaty did not determine the sovereignty and maritime boundary between the two countries.

The TST was formalized to provide a framework for petroleum exploration and exploitation, establishing a revenue-sharing model whereby Timor-Leste would receive 90% of the proceeds from petroleum resources, while Australia would receive 10%.

Petroleum operations within the JPDA were regulated through Production Sharing Contracts (PSCs) signed between extractive companies and the ANPM (ANP since September 2023), which was established as the sector regulator.

In 2005, the **Petroleum Activities Law (Law No. 13/2005)** was enacted to govern petroleum operations within Timor-Leste's area.

Specific agreements with Australia regarding Oil & Gas Exploration

In 2006, additional international agreements were signed between Timor-Leste and Australia to regulate specific maritime arrangements in the Timor Sea, including:

- 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 in this field.

Greater Sunrise and Former JPDA Area

A significant milestone occurred on August 27, 2019, with the ratification of the Maritime Boundaries Treaty through Resolution No. 15/2019 by Timor-Leste's National Parliament. This treaty has implications for ownership, jurisdiction, and management of oil resources in the Timor Sea. According to resolution, the JPDA area became 100% Timor-Leste Exclusive Jurisdiction and regulated by ANPM (ANP since September 2023), meaning that Timor-Leste receives 100% of the petroleum revenues. This Treaty also amends the Timor Sea Treaty and the International Unitization Agreement by defining a new provisional geodesic line in the Greater Sunrise Area.

The Maritime Boundaries Treaty enhances Timor-Leste's position regarding the management of oil resources in Greater Sunrise. Instead of the 50% share stipulated under the Certain Maritime Arrangements in the Timor Sea (CMATS) of 2006, Timor-Leste receive 70% of upstream revenue if the pipeline leads to an LNG processing plant in Timor-Leste, or 80% of upstream revenue if the pipeline leads to a facility in Australia. Timor-Leste, Australia, and the participants in the joint venture continue to negotiate the development plan for Greater Sunrise.

Following the Maritime Boundaries Treaty, all PSCs and fiscal terms under the JPDA or Australian jurisdiction were entirely transitioned to Timor-Leste's regulatory framework and the Greater Sunrise Special Regime Area in accordance with Annex B of the Maritime Boundaries Treaty.

4.3 Timor-Leste Area legislation

Timor-Leste Area refers to the Territory of Timor-Leste as defined by the Petroleum Activities Law (Law No. 13/2005, of 2 September 2005, as amended by Law No. 1/2019, of 18 January 2019, and by Law No. 6/2019, of 4 December 2019) 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 ANP's mandate and the existing petroleum contracts is as follows:

Legislation

- Petroleum Activities Law (No.6/2019 of 4th December 2nd amendment of Law no. 13/2005, of 2nd September);
- Public Tendering in Respect of Petroleum Contracts Award (Decree Law No.7/2005);
- Downstream Activities (Decree Law No.1/2012);
- Decree-Law on Offshore Petroleum Operations in Timor-Leste (Decree Law No. 32/2016);
- Resolution No. 15/2019 of 27th August on Ratification of the Maritime Boundaries Treaty between Australia and Democratic Republic of Timor-Leste;
- Law no. 4/2019 of 27th august on Labour and migration special regime applicable to the Bayu-Undan project;
- Government Resolution No.23/2019 of 27th August;
- Government Resolution No.24/2019 of 28th August;
- Decree-law no. 24/2019 of 27th august on transition of petroleum titles and regulation of petroleum activities in the Bayu Undan field;
- Decree-Law No.25/2019 of 27th August on Transition of Petroleum Titles and Regulation of Petroleum Activities from the Joint Petroleum Development Area;
- Decree-Law No. 26/2019 of 27th August on Transition of Petroleum Titles and Regulation of Petroleum Activities in the Buffalo field;
- Decree-Law on Onshore Petroleum Operations in Timor-Leste (Decree Law No. 18/2020);
- Decree-Law No. 62/2023 of 6th September 3rd amendment of Decree-Law No. 20/2008 of 19th June;
- Decree-Law No. 25/2023 on the Carrying out of Decommissioning Activities in the Bayu-Undan Field.

Below is a summary of the key provisions of the laws referenced above. For access to the full official texts, please consult the ANP website²⁵.

Law N°13/2005 - Petroleum Activities Law

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.

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

²⁵ Source: [Timor-Leste Territory – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

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

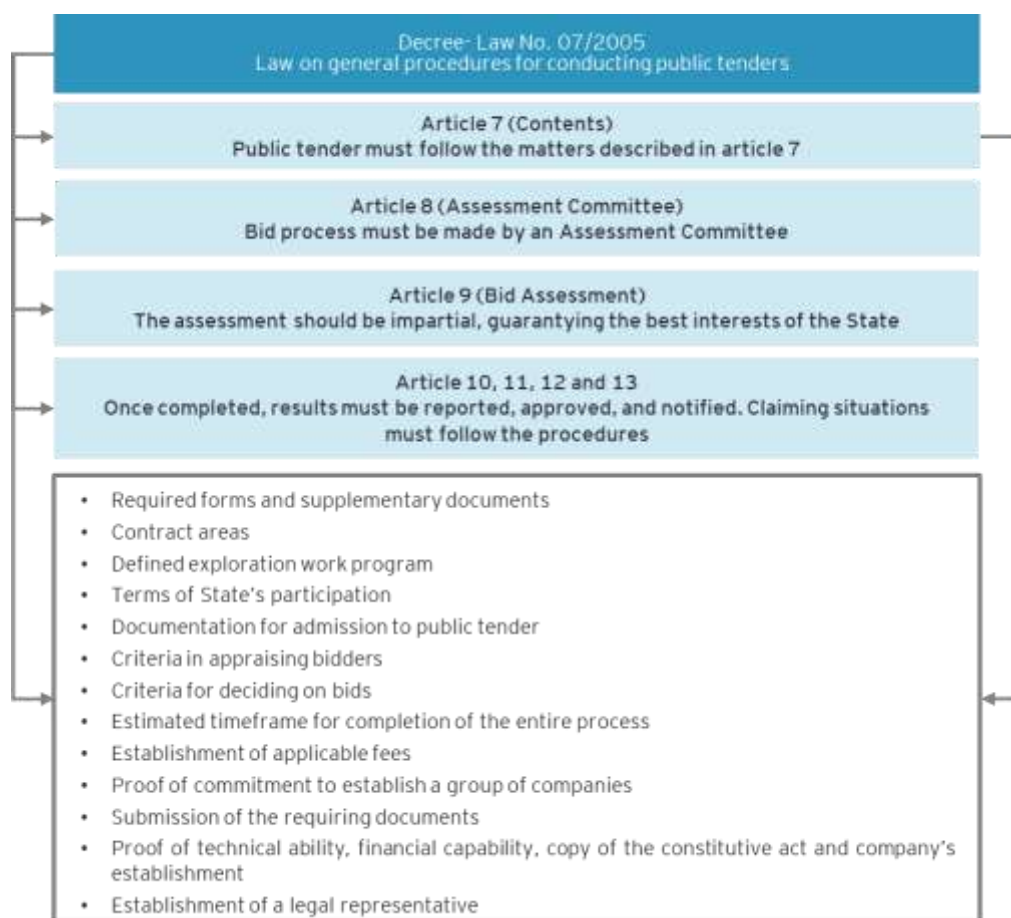
Law No. 6/2019, of 4th December (Law on Petroleum Activities) stipulates that the granting of authorizations, including the award of petroleum contracts, be preceded by a public tender. This Law has established principles aiming to provide as many benefits to Timor-Leste and its population as possible,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

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

Decree Law No. 7/2005 establishes the conditions on how the Ministry will proceed on authorizing petroleum activities. It defines the State's role and participation in these activities, as well as the manner in which they are conducted. The legislation also emphasizes transparency and public access to information, explicitly stating that the dissemination of misleading information will be subject to penalties.

The companies and/or groups of companies shall be selected based on submitted bids, and the public notice issued by the Minister of Petroleum and Mineral Resources, regarding the relevant public tender. The Minister is responsible for overseeing the entire bidding process and for granting prospecting authorizations.

Figure 4.1 Law No. 07/2005 - summary



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

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

The law is guided by a set of key principles outlined in Article 5, which include:

- Prior licensing by the ANPM (ANP since September 2023);
- Maximizing Timor-Leste’s participation;
- Ensuring technical and economic capability of licensees;
- Neutrality and non-discrimination;
- Transparency and access to non-confidential information;
- Fair market competition; compliance with environmental and safety standards; and
- Universal availability of fuels and lubricants.

These principles aim to foster a competitive, safe, and inclusive downstream sector.

A critical operational component of the law is the licensing regime, which is detailed in Chapter III. Article 9 specifies the minimum requirements for companies seeking to engage in downstream activities. These include legal incorporation under Timorese law; a minimum share capital as defined by ANP regulations; demonstrated organizational and financial capability; compliance with environmental and occupational health and safety laws; a local operational office; and a minimum 5% ownership by Timorese citizens or state entities.

Decree Law No. 32/2016 Offshore Petroleum Operations in Timor-Leste²⁶

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. This Decree-Law applies to all petroleum operations with respect to offshore Petroleum resources conducted under the Petroleum Activities Law including transportation and storage of crude oil and natural gas with direct impact on any reservoirs.

Resolution No. 15/2019 of 27th August on Ratification of the Maritime Boundaries Treaty between Australia and Democratic Republic of Timor-Leste

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 Area of the Greater Sunrise, Australia and Democratic Republic of Timor-Leste have the title 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 Fields²⁷:

- 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

²⁶ Source: <https://www.anp.tl/wp-content/uploads/2018/08/Decree-Law-Offshore-Petroleum-Operations-in-Timor-Leste-EN-CLEAN.docx> 27.09.2016.pdf

²⁷ 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>

- 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.

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

As such:

- I. ANPM (ANP since September 2023) 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.
- II. 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.
- III. 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.

Figure 4.2 Specific agreements with Australia: Maritime Boundaries – Parliament Resolution 15/2019²⁸

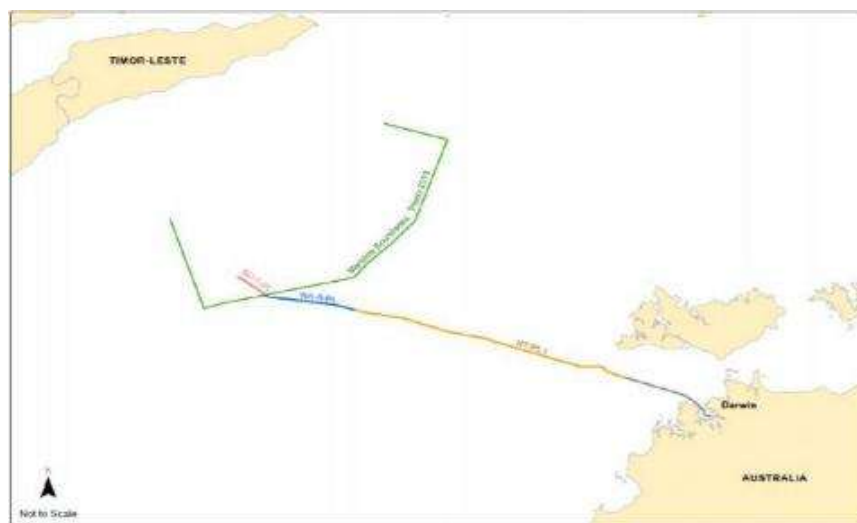
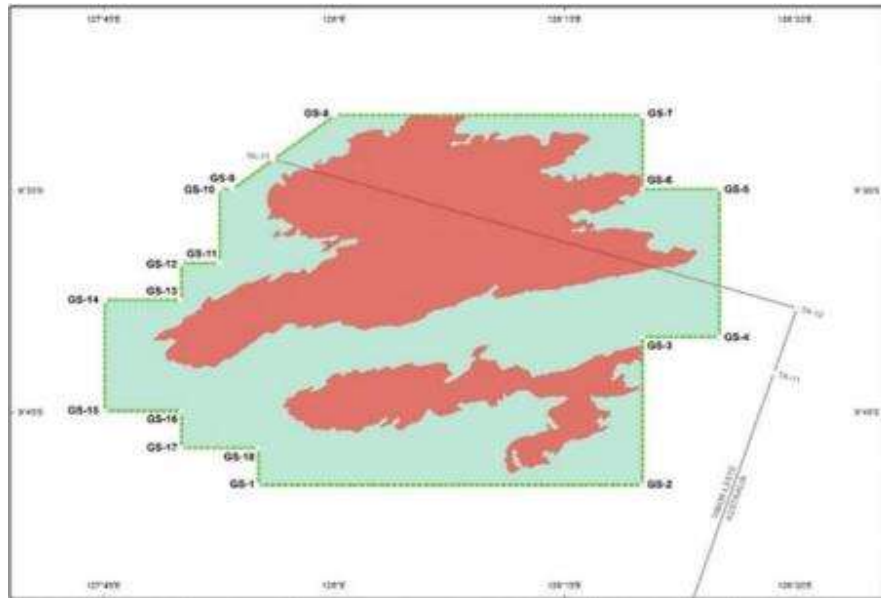


Figure 4.3 Specific agreements with Australia: Maritime Boundaries – Parliament Resolution 15/2019²⁹

²⁸ Source: <http://www.anpm.tl/wp-content/uploads/2019/09/Resolução-do-Governo-No-22-2019-de-27-de-Agosto.pdf>

²⁹ Source: <http://www.anpm.tl/wp-content/uploads/2019/09/Resolução-do-Parlamento-Nacional-No-15-2019-de-27-de-Agosto.pdf>



Law no. 4/2019

Law No. 4/2019 establishes a special labour and migration regime for the Bayu-Undan oil and gas project, following the ratification of the maritime boundary treaty between Timor-Leste and Australia. The law introduces a dual labour regime and a streamlined migration system for offshore personnel. Timorese workers engaged in offshore activities are subject to Timor-Leste's labour law, while foreign workers may operate under the laws of their country of origin or a mutually agreed framework. Article 2 outlines this distinction, emphasizing that "workers involved in support activities from Timor-Leste's territory are subject to Timor-Leste's labour law, regardless of nationality." Article 5 allows rotational work schedules of up to four weeks, with specific limits on working hours and provisions for overtime compensation. Article 3 mandates that health and safety standards must align with international petroleum industry benchmarks, and Article 6 requires companies to maintain insurance coverage for Timorese workers. Migration procedures are simplified through the creation of three visa categories—Work Visa, Temporary Stay Visa, and Short-Term Bayu-Undan Visa—outlined in Articles 13 and 14. It establishes the ANPM (ANP since September 2023) as the supervisory body responsible for enforcing labour standards, health and safety protocols, and migration procedures.

Government Resolution No.23/2019 of 27th August

Government Resolution No. 23/2019 of 27 August formally approves the Memorandum of Understanding (MoU) between the ANPM (ANP since September 2023) of Timor-Leste, the Australian Commonwealth Department of Industry, Innovation and Science, and the Australian National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). This MoU establishes a framework for cooperation between regulatory authorities concerning the Bayu-Undan Gas Field and Pipeline, in alignment with the implementation of the Maritime Boundaries Treaty signed in 2018 between Australia and the Democratic Republic of Timor-Leste.

The resolution serves as a legal instrument to facilitate bilateral cooperation, recognizing the MoU as an annexed and binding document. It highlights the importance of coordinated regulation of the Bayu-Undan Pipeline, which transports gas from Timor-Leste to Australia. As stipulated in Article 3(1) of Annex D of the Treaty, Australia retains exclusive jurisdiction over the pipeline, including for taxation purposes.

Concurrently, Article 2(6) mandates that both nations agree on regulatory arrangements to ensure the safe and efficient management of the Bayu-Undan Gas Field.

The MoU operates these treaty provisions by assigning NOPSEMA regulatory authority over the pipeline infrastructure, while ANPM (ANP since September 2023) retains oversight of upstream petroleum facilities. This cooperative framework is designed to ensure safety, efficiency, and environmental responsibility in the management of shared petroleum resources.

Government Resolution No.24/2019 of 28th August

Government Resolution No. 24/2019 was enacted to facilitate a smooth transition of the Bayu-Undan petroleum project to Timor-Leste's exclusive jurisdiction, following the ratification of the Maritime Boundaries Treaty with Australia. Its primary objective is to ensure regulatory continuity and operational stability throughout the transition period.

As part of this measure, ALTUS Oil & Gas Services, Unipessoal, LDA. was temporarily licensed as the Official Customs Broker for ConocoPhillips (was the contract operator for Bayu-Undan PSCs). This appointment respects existing contractual arrangements and aims to minimize operational disruptions.

The resolution is grounded in several legal and constitutional provisions, notably Article 14 of Law No. 13/2005, as amended by Law No. 1/2019, and Articles 115(e) and (o) of the Constitution of the Republic.

The key articles of the resolution include:

Article 1: Approves the appointment of ALTUS Oil & Gas Services as Despachante Oficial (Official Customs Broker) for ConocoPhillips, specifically for import and export activities related to the Bayu-Undan project. The appointment is explicitly limited to customs representation.

Article 2: Establishes that the approval becomes effective upon ratification and entry into force of the Treaty, and expires on 6 February 2022, ensuring alignment with the Treaty's transitional provisions.

Article 3: Clarifies that the approval is exclusively valid for customs activities related to Bayu-Undan, reinforcing the resolution's narrow and targeted application.

Decree-law no. 24/2019 of 27th August on transition of petroleum titles and regulation of petroleum activities in the Bayu Undan field

Decree-Law No. 24/2019 Establishes a special legal regime for petroleum activities in the Bayu-Undan field, specifically in the contract areas TL-SO-T 19-12 and TL-SO-T 19-13.

This legislation facilitates the transition of Production Sharing Contracts (PSCs) from the former Timor Sea Treaty regime to the jurisdiction of Timor-Leste. It ensures the preservation of contractors' rights and obligations under the previous PSCs, maintaining equivalent conditions with respect to fiscal terms, operational responsibilities, and regulatory compliance. All offshore petroleum operations within these areas are now subject to Timor-Leste's legal system, including transitional provisions and regulations issued by the ANPM (ANP since September 2023), the national regulatory authority.

The decree-law defines the structure and content of PSCs, outlining the rights to explore, develop, and produce petroleum, as well as the mechanisms for revenue sharing. It also specifies obligations related to environmental protection, operational safety, and data reporting. Furthermore, it establishes procedures for infrastructure approval, petroleum data management, and decommissioning activities.

Notably, Article 52 provides for regulatory stability, safeguarding contractors against adverse legal changes. Article 47 promotes regulatory cooperation with Australian authorities, particularly in relation to the Bayu-Undan pipeline.

Decree-Law No.25/2019 of 27th August

Decree-Law No. 25/2019 of 27 August 2019 on the Transition of Petroleum Titles and Regulation of Petroleum Activities from the JPDA establishes a special legal regime for petroleum operations in the designated contract areas TL-SO-T 19-10 and TL-SO-T 19-11 (previously covered by PSC-JPDA-06-105 (Kitan Field) and PSC-JPDA-11-106). It defines the scope of applicable rights, obligations, and regulatory oversight, including the conversion of existing production sharing contracts into new agreements under Timor-Leste's jurisdiction.

Decree-Law No. 26/2019 of 27th August

Decree-Law No. 26/2019 was enacted by the Government of Timor-Leste to regulate the transition of petroleum titles and operations in the Buffalo oil field, following the ratification of the maritime boundary treaty between Timor-Leste and Australia.

Among its key provisions, the decree-law authorizes the execution of a Production Sharing Contract (PSC) to replace the former Australian exploration permit WA-523-P. The PSC framework includes a six-year exploration phase, with optional extensions, followed by a 25-year development and production period. This structure is designed to ensure legal certainty and operational stability, thereby supporting long-term investment in the field.

A notable feature of the decree-law is its emphasis on local content and procurement. It requires the operator to prioritize Timorese suppliers for goods and services, provided they meet established standards and pricing criteria. The law also sets financial thresholds for contracts requiring ministerial approval and imposes detailed reporting obligations to promote transparency and regulatory compliance.

Decree Law No. 18/2020 Onshore Petroleum Operations in Timor-Leste³⁰

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.

³⁰ Source: [Decree-Law No. 18/2020, of 13 May](#)

Decree-Law No. 62/2023

Decree-Law No. 62/2023 of 6th September 2023, 3rd amendment of Decree-Law No. 20/2008 of 19th June, on the establishment of Autoridade Nacional do Petróleo, entrusted the same entity with, amongst 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.

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

Decree-Law No. 25/2023 on the Carrying out of Decommissioning Activities in the Bayu-Undan Field³¹

Decree Law No.25/2023, of 24th of May 2023 establishes a framework for decommissioning activities related to Bayu-Undan operations in Timor-Leste, focusing on protecting health, safety and environment. The decree aims to regulate the decommissioning of facilities and equipment related to oil and gas exploration, ensuring that activities are conducted in accordance with local standards. It assigns the territorial authority of Timor-Leste as responsible for overseeing and ensuring compliance with decommissioning activities. It emphasizes the need for compliance with local laws and environmental regulations during the decommissioning process and defines the responsibilities that companies have, including the submission of plans and reports on the activities carried out. The Contract Operator is required to remove all petroleum-related infrastructures after the end of production. The removal must comply with Article 22 of Decree-Law No.24/2019 and section 5.2(e) of the Production Sharing Contracts (PSCs), following international standards. A formal Decommissioning Agreement must be signed between ANP (ANPM until September 2023) and the Bayu-Undan Contractor, outlining the technical, financial, and environmental responsibilities of the contractor. Bayu-Undan contractors are also required to provide financial assurances to cover the costs of decommissioning, ensuring that the government is not left with the burden if the contractor fails to meet obligations.

4.4 Petroleum Fund

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

The Parliament of Timor-Leste established the legal framework for the Petroleum Fund through the Petroleum Fund Law No.9/2005 as of 3 August, which was amended by the Law No.12/2011 as of 28 September and Law No.2/2022 as of 10 February.

The Petroleum Fund Law:

³¹ Source: [Decree-Law No. 25/2023](#)

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

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

The Petroleum Fund is structured as an account held by the appointed operational manager, Banco Central de Timor-Leste (BCTL), the central bank of Timor-Leste. Figure 4.4 below shows the BCTL and the other institutions involved in the Petroleum Fund.

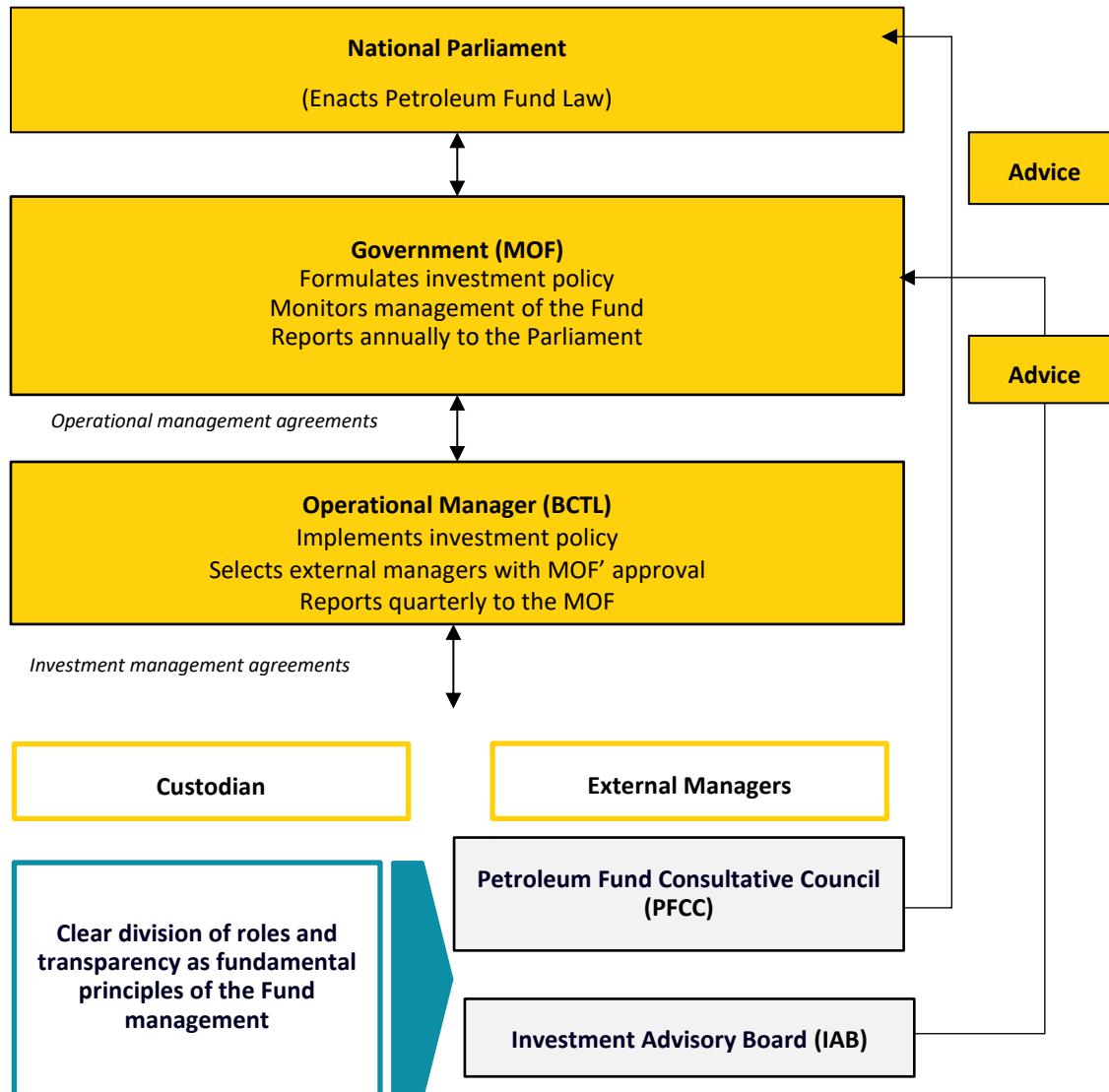
The National Parliament enacts the key parameters for the Fund in the Petroleum Fund Law. These include the objectives of the Fund, the roles of its institutions, its eligible investments, the guidelines for asset allocation, and the risk limits. Parliament supplemented the legal framework for the Petroleum Fund in 2019 by passing an amendment to the Petroleum Activities Law that allowed the Fund to invest in petroleum operations.

The Ministry of Finance is responsible for the overall management of the Petroleum Fund and the BCTL is responsible for the operational management. In accordance with a Management Agreement dated 12 October 2005 and amended on 25 June 2009 between the Ministry of Finance and the BCTL, BCTL is also responsible for maintaining the books of account for the Petroleum Fund on behalf of the Director General of Treasury.

The Minister of Finance is required by the Petroleum Fund Law to seek advice from the Investment Advisory Board (IAB) before making decisions on the Fund's investments and management. The IAB is an advisory board that provides non-binding independent and impartial advice upon the Minister's request or on the Board's initiative.

Lastly, the Petroleum Fund Consultative Council (PFCC) advises Parliament on the performance and operation of the Petroleum Fund, and on withdrawals from the Fund, including whether the transfers are being used effectively for the benefit of current and future generations.

Figure 4.4 Governance structure of the Petroleum Fund



Transparency is a fundamental principle governing the Fund, and the Petroleum Fund Law sets out the reporting requirements for each institution. The Petroleum Fund's reports are outlined in Table 4.1.

The Ministry of Finance is responsible for the publication of the Petroleum Fund's Annual Report. This includes the financial statements, which are compiled by the BCTL as Operational Manager, externally audited, and approved by the Director of Treasury at the Ministry of Finance. An internationally accredited auditor issues an audit report on the annual financial statements and statement of Petroleum Fund receipts. The Ministry of Finance also undertakes the ESI calculations, which are certified by an independent auditor and included in the General State Budget presented to National Parliament.

BCTL compiles quarterly performance reports to the Minister of Finance. The BCTL also reports to the Ministry of Finance on its internally managed mandates. The annual reports and quarterly performance

reports are provided to key stakeholders and are publicly available on the Ministry of Finance and the Central Bank's websites³².

Table 4.1 Petroleum Fund reports

Report	Responsible institution
Annual Report	Published by the Ministry of Finance along with the audited financial statements
Audited Annual Financial Statements	The BCTL compiles the accounts External auditor appointed by the Ministry of Finance Approved as true and fair by Director General of Treasury, Ministry of Finance
Quarterly performance reports – investment performance and financial	Compiled and published by the BCTL
Monthly reports – investment performance and financials	Compiled and published by the BCTL

Investment objective, ESI & Transfers

The Petroleum Fund Law provides for the State Budget to be financed by annual transfers from the Petroleum Fund. The Investment objective of the Petroleum Fund is to invest the Petroleum Fund's assets so that with a reasonable probability over the long term the Fund will be able to provide transfers to government at a sustainable level (Estimated Sustainable Income/ESI) while maintaining the real long-term value of the assets. The implied investment objective is to achieve a 3% real return. This aligns the investment policy with fiscal policy, as reflected in the ESI rule. However, the Petroleum Fund Law allows transfers above the ESI when justified by the Government and approved by the National Parliament.

The permanent fund framework has not been applied in practice since 2009, with governments deciding to front-load withdrawals rather than follow the ESI guideline. With low petroleum revenue, withdrawals need to be funded by selling Petroleum Fund assets. The Fund is projected to deplete until there are significant new inflows or a significant change in fiscal policy. The projected depletion of the Fund poses a challenge to the longer holding period required to be confident of earning a higher return from equities³³.

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

The following activities are expected to be implemented to strengthen the Petroleum Fund administration³⁴:

³² Source: The Ministry of Finance website: <https://www.mof.gov.tl/>. The Central Bank of Timor-Leste's website: <https://www.bancocentral.tl/en>

³³ Source: [Petroleum Fund Annual Report for the Fiscal Year of 2023.pdf](#)

³⁴ Source: [Timor-Leste Public Financial Management Reform Strategy 2022-2027](#)

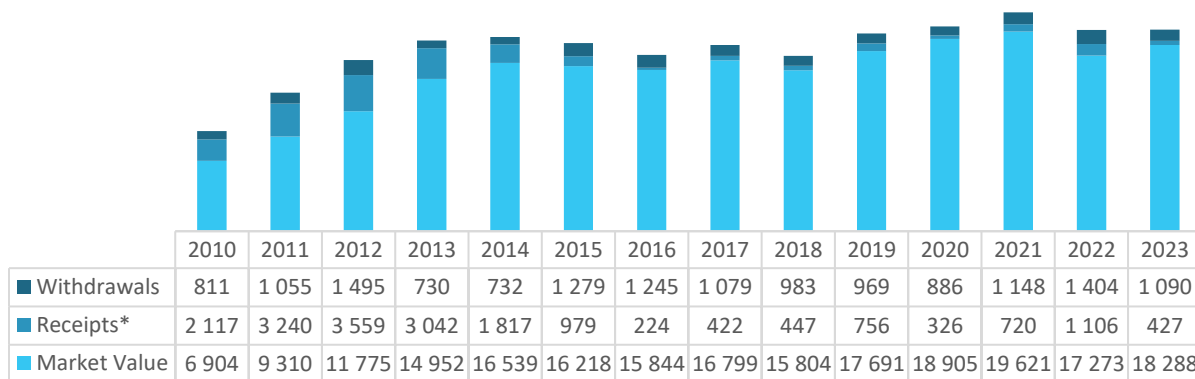
**The amounts presented for receipts considers petroleum tax, royalties, and profit Oil&Gas*

- a) Revision of PF regime on Investment Strategy. This activity is to adjust investment and withdrawal strategies in order to secure the sustainability of the Petroleum Funds.
- b) Increase the resources of Petroleum Fund Policy and Management Office (PFPMO). Officers working in this area should have their capacity strengthened to be able to manage petroleum wealth effectively and reduce dependence on international experts. Competency standards should be defined to ensure the recruitment process is merit-based.

Petroleum Fund Balance

The Fund's balance increased by USD 1,015.4 million in 2023 to end the year at USD 18,288.4 million. The balance of the Fund is determined by inflows from petroleum revenues, investment returns and outflows from Government withdrawals. The petroleum revenues contributed USD 426.7 million to the Fund, while the annual investment return was USD 1,678.7 million. A total of USD 1,090.0 million was withdrawn to finance the Government's expenditure. The following sections provide more details on each component.

Figure 4.5 PF movements in net assets, million USD



Petroleum Revenues

The Fund's petroleum revenue is a function of production and prices. Bayu-Undan is the only field in operation. It is a mature field that has experienced a natural decline in production due to lower pressure and water infiltrating into the reservoir. Its production peaked in 2012 and productivity has declined ever since. Infill drilling in 2018 and Phase 3C in 2021 allowed production to be extended, but there was a marked reduction in output in 2022 and 2023.

Table 4.2 Annual Petroleum Revenue, USD million

Year	Tax Receipts	Royalties & Profit Oil	Other receivables	Total Revenue
2010	920,2	1 190,0	7,0	2 117,2
2011	1 286,8	1 946,9	8,0	3 241,6
2012	1 612,5	1 937,7	8,9	3 559,1
2013	1 167,1	1 866,3	8,4	3 041,8
2014	752,1	1 057,5	7,3	1 817,0
2015	460,8	537,1	5,9	1 003,8
2016	90,5	127,1	6,2	223,9
2017	181,0	234,0	6,7	421,7
2018	260,0	244,0	6,1	510,1

Year	Tax Receipts	Royalties & Profit Oil	Other receivables	Total Revenue
2019	327,4	428,9	0,0	756,3
2020	145,5	164,6	16,1	326,2
2021	400,5	309,8	9,2	719,5
2022	491,8	611,7	2,9	1 106,4
2023	54,6	366,8	5,3	426,7

Reflecting lower production and prices, total petroleum revenues received during 2023 were USD 426.70 million, less than half of the previous year's revenues. The receipts were USD 300 million higher than the conservative estimates incorporated in the ESI in the original budget 2023, and similar to the estimates for the rectification budget 2023, which accounted for year-to-date inflows. The revenues were comprised of USD 54.6 million in petroleum taxes, USD 366.8 million in royalties and profit from oil and gas, and USD 5.3 million of other payments. These collections were in accordance with Articles 6.1 (a), (b), and (e) of the Petroleum Fund Law respectively (See section 3.5). Table 4.2 presents the annual petroleum revenue since 2010.

Santos is the operator of the Bayu-Undan Joint Venture. As of 2023, the exact timing of when production will cease is uncertain³⁵, although expected receipts are low. It is evident that the most majority of Timor-Leste's petroleum wealth from Bayu-Undan has already been realised. When combined with production from the smaller Kakatua and Kitan fields, total output since 2004 amounts to 954 million BOE, generating approximately USD 25.4 billion in cumulative petroleum receipts for the Petroleum Fund.

Petroleum Fund's investment performance

The Petroleum Fund's total return in 2023 was 9.99%. Excluding the loan to TIMOR GAP E.P., the return on financial market investments was 10.11%. The liquidity portfolio returned 4.25% aided by higher short-term interest rates. The growth portfolio returned 11.37%, comprised of the fixed interest return of 4.91% and the equity return of 23.67%. The Petroleum Fund's loan to TIMOR GAP E.P. returned 6.43% following the latest independent valuation.

The strong performance in 2023 helped to offset the significant losses recorded in 2022. The Fund's annualised return since inception increased to 4.27%, up from 3.95% at the end of 2022. Since 2005, the allocation to fixed interest, including liquidity and growth, has returned 2.11% per annum, while the equity allocation's annualized return is 9.97% per annum since the first investment in 2010. The corresponding return from fixed interest since equities were introduced in October 2010 is 1.16% per annum.

In real terms, after deducting US inflation, the Fund's annualized real return since inception stands at 1.76%. This is below the implied target of a 3% annual real return under the permanent fund model. The permanent fund model is no longer being followed because high withdrawals required reducing investment risk through segmentation of the fund.

³⁵ On June 13, 2025, ANP announced that Bayu-Undan production had ceased on June 4, 2025 ([BAYU-UNDAN CESSATION OF PRODUCTION – Autoridade Nacional do Petróleo, I.P.](#)).

4.5 Summary of the Payment Process

The figure below provides an overview of petroleum revenues flows from extractive entities and their subcontractors to the Government of Timor-Leste, which are ultimately deposited into the Petroleum Fund.

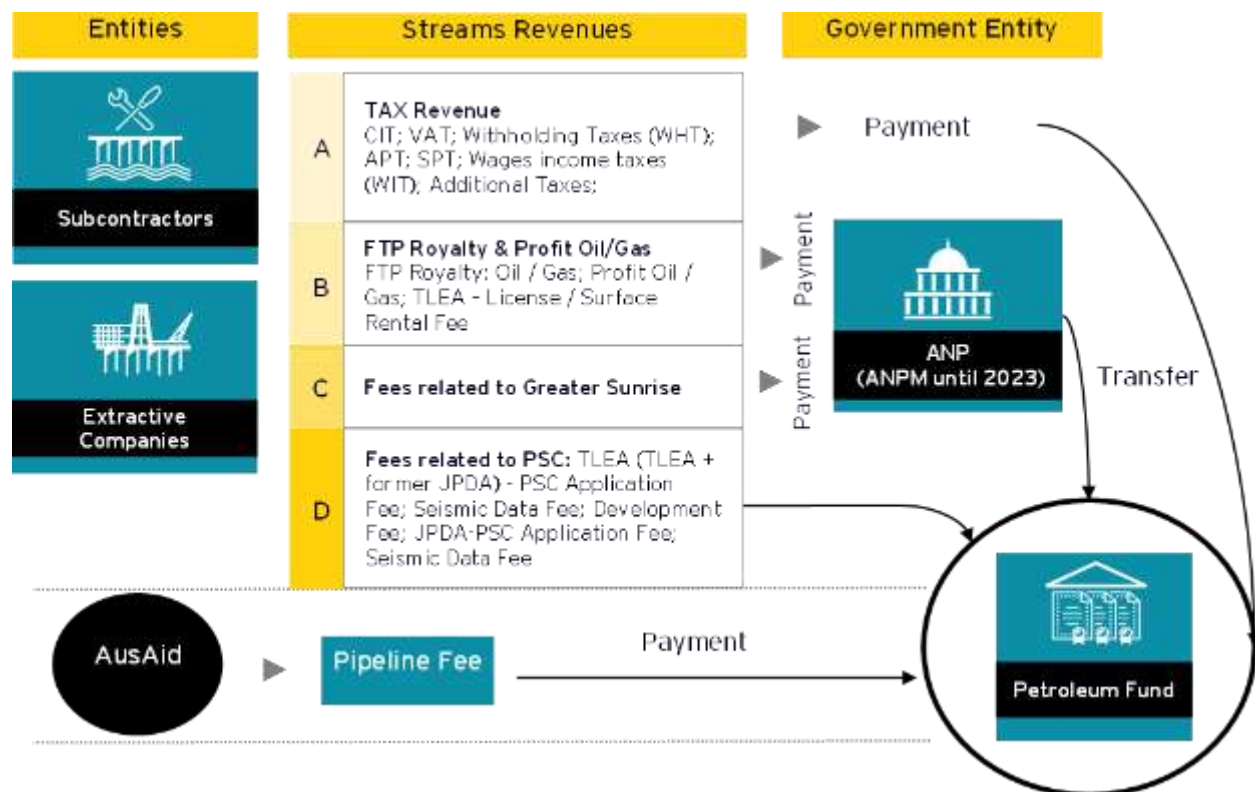
Petroleum related tax revenues, such as corporate income tax, withholding tax, wage income tax, and APT, are paid directly into the Petroleum Fund and administered by the Directorate of Petroleum Revenue (DNRP) under the Tax Authority, Ministry of Finance.

ANP (formerly known as ANPM until September 2023) act as the regulatory authority for the petroleum operations and collects the majority of non-tax petroleum revenues, including FTP/royalties, profit oil, license fees, surface rental fees, and PSC-related charges. Once collected, these revenues are transferred to the Petroleum Fund in accordance with Article 6.1(b&e) of the Petroleum Fund Law.

The figure also includes the pipeline fees formerly paid by AusAid and transferred directly to the Petroleum Fund in accordance with Article 6.1(e). These payments were discontinued after 2020.

As illustrated, the petroleum sector operates largely offshore with minimal domestic value chain linkages. Production is carried out entirely by foreign contractors, and the associated revenues flow offshore into the Petroleum Fund. The only channel through which petroleum wealth enters the domestic economy is through annual budget withdrawals that finance non-oil economic activity.

Figure 4.6 Components of petroleum revenues and payment process





Tax regime for Oil and Gas operations in Timor-Leste

5

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

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. Tax regime for Oil and Gas operations in Timor-Leste

5.1. Institutional framework for tax administration

Tax revenue administration is under the Ministry of Finance.

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

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

The National Directorate of Petroleum and Mineral Revenue (NDPMR-ATTL), under the Ministry of Finance, is responsible for administering and collecting taxes established by law. Its functions include processing, calculating, monitoring, and ensuring accounting, collection, control, reimbursement, declaration, and settlement of revenues from petroleum and mineral activities.

Significant investments in tax administration systems have been made over the past 20 years, and with recent upgrades involving a Standard Integrated Government Tax Administration System (SIGITAS-V3)³⁶. This platform enables taxpayers in the oil and gas sector to submit their tax returns by online. This digital service facilitates a more efficient and accurate tax filing process, aligning with the tax authority's commitment to modernize and streamline tax administration.

Oil and gas taxation in Timor-Leste

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

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

- i. The Greater Sunrise Special Regime Area – jointly managed of tax revenue by Australia and Timor-Leste in accordance with Annex B of Maritime Boundary Treaty:
- ii. Timor-Leste Exclusive area (TLEA) managed by Timor-Leste on Offshore and Onshore.

Timor-Leste operates a Production Sharing Contract (PSC) system and tax administering which the petroleum activities. 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 and Timor-Leste Exclusive Area (TLEA) with General tax law no.8/2008 under Chapter IX.

³⁶ Source: <https://attl.gov.tl/>

5.2 Tax legislation in the Territory of Timor-Leste

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

- UNTAET Regulation No. 2000/18 as Amendment;
- 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, approving the tax and duties Act. The specific changes introduced are:

- 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.

Tax Type Details

1. Corporate Income tax (CIT)

Income tax applies to Contractors and their Join venture at a rate of 30%.

2. Supplemental Petroleum Tax (SPT) applied in Timor-Leste Exclusive Area (TLEA) with 22.50%

3. Withholding tax (WHT)

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

4. Wages Income Tax (WIT)

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% (below USD 550) and 30% x amount wages (above USD 550) on gross Income of the resident employee's salaries or similar remuneration.

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

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

Indirect Taxes under TDA No. 8/2008 in Section 71:

1. Sales tax on import goods

Sales tax on import goods applies at a rate of 6%.

2. Import Duty

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

3. Designated service tax

Designated service tax is 12% (for hospitality, restaurant, hotel accommodations, etc. provided to a Contractor- please see the definition under the Taxes and Duties Act).

5.3. Former JPDA – Bayu-Undan & Greater Sunrise Fields

The applicable tax regime for these fields is as follows:

1. Bayu-Undan:

- UNTAET Regulation No. 18/2000 as Amendment
- 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

2. 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 as Amendment

3. Former JPDA – Bayu-Undan field

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.

1. Bayu-Undan tax regime details:

Corporate Income Tax (CIT)

- Corporate Income Tax to Contractor and Joint Venture Company 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.

Withholding tax (WHT)

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

VAT base on Law no. 11/1994

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) with tax rate 21.50%.

Wages Income Tax (WIT)

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

A non-resident flat WIT rate is $20\% \times 90\% = 18\%$ of the remuneration.

2. Greater Sunrise field tax regime details:

The Greater Sunrise Special Regime 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 in accordance with the Annex B of the MBT. Where the MBT requires both States and Greater Sunrise Contractor to discuss, negotiate and agree the taxation regime for Greater Sunrise. The negotiation is currently ongoing and to be formalized upon the completion of the negotiation. Notwithstanding the ongoing negotiation processes, the following information is presented to furnish the taxation regime for Greater Sunrise under Timor-Leste legislation exists as of August 30th, 2019.

Corporate Income Tax (CIT)

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

VAT base on law no. 11/1994

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 (WHT)

Various withholding tax rates will be applied on gross Income of Goods and Services (WHT) for Subcontractors and other suppliers providing services in petroleum activities Great Sunrise Special Regime future.

Wages Income Tax (WIT)

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

For resident employees, WIT applies at progressive rates of 10%, 15%, and 30% on gross income from salaries or similar remuneration.

For non-residents, the flat WIT rate is $20\% \times 90\%$, resulting in an effective rate of 18% of the remuneration. This is in accordance with UNTAET Regulation No. 1999/1, dated 25 October, which refers to Income Tax Law No. 10/1994.

3. Former JPDA – other than Bayu Undan tax regime details:

The tax regime applicable to petroleum operations undertaken in the former JPDA (Kitan PSC TL-SO-T 19-10 and Kkanase PSC TL-SO-T 19-11) other than Bayu Undan and Greater Sunrise, are also subject to a 90% basis due to the TST.tax regime applicable in Timor-Leste.

Tax regime in other fields of former JPDA:

- Maritime Boundaries Treaty (MBT)
- UNTAET Regulation No. 2000/18 as Amended
- Duties Act on Law No. 8/2008 first Amendment by Tax Law No.5/2019
- Referring to VAT Law no. 11/1994 based on Tax law No.5/2019

Corporate Income tax (CIT)

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

Withholding tax (WHT)

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

Wages Income Tax (WIT)

Employees providing services in respect of petroleum activities in the former JPDA are subject to WIT in Timor-Leste on their remuneration. The rate of TL WIT applicable to employees who are residents of Timor-Leste is 10% (below USD 550) and 30% x amount wages (above USD 550) on gross Income of the resident employee's salaries or similar remuneration.

A monthly tax credit of USD 10 is also applied to resident employee who is a natural person. In the case of an employee who is a non-resident the flat WIT rate is 20% of the remuneration.

Supplemental Petroleum TAX (SPT)

TLEA Contractors are also subject to a Supplemental Tax (SPT), which is payable by contractors on upstream profits in Timor-Leste. This tax applies to contractors with positive accumulated net receipts from petroleum operations for that year and represents a rate as of 19.8%.

Vat referring to the Law no. 11/1994 based on MBT under TDA 1st amendment in Section 71.1

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

6

Overview of Timor-Leste's mining sector

Timor-Leste has already (through Ministerial Diploma) established 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) voluntarily, even if the sector is not deemed as material.

6. Overview of Timor-Leste's mining sector

6.1 The sector's institutional framework – AMN

As has already been mentioned, before 2023 the National Authority of Petroleum and Minerals served as the governmental body responsible for regulating and overseeing the mining sector in Timor-Leste, in compliance with the nation's Constitution and the Mining Code. However, in 2023, there was a strategic realignment of the oil and mineral resources sectors. The government enacted Decree-Law No. 63/2023 on September 6th and established the National Authority of Minerals (ANM) as the new, dedicated regulatory body for the mining sector.

As the Regulatory Authority for mineral sector, ANM is tasked to enforce compliance across all mining phases: Reconnaissance, Exploration and Evaluation, Development, Processing, Transportation, Commercialization and Mine Closure. Compliance enforcement is undertaken through monitoring and supervision to ensure the health and safety standards, environment protection, and local content requirements are fulfilled by the Mineral Rights Holders in conducting mining operations across the Territory of Timor-Leste.

In addition, Decree-Law No. 64/2023³⁷ introduced Murak Rai Timor, E.P. (MRT), a newly established state-owned mining enterprise. Since September 2023, MRT has become the leading public entity representing the State's interests in the mining sector. Its mandate includes conducting mining activities aligned with government policies and promoting the sustainable development of mineral resources.

As a new enterprise, MRT is actively pursuing projects targeting industrial minerals, base and precious metals, and critical minerals such as rare earth elements. MRT's portfolio aims to diversify Timor-Leste's mineral industry by offering services such as mine feasibility studies, resource estimation, production planning, and safety audits. By integrating advanced technologies for mapping and monitoring, MRT seeks to enhance productivity and safety standards.

To improve transparency and stakeholder engagement, MRT maintains an official website (<https://mrt.com.tl/>) showcasing its ongoing projects and initiatives. This platform serves as a resource for updates on exploration activities, project milestones, and strategic developments within the sector.

6.2 Legal framework of the Mining Sector

ANM is responsible for managing and regulating the mineral sector in the Territory of Timor-Leste, in accordance with its founding Decree-Law and Law No. 12/2021 of June 30th, the Mining Code (Mining Code). In addition, ANM is mandated to oversee environmental aspects in mineral sector, Article 31.1 (s) of Decree-Law no. 46/2023, which defines the Organic of the Nineth Constitutional Government, assigns the Ministry of Petroleum and Mineral Resources the power to oversee the licensing process and approve Environmental License for Petroleum and Mineral sectors. The responsibility is further supported under ANM's establishment Decree-Law and the Decree-Law No. 39/2022 of 8th June, the first amendment of Decree-Law No. 05/2011 of February 9th, on the Environmental Licensing and other Applicable Laws in Timor-Leste.

³⁷ Source: [Decree-Law No. 64/2023](#)

The applicable mining legislation includes³⁸:

- Ministerial Diploma No. 64/2016 of 16 November;
- Law No. 12/2021, June 30, Mining Code;
- Decree-Law No. 5/2011 Environmental Licensing;
- Ministerial Diploma No. 55/2022 of 16 November 2022;
- Government Resolution No. 35/2022;
- Decree-Law No. 63/2023 of 6th September Autoridade Nacional dos Minerais (ANM);
- Ministerial Dispatch 001/2024 of 16 February 2024.

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

In 2024, the Ministerial Dispatch No. 001/2024 was issued, delegating powers to ANM for the attribution of Mining Authorizations for Construction Materials and Mining Permits. This move aims to streamline the process and attract investments in the mining sector, contributing to the socio-economic development of Timor-Leste.³⁹

Ministerial Diploma No.64/2016 of November 16th

The Timor-Leste Ministerial Diploma No. 64/2016⁴⁰ 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.

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

1. Fees and Classification

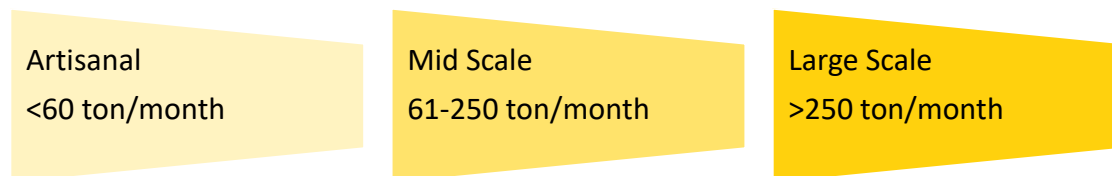
³⁸ Source: [Autoridade Nacional dos Minerais Timor-Leste, I.P.](#)

³⁹ Source: [Jornal da República - Despacho N.º 14/PGR/2024](#)

⁴⁰ Source: [Ministerial Diploma No. 64/2016](#)

The fees and classification for mineral licenses in 2016 were applied according to Ministerial Diploma No. 2/2014 of 19 February for the period up to November 2016. From December 2016 onward, Ministerial Diploma No. 64/2016 of 16 November has been in effect.

Figure 6.1 Classification of the artisanal, medium, and large-scale license fees



Licensee Fee – Art. 7

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

Table 6.1 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 exploitation fees applied to the value of **Construction Materials**, **Transformation Materials**, and **Ornamental Rocks** are established by this decree. The mining exploration fee according to total ton mined classification are as follows.

Table 6.2 Schedule of exploitation fees for mining activities under the ministerial decree

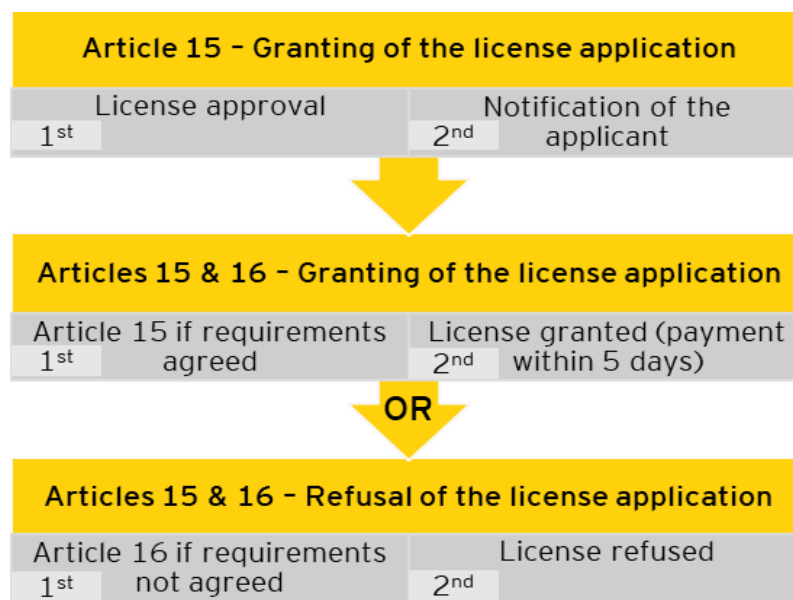
	CONSTRUCTION MATERIALS (in USD/ton explored)		TRANSFORMATION MATERIALS (in USD/ton explored)			NATURAL STONES (in USD/ton explored)	
	Others ?16mm	Sand (size =16mm)	Limestone	Clay	Plaster	Limestone, Granite and Marble	Other provided for in Article 28
Artisanal	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Medium scale	3.00	2.00	0.75	0.50	0.75	8.00	7D.00

	CONSTRUCTION MATERIALS (in USD/ton explored)		TRANSFORMATION MATERIALS (in USD/ton explored)			NATURAL STONES (in USD/ton explored)	
	Others ?16mm	Sand (size =16mm)	Limestone	Clay	Plaster	Limestone, Granite and Marble	Other provided for in Article 28
Large scale							

2. Licensing

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

Figure 6.2 Requirement for license application according to Article 15,16



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

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

Objectives of the Mining Code:⁴¹

⁴¹ Source: [Law No. 12/2021 30 of June Mining Code](#)

- 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, 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;
- Promote gender mainstreaming and combat discrimination in the industry;
- Ensure tax revenues for the State;
- Prevent illegal mining practices;
- Establish an efficient and transparent regime for granting mining rights;
- Encourage reinvestment in the country;
- Promote the use of national mineral resources.

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

Additionally, Article 150 mandates the government to publish annual reports on mining revenues, guaranteeing public insight into the economic gains from mining. Articles 160 and 161 outline dispute resolution mechanisms and transitional arrangements for pre-existing contracts, ensuring a seamless alignment with the new Code.

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

Ministerial Diploma No. 55/2022 of 16 November 2022

Ministerial Diploma No. 55/2022, dated November 16, 2022, is a legislative document that establishes administrative fees for the mining sector, in accordance with Article 152 of the Mining Code. The diploma was introduced to formalize the fees for obtaining and maintaining mineral rights, expanding concession areas, extending existing rights, and carrying out other administrative procedures under the Mining Code, which was ratified by Law No. 12/2021 on June 30, 2021.

It outlines the specific fees for services provided by public authorities in awarding and exercising mineral rights, as well as for accessing relevant mineral information and data. The diploma includes a table detailing the charges for these services.

Government Resolution No. 35/2022 of 16 December 2022

Government Resolution No. 35/2022 of 16 December 2022 approved the opening of areas for mining activities and established the terms of reference for the tender process to allocate mining rights for the exploration and production of construction materials in three concession areas.

In accordance with Article 116 of the Constitution, and Articles 8 and 10 of the Mining Code (ratified by Law No. 12/2021 on June 30), the resolution designates specific regions within the national territory—outlined in Annex I—for mining operations targeting industrial and construction materials. These activities are subject to the limitations set out in Article 58 of the Mining Code. The terms of reference for a competitive bidding process for mining rights allocation are also ratified, focusing on the exploration and

extraction of construction materials in three concession zones, as recommended by the Minister of Petroleum and Minerals and detailed in Annex II, with an emphasis on sand and gravel.

Ministerial Dispatch 001/2024 of 16 February 2024

The Ministerial Dispatch No. 001/2024, published in February 2024, assigns the ANM the responsibility to grant Mining Authorizations and Permits. This action aims to enhance the licensing process in the mining sector of Timor-Leste.

According to the Constitution and the Mining Code, the State is the owner of all mineral resources within the national territory. The Ministry of Petroleum and Minerals is tasked with managing and regulating these activities.

Key points of the dispatch include:

- **Delegation of Responsibilities:** The ANM is authorized to issue Authorizations for the exploration of construction materials, with restrictions on exportation and an annual production limit of up to 500,000 m³. The ANM is also empowered to issue Mining Permits.
- **Consultation Requirement:** Before issuing Authorizations and Permits, the ANM must consult with the Minister of Petroleum and Minerals, ensuring that decisions align with national policies.
- **Duration of Delegation:** The responsibilities delegated to the ANM will remain in effect until the dispatch is revoked, ensuring continuity in the management of mining activities.

This initiative represents a significant step towards attracting investments in the mining sector, contributing to the economic development of Timor-Leste while promoting sustainable management of mineral resources.

6.3 Mining activity in Timor-Leste

Timor-Leste's mining sector is small, but the country has recently taken steps to support growth in the industry, including conducting the first geophysical surveys in 2018 and enacting a new mining code in 2021 (Law No. 12/2021 of 30th June on the Mining Code) as previously discussed. Since the Launch of the first Mineral Tender in 2023, the government of Timor-Leste has granted a total of thirty-two (32) Concession Areas (CA) to Mineral Rights Holders, with nineteen (19) areas awarded to six (6) companies for Exploration and Evaluation activities, and an additional thirteen (13) areas allocated to four (4) companies for Reconnaissance, which enabled these Mineral Rights Holders to carry out detailed studies and preliminary surveys aimed at identifying and assessing Timor-Leste's mineral potentiality.

The ANP website provides an interactive map⁴² showing the status and geographic boundaries of mineral concession areas across the country. This map allows users to view block locations and sizes for mineral exploration, increasing transparency regarding areas available for licensing.

Number of licenses

Before the establishment of the ANM in September 2023, its responsibilities were managed by the ANPM. Prior to this transition, the ANPM website provided public access to a comprehensive list of mining licenses issued since 2006. This list was organized by year of issuance and included license names and their respective holders (see Annex F for details).

⁴² Source: [ANM website - Interactive Maps](#)

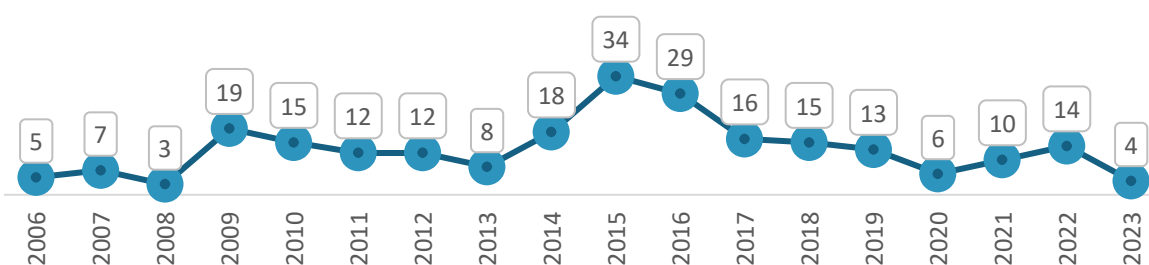
Currently, the ANM publishes information on mineral permits issued via its official website.

In 2023, ANM issued only four licenses due to the transitional nature of the period. Despite active coordination and communication with companies engaged in mining activities for construction materials, and efforts to encourage them to submit the required documentation for license acquisition, only a limited number of companies were able to meet the necessary criteria.

Nevertheless, there was a notable increase in payments related to informal mining activities. This was primarily driven by a surge in infrastructure projects—such as road and bridge construction—across the country compared to the previous year. Consequently, compensation for construction materials used was significantly higher.

For a historical reference of licenses issued during 2006–2023, please consult Figure 6.3 below.

Figure 6.3 Number of licenses issued 2006-2023



Detailed information on mining licenses awarded during 2023 is presented in the table below:

Table 6.3 Mining licenses awarded in 2023

Name of License	License no.	Coordinates	Type of license	License Status (Licensed/Expired)	Classifications (Large-scale/Mid-scale)	Date of Application	Date of Award	Duration
Starking Raw Materials Unipessoal.Lda	01/2023	Annex J	Mineral Permit	Licensed	N/A	22 Nov 2018	13 Mar 2023	1 year
King Construction.Lda	02/2023	Annex J	Mineral Permit	Licensed	N/A	24 Jan 2023	3 April 2023	1 year
Star Concrete.Lda	03/2023	Annex J	Mineral Permit	Licensed	N/A	16 Dec 2019	25 July 2023	1 year
Geranca Unipessoal.Lda (Reconnaissance Permit)	01/R/2023	Annex J	Reconnaissance Permit	Licensed	Reconnaissance	14 Feb 2020	17 April 2023	1 year

Licensing process

In the process of awarding mining licenses, a Mineral Permit is granted upon approval of the Mine Plan proposed by the applicant. When approving the Mine Plan, ANPM takes into consideration both technical and financial criteria.

Technical criteria:

- Mining experience (with supporting documentary evidence)
- Details of previous mining rights held
- CVs of technical staff who will be associated with the mining activity
- List of exploration and production assets
- Project document for environmental license
- Health and safety management plan
- Technical director responsible for carrying out the mining activity
- Mine closure plan for the mining activity

Financial criteria:

- Details of financial resources available for intended operations (with supporting documentary evidence)
- Insurance coverage for the proposed prospecting activity (with supporting documentary evidence)
- Proof of payment of the application fee
- Copy of the company's non-debt tax certificate

Opening of Area for Mining Activities

Government Resolution No.35/2022⁴³ dated 16 December, authorized the opening of specific areas in Timor-Leste for mining activities involving minerals classified as Construction Materials. This resolution also established the terms of reference for mineral rights tenders, particularly for large-scale exploration and the mining of river sands intended for export.

The designated mining areas for Industrial Minerals within the Construction Materials category span the entire territory of Timor-Leste, subject to the restrictions outlined in Article 58 of Law No. 12/2021 (Mining Code). With these areas now open, both individuals and legal entities are invited to apply for the rights to explore, develop, and mine these minerals.

Revenue collection

The ANM provides a detailed breakdown of mineral operation royalty collections on its official website⁴⁴. This revenue is derived from various sources, as outlined below:

1. Payment for Mining License which composed of the following fees:
 - Mining Fees, as stipulated in Article 8 of Decree-Law No. 64/2016, dated November 16.

⁴³ Source: [Government Resolution No. 35/2022](#)

⁴⁴ Source: [Autoridade Nacional dos Minerais Timor-Leste, I.P. - Summary of Mineral Revenue Collected](#)

- License Fees, as mandated by Article 7 of Decree-Law No. 64/2016, dated November 16.
- 2. Payment for Mineral Authorization which includes the following fees:
 - Mineral Royalty Fees, in accordance with Article 105 and Annex-II, Section 7(iii) of the Mining Code No. 12/2021, dated June 30.
 - Administrative Fees, as required by Decree-Law No. 55/2022 of November 16, pursuant to Article 152 of the Mining Code No. 12/2021, of 30th June.
- 3. Payment/Compensation for Informal Mining Activities which composed of the following fees:
 - Compensation for Unauthorized Mining Activity as required under Art. 42.2 of Diploma Ministerial (DM) No. 64/2016.
 - Compensation for Informal Mining Activities as required under Art. 132.3(a), Art. 132.6, and reference to annex-II, 7(iii) of Mining Code No. 12/2021, of 30th June.
- 4. Annual Surface Fees for the mining site, assessed based on the number of square kilometres of the Concession Area as required under Exploration Agreement, Art. 111 and reference to annex-III of Mining Code No. 12/2021, of 30th June.
- 5. Mineral public tender for construction materials which includes Bid application fees as described below:
 - The bid application fee is non- refundable according to the Term of Reference (ToR) Public Tender for Large Scale Exploration and Mining of sand for export purpose Point 4 (f) of Government Resolution No. 35/2022 of 16th December 2022.

In 2023, total mineral revenue decreased by 40%, falling from USD 2,462,209.97 to USD 1,486,741.74. This decline was primarily attributed to a significant reduction in Mining Fees collected in 2023, which dropped from USD 2,203,041 to USD 507,847. For a detailed breakdown of mineral payments, please refer to Annex C (2023) and Annex D (2022).

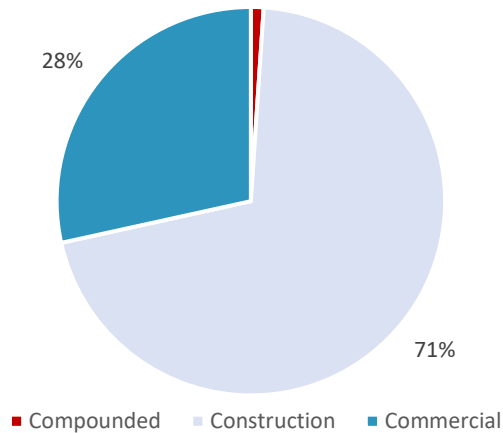
The variation of mining revenue between 2023 and 2022 was as follows:

Table 6.4 Variation of mining revenue in 2022-2023

	License Fees	Mining Fees	Mineral Royalty Fees	Compensation Fees	Annual Surface Fee	Administrative Fees	Mineral Royalty Fees	Public Tender Fees	Total
2023	-	507 827	25 212	670 217	-	7 250	270 866	5 370	1 486 742
2022	13 500	2 203 041	17 280	167 315	10 944	1 600	48 530	-	2 462 210
Var USD	-13 500	-1 695 214	7 932	502 902	-10 944	5 650	222 336	5 370	-975 468
Var, %	-100%	-77%	46%	301%	-100%	353%	458%	100%	-40%

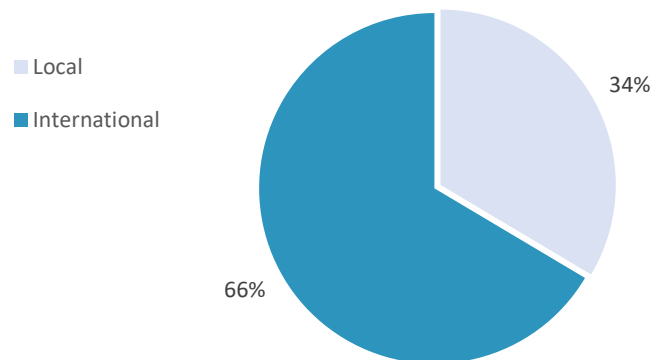
According to information provided by ANM regarding payments in the mining sector, revenue is categorized by activity type. The majority of this revenue is attributed to construction activities, accounting for 71% (USD 1,048,153), while Commercial activities represent 29% (USD 422,883).

Figure 6.4 Mineral payments by type of activity



Additionally, the origin of mining revenue is divided between international and local sources, with 66% (USD 986,378) generated internationally and 34% (USD 500,363) from local operations.

Figure 6.5 Mineral payments by origin



Construction material production

ANM publishes information on the volume of construction materials extracted on its official website⁴⁵. In 2023, the total volume of construction materials extracted reached 466,998.04 cubic meters, representing the combined production of gravel and sand. This figure is approximately 23.9% higher than in 2022 (an increase of 89,997.18 cubic meters), indicating a recovery following the decline observed in 2021.

The reported production volume includes both licensed quantities and quantities subject to compensation payments. For further details, please refer to table 6.5 below.

⁴⁵ Source: [Autoridade Nacional dos Minerais Timor-Leste, I.P. - Total volume construction materials extracted \(Cu.m\)](#)

Table 6.5 Mining production data for the year 2023

Year	Unit	Sand	Gravel	Total quantity
2022	m³	68 369,94	308 630,92	377 000,86
2023	m³	396 990,77	70 007,27	466 998,04
Variation	m³	328 620,83	- 238 623,65	89 997,18
Variation (%)	m³	480,7%	-77,3%	23,9%

6.4 Other considerations

Coverage of artisanal and small-scale mining (ASM)

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

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

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

Moreover, artisanal refers to pure manual mining with use of maximum of 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 such as overview of mining sector, legal framework, the data of construction material extracted during the reporting period, with some additional



Licenses, contracts and ownership

This section highlights progress in two key areas: licenses and beneficial ownership.

It outlines the general procedures for awarding and transferring mining, oil, and gas rights, with clear reference to the technical and financial criteria assessed. A significant milestone has been achieved: the ANP website now publishes information on PSC contracts ([Timor-Leste Territory – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)).

Furthermore, the MSG has expanded its use of EITI reporting to conduct diagnostics on non-trivial deviations from statutory procedures for license and contract awards and transfers. Timor-Leste is well-positioned to further strengthen disclosures under the licenses module, building on the progress already achieved.

EITI recognizes the importance of beneficial ownership transparency in preventing the misuse of corporate structures to conceal the proceeds of corruption and other illicit activities. This section also presents progress in implementing beneficial ownership disclosure in Timor-Leste.

Moreover, the 2023 EITI Standard reinforces anti-corruption measures in the extractive industries by introducing clearer objectives to address corruption risks, particularly in licensing and beneficial ownership. Companies within the scope of the EITI Timor-Leste Report, including state-owned enterprises, were required to submit their anti-corruption policies to comply with this new requirement.

7. Licenses, contracts and ownership

7.1 Licenses/Contract Disclosure

EITI 2023 Standard requires that there will be disclosures regarding licenses and contracts in order to provide relevant information to stakeholders.

Following requirement 2.2, Timor-Leste should disclose:

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

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

Disclaimer for EITI Timor-Leste 2023 Fiscal Year Regarding Disclosure of Awarding and Transfer of PSC

The information presented in this section reflects regulation framework and practices applied during Timor-Leste's most recent licensing round, conducted between 2019 and 2022. During this period, the ANP managed the process primarily through a dedicated online platform: <https://app.anpm.tl/login>. This platform functioned as the central hub for all participating companies, enabling them to submit documentation, access relevant materials, and consult official announcements, tender protocols, and supporting documents.

At the time of preparing current report, ANP's licensing website is temporarily offline due to ongoing maintenance upgrades. Following the conclusion of the last licensing round, ANP conducted a stakeholder survey in May 2025 to gather feedback on the last licensing process. Based on this feedback, the authority is revising several technical, fiscal, and legal elements of the tender protocol to enhance efficiency and competitiveness. These updates form part of the preparations for the upcoming third licensing round, expected to launch in mid-2026, with the revised tender protocol scheduled for publication in early 2026.

As a result of these revisions and the temporary closure of the licensing website, previously accessible links and documents referenced in earlier EITI reports are no longer available for public consultation. This limits the ability to provide direct references to official online sources for the 2023 fiscal year. To maintain transparency and continuity, this report includes a summary of the PSC awarding and transfer process based on historical practices and information provided by ANP.

EITI Timor-Leste remains committed to delivering accurate and comprehensive information. Once ANP completes its system upgrades and publishes the updated tender protocol, future reports will include direct references to official online resources. In the meantime, the summary below outlines the key steps and requirements of the PSC awarding process as implemented during the last licensing round, ensuring public's understanding under what conditions licenses are attributed and transferred, under what terms those companies operate, and who ultimately benefits from the operations.

Overview of contract and license awards and transfers (RE 2.2.a)

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

Figure 7.1 Licensing Bidding Process via actions



Main Requirements for Award/Transfer of Contracts

Companies seeking to participate in Timor-Leste's Licensing Round and subsequently enter PSCs with the ANP must first complete a mandatory pre-qualification process. This requirement, outlined in Article 10.2 of the Petroleum Activities Law, ensures that only eligible entities proceed to the bidding stage.

To pre-qualify, companies may apply individually or form consortiums. Each consortium must designate one company as the potential operator for the relevant PSC area(s). Applicants, whether as operators or joint venture partners, must submit verifiable documentation demonstrating:

- **Technical and financial capacity** to conduct petroleum operations.
- **Legal standing** in accordance with applicable regulations.
- **Proven experience** in implementing and complying with high standards of health, safety, environmental protection, and local content requirements.

ANP evaluates these submissions at its sole discretion, based on established criteria. Operators are expected to meet all technical and financial requirements, while joint venture partners may submit statements demonstrating financial and technical capability. Pre-qualification is completed online and typically takes up to three weeks for approval. The pre-qualification process runs in parallel with promotional activities.

Following the submission of applications, ANP conducts a detailed analysis of each applicant. Entities that meet the established parameters will advance to the next stage—the bidding process. During this phase, the awardees of the licenses will be determined.

The evaluation of bids will be based on the following principles:

- Financial capabilities;

- Technical capabilities and HSE experience in petroleum operations;
- Preliminary technical assessment as the foundation for bidding;
- Bid programs, including local content commitments.

The primary basis for bid evaluation will be the guaranteed work program and local content commitments for the initial exploration period. To ensure objectivity, the Evaluation Commission will apply an evaluation matrix that assigns points to each activity type, forming the basis for ranking. The structure of this matrix is outlined in Annex K. Two separate matrices, one for offshore and one for onshore operations, are provided in the annexes for reference.

The Evaluation Commission will also review supporting materials that substantiate the technical basis of each bid. ANP reserves the right to reject any bid that, in its sole discretion, is deemed unresponsive or inconsistent with the evidence provided regarding the bidder's technical capabilities. In such cases, the Evaluation Commission will document the reasoning and technical basis for the rejection.

ANP will award the Production Sharing Contract to the bidder(s) submitting the most competitive proposal, as assessed by the Evaluation Commission. The assessment will consider the scope, scale, nature, and content of the proposed work program, as well as the technical and financial capabilities of the bidders, in accordance with the evaluation matrix provided in Annex K. Please note that no minimum threshold has been specified for passing the bid evaluation.

Following the bidding phase, ANP undertakes a comprehensive evaluation of the submitted proposals, a process that typically spans one to two months. Upon completion, the successful bidders are announced and awarded the respective blocks.

Subsequently, ANP initiates negotiations with the winning companies to finalize the terms of the PSC. Once consensus is reached, the contract is executed, thereby formalizing the award.

Requirement on Bid Bond

Each bidder participating in the Timor-Leste Licensing Round is required to submit a Bid Bond as a financial guarantee to ensure compliance with bidding obligations. The Bid Bond must be in the form of a first-demand bank guarantee issued by a reputable bank rated "A" or higher by Standard & Poor's or Moody's.

The specified amount is USD 150,000 per bid, refundable upon signing the PSC. This guarantee secures the bidder's commitment not to withdraw their bid after submission and to sign the PSC if awarded.

Second Licensing Round in Timor-Leste

The most recent bidding process was the Second Licensing Round, which followed an extended timeline from 2019 to 2022. The key milestones of the roadshow are summarized below.

- Announcement of the Second Licensing Round – October 3, 2019
- Roadshow Period – October 25, 2019, to August 30, 2021
- Pre-Qualification Period – June 1, 2020, to August 31, 2021
- Bid Opening – September 1 to October 1, 2021
- Bid Submission Deadline – October 1, 2021
- Bid Evaluation Period – October 4 to November 30, 2021
- Announcement of Winning Bidders – Postponed from April 15, 2022, to April 22, 2022

- Deadline for Bidders' Proclamation – April 24–29, 2022
- Contract Signing Period – April 29 to June 29, 2022

Following the announcement of bid winners in April 2022, ANP engaged in detailed negotiations with the successful bidders to finalize PSC terms. These negotiations were essential to ensure that agreements reflected the interests of both the Government of Timor-Leste and the contractors.

Although the initial timeline anticipated PSC signing by June 2022, the complexity of negotiations extended the process beyond the original schedule.

The complete requirements and processes for the Second Licensing Round are detailed in the official bidding brochure, which is currently under revision by ANP for the next licensing round, as noted in the disclaimer above.

Validation of material deviation from the awarding process

According to Requirement 2.2(a)(iv), the country must validate the allocation process and report any deviations from the legal framework in the EITI report for contracts awarded during the fiscal year.

The ANP confirmed that no new awards were made in 2023. Only negotiations for PSCs took place, due to complexities arising from the Second Licensing Round (2019–2022). During 2023, PSC TL-SO-22-23 was signed in December 2023. To ensure compliance, the MSG approved the selection of PSC TL-SO-22-23 for review to verify any material deviations from the legal framework governing the allocation and transfer of oil and gas licenses. The regulatory authority, ANP, was contacted to assist with scheduling a facility visit and to support the Independent Administrator during the documentation verification process.

The validation process performed by the IA consisted of the following steps:

1. **Approval of PSC for analysis:** (see above)
2. **Collection of official criteria:** Documentation requested from applicants during the awarding and negotiation of TL-SO-22-23
3. **Spot checks and evaluation:** Review of documentation provided by the applicant
4. **Assessment of potential deviations:** Comparison of practices against the tender protocol governing contract awards

Tables 7.1 and 7.2 below present the documents requested during the pre-qualification and bid evaluation phases, as well as additional documents submitted during the validation process.

Table 7.1 List of requested documents during the pre-qualification phase

Category	Document Description
Financial Documents	1. Shareholder equity: Offshore ≥ US\$25,000,000; Onshore ≥ US\$8,000,000
	2. Audited financial statements for last 3 years (Balance sheet, Income statement, Cash flow, Notes, Directors' report)
	3. Additional letter outlining points (with remarks notes)
	4. List of partners/shareholders holding ≥20% voting rights
Legal Documents	5. Complete set of notarized certificates attesting legal standing of the company
	6. Letter stating any current projects and ventures
	7. Organizational chart and number of employees
	8. Letter outlining name of any partner/shareholder holding ≥20% (if applicable)
	9. Letter signed by company official confirming no pending litigation/legal proceedings
Technical Documents	10. Technical summary showing company's operating capability

Category	Document Description
	11. Company's exploration and production history (past 3–5 years) with detailed summary
	12. Lists of technical personnel and competencies in oil and gas exploration/production
	13. HSE Policies and Statement (potential operator only)
	14. Further HSE statement letter including: (1) HSE policies; (2) ISO certifications; (3) HSE records for previous 3–5 years; (4) Prospective plans on HSE certification; (5) Management systems for oil and gas activities
	15. For non-operator: Letter stating evidence of access to technical capability now or in future
Local Content Documents	16. Letter outlining applicant's experience and commitment under local content law
	17. Brief summary of: (i) Track record in sourcing local goods/services; (ii) Plans for hiring/training locals; (iii) Plans for technology transfer; (iv) CSR experience

Table 7.2 List of requested documents during the Bid Evaluation Period

Proposed Minimum Work Programmes	Documents units
	2D Seismic data acquisitions
	3D Seismic data Acquisitions
	Explorations wells
	2D or 3D Seismic data reprocessing
Total commitment for other technical studies	- Information on technical capabilities via preliminary studies on petroleum prospects and leads of the Blocks
	- Proposal exploration work program and budget commitments for initial 3-year contract term (data evaluation, seismic surveys, exploration wells)
	- Proposal (in terms of operational activity or estimated expenditure) of seismic surveys and exploration wells to be drilled, for each of the remaining four (4) years of the contract term
Local Content	- Proposed Plan for procurement of Local Goods and Services
	- Proposed Plan for hiring and training of national employees
	- Proposed Plan for transfer of technology and know-how
	- Infrastructure Development Plan
Proof of Financial capabilities	- Proof of payment of fixed non-refundable application fee
	- Proof of financial capabilities (latest Audited Financial Statement, ideally last 5 years)
	- First demand bid bond issued by a first-class bank (US\$150,000), refundable upon signing of Production Sharing Contract
Company's experiences in E&P and HS&E Good Standing (5), Access to technical experts (2), Technology &	- Written statement outlining policy and strategy on Health, safety, and welfare of persons involved in petroleum operations

Proposed Minimum Work Programmes	Documents units
Innovation (1), Companies branding (2)	- Written statement outlining policy and strategy on Protection of natural and marine environment; prevention, minimization, and remedy of pollution occurrences and hazards
Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings	

The IA carried out a visit to the ANP facilities, held on 02/1/2025 at 9:00 am, to verify the completeness of documentation associated with the selected PSC.

Conclusion on pre-qualification valuation

According to the clarification obtained, the pre-qualification evaluation was not performed, as Section 8 of the Pre-qualification Guidelines allows for this exemption. Under this section, ANP may exempt companies that are currently operating in the Timor-Leste Territory, and/or the former Joint Petroleum Development Area (JPDA) and the Special Regime area, which applies to ENI. For this purpose, and in accordance with Section 9 of the Guidelines, the relevant company shall submit to ANP a letter requesting exception from the pre-qualification process, further stating that it remains in good standing both technically and financially to participate in the bidding process during the Timor-Leste Second Licensing Round. IA obtained evidence of the communication submitted by ENI, in compliance with the criteria set out in Section 9, dated 09/02/2021.

Conclusion on Bid Evaluation

The evaluation matrix presented in Table 7.3 summarizes the documents provided, the committee's scoring of ENI's submission, and comments on any deviations identified by the IA during validation.

Table 7.3 Bid Evaluation Period – Document Checklist for PSC TL-SO-22-23 Negotiations

Proposed Minimum Work Programmes	Documents units	Maximum assigned scores attributions	Requirement met (Yes/No/Partly)	Comment on any deviation of the document spot checks and evaluation	List of documents provided by ENI
2D Seismic data acquisitions		5 points	Yes	N/A	Proposed work program - 50km.
3D Seismic data Acquisitions		15 points	Yes	N/A	Proposed work program - 1500 Km2.
Explorations wells		25 points	Yes	N/A	Proposed work program - 1 exploration commitment well- such well to be transferred from S06-04 PSC - 2500m.
2D or 3D Seismic data reprocessing		15 points	No	ENI submitted a proposal addressing data processing rather than data reprocessing, as specified in the requirements. This means their solution was designed to handle new data instead of reprocessing previously existing datasets. Consequently, the proposal did not meet the stated criteria, resulting in a score of zero.	Proposed work program - 50km for 2D and 1500 Km2 to 3D.
Total commitment for other technical studies	- Information on technical capabilities via preliminary studies on petroleum prospects and leads of the Blocks	5 points	Yes	N/A	ENI Technical Capabilities Documentation: document presenting the ENI operatorship experience, exploration and exploitation capabilities, carbon capture and utilisation, HSE approach, research and development, training capabilities and responsible and sustainable business.
	- Proposal exploration work program and budget commitments for initial 3-year contract term (data evaluation, seismic surveys, exploration wells)			N/A	Proposed work program (Years 1-3).
	- Proposal (in terms of operational activity or estimated expenditure) of seismic surveys and exploration wells to be drilled, for each of the remaining four (4) years of the contract term			N/A	Proposed work program: - The proposed Second Exploration Period (years 4-5) - 604.000 USD. - The proposed Third Exploration Period (years 6-7) - 2.470.000 USD.

Proposed Minimum Work Programmes	Documents units	Maximum assigned scores attributions	Requirement met (Yes/No/Partly)	Comment on any deviation of the document spot checks and evaluation	List of documents provided by ENI
Local Content	- Proposed Plan for procurement of Local Goods and Services	5 points	Yes	N/A	Local Content Plan: Initial Exploration Period (years 1-3), with the services to be provided, detailed description of each one and the offered investment (Goods and Services, Hiring and Training of Timorese, Transfer of Technology & Know-How, Infrastructure Development Plan).
	- Proposed Plan for hiring and training of national employees			Plan to recruit at least 5% TLN and enhance skill of TLN with training provided by accredited training provider. Although the company has proposed a clear budget of USD 200,000, the company has not managed to provide a clear target numbers.	
	- Proposed Plan for transfer of technology and know-how			N/A	
	- Infrastructure Development Plan			N/A	
Proof of Financial capabilities	- Proof of payment of fixed non-refundable application fee	15 points	Yes	N/A	- Bid application fee: 15.000 USD.
	- Proof of financial capabilities (latest Audited Financial Statement, ideally last 5 years)			N/A	- ENI Australia BV Annual Report for 2018, 2019 and 2020. -> 2018 signed by the Board of Directors and by EY as an Independent Auditor; -> 2019 signed by the Board of Directors and by PWC as an Independent Auditor; -> 2020 not signed by the Board of Directors and signed by PWC as an Independent Auditor.
	- First demand bid bond issued by a first-class bank (US\$150,000), refundable upon signing of Production Sharing Contract			N/A	Guarantee number TEBMLY220105 issued by the HSBV on 03/03/2022, accompanied by a letter addressed to ANP specifying the scope of the guarantee.
Companies' experiences in E&P and HS&E Good Standing (5), Access to technical experts (2), Technology & Innovation (1), Companies branding (2)	- Written statement outlining policy and strategy on Health, safety, and welfare of persons involved in petroleum operations	10 points	Yes	N/A	- ENI Technical Capabilities Documentation, which includes a chapter of ENI HSE Approach, Research and Development, Training

Proposed Minimum Work Programmes	Documents units	Maximum assigned scores attributions	Requirement met (Yes/No/Partly)	Comment on any deviation of the document spot checks and evaluation	List of documents provided by ENI
	- Written statement outlining policy and strategy on Protection of natural and marine environment; prevention, minimization, and remedy of pollution occurrences and hazards			N/A	Capabilities, Responsible and Sustainable Business - HSE statement signed by the Managing Director of ENI on 10/08/2020.
Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings		5 points	Yes	N/A	Technical evaluation document with ENI internal assessment of the block P, such as the exploration history, regional geology of block P, petroleum system in the area, prospect identification in block P, and development concept in case of successful discovery scenario.

Limitation: The documents presented by ENI were originally submitted through ANP's online platform. However, ANP is no longer able to access the process within the platform to confirm the submission dates. Therefore, it was not possible to obtain evidence of the submission date of the documents, as ANP is unable to extract this information from the platform and does not hold any supporting confirmation regarding the dates of document submission.

7.2 PSC auditing

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

Audit process by ANP

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

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

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

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

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

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

7.3 Beneficial Ownership

Strengthened provisions on beneficial ownership disclosure with 2023 EITI Standard

Since 2020, EITI has been strengthening its work on anti-corruption, recognizing the unique opportunity for EITI implementation to address corruption and governance risks in the natural resource sector. As part of strengthening aspects of the standard related to anti-corruption, there are some key changes on beneficial ownership.

Summary of key changes on beneficial ownership

Requirements 2.2 & 2.3:

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

Requirements 2.5 & 2.6:

- Establish of $\leq 10\%$ ownership threshold for disclosure (encouraged);
- Report **PEPs** that are beneficial owners regardless of stake (required);
- Review comprehensiveness and reliability of **stock exchange filings** (encouraged);
- **SOEs** to report ownership and control (required), and **suppliers' beneficial owners** (encouraged);
- Disclose **legal owners** (required) and full **ownership chain** (encouraged).

7.3.1 Government policy and legal framework

Government's policy on beneficial ownership disclosure (RE 2.5.b)

The primary legislation governing Timor-Leste's efforts to combat money laundering and terrorist financing is the AML/CFT Law (Law No. 17/2011⁴⁶), enacted in December 2011. This law consolidated various earlier regulations into a single framework and introduced preventive measures such as customer due diligence, reporting of suspicious transactions, and the establishment of the Financial Intelligence Unit (UIF). It ensures ongoing oversight by regulatory bodies—including banks, financial institutions, and other organizations—to prevent money laundering and terrorist financing. Additionally, it provides a legal foundation for addressing financial crimes associated with illicit activities.

Following a 2012 review by the Asia Pacific Group on Money Laundering (APG), the AML/CFT Law was amended through Law No. 5/2013/III, adopted on 14 August 2013. This amendment addressed weaknesses identified in the APG report and strengthened the legal framework. Further enhancements were introduced by Decree-Law No. 16/2014, effective 18 June 2014, which improved governance and expanded the operational powers of the UIF.

In 2016, the Government of Timor-Leste published its first National Risk Assessment (NRA) on money laundering and terrorist financing. The assessment led to the development of a National Action Plan (NAP) outlining ten strategic goals to address identified risks. One of these goals focused on improving transparency regarding the ultimate beneficiaries of legal entities in the country. This marked a significant step toward strengthening the legal framework for beneficial ownership and demonstrated a national commitment to enhancing institutional capacity and raising awareness across both public and private sectors.

A major milestone in recognizing beneficial ownership was the enactment of the Companies Law (Law No.

⁴⁶ Source: [AML/CFT Law \(Law no.17/2011\)](#)

10/2017⁴⁷). This law regulates various types of business entities, including sole proprietorships, limited liability companies, and joint-stock companies. It seeks to align Timor-Leste's corporate governance with international standards, promote sustainable economic growth, and provide legal clarity.

Article 293 of the Companies Law provides a formal definition of a Beneficial Owner, describing this person as someone who has a beneficial interest in a company—either through direct or indirect ownership or control—or who exercises control in other ways. This definition gives a clear legal basis for identifying individuals who ultimately own or control corporate entities.

Additionally, Article 294 requires companies to gather detailed information about their beneficial owners such as:

- (a) Full name;
- (b) Type, number, validity date and issuing entity of an identity document issued by a competent public authority, which must have a photograph and the signature of the bearer;
- (c) Taxpayer identification number;
- (d) Date of birth;
- (e) Nationality as stated on the identity document;
- (f) Country of permanent residence and, when different, country of fiscal domicile;
- (g) Nature and extent of the beneficial interest held.

The responsibility for collecting and updating this information annually falls to the company secretary or, if absent, the company's management. Companies must also keep records of all actions taken to obtain this information.

Further rules under Articles 295 and 296 strengthen the legal responsibilities of equity holders and companies. Equity holders must work with the company to identify beneficial owners and report any changes within ten business days. Companies, in turn, must keep the collected information for at least five years and ensure its confidentiality, sharing it only with authorized authorities as required by law.

Article 298 requires companies to submit beneficial ownership information to the business registry, integrating this data into the national commercial registration system.

The legal framework was further improved by Decree-Law No. 16/2017⁴⁸, which set up the regime for Commercial Registration in Timor-Leste. This law made it mandatory for companies to register through SERVE (Serviço de Registo e Verificação Empresarial), a public institute created to simplify business registration and licensing processes. SERVE operates with administrative and financial independence and acts as a central point of contact between the government and businesses. Its duties include receiving and verifying registration documents, facilitating licensing procedures, ensuring compliance with legal requirements, and providing guidance on regulatory obligations.

To further streamline administrative processes, Ministerial Diploma No. 33/2023⁴⁹ was issued on 28 June 2023. This regulation establishes standardized forms and procedures for the Prior Declaration needed to start economic activities. It applies to businesses with and without sector-specific licenses and aims to harmonize processes under Decree-Law No. 34/2017. The diploma introduces three attached forms

⁴⁷ Source: [Law 10/2017 of May 17th, 2017](#)

⁴⁸ Source: [Decree-Law 16/2017 of May 17th, 2017](#)

⁴⁹ Source: [Ministerial Diploma No. 33/2023](#)

designed for different business situations, promoting transparency, reducing bureaucracy, and making it easier to formalize economic activities.

Together, these legal instruments create a comprehensive framework that supports the identification, registration, and monitoring of beneficial ownership in Timor-Leste. They reflect the country's ongoing efforts to align with international standards, enhance financial transparency, and foster a secure and accountable business environment.

Discussion on public register of beneficial owners (RE 2.5.a)

In accordance with Requirement 2.5, Timor-Leste must maintain a publicly accessible register of the beneficial owners of all corporate entities that apply for, operate, or hold a participating interest in an exploration license or contract. Establishing this register requires legal reforms to define the scope and parameters of disclosure. These reforms should clarify which individuals and corporate vehicles are subject to reporting requirements, designate the agency responsible for collecting the information, and establish mandates for data and systems-related considerations.

Currently, the company registration process in Timor-Leste is undergoing significant and promising reform. A key development is the creation of the Business Registration and Verification Service (SERVE), a centralized “one-stop-shop” responsible for registering all business entities—from sole proprietors to large corporations. SERVE maintains records in the Database for the Exercise and Licensing of Economic Activities, categorizing businesses according to the relevant economic activity classification code. It also informs applicants when sector-specific licenses are required under existing legal frameworks.

SERVE provides public access to registration requirements and procedures via its official website ([REQUIREMENTS – SERVE, I.P.](#)), contributing to greater transparency in business formation.

The national commitment to establishing the full beneficial ownership framework is driven by high-level international scrutiny and the need to strengthen the AML/CFT regime. The APG is actively monitoring Timor-Leste's progress, and the International Monetary Fund (IMF) and the United Nations Office on Drugs and Crime (UNODC) consistently urge the authorities to advance structural governance reforms. Specifically, the country's relatively low score in the latest EITI validation on Requirement 2.5 (Beneficial Ownership) underscores the urgency to not only require companies to submit their information, but also to legislate for the establishment of a publicly accessible central registry. This ongoing external pressure acts as a major catalyst for the finalization of the necessary legal instruments, including anticipated amendments to the AML/CFT Law, to fully align the country with global transparency standards.

Despite these advancements, a critical gap remains. A framework for the disclosure of beneficial ownership information is not yet in place. The existing framework mandates companies to collect BO information (per the Companies Law) and submit it to the business registry (SERVE), but a legal framework for the public disclosure of this information is not yet in place. In summary, while Timor-Leste has made commendable progress in simplifying and modernizing its business registration framework, the lack of mechanisms to collect and disclose beneficial ownership information poses a significant challenge to corporate transparency. Addressing this gap is essential to strengthening governance and accountability in the extractive sector.

At present, the responsibility for collecting and verifying beneficial ownership information lies with extractive companies and the IA. Any publicly available BO data is disclosed through the EITI Timor-Leste 2023 Report.

The progress of Beneficial ownership disclosure

In March 2017, the MSWG published a beneficial ownership roadmap, which documents activities and actions toward fully 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.

To demonstrate progress under BO disclosure initiatives, the following table 7.4 presents the status of actions taken in relation to Timor-Leste's regulatory developments, MSG collaboration, public debates, and other relevant activities.

Table 7.4 BO Implementation roadmap

Roadmap	Work plan	Status	Progress/ Activities performed
1. Consider links between BO and national reform priorities	Include in the extractive legal framework clear provisions regarding the requirements for BO disclosure, specifically in relation to registration, level of detail, database structure, and obligations for disclosure, reporting, and updates.	Ongoing	The proposed BO disclosure is currently being discussed by the relevant government entities, including ANP, SERVE, and the Ministry of Finance (ATTIL), to ensure alignment with existing regulatory frameworks.
2. Consider the institutional framework for BO disclosure	Ensure that future licensing round tender protocols include requirements for the disclosure of BO. Include a bidding requirement that mandates the disclosure of information necessary to identify the ultimate beneficial owner.	Ongoing	The tender protocols for the licensing round in 2019/2022 have included the requirement to provide relevant information regarding the ownership of the applicant. However, any disclosure pertaining to the beneficial owner must comply with SERVE requirements.
3. Beneficial ownership definition	Propose a definition of BO for adoption by the MSWG.	Concluded	To strengthen provisions on Law No. 10/2017 regarding BO requirements, BO definition was approved by MSWG on the EITI TL Data Collection template (Refer to table 7.5).
4. Reporting obligations for PEP	Propose specific information to be disclosed about Politically Exposed Persons (PEPs) to prevent abuse of power in the awarding of contracts and decision-making processes within the extractive sector.	Concluded	Instructions of how to identify and report about PEP were established and approved by MSWG on the EITI TL Data Collection template in accordance with the new 2023 EITI Standard (Refer to table 7.6).
5. Level of detail to be disclosed	Set the threshold for the requirement of BO disclosure and propose the details to be disclosed about the identity of the BO.	Concluded	The level of disclosure was established and approved by MSWG on the EITI TL Data Collection template. MSGW shared the template with EITI International and guaranteed the gathering of the necessary information for the compliance of the EITI standards. (Refer to Annex L).
6. Data collection	Establish clear procedures for how BO information is collected.	Concluded	BO data is collected during the official request to the extraction entities via Data Collection Template.

Roadmap	Work plan	Status	Progress/ Activities performed
7. Assuring accuracy of the data	Establish a mechanism for assuring the reliability and comprehensiveness of BO disclosures (Due Diligence procedures to be determined). Ensure that data on BO reported is complete and sufficiently detailed.	Ongoing	SERVE will take measures to ensure that all essential beneficial ownership data fields are collected from entities in scope. Currently, the IA performs quality validation of the submitted information. As part of this process, entities were requested to provide organizational charts to verify the accuracy of beneficial ownership disclosures. It is important to note that most operators in Timor-Leste, subject to these requirements are subsidiaries of publicly listed companies on recognized stock exchanges, which provides an additional layer of transparency through public supervision.
8. Data timelines	Ensure that BO information reported through EITI is timely, regularly updated, and verifiable. Establish a clear mechanism to mandate and monitor the timely updating of BO data.	Ongoing	SERVE continues to verify that all companies submit their BO data on time and that updates are comprehensive.
9. Data accessibility	Ensure the public accessibility of BO information. Determine how data on BO is obtained. Ensure no legal barriers or legislation requirement on obtaining data BO is compatible for company in foreign jurisdiction	Ongoing	SERVE has indicated that a system is being developed to guarantee public accessibility of BO information.

To sum up, overall, to strengthen the beneficial ownership component addressed in the 2023 EITI Report, the following corrective actions were implemented:

- Beneficial ownership information was requested from all companies within the scope of Requirement 2.5, including subcontractors. Please. Note that the mining sector was considered immaterial for the 2023 fiscal year and therefore excluded from the main scope. However, in line with MSGW's approval to test material mining entities—based on recommendations from the last EITI Timor-Leste Validation — their beneficial ownership details are presented in Annex M. As the weight of the mining sector in the economy grows, BO disclosures are critical for ensuring transparency and accountability.
- Links to beneficial ownership information for publicly listed companies were reviewed and corrected, ensuring that readers can verify the availability of such information.
- The IA conducted an assessment of organizational charts provided by entities to confirm the comprehensiveness and reliability of beneficial ownership disclosures across all extractive companies.

Further recommendations and corrective actions to strengthen beneficial ownership reporting are outlined in Section 14 of this report.

7.3.2 Data quality

In light of the new EITI 2023 Standard, the MSGW approved changes to the beneficial ownership data collection template to ensure the gathering of all necessary information for compliance with EITI requirements. The following information was requested from entities in scope:

- Full name, identification number, tax ID, date of birth, nationality, residential or service address, and means of contact.
- Disclosure of whether the beneficial owner is a Politically Exposed Person (PEP), a family member, or a close associate of a PEP.
- The threshold for beneficial ownership is set at 10%, with full disclosure required for PEPs' beneficial ownership.

The BO and PEP definitions were approved by MSGW and are disclosed on the template that was sent out to the entities in scope for the 2023 EITI Report of Timor-Leste. The following tables form part of the template distributed to these entities.

Table 7.5 BO definition approved by MSGW

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 10% of the share capital or voting rights of the legal entity; A natural person or persons who, while not owning or directly or indirectly controlling more than 10%, jointly own more than 10% of the share capital or voting rights, when they are family members or have a close relationship that justifies the joint assessment; The natural person or persons holding top management positions, after all other criteria have been exhausted and provided that there are no grounds for suspicion. Please note that a natural person is defined as a Timorese or any person without taking into account their nationality. 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)

Beneficial ownership definition
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.

Table 7.6 PEP definition approved by MSGW

"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;

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

iii. Any natural person, known as having corporate, commercial or professional relations with a politically exposed person.

7.3.3 Beneficial ownership disclosure

The primary objective of this requirement is to identify the ultimate beneficial owners and individuals exercising control over companies operating in Timor-Leste's extractive sector, thereby mitigating risks of improper practices and corruption.

The tables in this section present the beneficial ownership information for entities covered under the 2023 EITI Report. The MSG has verified whether subsidiaries of publicly listed companies are wholly owned by their parent entities. For publicly listed companies and fully owned subsidiaries, active links to relevant stock exchange filings are provided. Where subsidiaries are not fully owned, beneficial ownership details are disclosed in accordance with Requirement 2.5(c)–(d).

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

Table 7.7 Results from collecting BO Data for 2023

Information on the Beneficial Ownership	Type of entity	Owned by	Number
Companies that have provided comprehensive information on Beneficial Owners	Contractors	Listed companies	18
		Non-listed companies	1
	Sub-contractors	Listed companies	4
		Non-listed companies	5
	Subsidiaries of SEO	Listed companies	13
Total entities reported BO data			41
Information on the Beneficial Ownership	Type of entity	Status	Number
Companies that have not provided comprehensive information on Beneficial Owners	Contractors	Non-responsive	2
		Responsive	2
	Sub-contractors	Non-responsive	6
Total entities failed to report BO data			10
Total			51

Among operators, 19 out of 21 disclosed their beneficial owners or confirmed affiliation with publicly listed parent companies as subsidiaries. However, two (2) contractors did not provide data as they failed to respond to the template.

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 MSG.

Table 7.8 BO Data from Contractors and Subcontractors for 2023

Company Name in Scope	Ultimate Beneficial Owner	Notes	Links
BU12 Australia Pty Ltd BU13 Australia 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 2023, both BU13 and BU12 had one ordinary fully paid share each, held directly by SK E&S Co., Ltd.	Source: www.sk-inc.com
Eni JPDA 03-13 Ltd Eni JPDA 06-105 Pty Ltd ENI TIMOR 22-23 BV Eni Timor Leste SpA	Eni S.p.A.	Eni is listed on both New York Stock Exchange (NYSE) and the FTSE MIB of the Milan Stock Exchange.	Source: Eni shares (www.eni.com)
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)
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/
SundaGas Banda Unipessoal Ltd	Baron Oil Plc	SundaGas Unipessoal Lda is a wholly owned subsidiary of ultimate parent company Baron Oil Plc.	Source: Share Information (baronoilplc.com)
TIMOR GAP Onshore Block Unip Lda TIMOR GAP Onshore Block C Unip Lda TIMOR GAP Greater Sunrise 03-19 TIMOR GAP Greater Sunrise RL TIMOR GAP Greater Sunrise RL2 TIMOR GAP Greater Sunrise 03-20 TIMOR GAP Offshore Block Unipessoal TIMOR GAP PSC 11-106 Unip Lda TIMOR GAP Chuditch Unipessoal Lda TIMOR GAP Pualaka Block Unip Lda	TIMOR GAP, E.P.	State Own Entity	Source: www.timorgap.com

Company Name in Scope	Ultimate Beneficial Owner	Notes	Links
TIMOR GAP Drilling Unip Lda TIMOR GAP Rarahana Unip Lda TIMOR GAP Seismic Services Lda			
Timor Resources Pty Ltd	BO 1: Lyndall Margaret Fuller (14,30%) BO 2: Suellen Osborne (40%) BO 3: Charles Brown (43%)	Beneficial owner 1: Full name: Lyndall Margaret Fuller Number of shares: 8037098.00 % of shares: 14.30% % of direct voting rights: 14.30% % of indirect voting rights: 0% Date when beneficial interest was acquired: 2017 Taxpayer identification number: ABN - 23093539943 Date of birth: 28.08.1948 Nationality as stated in the ID: Australian Country of permanent residence: Australia Country of fiscal domicile: Australia Residential or service address : 180 Victoria Park Road, The Oaks, NSW AUSTRALIA Beneficial owner 2: Full name: Suellen Osborne Number of shares: 22095510.00 % of shares: 39.35% % of direct voting rights: 39.35% % of indirect voting rights: 0% Date when beneficial interest was acquired: 2017 Taxpayer identification number: 71109732836 Date of birth: 23.04.1975 Nationality as stated in the ID: Australian Country of permanent residence: Australia Country of fiscal domicile: Australia Residential or service address : 71 The Peninsula, Paradise Point, 4216 Public office position and role: CEO and Managing Director Date when office was assumed: 2016 Beneficial owner 3: Full name: Charles Nicholas Alling Brown Number of shares: 24217272.00 % of shares: 43.13% % of direct voting rights: 43.13%	N/A https://www.timorresources.com.au/

Company Name in Scope	Ultimate Beneficial Owner	Notes	Links
		% of indirect voting rights: 0% Date when beneficial interest was acquired: 2023 Taxpayer identification number: NA Date of birth: 24.08.1966 Nationality as stated in the ID: Switzerland Country of permanent residence: Switzerland Country of fiscal domicile: Switzerland Residential or service address : 33 Bruton Street, Mayfair, London, W1J 6QU, England Public office position and role: Non-Executive Director Date when office was assumed: 2023	
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)
Caltech Unipessoal Lda	Sheilla Abilio Corte Real De Caldas: 100% Owner	Beneficial owner data: Full name: Sheilla Abilio Corte Real De Caldas Nationality: Timor-Leste Residential: BIDAU LECIDERE, NAIN FETO, DILI, TIMORE LESTE Date of birth: 26/09/1975 Taxpayer identification number: 3228042	N/A
Chandler MacLeod Group Limited	Recruit Holdings Co., Ltd.	Caltech Unipessoal Lda is wholly owned (100% of shares) by Recruit Holdings Co., Ltd., which is listed on the Tokyo Stock Exchange.	Source: TOKYO STOCK EXCHANGE Listed company details TOKYO STOCK EXCHANGE Listed company search
Haliburton Australia Pty Ltd	Haliburton Consolidated Pty Ltd	Beneficial owner data: Identification number: 101 049 521 Identification Type: Australian Company Number ID validity date: 2022 Issuing entity of the ID: ASIC Number of shares; 3100002 % of shares: 100% Date when beneficial interest was acquired;: 28/06/2022	Haliburton Australia Pty Ltd Lda is a subcontractor that is owned by a non-listed company.

Company Name in Scope	Ultimate Beneficial Owner	Notes	Links
Kotug Maritime Services Australia	Kotug Maritime Services Australia	Beneficial owner data: Parent company / Owner : Kotug Maritime Services Australia Identification number: ACN : 612 468 916 Identification Type: Australian Company Number Issuing entity of the ID: Australian Securities and Investments Commission % of shares: 100% % of direct voting rights: 100% Registration date of parent company (Kotug Maritime Services Australia) : 06/07/2012	Kotug Maritime Services Australia is a subcontractor that is owned by a non-listed company.
Laloran Marine Services	BO1: Sheila Abilio Corte Real de Caldas (50%); BO 2: Garrick Stanley (50%)	Beneficial owner 1: Full name: Sheila Abilio Corte Real De Caldas Identification number: No Cartao: 0001158 No Da Inscricao: 00055193 Identification Type: Cartao De Eleitoral Issuing entity of the ID: Republica Democratica De Timor Leste % of shares: 50% % of direct voting rights: 50% % of indirect voting rights: 50% Taxpayer identification number: 3228042 Date of birth: 29/06/1975 Nationality as stated in the ID: Timor-Leste Country of permanent residence: Timor-Leste Residential or service address: Bidau Lecidere, Nain Feto, Dili, Timor Leste Beneficial owner 2: Full name: Garrick James Stanley Identification number: PB1440267 Identification Type: Passport Issuing entity of the ID: Australia % of shares: 50% % of direct voting rights: 50% % of indirect voting rights: 50% Taxpayer identification number: 7068815 Date of birth: 21/01/1973 Nationality as stated in the ID: Timor-Leste: Australian Country of permanent residence: Timor-Leste: Australia	N/A

Company Name in Scope	Ultimate Beneficial Owner	Notes	Links
Weatherford Australia Pty limited	Weatherford International Public Limited Company	Weatherford Australia Pty limited is a subcontractor that is owned by Weatherford Worldwide Holdings GmbH (63.79%) and Weatherford Lamb Inc. (36.21%), which are owned by a listed company in NASDAQ, named Weatherford International Public Limited Company	Source: Home Weatherford International
Schlumberger Australia Pty Ltd	Schlumberger NV	Schlumberger Australia Pty Ltd is a subcontractor that is owned by WesternGeco Seismic Holdings Limited, which are owned by a listed company in New York Stock Exchange (NYSE), named Schlumberger NV. Additional info: Full name: Shara Patricia Ciravolo Fesser Taxpayer identification number: 639711966 Public office position and role: Director Date when office was assumed: Director Appointment: 11 Aug 2020 Date when office was left, if applicable: Director Resignation: 17 Jul 2024	Source: Quote & Chart SLB
Clough Wood Pty Ltd	Wood Group Australia Pty Ltd (50%), Clough Engineering & Integrated Solutions Pty Ltd (50%)	Wood Australia Pty Ltd which is wholly owned by Wood PLC; Clough Engineering & Integrated Solutions Pty Ltd which is wholly owned by Holding Construction Australia Pty Ltd which is wholly owned by Salini Australia Pty Ltd which is wholly owned by WeBuild SpA.	

7.4 Anti-corruption

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

The anti-corruption policy was expected for fifty-one (51) reconciled entities, however **eight (8) entities** did not response to this requirement including the failure to submit an anti-corruption policy by the SOE (TIMOR GAP, EP).

The table 7.9 below summarizes the responses from reconciled entities. For a more detailed overview, please refer to Annex N.

Table 7.9 Responses for anti-corruption policy from reconciled entities

Parameters	Type of entity	Anti-corruption policy	Responses	
			#	%
Responsive	Contractors	Publicly Available	17	33%
		Available	1	2%
		Not available	1	2%
	Sub-contractors	Publicly Available	4	8%
		Available	3	6%
		Not available	4	8%
Non-responsive	Contractors	-	2	4%
	Subsidiaries of SEO	-	13	25%
	Sub-contractors	-	6	12%
Total			51	100%

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

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

Anti-Corruption legislation in Timor-Leste

Timor-Leste's Anti-Corruption Law No. 7/2020, enacted on 26 August 2020, establishes comprehensive measures to prevent and combat corruption. The law introduces a framework for declaring income, assets, and interests, defines corruption-related offenses, prescribes applicable penalties, and outlines special procedures for obtaining and preserving evidence.

Under this legislation, government officials, public servants, and employees of State-Owned Enterprises are required to comply with its provisions. Specifically, individuals covered by the law must submit annual declarations of income, assets, and expenditures to the Comissão Anti Corrupção.

7.5 Mainstreaming

Timor-Leste joined EITI in 2008 and since then it has published 15 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 expenditures⁵⁰.

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 ANP and ANM, TIMOR GAP, the Central Bank and the Petroleum Fund. The entities mentioned publish an annual report with audited financial statements and ANP and ANM also provide a website with monthly production and monthly revenue collection figures.

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

Furthermore, Timor-Leste has been improving the publishing of data by increasing the quantity and quality throughout the years, with the aim of complying with the requirements of the EITI Standard 2016, EITI Standard 2019 and afterwards EITI Standard 2023. In fact, EY Portugal is performed follow-up on the last Feasibility Study on Mainstreaming to assess the requirements and roadmap developments.

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

The MSWG currently considers that progress on mainstreaming will occur gradually as the country itself develops the tools and mechanisms essential for its full implementation. Current O&G regulatory structures and laws go against certain information disclosure requirements envisage on EITI Standard (commercial terms in PSC, certain production details, etc.). Additionally, despite the fact that a significant volume of the required information being reported in the Government 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.

⁵⁰ Sources: EITI Timor-Leste: <https://eiti.org/timorleste> & Transparency

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

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

8 State Owned Enterprise (SOE's)

This section addresses key disclosure areas related to state participation, which primarily occurs through state-owned enterprises (SOEs). Under the EITI 2023 Standard, compliance with SOE requirements ensures transparency and accountability in how SOEs operate within the extractive sector. These requirements emphasize disclosing roles, responsibilities, and financial flows associated with SOEs, given their significant influence on resource management and revenue generation for the state. By meeting these standards, Timor-Leste strengthens governance, promotes public trust, and aligns with international best practices for managing extractive resources.

In 2023, TIMOR GAP continued to play a central role in Timor-Leste's upstream oil and gas sector, overseeing exploration, development, and production activities both onshore and offshore. The company actively engaged in multiple projects, including geological and geophysical studies to identify new prospects. TIMOR GAP currently holds three offshore and four onshore PSCs, while evaluating Reserve Block B and pursuing opportunities in Blocks C and D. A major highlight was the ongoing negotiations on the Greater Sunrise fields, where TIMOR GAP holds a 56.56% majority interest.

8. State Owned Enterprise (SOE's)

SOEs in Timor Leste

As of 2023, Timor-Leste is home to two primary state-owned enterprises (SOEs) operating in the oil, gas, and mining sectors:

- **TIMOR GAP, E.P.:** A state-owned oil and gas company acting on behalf of the State in petroleum and gas operations.
- **MURAK RAI TIMOR, E.P. (MRT E.P.):** A state-owned mining company established under Government Decree Law No. 64/2023 (6 September 2023) to carry out mining activities.

While the mining sector has been deemed immaterial for the current report MSG, we will provide a summary of MRT E.P.'s financial results. To ensure compliance with SOE requirements, our primary focus will be on TIMOR GAP.

MURAK RAI TIMOR, E.P. Financial Results

Given that MRT E.P. was incorporated on 4 October 2023, the focus in the 3 months ended 31 December 2023 was primarily towards setting up of the company including setting up working space and onboarding of critical human resources. MRT E.P. received its initial Contributed Capital of USD 2,000,000 from the Ministry for Petroleum and Mineral Resources.

For the three-month period ended 31 December 2023, MRT reported no operational revenue as activities focused on organizational setup and concession acquisition. The company incurred operating expenses of USD 146,377, resulting in a net loss of USD 131,264 for the period.

In terms of investments, MRT began its foundational procurement and asset acquisition, recording USD 10,333 in tangible assets and securing office leases valued at USD 107,945. No exploration costs or joint venture funding obligations were incurred during this period, as MRT benefited from free-carry arrangements in its JV agreements.

TIMOR GAP, E.P Legal Framework

TIMOR GAP, E.P. was established by Decree-Law No. 31/2011 on 27 July to manage, within a business-oriented framework, the State of Timor-Leste's assets in the oil and natural gas sector, including other hydrocarbons and their by-products.

In May 2023, the first amendment to Decree-Law No. 31/2011 was introduced through Decree-Law No. 24/2023, aiming to adapt the legal regime to changes in the petroleum sector arising from the Maritime Boundaries Treaty and the development of the oil industry, and to identify potential intervention areas for TIMOR GAP.

TIMOR GAP's By-Laws underwent a second amendment through Decree-Law No. 61/2023 on 6 September. This revision addressed inaccuracies in the first amendment, aligned corporate governance with international standards, and expanded the company's scope to meet energy transition challenges. The goal is to refocus TIMOR GAP on its core mission by correcting inefficiencies such as resource misallocation, unprofitable operations, and neglect of strategic projects vital to Timor-Leste's future. Finally, the amendment enhances transparency and control in operations, aligning with international standards and national laws, restoring sector credibility, and maintaining Timor-Leste's status in the Extractive Industries Transparency Initiative.

This company receives 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 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.

TIMOR GAP Corporate Bodies

As a state-owned company, TIMOR GAP operates under the supervision of the Ministry of Petroleum and Mineral Resources, the State's direct administrative body responsible for overseeing the petroleum sector. Despite its autonomous nature, all business activities and strategic decisions of TIMOR GAP must align with the Government's strategic direction and sector objectives as defined by the supervisory authority.

The company comprises the following main corporate bodies: a) Board of Directors; b) Executive Committee; and c) Audit Board.

The Audit Board is the body of the company responsible for supervising the management of the company's financial assets and property, and ensuring compliance with the laws, statutes, policies, and procedures of the company. The powers of the Audit Board are set forth in Article 17 of the TIMOR GAP By-Laws.

The Board of Directors (BOD) is the highest body of TIMOR GAP, overseeing the management of the company and approving strategic decisions, relevant policies, procedures, and guidelines, among other responsibilities.

Pursuant to Decree-Law No. 61/2023, of 6 September, second amendment to Decree-Law No. 31/2011, of 27 July 2011, the BOD is responsible for the direction and management of the company. It is entrusted, among other, with defining its business trajectory, approving strategic, multiannual, and annual financial plans, and approving the company participation in petroleum operations, including those in the Greater Sunrise Special Regime Area. It is also responsible for managing assets, incorporating subsidiaries, setting strategic directions, and establishing corporate guidelines across various functions. Additionally, the BOD's authority includes endorsing internal policies, managing investments, and appointing or dismissing members of the Executive Committee for four-year terms, thereby ensuring effective supervision of the company's management.

The Executive Committee (EC) is entrusted with the daily exercise of the company's affairs, in accordance with its mission, objectives, strategies, and guidelines approved by the BOD.

The selection of members for TIMOR GAP's corporate bodies is governed by Timor-Leste's legal framework for state-owned enterprises. The Government of Timor-Leste, through the Council of Ministers, holds the authority to appoint and remove members of the Board of Directors in accordance with the decree-laws that establish and regulate the company. The Executive Committee, composed of senior management, operates under the oversight of the Board and is formed internally following these appointments. The process is centralized and government-driven, with no indication of external stakeholder involvement or competitive selection procedures.

Upstream subsidiary companies (Block interests SPVs)

The entity has subsidiaries engaged in upstream activities and oil & gas services. The activities of TIMOR GAP's wholly owned subsidiaries range from onshore to offshore operations. In 2023, TIMOR GAP held interests in the following entities:

Incorporated up to 2017

- **TIMOR GAP PSC 11-106** – Established in 2012, this fully owned subsidiary is responsible for exploration, crude oil and natural gas production, and related sales activities under PSC TL-SO-

T 19-11. The partnership between TIMOR GAP PSC 11-106, Eni JPDA 11-106 B.V., and Inpex for this PSC in the former JPDA area became effective on 23 October 2013. TIMOR GAP holds a 24% share in the joint venture.

- **TIMOR GAP Seismic Services, Unipessoal, Lda.** – Founded in October 2015, this entity is owned by TIMOR GAP (60%) and BGP Geoexplorer Pte, Ltd., a subsidiary of China National Petroleum Corporation (40%). Its objective is to provide seismic survey services within Timor-Leste's territory.
- **TIMOR GAP Offshore Block, Unipessoal, Lda.** – Established in 2015 as a special purpose vehicle for offshore block TL-SO-15-01. On 18 December 2015, this subsidiary began offshore exploration in TL-SO-15-01, holding a 100% share in the PSC.
- **TIMOR GAP Chuditch, Unipessoal, Lda.** – Created in 2016 to expand TIMOR GAP's exploration and production portfolio. On 8 November 2019, TIMOR GAP Chuditch and its joint venture partner, SundaGas Banda Unipessoal, Lda., signed a PSC for the TL-SO-19-16 contract area with ANPM. TIMOR GAP holds a 25% share in the joint venture.
- **TIMOR GAP Onshore Block, Unipessoal, Lda.** – Founded in 2017 as a special purpose vehicle to enter PSC TL-OT-17-08 with TIMOR RESOURCES for exploration and exploitation of Onshore Block A, sharing a 50% partnership.
- **TIMOR GAP Onshore Block B, Unipessoal, Lda.** – Created in 2017 as a special purpose vehicle to participate in activities in Onshore Block B.
- **TIMOR GAP Onshore Block C, Unipessoal, Lda.** – Established in 2017 as a special purpose vehicle for block TL-OT-17-09, signed with TIMOR RESOURCES, sharing a 50% partnership. Refer to Annex J for details on TIMOR GAP's onshore blocks.
- **TIMOR GAP Drilling & Services, Unipessoal, Lda.** – Created in 2017 to address the complexity of providing services in the upstream business. Its main goal is to enhance commercial value and attract investment.

Since 2018, TIMOR GAP has established the following wholly owned subsidiaries:

- 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 participate in exploration and production:

- **TIMOR GAP PUALACA BLOCK, Unipessoal, Lda.** – Established in 2021, this wholly owned subsidiary was awarded the onshore PSC TL-OT-12 (Pualaca Block), holding a 100% participating interest and acting as Operator.

In 2022, TIMOR GAP established **TIMOR GAP RARAHANA BLOCK, Unipessoal, Lda.**, to participate in exploration and production activities in the onshore PSC TL-OT-22-18 awarded that year.

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

- South Horizon Offshore Services, Lda.** – Established in 2015, this subsidiary of TIMOR GAP Oil & Gas Marine and Logistics, Lda., provides support services to vessels and offshore facilities operating in the Timor Sea. It also owns and operates offshore support vessels and offers other services for the marine and oil & gas industry.

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

Revenue and Financial Results

The company's operating deficit for the year ended 31 December 2023 amounted to USD - 214,945 (2022: USD - 1,232,962) and total comprehensive loss of USD - 381,214 (2022: USD - 962,607). The total income of the company is reduced by USD 86,340,966 (2022: USD 68,769,748) which is derived considering unspent project budgets for the year 2023. On a group basis, TIMOR GAP has received a grant of USD 54,000,000 (2022: USD 62,200,000), out of which USD 16,473,351 has been transferred to the subsidiaries to carry out their minimum exploration program as depicted in their individual ANPM approved work program and budget.

The grant was provided to fund the 2023 operations of the company including carrying out major project related studies like development of other Downstream Businesses and Services including fuel trading business, investments in Greater Sunrise PSC, investments in new onshore blocks, etc.

While the company depends heavily on government grant to carry out its operating and non-operating project expenses, the company has also internally generated income from fuel trading business from EDTL and from fuel sales from Suai Petrol Station, which recorded total combined sales of USD 21,565,926 (2022: USD 29,055,843).

On a group basis, the deficit is mainly a finance cost on impaired oil and gas properties for the year ended 31 December 2023 stood at USD - 37,248,384 (2022: USD - 34,454,255). The deficit on group basis is reduced by the total of income tax and deferred tax credit of USD 63,339 (2022: Deferred Tax Charge of USD 27,128). The company now has an equity of USD 22,464,230 (2022: USD 22,845,444) and the same at group level is USD - 799,975,128 (2022: USD - 762,558,222). The company's retained earnings as of 31 December 2023 are USD 19,964,230 (2022: USD 20,345,444).

The Company reported losses in 2023 and the prior year primarily due to substantial investments and ongoing restructuring, including significant expenditures on exploration, infrastructure, and human capital development, while revenue continues to be limited to fuel retail and service provision.

Other expenses totaled USD 19.2 million in 2023. Additional contributing factors included impairment losses on Greater Sunrise intangible assets (USD 1.2 million) and annual compound interest expenses related to the Petroleum Fund loan (USD 34 million).

Company equity stood at USD 19.96 million (2022: USD 20.35 million), while TIMOR GAP Group equity declined to USD -802.70 million (2022: USD -765.28 million), mainly due to impairment losses on Greater Sunrise intangible assets and annual compound interest on Petroleum Fund loans.

TIMOR GAP remains heavily reliant on government grants to sustain operations and fund projects until oil extraction begins, and the company achieves self-sufficiency. During this growth phase, development costs remain unpredictable as the company pursues opportunities aligned with its long-term vision for Timor-Leste's oil and gas sector.

TIMOR GAP's Annual Report for 2023 indicates that no dividend was distributed to its sole shareholder, the State of Timor-Leste, and does not present a formal dividend policy. The Company states that it

remains in an investment and development phase, focusing on strategic projects such as Greater Sunrise, the Tasi Mane Project, and downstream infrastructure.

Due to operating deficit and substantial capital expenditures during this period, resources are reinvested in long-term growth rather than allocated to dividend payments. Any future distribution will be subject to Timor-Leste's legal framework for state-owned enterprises and require government approval.

Project costs

In 2023, the TIMOR GAP's project expenses primarily related to the Tasi Mane Project Management (SSB pre-condition for Bayu-Undan decommissioning), Greater Sunrise negotiations, Bayu-Undan Decommissioning, development of downstream businesses and services, and investments in Greater Sunrise PSC, offshore and onshore exploration, drilling for PSC Block TL-SO-T 19-11, Chuditch PSC, farmout rights in PSC-TL-SO-19-16, carrying interests in PSC-TL-OT-17-08 & PSC-TL-OT-17-09, and two new onshore blocks.

Due to internal and external factors, only 18% of project costs were expensed in 2023. In line with government grants accounting, grants are recognized systematically over periods matching related expenses.

Accordingly, 82% of the grant, totaling USD121,268,320 (2022: USD 93,695,848), was carried forward as Deferred Income⁵¹ (Grant) under liabilities in the 2023 audited financial statements. Income recognized for 2023 was USD 26,427,528 (2022: USD 16,860,020), representing 18% of the grant utilized. The remaining budget will be executed in 2024 as per the approved work program.

TIMOR GAP's Financial Liabilities

In 2019, TIMOR GAP borrowed USD 650 million from the Petroleum Fund under a long moratorium period. The loan is unsecured, carries an annual compounded interest rate of 4.5%, and has a tenure of 18 years, with the first repayment due on 9 April 2028. The loan was obtained specifically to acquire a 56.56% participating interest in the Greater Sunrise Oilfields, and repayment terms were based on the expected production start date. The total amortized borrowing cost for 2023 was USD 800,425,938 (2022: USD 765,957,836).

According to the Petroleum Fund 2023 Annual Report, the current borrowing has created significant accounting and reporting challenges for the Fund. Initially, the loan was recorded at amortized cost, resulting in an automatic increase in value due to accrued interest during the eight-year grace period. However, during the audit of the 2020 financial statements, EY audit team determined that the conditions for amortized cost were not met and that the loan should instead be valued at fair value. This required the Central Bank of Timor-Leste (BCTL) to engage an independent valuation firm and establish a new valuation process, causing substantial delays to the audited financial statements and annual reports for 2020 and 2021. Delays were exacerbated by the late release of TIMOR GAP's audited financial statements.

Although the MoF, in coordination with BCTL and EY, implemented measures to prevent similar delays in subsequent years, the loan continues to pose financial risks. When the loan was agreed in 2019, the eight-year grace period was expected to allow sufficient time for the Greater Sunrise gas project to begin production and generate revenue for repayment. However, the development plan for Greater Sunrise remains unresolved, and the first interest payment is due in April 2028. This may result in a potential liquidity gap between TIMOR GAP's repayment obligations and its projected revenue inflows.

⁵¹ TIMOR GAP received grants from the Government of the Republic of Timor-Leste during the year; however, as these funds were not fully utilized for the intended expenses or projects, the Company deferred them in accordance with IAS 20 provisions. Consequently, the deferred grant balance reflects cumulative government funding allocated to strategic initiatives such as infrastructure development and upstream projects, which remain in progress and will be amortized as the related obligations are fulfilled.

In late 2023, stakeholders agreed to review and amend the loan terms once Greater Sunrise development plans become clearer in 2024.

Investments provided to extractive companies

TIMOR GAP has invested in several projects, including offshore and onshore exploration, drilling for PSC Block TL-SO-T 19-11, the Chuditch PSC, farmout rights in PSC-TL-SO-19-16, carrying interests in PSC-TL-OT-17-08 and PSC-TL-OT-17-09, and two new onshore blocks.

According to TIMOR GAP's 2023 Consolidated Financial Statements, on the Note 13 Investments total investments in subsidiaries and associates amounted to USD 1,177,446 (valued at cost), primarily for TIMOR GAP Onshore Block, Unipessoal, Lda (USD 398,844) and TIMOR GAP Offshore Block, Unipessoal, Lda (USD 703,352). Those loans are interest free and repayable when the latter starts generating revenue from respective block. Thus, the investment is on account of fair valuation accounting of loan given.

Audit of TIMOR GAP (Requirement 2.6.b)

TIMOR GAP's audited financial statements are publicly available on its official website ([Annual Reports - TIMOR GAP E.P.](#)). The 2023 audited financial statement was issued on 27 July 2024⁵².

TIMOR GAP has not disclosed any legal or regulatory barriers that could delay the publication of audited financial statements. The report does not mention obstacles or provide justification for delays. In line with EITI Requirement 2.6, it is recommended that TIMOR GAP explicitly document any such barriers, if they exist, to ensure transparency and accountability for SOEs.

Disclosure of material SOE payments to government (Requirement 4.5)

As TIMOR GAP subsidiaries participate in several PSCs, they are required to pay oil and gas royalties, fees, and applicable taxes to the Government. Material SOE payments are disclosed and reconciled in **Section 10** of current report.

⁵² [Timor Gap Annual Report.pdf](#)



Methodology and approach

9

EY was engaged to carry out a scoping study to set out the EITI reconciliation scope which was used for the 16th Timor-Leste EITI Report. This assignment was the first step to do the reconciliation process.

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

9. Methodology and approach

9.1 Scope of work and IA

Independent Administrator

As Independent Administrator, EY supported MSGW with the following tasks during the technical-economic assessment of the report:

- Identify in alignment with 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 MSGW 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, to confirm 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 (Inception report) which was submitted and approved for adoption by the MSGW.

Scope of work

Considering the established materiality threshold, it is imperative to note that 99% of the revenue flows received by the Petroleum Fund Unit for the year 2023 fall within the scope and are subject to reconciliation.

Additionally, the following matters were considered:

- The national taxes paid to the DNRPM to be captured within the EITI process, and accordingly, all non-taxes paid to ANPM or to the Fund;
- All revenue streams from TL (DNRPM, ANP 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.

9.2 Materiality considerations

Sectors (subsectors in scope)

Oil and gas industry

According to preliminary data, the Timor-Leste Government received USD 150.07 million in Oil and Gas (O&G) revenues during 2023, compared to USD 1,401 million in 2022. O&G production peaked in 2012 and has been on a declining trend since then, with the decline accelerating in 2022 and 2023, as reflected in the figures above. This downward trend is expected to continue in the coming years, as production activity remains in decline at the time of this report's preparation.

Despite this trend, Timor-Leste remains heavily dependent on oil, and O&G revenues continue to represent a critical source of government income. In fact, O&G accounted for 99% of total extractive industry revenues in 2023, underscoring the subsector's importance and materiality for this report.

Mining industry

Regarding the mining sector, the revenue of USD 1.49 million generated from mining companies represents a decline compared to previous years, which recorded USD 2.46 million. In the context of total revenue received from extractive industries in Timor-Leste, the mining contribution accounted for only 1% of the overall revenue, still indicating a relatively low impact on total earnings for 2023.

MSGW agrees that the relative size of the mining industry to the total revenue extractive revenue is still discrete, as on top of quantitative measures O&G was still the main subsector with public attention. Additionally, other factors like the industry's maturity, development stage and timing considerations influenced the MSGW decision to in light of the standard requirements concerning significant reporting thresholds, to keep the mining sector as immaterial for the purposes of this report.

However, the MSGW should consider that declining oil and gas revenues may lead to increased interest in the mining industry. Therefore, even though mining is currently deemed immaterial for the report, the MSGW decided to voluntarily disclose some information about the mining sector due to its strategic importance for the future. This could include an initial overview of mining activities, production, and exports, thereby ensuring a balance between comprehensive reporting and operational efficiency.

Furthermore, in light of the recommendations from the recent EITI Timor-Leste Validation, the IA suggested that the MSGW consider including certain mining entities in the reconciliation process to facilitate the upcoming transition to potential context in which mining might be deemed as material.

Therefore, the mining sector is treated as Artisanal Small-scale Mining (ASM) and covered under section 6, which provides an overview of ASM activity, production, and exports (meaning the data of construction material extracted), ensuring a balance between comprehensive reporting and efficiency. Additionally, the sampling reconciliation on the mining entities is presented on section 10.

Selection Threshold

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 2023 Report. The most common way consists of defining materiality in terms of a minimum value of payment to government; the other could be based on the size of the company (for example, a minimum annual size) or the type of permit held (large scale, production).

After consulting the MSGW the materiality threshold was maintained at 100,000 USD for all revenue streams and the same threshold for the entities / institutions that have above aggregated year end payments (to the material revenues streams considered material) for 2023 (same in 2022).

Revenue Streams

Government revenues from the extractive industries consist of:

1. Non-Tax Revenues

2. Tax Revenues

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

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

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

Table 9.1 O&G Entities Tax Revenue in scope

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

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

Table 9.2 O&G Entities Non-Tax Revenue in scope

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.

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

Extractive companies and government entities in Scope

EITI Standard defines that all extractive companies and government entities above the threshold (materiality) are required to report as part of the reconciliation.

Additionally, 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.

The list of Oil & Gas entities in scope (including contractors, subcontractors, and government entities) is presented in Annex A.

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

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

Data collection templates used in the 2023 reconciliation

The data collection templates used for the 2023 reconciliation remain fully aligned with the requirements of the 2023 EITI Standard. Draft templates were circulated to the TL EITI Secretariat and shared with MSWG members for review and approval.

To ensure compliance with the updated Standard, additional data fields have been incorporated to address new disclosure requirements introduced under the 2023 framework. The tables below highlight the key differences between the current templates and the previous version (prior to the implementation of the new Standard), providing clarity on the nature and scope of these changes.

As a follow-up, Table 9.3 summarizes the key differences between the current templates and the earlier version used prior to the implementation of the 2023 Standard, providing a overview of the changes introduced.

Table 9.3 Changes in required information for disclosure

A summary of the additional information required for disclosure in the 2023 EITI data collection template is due to the implementation of the 2023 EITI Standard	
A - Financial and Legal info	
Detailed employment data disclosure:	
- Number of employed persons, by gender, <u>occupational level</u>, company, project and between local and foreign nationals - Information on the number of women employed at different occupational levels. - Information on the gender pay gap, where available.	
B - Beneficial Ownership	
- Established an ownership threshold of 10% for EITI Reporting. This means that any individual who directly or indirectly holds this or a higher percentage of shares of a company <u>should be disclosed</u> as a beneficial owner. - Ownership structure (organization chart) included the full chain of legal entities leading to the beneficial owner. - Subsidiaries of publicly listed companies must disclose the name of the stock exchange and provide a link to the stock exchange filings where their parent company is listed.	
C - Production	
Enhanced disclosures on production and exports:	
- Existing mechanisms for monitoring and verifying the accuracy of production data, and to document findings, including any weaknesses related to the comprehensiveness and reliability of publicly available production data. - Disclosure of the sources of, and the methods for calculating, production volumes and values. - Disclosure of proven oil, gas, and mineral reserves. - Information about future production plans, even if it does not have production yet.	

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

D - Tax & other payments_NDPMR

The results of the reporting entity's audit:

- Standalone audited financial statements and audit reports for the reporting company for the year 2023.
- Summarize the audit report for the 2023 fiscal year and main findings, including a statement on the comprehensiveness and reliability of the financial data disclosed.

G - Social Expenditures and H - Environmental Expenditures

A step towards transparency regarding the impact of Social and Environmental Expenditures:

- Disclosure of information about the beneficiaries of mandatory social expenditures, including their names and roles, in accordance with Requirement 6.1.a.
- Disclosure of any social expenditures that specifically benefited women or women's organizations.

I - Gas Emissions

Extractive sector's contribution to national emissions:

- Provide GHG emissions data in accordance with existing standards.

Anti-corruption policy

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

Existing information about environmental and social impacts on extractive industry

- Public links to any environmental, social, and gender impact assessments, as well as associated reports, that reporting entity has conducted in relation to extractive activities in Timor Leste.
- Existing contracts and any legal documents that detail the levels and allocation of material mandatory social expenditures.
- Any supply contracts or other legal documents that mandate social and environmental payments.

9.4 Data assurance

Assurance Method in the Public Sector

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

As part of our analysis, we verified that the annual reports of ANP, TIMOR GAP, the Petroleum Fund, and BCTL were audited by independent auditors, as described above. These entities follow audit procedures aligned with International Standards on Auditing, which are largely incorporated into local audit standards.

The assurance and audit processes previously outlined should be mandated by law for all public entities operating in the extractive sector. Consequently, the data requested from the Independent

Administrator is expected to undergo scrutiny through these procedures. Furthermore, a detailed reconciliation is performed in Chapter 10, adding an additional layer of validation for revenue-related information through third-party confirmation.

This reconciliation process plays a critical role in ensuring data quality and compliance with Requirement 4.9 of the EITI Standard, as it enables cross-referencing of information from independent sources.

Assurance Method in Private Sector

Regarding Requirement 4.9(a) of the EITI Standard, the audit of financial statements by an independent entity, along with the reconciliation of payment data disclosed by the IA, are appropriate procedures to ensure compliance with this requirement.

In most cases, the selected private-sector entities are subsidiaries of publicly listed companies operating in the extractive industry. Their operational and financial performance is reflected in annual and financial reports, particularly for listed companies, and supported by internal control systems that, in the majority of cases, comply with SOX requirements.

Given that the EITI reconciliation process requires highly reliable data, we have undertaken the following steps:

- 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;

Each reporting template included a management certification statement confirming the accuracy of the disclosed data: "I certify that the information above is true and consistent with standard government auditing Procedures".

In summary, the reliability of the data was verified through the collection of financial statements and audit opinions from extractive companies. This information, obtained for most companies and government entities, is provided in Annex L.

Whenever discrepancies or uncertainties arose regarding reported information, we requested updated submissions from the respective entities.

9.5 Other considerations

Revenues received from transportation of Oil and Gas

According to requirement 4.4, material revenues from the transportation of oil, gas and minerals that are material should be disclosed. In this case, Timor-Leste has no transportation revenues, only a pipeline fee that its not interpreted as a transportation service but as a direct government revenue.

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

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

Moreover, The Government of Timor-Leste aims to develop the gas from Greater Sunrise field through the building of a subsea pipeline to onshore Timor-Leste, and the establishment of a LNG plant to

process the gas in south coast at Beaço, Viqueque (about 200 km southeast of Dili). In 2023, the new government decided to move the location of LNG plant to Natarbora, Manatuto in the south coast of Timor-Leste.

Based on the analysis made and continuing the criteria used in prior years, no transportation revenue is identified. The pipeline fee is an agreement fee between both countries, not a transportation revenue. No other payments related to transportation, made by contractors or subcontractors, were identified.

Infrastructure Provision and Barter Arrangement

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

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

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

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

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



Revenue Collection and data quality

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 2023
- To reconcile the data from extractive companies and government authorities on each type of payments for each company in 2023
- 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

10

10.Reconciliation of tax and other payments

10.1 General results of payments reconciliation

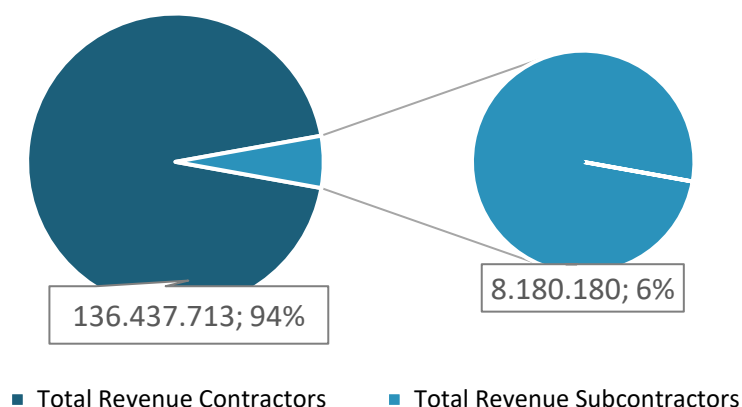
In table 10.1 below there is a brief description and a summary of the total amount of revenue received by Government entities from the Oil & Gas sector and the amounts in scope for 2023 fiscal year:

Table 10.1 Revenue received by Government entities

Revenues generated in 2023 as per templates (Millions USD)	Total	Scope	
Total non-tax revenue reported by ANP	94 599 825	94 599 825	100,0%
Total Tax Revenue Contractors MoF	41 837 888	41 837 888	100,0%
Total Revenue Contractors	136 437 713	136 437 713	100,0%
Total Tax Revenue Subcontractors	8 300 884	8 180 180	98,5%
Other fees (BCTL)	5 333 600	5 333 600	100,0%
Total	150 072 197	149 951 493	99,9%

Based on the figure below, we present the composition of the total Oil & Gas revenue, disaggregated by extractive entities (see Section 10.2) and their subcontractors (see Section 10.3), which are subject to reconciliation. The reconciliation of pipeline fees is addressed in Section 10.5.

Figure 10.1 Total Oil&Gas revenue in 2023, in USD



10.2 General results of payments reconciliation – Extractive Companies

10.2.1 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-Leste oil and gas operations

In total, **32 extractive companies** were selected within this category, paying a combined amount of USD 41,837,888 in tax revenues for the 2023 fiscal year. This number represents 100% of the sample, meaning that all contractors made significant contributions above the applicable threshold during 2023.

Where a company is part of a group, each entity was considered separately. Data collection templates were distributed to all these entities, and the results are presented in the following section 10.2.3.

The details of tax and revenue amounts reported by the **Government**, broken down by company, are presented below:

Table 10.2 Detailed Tax Revenue reported by Government (contractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor- Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Custom Duties	Total Revenue reported by Government
BU12 Australia Pty Ltd	-	-	-	-	-	-	-	-
BU13 Australia Pty Ltd	-	-	-	136 147	-	-	-	136 147
ENI JPDA 03-13 Ltd	-	-	-	3 699 932	-	-	-	3 699 932
ENI JPDA 06-105 PTY LTD	48 172	5 914	19 327	-	-	-	-	73 413
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-
ENI Timor-Leste S.P.A	-	85 776	-	-	-	-	-	85 776
Inpex Sahul Ltd	-	-	-	9 597 356	6 383 361	-	-	15 980 717
Inpex Timor Sea Ltd	-	14 906	-	-	-	-	-	14 906
Timor Resources Pty Ltd	92 254	34 685	-	-	-	-	-	126 939
Tokyo Timor Sea Resources Pty Ltd	-	-	-	1 278 492	-	-	-	1 278 492
SundaGas Banda Unip Ltd	52 643	37 417	-	-	-	-	-	90 060
Santos NA (19-12) Pty Ltd	4 689 439	812 512	4 205 202	2 685 194	2 468 037	-	-	14 860 384
Santos NA (19-13) Pty Ltd	-	-	-	286 022	706 460	-	-	992 482
Santos NA Timor Sea	-	-	-	235 974	1 509 739	-	-	1 745 713

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor- Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Custom Duties	Total Revenue reported by Government
Sanots NA Emet	-	-	-	48 287	110 713	-	-	159 000
Santos NA Bayu Undan	-	-	-	327 009	730 724	-	-	1 057 733
Santos (JPDA 91-12) Pty Ltd	-	-	-	304 181	735 048	-	-	1 039 229
TIMOR GAP Rarahana Unip Lda	20 710	329	-	-	-	-	-	21 039
TIMOR GAP G RL 2 Unip Lda	49	-	-	-	-	-	-	49
TIMOR GAP G S 03-20 Unip Lda	49	-	-	-	-	-	-	49
TIMOR GAP Chudith Unip Lda	1 334	-	-	-	-	-	-	1 334
TIMOR GAP Greater 03-19 Unip Lda	-	49	-	-	-	-	-	49
TIMOR GAP Greater Sunrise RL Unip.Lda	26 516	121 631	-	-	-	14 515	-	162 662
TIMOR GAP Offshore Block Unipessoal	11 337	3 255	-	-	-	-	-	14 593
TIMOR GAP Onshore Block C Unip Lda	9 861	-	-	-	-	-	-	9 861
TIMOR GAP Onshore Block Unip Lda	26 162	-	-	-	-	-	-	26 162
TIMOR GAP PSC 11-106 Unip Ld	17 852	184	-	-	-	-	-	18 036
TIMOR GAP Pualaca Block Unipessoal	11 551	125 452	-	-	-	-	-	137 003
Woodside Petroleum (Timor Sea 19) Pty Ltd	39 953	1 080	-	-	-	-	-	41 033
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	-	-	-	-	-	-
Carnarvon Petroleum Timor Unipessoal Lda	-	-	-	-	-	18 939	-	18 939
Finder Energy (was ENI JPDA 11-106 BV BRANCH)	-	5 832	40 323	-	-	-	-	46 155
Total	5 047 882	1 249 023	4 264 852	18 598 594	12 644 082	33 454	-	41 837 888

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

In total, **32 extractive companies** were selected within this category—Non-Tax Payments Reconciliation — reporting a combined amount of USD 94,599,825 in non-tax revenues during the 2023 fiscal year. This represents a 100% sample of Non-Tax Payments. Where a company is part of a group, each entity was considered separately. Data collection templates were distributed to all these entities, and the results are presented in the following section 10.2.3.

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

Table 10.3 Detailed Non-Tax Revenue reported by Government

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	License Fee / Surface Fee	Total Revenue reported by Government
BU12 Australia Pty Ltd	-	10 938 090	-	-	-	-	-	10 938 090
BU13 Australia Pty Ltd	-	6 631 870	-	-	-	-	-	6 631 870
ENI JPDA 03-13 Ltd	-	8 463 560	-	-	-	-	-	8 463 560
ENI JPDA 06-105 PTY LTD	-	-	-	243 750	-	-	-	243 750
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-
ENI Timor-Leste S.P. A	-	-	-	-	75 523	-	-	75 523
Inpex Sahul Ltd	-	8 228 060	-	-	-	-	-	8 228 060
Inpex Timor Sea Ltd	-	-	-	-	-	-	-	-
Timor Resources Pty Ltd	-	-	-	-	-	-	-	-
Tokyo Timor Sea Resources Pty Ltd	-	7 086 111	-	-	-	-	-	7 086 111
SundaGas Banda Unip Ltd	-	-	-	-	107 145	-	-	107 145
Santos NA (19-12) Pty Ltd	16 118 371	8 475 317	320 000	3 658 200	-	-	-	28 571 888
Santos NA (19-13) Pty Ltd	-	4 133 971	-	-	-	-	-	4 133 971
Santos NA Timor Sea	-	5 753 645	-	-	-	-	-	5 753 645
Santos NA Emet	-	678 595	-	-	-	-	-	678 595
Santos NA Bayu Undan	-	4 810 180	-	-	-	-	-	4 810 180
Santos (JPDA 91-12) Pty Ltd	-	8 312 245	-	-	-	-	-	8 312 245
TIMOR GAP Rarahana Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP G RL 2 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP G S 03-20 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Chudith Unip Lda	-	-	-	-	-	-	-	-

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	License Fee / Surface Fee	Total Revenue reported by Government
TIMOR GAP Greater 03-19 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL Unip.Lda	-	-	-	-	-	-	-	-
TIMOR GAP Offshore Block Unipessoal	-	-	-	-	110 370	-	-	110 370
TIMOR GAP Onshore Block C Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP PSC 11-106 Unip Ld	-	-	-	-	-	-	-	-
TIMOR GAP Pualaca Block Unipessoal	-	-	-	-	94 528	-	-	94 528
Woodside Petroleum (Timor Sea 19) Pty Ltd	-	-	160 000	-	-	-	-	160 000
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	160 000	-	-	-	-	160 000
Carnarvon Petroleum Timor,Unipessoal Lda	-	-	-	-	-	-	-	-
Finder Energy (was ENI JPDA 11-106 BV BRANCH)	-	-	40 293	-	-	-	-	40 293
Total	16 118 371	73 511 645	680 293	3 901 950	387 566	-	-	94 599 825

10.2.2 Extractive companies – Adjustments by the Government

We engaged with Government entities to clarify discrepancies identified in the data submitted through EITI templates during the reconciliation process. Adjustments were made for confirmed differences to minimize unreconciled amounts. The following summary outlines the discrepancies investigated and the corresponding adjustments, based on amounts reported by the **Government**:

Table 10.4 Adjustments by the Government in the reconciliation process (Contractors)

Entities	Timor-Leste Non-Resident Employees wages income tax	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax (CIT), production activities	Corporate Income Tax (CIT), other types of activities	Additional Profit Tax (APT) - Bayu Undan	Timor-Leste Resident Employees wages income tax	Total	Notes
Timor Resources Pty Ltd	-13 879,000	13 879,000	-	-	-	-	-	-	1)
Tokyo Timor Sea Resources Pty Ltd	-	-	-	-1 278 492	-	1 278 492	-	-	2)
Santos NA (19-12) Pty Ltd	-	-25 119	-	478 507	-791 484	312 977	-	-25 119	3)
SundaGas Banda Unip Ltd	-	-3 997	-	-	-	-	3 947	-50	4)
ENI Timor Leste S.P.A	-	-75 523	-	-	-	-	-	-75 523	5)
Timor Gap Pualaca Block Unipessoal	-	-94 528	-	-	-	-	-	-94 528	6)
Finder Energy (was ENI JPDA 11-106 BV BRANCH)	-	-	-40 290	-	-	-	-	-40 290	7)
Total	-13 879	-185 288	-40 290	-799 985	-791 484	1 591 469	3 947	-235 510	

Notes:

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

Adjustment due to incorrect classification by type of tax.

2) Adjustments on the amount reported by the Government Tokyo Timor Sea Resources Pty Ltd

Adjustment due to incorrect classification by type of tax.

3) Adjustments on the amount reported by the Government for Santos NA (19-12) Pty Ltd

Adjustments related to misallocations between Corporate Income Tax (CIT) for production activities and CIT for other activities. Discrepancies were also identified in CIT and Additional Petroleum Tax (APT) figures because the Ministry of Finance (MoF) reports only actual payments received.

4) Adjustments on the amount reported by the Government for SundaGas Banda Unip Ltd

Adjustment due to incorrect classification by type of tax.

5) Adjustments on the amount reported by the Government for ENI Timor Leste S.P.A

Adjustment due to misallocation by MoF, as the payment was related to a fee categorized under Non-Tax Revenue.

6) Adjustments on the amount reported by the Government for Timor Gap Pualaca Block Unipessoal

Adjustment due to misallocation by MoF, as the payment was related to a fee categorized under Non-Tax Revenue.

7) Adjustments on the amount reported by the Government for FINDER Energy (was ENI JPDA 11-106 BV BRANCH)

Adjustment due to misallocation by MoF, as the payment was related to a fee categorized under Non-Tax Revenue.

Below, we specify the revenue streams and final corresponding amounts that were adjusted under the reconciled payments by the Government.

Table 10.5 Final revenue reported by Government, detailed by revenue stream after adjustments

Extractive Companies	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor- Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Total revenue after adjustments
BU12 Australia Pty Ltd	-	-	-	-	-	-	-	10 938 090	-	-	-	10 938 090
BU13 Australia Pty Ltd	-	-	-	136 147	-	-	-	6 631 870	-	-	-	6 768 017

Extractive Companies	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor- Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Total revenue after adjustments
ENI JPDA 03-13 Ltd	-	-	-	3 699 932	-	-	-	8 463 560	-	-	-	12 163 492
ENI JPDA 06-105 PTY LTD	48 172	5 914	19 327	-	-	-	-	-	-	243 750	-	317 163
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-	-	-	-	-
ENI Timor Leste S.P.A	-	10 253	-	-	-	-	-	-	-	-	75 523	85 776
Inpex Sahul Ltd	-	-	-	9 597 356	6 383 361	-	-	8 228 060	-	-	-	24 208 777
Inpex Timor Sea Ltd	-	14 906	-	-	-	-	-	-	-	-	-	14 906
Timor Resources Pty Ltd	78 376	48 564	-	-	-	-	-	-	-	-	-	126 939
Tokyo Timor Sea Resources Pty Ltd	-	-	-	-	1 278 492	-	-	7 086 111	-	-	-	8 364 603
SundaGas Banda Unip Ltd	56 590	33 421	-	-	-	-	-	-	-	-	107 145	197 155
Santos NA (19-12) Pty Ltd	4 689 439	787 393	4 205 202	2 372 217	2 781 014	-	16 118 371	8 475 317	320 000	3 658 200	-	43 407 154
Santos NA (19-13) Pty Ltd	-	-	-	286 022	706 460	-	-	4 133 971	-	-	-	5 126 453
Santos NA Timor Sea	-	-	-	235 974	1 509 739	-	-	5 753 645	-	-	-	7 499 358
Sanots NA Emet	-	-	-	48 287	110 713	-	-	678 595	-	-	-	837 595
Santos NA Bayu Undan	-	-	-	327 009	730 724	-	-	4 810 180	-	-	-	5 867 913
Santos (JPDA 91-12) Pty Ltd	-	-	-	304 181	735 048	-	-	8 312 245	-	-	-	9 351 474
TIMOR GAP Rarahana Unip Lda	20 710	329	-	-	-	-	-	-	-	-	-	21 039
TIMOR GAP G RL 2 Unip Lda	49	-	-	-	-	-	-	-	-	-	-	49
TIMOR GAP G S 03-20 Unip Lda	49	-	-	-	-	-	-	-	-	-	-	49
TIMOR GAP Chudith Unip Lda	1 334	-	-	-	-	-	-	-	-	-	-	1 334
TIMOR GAP Greater 03-19 Unip Lda	-	49	-	-	-	-	-	-	-	-	-	49
TIMOR GAP Greater Sunrise RL Unip.Lda	26 516	121 631	-	-	-	14 515	-	-	-	-	-	162 663
TIMOR GAP Offshore Block Unipessoal	11 337	3 255	-	-	-	-	-	-	-	-	110 370	124 963
TIMOR GAP Onshore Block C Unip Lda	9 861	-	-	-	-	-	-	-	-	-	-	9 861
TIMOR GAP Onshore Block Unip Lda	26 162	-	-	-	-	-	-	-	-	-	-	26 162

Extractive Companies	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor- Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Total revenue after adjustments
TIMOR GAP PSC 11-106 Unip Ld	17 852	184	-	-	-	-	-	-	-	-	-	18 036
TIMOR GAP Pualaca Block Unipessoal	11 551	30 924	-	-	-	-	-	-	-	-	94 528	137 003
Woodside Petroleum (Timor Sea 19) Pty Ltd	39 953	1 080	-	-	-	-	-	-	160 000	-	-	201 033
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	-	-	-	-	-	-	160 000	-	-	160 000
Carnarvon Petroleum Timor, Unipessoal.Lda	-	-	-	-	-	18 939	-	-	-	-	-	18 939
Finder Energy (was ENI JPDA 11-106 BV BRANCH)	-	5 832	30	-	-	-	-	-	40 293	-	-	46 155
Total	5 037 951	1 063 735	4 224 559	17 007 125	14 235 551	33 454	16 118 371	73 511 644	680 293	3 901 950	387 566	136 202 200

10.2.3 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

In total, **32 extractive** companies were selected within this category, contributing a combined amount of USD 45,654,053 in tax revenues for the 2023 fiscal year. Where a company is part of a group, each entity was considered separately. However, **two (2) contractors** did not provide revenue information as they failed to respond to the template, three of which were included for the first time.

The details of tax revenue amounts reported by the extractive entities, broken down by tax type, are presented below:

Table 10.6 Detailed Tax Revenue reported by Contractors

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Custom Duties	Total Tax Revenue reported by Entities
BU12 Australia Pty Ltd	-	-	-	939 539	1 629 193	-	-	2 568 732
BU13 Australia Pty Ltd	-	-	-	678 597	1 129 656	-	-	1 808 253
ENI JPDA 03-13 Ltd	-	-	-	484 064	3 215 868	-	-	3 699 932
ENI JPDA 06-105 PTY LTD	48 172	5 914	19 327	-	-	-	-	73 413
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-
ENI Timor-Leste S.P.A	-	10 253	-	-	-	-	-	10 253
Inpex Sahul Ltd	-	-	-	9 597 356	6 383 361	-	-	15 980 717
Inpex Timor Sea Ltd	14 906	-	-	-	-	-	73 022	87 928
Timor Resources Pty Ltd	96 770	38 628	-	-	-	-	73 022	208 420
Tokyo Timor Sea Resources Pty Ltd	-	-	-	-	1 278 492	-	-	1 278 492
SundaGas Banda Unip Ltd	56 590	33 421	-	-	-	-	-	90 011
Santos (JPDA 91-12) Pty Ltd	4 689 439	787 396	4 204 713	2 096 754	4 709 694	-	-	16 487 996
Santos NA (19-13) Pty Ltd	-	-	-	-74 461	1 066 943	-	-	992 482

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Custom Duties	Total Tax Revenue reported by Entities
Santos NA Timor Sea	-	-	-	-256 934	3 367 058	-	-	3 110 124
Sanots NA Emet	-	-	-	-37 368	196 368	-	-	159 000
Santos NA Bayu Undan	-	-	-	-163 523	1 221 256	-	-	1 057 733
Santos NA (19-12) Pty Ltd	-	-	-	-2 385 103	225 041	-	-	-2 160 062
TIMOR GAP Rarahana Unip Lda	21 591	-	-	-	-	-	-	21 591
TIMOR GAP G RL 2 Unip Lda	-	430	-	-	-	-	-	430
TIMOR GAP G S 03-20 Unip Lda	-	49	-	-	-	-	-	49
TIMOR GAP Chudith Unip Lda	1 065	-	-	-	-	-	-	1 065
TIMOR GAP Greater 03-19 Unip Lda	-	49	-	-	-	-	-	49
TIMOR GAP Greater Sunrise RL Unip.Lda	22 490	25 331	-	-	-	-	-	47 821
TIMOR GAP Offshore Block Unipessoal	7 878	11 017	-	-	-	-	-	18 895
TIMOR GAP Onshore Block C Unip Lda	6 454	-	-	-	-	-	-	6 454
TIMOR GAP Onshore Block Unip Lda	26 363	-	-	-	-	-	-	26 363
TIMOR GAP PSC 11-106 Unip Ld	15 530	-	-	-	-	-	-	15 530
TIMOR GAP Pualaca Block Unipessoal	4 572	15 718	-	-	-	-	-	20 290
Woodside Petroleum (Timor Sea 19) Pty Ltd	39 932	2 160	-	-	-	-	-	42 092
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	-	-	-	-	-	-
Total	5 051 752	930 366	4 224 040	10 878 921	24 422 930	-	146 044	45 654 053

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

Since 30 out of 32 extractive entities submitted their Data Collection Template, the total non-tax revenue reported by these entities amounts to USD 96,139,221. The breakdown of non-tax revenue by **extractive company** is presented below:

Table 10.7 Detailed Non-Tax Revenue reported by Contractors

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	License Fee / Surface Fee	Total Non-Tax Revenue reported by Entities
BU12 Australia Pty Ltd	-	10 938 090	-	-	-	-	-	10 938 090
BU13 Australia Pty Ltd	-	6 631 870	-	-	-	-	-	6 631 870
ENI JPDA 03-13 Ltd	-	8 463 560	-	-	-	-	-	8 463 560
ENI JPDA 06-105 PTY LTD	-	-	162 500	81 250	-	-	-	243 750
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-
ENI Timor Leste S.P.A	-	-	-	-	75 523	-	-	75 523
Inpex Sahul Ltd	-	8 228 060	-	-	-	-	-	8 228 060
Inpex Timor Sea Ltd	-	-	-	-	-	-	-	-
Timor Resources Pty Ltd	-	-	-	-	-	-	-	-
Tokyo Timor Sea Resources Pty Ltd	1 559 505	7 086 111	-	-	-	-	-	8 645 616
SundaGas Banda Unip Ltd	-	-	-	-	107 145	-	-	107 145
Santos (JPDA 91-12) Pty Ltd	-	8 312 245	-	-	-	-	-	8 312 245
Santos NA (19-13) Pty Ltd	-	4 133 971	-	-	-	-	-	4 133 971
Santos NA Timor Sea	-	5 753 645	-	-	-	-	-	5 753 645
Sanots NA Emet	-	678 595	-	-	-	-	-	678 595
Santos NA Bayu Undan	-	4 810 180	-	-	-	-	-	4 810 180
Santos NA (19-12) Pty Ltd	16 118 371	8 475 317	320 000	3 658 200	-	-	-	28 571 888
TIMOR GAP Rarahana Unip Lda	-	-	-	-	-	-	67 447	67 447
TIMOR GAP G RL 2 Unip Lda	-	-	-	-	-	-	-	-

Entities	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	Seismic Data Fee	License Fee / Surface Fee	Total Non-Tax Revenue reported by Entities
TIMOR GAP G S 03-20 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Chudith Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Greater 03-19 Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Greater Sunrise RL Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Offshore Block Unipessoal	-	-	-	-	110 370	-	-	110 370
TIMOR GAP Onshore Block C Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP Onshore Block Unip Lda	-	-	-	-	-	-	-	-
TIMOR GAP PSC 11-106 Unip Ld	-	-	-	-	-	-	-	-
TIMOR GAP Pualaca Block Unipessoal	-	-	-	-	-	-	47 264	47 264
Woodside Petroleum (Timor Sea 19) Pty Ltd	-	-	160 000	-	-	-	-	160 000
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	160 000	-	-	-	-	160 000
Total	17 677 876	73 511 646	802 500	3 739 450	293 038	-	114 711	96 139 221

10.2.4 Extractive companies – Adjustments by the Contractors

During the reconciliation process, we engaged with contractors to address discrepancies identified in the data presented in the EITI templates. Confirmed differences were adjusted to minimize unreconciled amounts. Below is a summary of the discrepancies investigated and corresponding adjustments, based on the amounts and clarifications provided by the contractors:

Table 10.8 Adjustments by the Contractors in the reconciliation process

Entities	Timor-Leste Non-Resident Employees wages income tax	Timor-Leste Resident or PE WHT Tax	Timor-Leste Non-Resident or Non PE WHT tax	Corporate Income Tax (CIT), production activities	Additional Profit Tax (APT) - Bayu Undan	Condensate (FTP)	LPG (FTP)	LNG (FTP)	Import Duty	Corporate Income Tax (CIT), other types of activities	Timor-Leste Resident Employees wages income tax	Total	Notes
BU12 Australia Pty Ltd	-	-	-	-939 539	-1 629 193	-	-	-	-	-	-	-2 568 732	1.1)
BU13 Australia Pty Ltd	-	-	-	-542 425	-1 129 656	-	-	-	-	-	-	-1 672 081	1.2)
	-	-	-	-1 481 964	-2 758 849	-	-	-	-	-	-	-4 240 813	
Inpex Timor Sea Ltd	-14 906	-	-14 906	-	-	-	-	-	-	-	-	-29 812	2)
Timor Resources Pty Ltd	-3 985	-414	-1 260	-	-	-	-	-	-73 022	-	-2 760	-81 441	3)
Tokyo Timor Sea Resources Pty Ltd	-	-	-	-	-	-386 927	-13 682	-1 158 896	-	-	-	-1 559 505	4)
Santos NA (19-13) Pty Ltd	-	-	-	360 483	-360 483	-	-	-	-	-	-	-	5.1)
Santos NA EMET P/L	-	-	-	85 655	-85 655	-	-	-	-	-	-	-	5.2)
Santos NA Bayu Undan P/L	-	-	-	490 532	-490 532	-	-	-	-	-	-	-	5.3)
Santos (JPDA 91-12) Pty Ltd	-	-	-	2 507 619	510 007	-	-	-	-	-	-	3 017 626	5.4)
Santos NA Timor Sea Pty Ltd	-	-	-	39 697	-1 404 106	-	-	-	-	-	-	-1 364 409	5.5)

Entities	Timor-Leste Non-Resident Employees wages income tax	Timor-Leste Resident or PE WHT Tax	Timor-Leste Non-Resident or Non PE WHT tax	Corporate Income Tax (CIT), production activities	Additional Profit Tax (APT) - Bayu Undan	Condensate (FTP)	LPG (FTP)	LNG (FTP)	Import Duty	Corporate Income Tax (CIT), other types of activities	Timor-Leste Resident Employees wages income tax	Total	Notes
Santos NA (19-12) Pty Ltd	-	20 053	-	275 463	-1 928 680	-	-	-	-	489	-	-1 632 676	5.6)
	-	20 053	-	3 759 449	-3 759 449	-	-	-	-	489	-	20 542	
Total	-18 891	19 639	-16 166	2 277 485	-6 518 298	-386 927	-13 682	-1 158 896	-73 022	489	-2 760	-5 891 029	

1.1) Adjustments on the amounts reported by BU12 Australia Pty Ltd

The entity has provided proof of this payment only being made in January 2024, that is the reason why the MoF did not report any amount for this tax in 2023.

1.2) Adjustments on the amount reported by BU13 Australia Pty Ltd

The entity has provided proof of this payment only being made in January 2024, that is the reason why the MoF did not report any amount for this tax in 2023.

2) Adjustments on the amount reported by Inpex Timor Sea Ltd

The adjustment corresponds to a mistake in the allocation of the tax.

3) Adjustments on the amount reported by Timor Resources Pty Ltd

The adjustment corresponds to a mistake in the allocation of the tax.

4) Adjustments on the amount reported by Timor Resources Pty Ltd

Based on discussions with ANP, it was confirmed that the FTP reported by Tokyo Timor Sea Resources (as the ultimate payer) was actually paid via Santos NA (19-12) Pty Ltd, which acted as the operator responsible and made the payments directly to ANP. Therefore, Tokyo Timor Sea Resources' payments should not have been considered separately, as Santos had already reported the FTP.

5) Adjustments on the amount reported by Santos

5.1) The adjustment corresponds to: offset overpaid CIT against APT reported as a cashflow.

5.2) The adjustment corresponds to: offset overpaid CIT against APT reported as a cashflow.

5.3) The adjustment corresponds to: offset overpaid CIT against APT reported as a cashflow.

5.4) The adjustment corresponds to: offset overpaid CIT against APT reported as a cashflow.

5.5) The adjustment corresponds to: offset overpaid CIT against APT reported as a cashflow.

5.6) This adjustment corresponds to overpayments, which were carried forward into subsequent reporting periods.

Below, we specify the revenue streams and corresponding amounts that were adjusted under the reconciled payments.

Table 10.9 Final revenue reported by Contractors, detailed by revenue stream after adjustments

Entities	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Custom Duties	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	License Fee / Surface Fee	Total revenue after adjustments
BU12 Australia Pty Ltd	-	-	-	-	-	-	-	10 938 090	-	-	-	-	10 938 090
BU13 Australia Pty Ltd	-	-	-	136 172	-	-	-	6 631 870	-	-	-	-	6 768 042
ENI JPDA 03-13 Ltd	-	-	-	484 064	3 215 868	-	-	8 463 560	-	-	-	-	12 163 492
ENI JPDA 06-105 PTY LTD	48 172	5 914	19 327	-	-	-	-	-	162 500	81 250	-	-	317 163
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-	-	-	-	-	-
ENI Timor-Leste S.P.A	-	10 253	-	-	-	-	-	-	-	-	75 523	-	85 776
Inpex Sahul Ltd	-	-	-	9 597 356	6 383 361	-	-	8 228 060	-	-	-	-	24 208 777
Inpex Timor Sea Ltd	-	-14 906	-	-	-	73 022	-	-	-	-	-	-	58 116
Timor Resources Pty Ltd	90 025	36 954	-	-	-	-	-	-	-	-	-	-	126 979
Tokyo Timor Sea Resources Pty Ltd	-	-	-	-	1 278 492	-	-	7 086 111	-	-	-	-	8 364 603
SundaGas Banda Unip Ltd	56 590	33 421	-	-	-	-	-	-	-	-	107 145	-	197 155
Santos NA (19-12) Pty Ltd	4 689 439	807 449	4 204 713	2 372 706	2 781 014	-	16 118 371	8 475 317	320 000	3 658 200	-	-	43 427 209
Santos NA (19-13) Pty Ltd	-	-	-	286 022	706 460	-	-	4 133 971	-	-	-	-	5 126 453

Entities	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Custom Duties	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	License Fee / Surface Fee	Total revenue after adjustments
Santos NA Timor Sea	-	-	-	-217 237	1 962 952	-	-	5 753 645	-	-	-	-	7 499 360
Sanots NA Emet	-	-	-	48 287	110 713	-	-	678 595	-	-	-	-	837 595
Santos NA Bayu Undan	-	-	-	327 009	730 724	-	-	4 810 180	-	-	-	-	5 867 913
Santos (JPDA 91-12) Pty Ltd	-	-	-	122 516	735 048	-	-	8 312 245	-	-	-	-	9 169 809
TIMOR GAP Rarahana Unip Lda	21 591	-	-	-	-	-	-	-	-	-	-	67 447	89 038
TIMOR GAP G RL 2 Unip Lda	-	430	-	-	-	-	-	-	-	-	-	-	430
TIMOR GAP G S 03-20 Unip Lda	-	49	-	-	-	-	-	-	-	-	-	-	49
TIMOR GAP Chudith Unip Lda	1 065	-	-	-	-	-	-	-	-	-	-	-	1 065
TIMOR GAP Greater 03-19 Unip Lda	-	49	-	-	-	-	-	-	-	-	-	-	49
TIMOR GAP Greater Sunrise RL Unip.Lda	22 490	25 331	-	-	-	-	-	-	-	-	-	-	47 821
TIMOR GAP Offshore Block Unipessoal	7 878	11 017	-	-	-	-	-	-	-	-	110 370	-	129 266
TIMOR GAP Onshore Block C Unip Lda	6 454	-	-	-	-	-	-	-	-	-	-	-	6 454
TIMOR GAP Onshore Block Unip Lda	26 363	-	-	-	-	-	-	-	-	-	-	-	26 363
TIMOR GAP PSC 11-106 Unip Ld	15 530	-	-	-	-	-	-	-	-	-	-	-	15 530
TIMOR GAP Pualaca Block Unipessoal	4 572	15 718	-	-	-	-	-	-	-	-	-	47 264	67 554
Woodside Petroleum (Timor Sea 19) Pty Ltd	39 932	2 160	-	-	-	-	-	-	160 000	-	-	-	202 092

Entities	Timor-Leste WIT Resident employees and Timor- Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Custom Duties	FTP	Profit Oil	Contract Services Fee	Development Fee	Surface Rental Fee	License Fee / Surface Fee	Total revenue after adjustments
Woodside Petroleum (Timor Sea 20) Pty Ltd	-	-	-	-	-	-	-	-	160 000	-	-	-	160 000
Total	5 030 101	933 836	4 224 041	13 156 895	17 904 632	73 022	16 118 371	73 511 646	802 500	3 739 450	293 038	114 711	135 902 243

10.2.5 Extractive companies – Reconciliation Results

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

Table 10.10 Reconciliation results with Contractors

Entities	Pre Reconciliation			Adjustments		After Reconciliation		
	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
BU12 Australia Pty Ltd	13 506 822	10 938 090	-2 568 732	-2 568 732	-	10 938 090	10 938 090	-
BU13 Australia Pty Ltd	8 440 123	6 768 017	-1 672 106	-1 672 081	-	6 768 042	6 768 017	-25
ENI JPDA 03-13 Ltd	12 163 492	12 163 492	-	-	-	12 163 492	12 163 492	-
ENI JPDA 06-105 PTY LTD	317 163	317 163	-	-	-	317 163	317 163	-
ENI TIMOR 22-23 BV	-	-	-	-	-	-	-	-
ENI Timor-Leste S.P.A	85 776	161 300	75 523	-	-75 523	85 776	85 777	1
Inpex Sahul Ltd	24 208 777	24 208 777	-	-	-	24 208 777	24 208 777	-
Inpex Timor Sea Ltd	87 928	14 906	-73 022	-29 812	-	58 116	14 906	-43 210
Timor Resources Pty Ltd	208 420	126 939	-81 481	-81 441	-	126 979	126 939	-40
Tokyo Timor Sea Resources Pty Ltd	9 924 108	8 364 603	-1 559 505	-1 559 505	-	8 364 603	8 364 603	-
SundaGas Banda Unip Ltd	197 155	197 205	50	-	-50	197 155	197 155	-
Santos NA (19-12) Pty Ltd	45 059 885	43 432 272	-1 627 612	-1 632 675	-25 119	43 427 210	43 407 153	-20 057

Entities	Pre Reconciliation			Adjustments		After Reconciliation		
	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
Santos NA (19-13) Pty Ltd	5 126 453	5 126 453	-	-	-	5 126 453	5 126 453	-
Santos NA Timor Sea	8 863 769	7 499 358	-1 364 411	-1 364 409	-	7 499 360	7 499 358	-2
Sanots NA Emet	837 595	837 595	-	-	-	837 595	837 595	-
Santos NA Bayu Undan	5 867 913	5 867 913	-	-	-	5 867 913	5 867 913	-
Santos (JPDA 91-12) Pty Ltd	6 152 183	9 351 474	3 199 291	3 017 626	-	9 169 809	9 351 474	181 665
TIMOR GAP Rarahana Unip Lda	89 038	21 039	-67 999	-	-	89 038	21 039	-67 999
TIMOR GAP G RL 2 Unip Lda	430	49	-381	-	-	430	49	-381
TIMOR GAP G S 03-20 Unip Lda	49	49	-	-	-	49	49	-
TIMOR GAP Chudith Unip Lda	1 065	1 334	269	-	-	1 065	1 334	269
TIMOR GAP Greater 03-19 Unip Lda	49	49	-	-	-	49	49	-
TIMOR GAP Greater Sunrise RL Unip.Lda	47 821	162 663	114 842	-	-	47 821	162 663	114 842
TIMOR GAP Offshore Block Unipessoal	129 266	124 963	-4 303	-	-	129 266	124 963	-4 303
TIMOR GAP Onshore Block C Unip Lda	6 454	9 861	3 408	-	-	6 454	9 861	3 407
TIMOR GAP Onshore Block Unip Lda	26 363	26 162	-201	-	-	26 363	26 162	-201
TIMOR GAP PSC 11-106 Unip Ld	15 530	18 036	2 506	-	-	15 530	18 036	2 506
TIMOR GAP Pualaca Block Unipessoal	67 554	231 531	163 977	-	-94 528	67 554	137 003	69 449
Woodside Petroleum (Timor Sea 19) Pty Ltd	202 092	201 033	-1 058	-	-	202 092	201 033	-1 059
Woodside Petroleum (Timor Sea 20) Pty Ltd	160 000	160 000	-	-	-	160 000	160 000	-
Carnarvon Petroleum Timor Unipessoal Lda	-	18 939	18 939	-	-	-	18 939	18 939
Finder Energy (was ENI JPDA 11-106 BV BRANCH)	-	86 447	86 447	-	-40 290	-	46 157	46 157

Entities	Pre Reconciliation			Adjustments		After Reconciliation		
	Reported by Entity	Reported by Government	Results of initial request	Adjustments by the entities	Adjustments by the Government	Reported by Entity	Reported by Government	Unreconciled differences
Total	141 793 273	136 437 713	-5 355 559	-5 891 029	-235 510	135 902 244	136 202 203	299 959

10.2.6 Extractive companies – Unreconciled differences

Based on the payment amounts outlined in Sections 10.2.1–10.2.5 above, the table 10.11 below summarizes the differences identified between government and extractive entity revenues. In total, the discrepancies amount to USD 299,959, which includes USD 65,096 (or 0.05% of total revenue) that could not be confirmed because four contractors failed to respond to the Data Collection Template. Following reconciliation, the remaining unreconciled difference is approximately USD 234,862, an amount considered reasonable, as it represents only 0.17% of the total revenue reconciled with the contractors.

Table 10.11 Unreconciled difference (Contractors)

Description	Amount in USD	%
Total amount reported initially by the Government	136 117 713	
Additional ANP payments included into reconciliation ⁵³ (see table 10.4)	320 000	
Adjustments by the Government entities	-235 510	
Final revenue reported by the Government	136 202 203	100%
Total amount reported initially by Contractors	141 793 273	
Adjustments by the Extracted Entities	-5 891 029	
Final revenue reported by the Contractors	135 902 244	99,34%
Allocation of differences:		
Entities not answered	65 096	0,05%
<i>Carnarvon Petroleum Timor, Unipessoal Lda</i>	18 939	
<i>Finder Energy (ENI JPDA 11-106 BV BRANCH)</i>	46 157	
Amount not reconciled	234 862	0,17%
Final differences	299 959	0,22%

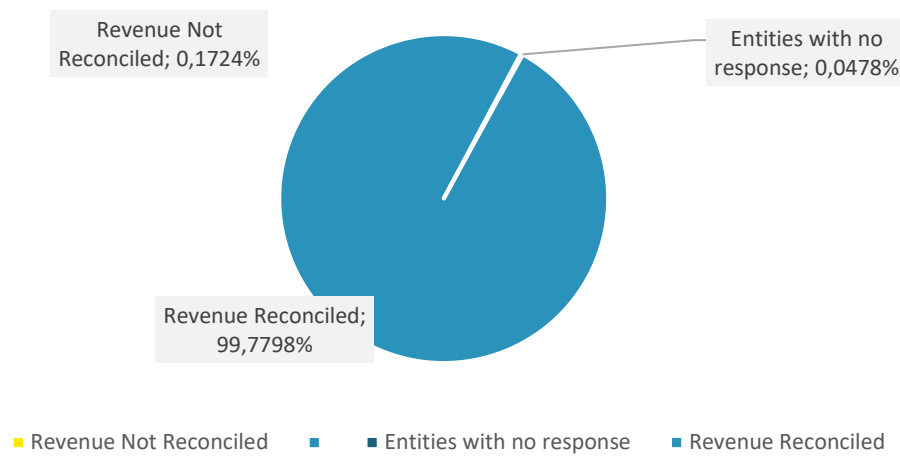
Regarding Carnarvon Petroleum Timor Unipessoal Lda, we have received confirmation from both the Ministry of Finance and the National Secretariat that the entity cannot be contacted, as the contractor has ceased operations and the contract was relinquished in 2024.

Finder Energy assumed operatorship of PSC 19-11 (formerly PSC 11-106) on 29 August 2024. In response to the National Secretariat's request for revenue data, the company stated that it is unable to provide information relevant to the 2023 Timor-Leste EITI Report.

⁵³ The additional amount of USD 320,000 of funds were transferred to ANP's bank account and recognized as ANP revenue and were included in the reconciliation process. This arrangement complies with Annex B – Greater Sunrise Special Regime of the Maritime Boundary Treaty, under which ANP serves as the Designated Authority for the Greater Sunrise Special Regime.

The figure 10.2 below shows the results and the fact that **99,34% of the payments from contractors** were reconciled. Taking in consideration the total amount of Revenue the MSGW consider the results of the reconciliation satisfactory.

Figure 10.2 Unreconciled differences for extractive companies



10.3 General results of payments reconciliation – Subcontractors

10.3.1 Payments from Oil & Gas subcontractors in Scope – Reported by the Government

In total, **19 entities** were selected within this category, contributing a combined amount of USD 8,180,180 in tax revenues during the 2023 fiscal year. However, 12 subcontractors were excluded from the reconciliation scope, as their cumulative payments did not exceed the materiality threshold defined for this process. Although out of scope, these entities represent an insignificant share of total revenue, amounting to USD 120,704.

Data Collection Templates were distributed to all selected subcontractors, and the results are presented in Section 10.3.3 below.

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

Table 10.12 Detailed Tax Revenue reported by Government (subcontractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Withholding Tax on Services	Total Tax Revenue reported by Government
Caltech Unipessoal	750 875	34 304	-	31 655	-	58 638	-	875 471
Laloran Marine Services	-	458 777	-	-	-	-	-	458 777
Baker Hughes Australia PTY Limited	-	-	-	118 742	-	-	-	118 742
Chandler Macleod Group Limited	97 511	-	-	1 186	-	-	-	98 697
Kotug Maritime Services	115 010	19 116	-	-	-	-	-	134 126
Schlumberger Australia Pty Ltd	46 427	1 014	-	230 914	-	-	-	278 355
Weatherford Australia Pty Ltd	-	-	-	440 943	-	-	-	440 943
Haliburton Australia Pty Ltd	75 593	64 112	-	91 936	-	-	-	231 641
Santos NA Timor-Leste Pty Ltd	318 842	40 830	-	-	-	-	-	359 672
TIMOR GAP Seismic Services Lda	-	-	-	9 592	-	-	-	9 592
TIMOR GAP Drilling Unip Lda	1 012	-	-	-	-	-	-	1 012
Offshore Services Autralasia Pty Ltd	780 960	397 440	-	-	-	-	-	1 178 400
Clough Wood Pty Ltd	1 298 801	30 756	-	561 373	-	-	-	1 890 930
Compass Group (Australia) Pty Ltd	330 707	2 812	-	356 794	-	493 366	-	1 183 679
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	136 600	-	-	-	-	5 317	-	141 917
Tidewater Offshore Pty Ltd	133 569	140 693	-	209 942	-	91 340	-	575 544
Tidewater Onshore Operations Pte	-	22 701	-	-	-	5 599	-	28 300
SGS Australia Pty Ltd	69 008	-	-	54 696	-	-	-	123 704
Konnekto Unipessoal Lda	50 678	-	-	-	-	-	-	50 678
Total	4 205 593	1 212 555	-	2 107 772	-	654 259	-	8 180 180

10.3.2 Subcontractors – Adjustments by the Government

We engaged with Government entities to clarify discrepancies identified in the data submitted through EITI templates during the reconciliation process. Adjustments were made for confirmed differences to minimize unreconciled amounts. The following summary outlines the discrepancies investigated and the corresponding adjustments, based on amounts reported by the **Government**:

Table 10.13 Adjustments by the Government in the reconciliation process (Subcontractors)

Entities	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste Non- Resident or Non PE WHT tax	Timor-Leste Non-Resident Employees wages income tax	Total	Notes
Caltech Unipessoal	40 771	-45 291	-	-	-4 520	1)
Haliburton Australia Pty Ltd	-16 719	-	53 937	-37 218	-	2)
Santos NA Timor-Leste Pty Ltd	5 785	-	-	26 445	32 230	3)
Kotug Maritime Services	-19 116	-	134 136	-115 010	10	4)
Total	10 721	-45 291	188 073	-125 783	27 720	

1) Adjustments on the amount reported by the Government for Caltech Unipessoal

This adjustment relates to a misallocation of WIT between residents and non-residents on the MoF side.

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

This adjustment is due to a misallocation on the MoF side. The MoF does not disclose this amount.

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

These adjustments result from a misallocation in December by the MoF and an Airport Rent payment made on 15/12/2023, which was not recorded.

4) Adjustments on the amount reported by the Government for Kotug Maritime Services

Below, we specify the revenue streams and final corresponding amounts that were adjusted under the reconciled payments by the Government.

Table 10.14 Final revenue reported by Government, detailed by revenue stream after adjustments (Subcontractors)

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non-Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	Corporate Income Tax	Additional Tax of Petroleum Tax	Total Tax Revenue reported by Government
Caltech Unipessoal	705 584	75 075	31 655	58 638	870 951
Laloran Marine Services	-	458 777	-	-	458 777
Baker Hughes Australia PTY Limited	-	-	118 742	-	118 742
Chandler Macleod Group Limited	97 511	-	1 186	-	98 697
Kotug Maritime Services	-	134 136	-	-	134 136
Schlumberger Australia Pty Ltd	46 427	1 014	230 914	-	278 355
Weatherford Australia Pty Ltd	-	-	440 943	-	440 943
Haliburton Australia Pty Ltd	38 375	101 330	91 936	-	231 641
Santos NA Timor-Leste Pty Ltd	345 287	46 615	-	-	391 902
TIMOR GAP Seismic Services Lda	-	-	9 592	-	9 592
TIMOR GAP Drilling Unip Lda	1 012	-	-	-	1 012
Offshore Services Autralasia Pty Ltd	780 960	397 440	-	-	1 178 400
Clough Wood Pty Ltd	1 298 801	30 756	561 373	-	1 890 930
Compass Group (Australia) Pty Ltd	330 707	2 812	356 794	493 366	1 183 679
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	136 600	-	-	5 317	141 917
Tidewater Offshore Pty Ltd	133 569	140 693	209 942	91 340	575 544
Tidewater Onshore Operations Pte	-	22 701	-	5 599	28 300
SGS Australia Pty Ltd	69 008	-	54 696	-	123 704
Konnekto Unipessoal Lda	50 678	-	-	-	50 678
Total	4 034 519	1 411 349	2 107 772	654 259	8 207 900

10.3.3 Payments from Oil & Gas subcontractors in Scope – Reported by the Entities

The breakdown of tax revenue amounts reported by subcontractors is presented below. As mentioned earlier, **19 subcontractors** were selected within this category for further revenue reconciliation procedures. However, **8 subcontractors** did not provide revenue information as they failed to respond to the Data collection template.

Consequently, a total of **11 entities** reported a combined amount of USD 4,584,699 in tax revenues for the 2023 fiscal year. The details of tax revenue amounts reported by these **subcontractors**, broken down by tax type, are presented below:

Table 10.15 Detailed Tax Revenue reported by Subcontractors

Entities	Timor-Leste WIT Resident employees and Timor-Leste WIT Non- Resident employees	Timor-Leste PE WHT TAX and Timor-Leste Non PE WHT TAX	VAT – JPDA	Corporate Income Tax	Annual APT	Additional Tax of Petroleum Tax	Withholding Tax on Services	Total Tax Revenue reported by Entities
Caltech Unipessoal	746 355	38 130	-	31 655	-	-	-	816 140
Laloran Marine Services	-	458 752	-	-	-	-	-	458 752
Baker Hughes Australia PTY Limited	-	-	-	118 742	-	-	-	118 742
Chandler Macleod Group Limited	-	103 215	-	1 186	-	-	-	104 401
Kotug Maritime Services	-	134 136	-	-	-	-	-	134 136
Schlumberger Australia Pty Ltd	46 427	1 014	-	63 048	167 866	-	-	278 355
Weatherford Australia Pty Ltd	-	-	-	-	-	-	-	-
Haliburton Australia Pty Ltd	26 895	89 708	-	92 148	-	-	-	208 751
Santos NA Timor Leste Pty Ltd	348 287	46 616	-	-	-	-	-	394 903
Clough Wood Pty Ltd	1 298 801	30 756	-	561 373	-	-	-	1 890 930
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	179 590	-	-	-	-	-	-	179 590
Total	2 646 354	902 327	-	868 152	167 866	-	-	4 584 699

10.3.4 Subcontractors – Adjustments by the Entities

During the reconciliation process, we engaged with subcontractors to address discrepancies identified in the data presented in the EITI templates. Confirmed differences were adjusted to minimize unreconciled amounts. Below is a summary of the discrepancies investigated and corresponding adjustments, based on the amounts and clarifications provided by the subcontractors:

Table 10.16 Adjustments by the Subcontractors in the reconciliation process

Entities	Timor-Leste Resident or Non-Resident WHT tax	Non-PE	Timor-Leste Resident Employees wages income tax	Non-Resident Employees	Corporate Tax, other activities	Income types of Annual APT	Additional Petroleum Tax	Tax of Total	Notes
Schlumberger Australia Pty Ltd	-	-	-	-	167 866	-167 866	-	-	1)
Caltech Unipessoal	-	-	-	-	-	-	58 638	58 638	2)
Chandler Macleod Group Limited	103 215	-97 516	-	-	-	-	-	5 699	3)
Weatherford Australia Pty Ltd	-	-	-	-	440 943	-	-	440 943	4)
Haliburton Australia Pty Ltd	11 709	-	-	-	-	-	-	11 709	5)
Total	114 924	-97 516	608 809	-167 866	58 638	516 988			

1) Adjustments on the amount reported by Schlumberger Australia Pty Ltd

This adjustment relates to a misallocation by the entity, previously recognized as “Additional Profit Tax (APT) – Bayu Undan.”

2) Adjustments on the amount reported by Caltech Unipessoal

This adjustment corresponds to payments made in October from the additional tax related to 2021.

3) Adjustments on the amount reported by Chandler Macleod Group Limited

This adjustment pertains to a misclassification by tax type.

4) Adjustments on the amount reported by Weatherford Australia Pty Ltd

This adjustment relates to an amount from the fiscal year 2022.

5) Adjustments on the amount reported by Haliburton Australia Pty Ltd

The entity provided proof of payment but did not include the amount in the template.

Below, we specify the revenue streams and final corresponding amounts that were adjusted under the reconciled payments by the Subcontractors.

Table 10.17 Final values reported by Subcontractors for 2023, including agreed adjustments

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	Corporate Income Tax	Additional Tax of Petroleum Tax	Total Tax Revenue reported by Entities
Caltech Unipessoal	746 355	38 130	31 655	58 638	874 777
Laloran Marine Services	-	458 752	-	-	458 752
Baker Hughes Australia PTY Limited	-	-	118 742	-	118 742
Chandler Macleod Group Limited	-97 516	206 430	1 186	-	110 100
Kotug Maritime Services	-	134 136	-	-	134 136
Schlumberger Australia Pty Ltd	46 427	1 014	230 914	-	278 355
Weatherford Australia Pty Ltd	-	-	440 943	-	440 943
Haliburton Australia Pty Ltd	26 895	101 417	92 148	-	220 459
Santos NA Timor-Leste Pty Ltd	348 287	46 616	-	-	394 903
Clough Wood Pty Ltd	1 298 801	30 756	561 373	-	1 890 930
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	179 590	-	-	-	179 590
Total	2 548 838	1 017 251	1 476 961	58 638	5 101 687

10.3.5 Subcontractors – Reconciliation results

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

Table 10.18 Total reconciliation results (subcontractors)

Entities	Pre Reconciliation			Adjustments		After Reconciliation		
	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
Caltech Unipessoal	816 139	875 471	59 332	58 638	-4 520	874 777	870 951	-3 826
Laloran Marine Services	458 752	458 777	25	-	-	458 752	458 777	25
Baker Hughes Australia PTY Limited	118 742	118 742	-	-	-	118 742	118 742	-
Chandler Macleod Group Limited	104 401	98 697	-5 704	5 699	-	110 100	98 697	-11 403
Kotug Maritime Services	134 136	134 126	-10	-	10	134 136	134 136	-

Entities	Pre Reconciliation			Adjustments		After Reconciliation		
	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
Schlumberger Australia Pty Ltd	278 355	278 355	-	-	-	278 355	278 355	-
Weatherford Australia Pty Ltd	-	440 943	440 943	440 943	-	440 943	440 943	-
Haliburton Australia Pty Ltd	208 751	231 641	22 889	11 709	-	220 460	231 641	11 181
Santos NA Timor-Leste Pty Ltd	394 902	359 672	-35 230	-	32 230	394 902	391 902	-3 000
Timor Gap Seismic Services Lda	-	9 592	9 591	-	-	-	9 591	9 591
Timor Gap Drilling Unip Lda	-	1 012	1 012	-	-	-	1 012	1 012
Offshore Services Australasia Pty Ltd	-	1 178 400	1 178 400	-	-	-	1 178 400	1 178 400
Clough Wood Pty Ltd	1 890 929	1 890 929	-	-	-	1 890 929	1 890 929	-
Compass Group (Australia) Pty Ltd	-	1 183 679	1 183 679	-	-	-	1 183 679	1 183 679
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	179 590	141 917	-37 673	-	-	179 590	141 917	-37 673
Tidewater Offshore Pty Ltd	-	575 544	575 544	-	-	-	575 544	575 544
Tidewater Onshore Operations Pte	-	28 300	28 300	-	-	-	28 300	28 300
SGS Australia Pty Ltd	-	123 704	123 704	-	-	-	123 704	123 704
Konnekto Unipessoal Lda	-	50 678	50 678	-	-	-	50 678	50 678
Total	4 584 698	8 180 180	3 595 480	516 989	27 720	5 101 687	8 207 900	3 106 212

It is important to note that the total amount of unreconciled differences includes subcontractors who did not respond on request. For detailed information, refer to Section 10.3.6.

10.3.6 Subcontractors – Unreconciled differences

The total amount of unreconciled difference is represented as follow:

Based on the payment amounts outlined in Sections 10.3.1–10.3.5 above, the table 10.19 below summarizes the differences identified between government and subcontractors' revenues.

Table 10.19 Unreconciled difference (subcontractors)

Description	Amount in US\$	% Final amount reported Government
Total amount reported initially by the Government	8 180 180	100%
Adjustments by the Government entities	27 720	0,34%
Final tax amount reported by the Government	8 207 900	
Total amount reported initially by Subcontractors	4 584 699	55,86%
Adjustments by the entities	516 989	6,30%
Final tax amount reported by the Subcontractors	5 101 687	
Amount of revenues not confirmed	3 150 909	38,39%
Amount unreconciled difference	-44 696	-0,54%

Most of the differences are attributable to amounts related to eight (8) entities that failed to respond to the Data Collection Template, totaling USD 3,150,909. This amount could not be validated as we were unable to obtain confirmation from the respective entities.

The remaining unreconciled difference, based on stakeholder responses, is a residual amount of USD - 44,696. The following table 10.20 provides a detailed breakdown of the unreconciled amounts for each entity after reconciliation.

Table 10.20 Differences not reconciled by Subcontractors

Subcontractors	Reported by Government	Reported by Entity	Results after Reconciliation
Differences not reconciled			
Caltech Unipessoal	870 951	874 777	3 826
Laloran Marine Services	458 777	458 752	-25
Chandler Macleod Group Limited	98 697	110 100	11 403
Haliburton Australia Pty Ltd	231 641	220 460	-11 181
Santos NA Timor-Leste Pty Ltd	141 917	179 590	37 673
Total differences not reconciled			44 696

As part of the established approach, the IA and the EITI Secretariat of Timor-Leste requested information from the Ministry of Finance regarding subcontractors in scope, including entities selected for the first time and updates on the remaining ones. The data was then shared with existing contractors to obtain the necessary contact details. Once contact was established, templates were disseminated to the entities to collect the required data.

Despite efforts to streamline communication and facilitate the provision of information, eight (8) entities were unable to provide the requested data in a timely manner. Currently, initiatives are underway to collaborate more closely with these entities to ensure the prompt submission of essential data and prevent similar reporting issues in the future.

Additionally, Tidewater Offshore Pty Ltd and Tidewater Onshore Operations Pte Ltd were selected for reconciliation for the first time. However, due to internal communication gaps, both entities failed to submit their data within the required timeframe.

Table 10.21 below provides a breakdown of the entities that did not respond to the 2023 revenue collection request.

Table 10.21 Subcontractors that did not report 2023 revenue payments

Subcontractors	Reported by Government	Reported by Entity	Results after Reconciliation
Not Reported			
Offshore Services Autralasia Pty Ltd	1 178 400	-	-1 178 400
Compass Group (Australia) Pty Ltd	1 183 679	-	-1 183 679
SGS Australia Pty Ltd	123 704	-	-123 704
Konnekto Unipessoal Lda	50 678	-	-50 678
Tidewater Offshore Pty Ltd	575 544	-	-575 544
Tidewater Onshore Operations Pte	28 300	-	-28 300
TIMOR GAP Seismic Services Lda	9 591	-	-9 591
TIMOR GAP Drilling Unip Lda	1 012	-	-1 012
Total not reported			-3 150 909

10.4 Summary of Reconciliation results

The following table 10.22 breaks down tax and non-tax reconciliation results for contractors and subcontractors.

The total reconciled amount is USD 141,003,931, comprising USD 135,902,244 from contractors and USD 5,101,687 from subcontractors.

The unreconciled amount totals USD 190,166, which includes USD 234,862 from contractors and a negative adjustment of USD (44,696) from subcontractors.

Table 10.22 Reconciliation Results for 2023 fiscal year, USD

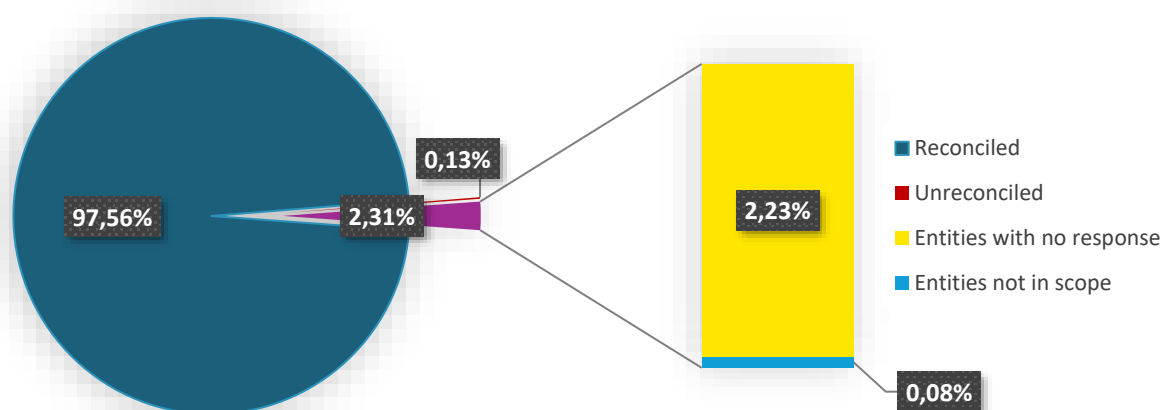
Total Amounts	Amounts in USD	%
Contractors - revenue reconciled	135 902 244	94,03%
Contractors - revenue unreconciled	234 862	0,16%
Contractors - Entities with no response	65 096	0,05%
Subcontractors - revenue reconciled	5 101 687	3,53%
Subcontractors - revenue unreconciled	-44 696	-0,03%
Subcontractors - Entities with no response	3 150 909	2,18%
Subcontractors - Entities not in scope	120 704	0,08%
Total	144 530 806⁵⁴	100%

Entities that failed to report contribute to a sum of USD 3,216,005, which encompasses both contractors and subcontractors. Entities that fell outside the scope have a total value of USD 120,704.

The figure 10.3 below represents the total amounts in percentage considering contractors and subcontractors.

Figure 10.3 Reconciliation Results for 2023 fiscal year, percentage

⁵⁴ The difference of USD 207,790 between the total amounts of USD 144,530,806 presented in Table 10.22 and amount of USD 144,738,597 in Table 10.1 is due to adjustments identified and booked during the reconciliation process.



MSGW agrees that the results of the reconciliation process are satisfactory taking in consideration that 97,56% of the revenue was reconciled, and from the amount not reconciled 2.36% is because some entities, mainly subcontractors (voluntary reporting and usually with smaller revenue) did not submit the templates. Also, taking in consideration the type of adjustments performed to the government revenue during the reconciliation process, which shows robust government data, suggests that no material inconsistencies are expected from the non-answered amounts.

10.5 Pipeline fee

In 2023, the Banco Central de Timor-Leste (BCTL) transferred USD 5,333,600 in Pipeline Fees to the Petroleum Fund. No discrepancies were identified between the receipts disclosed by the Petroleum Fund and the Data Collection Template submitted by BCTL.

Note, in 2022, no Pipeline Fee was transferred to the Petroleum Fund by BCTL.

10.6 Payments in the mining sector

As outlined in Section 9.2, mining revenue for 2023 amounted to only USD 1.49 million, representing approximately 1% of total extractive industry revenue and, consequently, mining revenue is considered immaterial for the purposes of this report.

Nevertheless, MSGW approved a voluntary approach to include mining entities in the reconciliation process (see table 10.23 below). This decision was based on the significance of payments made by these entities and the intention to facilitate reconciliation should mining revenue become material in the future.

We also obtained details of payments received by the government entity ANM in 2023 (refer to Annex C). Accordingly, two companies were selected for inclusion, as their payments exceeded the established threshold of USD 100,000 in 2023. These amounts are summarized in the table below. Additionally, Li Britadeira Lda was included because its payment was close to the materiality threshold.

Table 10.23 Mining companies that paid above the threshold

Name of Proponent	Total Amount Paid (USD \$)
China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)	436 015,07
Chongqing International Construction Corporation, R.P. - CICO	413 083,74
Li Britadeira Lda.	98 992,74
Total	948 092

The EITI Secretariat of Timor-Leste requested information from the Ministry of Finance and ANM regarding these entities. Once contact was established, templates were distributed to collect the required data.

We received a response from only one entity—China Railway International Group Co., Ltd., R.P. & COVEC (CRIG-COVEC JV). For this entity, we completed the reconciliation process and confirmed that the data was reconciled, with only minor discrepancies identified, supporting the Government data quality based on this sample item.

Social and gender assessment

According to the Requirement 6 from EITI Standard social expenditures and the impact of the extractive sector on the economy should be disclosed helping readers to assess social and economic impacts and outcomes that this industry creates on the country. Those requirements include:

- Social and environmental expenditures by companies
- SOE quasi-fiscal expenditures
- The contribution of the extractive sector to the economy
- The environmental impact of extractive activities.

Requirement 6.3 of the 2023 EITI Standards mandates that entities provide comprehensive disclosures pertaining to gender equity. This includes detailed reporting on the occupational levels of women within the organization and data on the gender pay gap.

11



11. Social and gender assessment

11.1 Social Expenditure

The National Petroleum Authority (ANP) was established to collaborate closely with oil and gas companies operating within Timor-Leste's Exclusive Area. Its primary mandate is to ensure that all petroleum activities comply with applicable laws and regulations while safeguarding Timor-Leste's interests as the resource owner. Beyond generating revenue from petroleum operations, the country aims to strengthen its economy by creating linkages between extractive projects and local development.

A key component of this strategy is the promotion of local content. This involves requiring companies to hire Timor-Leste nationals, utilize local manpower, and procure goods and services from domestic suppliers. These efforts are measured in monetary terms to assess their contribution to sustainable economic benefits for the nation.

In 2023, Timor-Leste demonstrated notable progress in local content performance within its jurisdiction. There was significant participation by local suppliers in the petroleum sector's goods and services supply chain, alongside increased employment and training opportunities for Timor-Leste nationals and permanent residents. All activities were carried out with strict adherence to occupational health and safety standards, ensuring responsible and sustainable development.

The following section outlines Timor-Leste's local content expenditures for 2023, reported by project.

Bayu-Undan Project

In 2023, local content expenditures for the Bayu-Undan Project reached USD 29.35 million, marking an increase of USD 8.88 million compared to the previous year. This growth reflects greater engagement of local service providers, particularly in marine vessel contracts. Additionally, the project strengthened community investment initiatives and corporate social responsibility (CSR) programs, further contributing to local economic development. The following table 11.1 presents ANP's 2023 local content balances as reported in the ANP 2023 Annual Report

Table 11.1 2023 ANP's Expenditure Balances, USD

Types of Expenditure	2022	Variation	2023
Training and Employment	11 264 511	640 000	11 904 511
Goods and Services	8 261 440	8 700 000	16 961 440
CSR and Community Investment	944 644	(460 000)	484 644
Total	20 470 595	8 880 000	29 350 595

These costs, disclosed in ANP's annual Timor-Leste Content Report, were incurred on behalf of the Bayu-Undan Participants but paid and reported by Santos NA (19-12) Pty Ltd in its role as Operator. As part of the data collection process, Santos provided a detailed disaggregation of these costs through the requested template.

Mandatory and voluntary social expenditures to government agencies and/or third parties are reported as follows:

Table 11.2 Santos Social Expenditure 2023, USD

Description of <u>Voluntary</u> Social Expenditures	Name of the Beneficiary	Payments (Amounts in USD)
Social and Economic spending to third parties (non-government entities)		

Description of <u>Voluntary</u> Social Expenditures	Name of the Beneficiary	Payments (Amounts in USD)
Government Initiative - Project - Innovative Business Plan Competition	IADE	23 594
Scholarship Programs - SPE Sponsorship	SPE WA	10 000
Scholarship Programs - Bayu Undan Scholarship	Fundacao Companhia de Jesus	3 140
Scholarship Programs/ Santos Australia Awards Scholarship	Palladium International Pty Ltd	56 905
Scholarship Programs/ CCS Short Course	Palladium International Pty Ltd	41 250
Others (Describe) - Santos NA (19-12) Pty Ltd;(Note 1)		
Others - Contractors' Timor-Leste Employee Training	Various vendors	1 724 970
Others (Describe) - Santos NA Timor-Leste Pty Ltd; (Note 2)		
Others - Santos Direct Employees Training	Santos TL Employees - Training	48 225
Social and Economic spending to SOE's (government entities)		
Donation to NGOs - SESIM World Science and Mathematics Day	National Commission of UNESCO in TL	35 025
NGOs Programs (Water, Sanitation, Health, Sports Events) - Nursing Development Program	St John of God	200 000
NGOs Programs (Water, Sanitation, Health, Sports Events) - Mother & Child Health Program	Alola Foundation	35 025
NGOs Programs (Water, Sanitation, Health, Sports Events) - Reforestation Project	NGO Santalum	50 025
Others (Donation) Cash for cans, Christmas Gift Donation	Various beneficiaries	6 915
Others (Donation) Printing, donation expenses	Various beneficiaries	20 721
Total Voluntary social expenditures		2 255 794

Description of <u>Mandatory</u> Social Expenditures	Name of the Beneficiary	Payments (Amounts in USD)
Others (Describe) - Santos NA (19-12) Pty Ltd; (Note 1)		
Others - Local Goods & Services	Various vendors	12 516 659
Others - Contractors' Timor-Leste Employees	Various vendors	7 712 467
Others - Contractors' Timor-Leste Goods & Services	Various vendors	4 028 735
Others (Describe) - Santos NA Timor Leste Pty Ltd; (Note 2)		
Others - Santos Direct Employees	Santos TL Employees	2 414 897
Others - Local Goods & Services	Various vendors	417 737
Total Mandatory social expenditures		27 090 494

Total Social Expenditures	29 346 289
----------------------------------	-------------------

Note 1:

- Timor-Leste goods, services and employment expenditures have been reflected as mandatory in this template, in alignment with: clause 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. Santos direct and indirect (via contractors) expenditures in local goods and services, local employment and training of Timor-Leste nationals are reported in the template as separate line items. A full breakdown per Contractor is provided in the Annual Timor-Leste Content Report provided to the ANP. These costs are incurred on behalf of the Bayu-Undan Participants but paid and reported by Santos NA (19-12) Pty Ltd as Operator.
- Local goods and services spend includes all goods and services provided by entities established in Timor-Leste. A full breakdown per Contractor is provided in the 2022 Annual Timor-Leste Content Report provided to the ANPM (ANP since September 2023) by Santos NA (19-12) Pty Ltd.
- Employment expenditures reflect salaries corresponding to Timor-Leste nationals offshore.
- Training expenditures reflect all training spend pertaining to Timor-Leste nationals that are part of the Bayu-Undan offshore workforce.

Note 2:

- Timor-Leste goods, services and employment expenditures have been reflected as mandatory in this template, 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.
- Local goods and services includes payments to suppliers established in Timor-Leste, carried out by the Santos Dili office. Dili office costs are included in the Annual Timor-Leste Content Report provided to the ANP.
- Employment expenditures reflect salaries corresponding to Timor-Leste nationals based in the Santos Dili Office. This specific breakdown of Santos employees is not included in the Annual Timor-Leste Content Report provided to the ANP, where all Santos Timorese employment is aggregated as one figure.
- Training expenditures reflect all training spend pertaining to Timor-Leste nationals based in the Santos Dili office, noting training and mentoring was carried out in-house due to Covid restrictions. This entity specific breakdown of Santos employees is not included in the Annual Timor-Leste Content Report provided to the ANPM (ANP since September 2023), where all Santos Timorese training spend is aggregated into one figure.

The reconciliation between data reported by ANP and Santos shows a difference of USD 4.3k, which is considered immaterial.

Additionally, in line with the new requirement 6.1(d) that highlights how companies' social expenditures benefit women, Santos reported that none of the expenditures were specifically directed toward women or women's organizations.

Other PSC Contract Areas

Furthermore, ANP reported expenditures accrued during 2023 from other contract areas as follows:

- JPDA 03-20
Woodside Petroleum (Timor Sea 19 & 20) Pty Ltd – **USD 73,980**
- PSC TL-OT-17-08 Block A (Suai), PSC TL-OT-17-09
Timor Resources Pty Ltd – **USD 2,267,464**
- PSC TL-SO-T-19-14
Carnarvon Petroleum Ltd – **USD 100,000**

As part of the data collection process, Timor Resources successfully provided a comprehensive disaggregation of these costs using the requested template for the most significant item. For additional details, please refer to Table 11.3 below.

Table 11.3 Total amount for expenditure reported by Timor Resources Pty Ltd

Description of Social Expenditures	Name of the Beneficiary	Payments (Amounts in USD)
Employment	n/a	1 334 529
Others (Describe - offices, accommodation, services provided by Timorese companies, renting of Timorese owned vehicles, utilities paid in Timor, buying of food and water in Timor) local Content, compensation for landowners, and community Meetings & ceremonies	n/a	1 137 386
Total		2 471 915

The differences between ANP and Timor Resources data are minimal, remaining below 10%. These variations primarily stem from cutoff considerations during preparation on both sides.

11.2 Environment Expenditure

In 2023 Timor Resources Pty Ltd paid the environmental expenditures.

Table 11.4 Environmental expenditures reported by Timor Resources Pty Ltd

Description of Environmental Expenditure	Name of the Beneficiary	PSC	Extractive Entity Payments in USD
Others (Describe) Health Safety and Environment Surveys, consultants	HSE Roy Matakupan Safety and Environment Consultant	TL-OT-17-08	57 350
Total			57 350

Quasi-fiscal expenditure

For 2023, none of the entities within the reporting scope disclosed any payments related to this type of expenditure.

11.3 Civil Society's perspective

During the reporting period, Timor-Leste held legislative elections, which affected the effectiveness of civil society engagement in the EITI process. Limited resources also restricted CSO activities and our ability to fully focus on EITI implementation. However, CSOs continued to play an active role, particularly in the state budget process before and after the elections. CSOs organized roundtable discussions with political parties on several key issues, including the sustainability of the Petroleum Fund, corruption, climate change, and inclusive participation in the state budget process.

The new government formed after the elections has not been proactive in engaging with EITI implementation. Several key government officials have not adequately addressed the key findings related to EITI requirement. The lack of progress in responding to recommendations from previous validation results poses a challenge for the government and its stakeholders to comply with EITI standards required for maintaining compliant status. As independent representatives, CSOs have urged government stakeholders to uphold the quality standards required by EITI within government systems.

Limited government investment in ensuring public data disclosure such as beneficial ownership information and legally binding arrangements with other shareholders remains off track. Therefore, CSOs have called on the government to adopt electronic governance systems and establish a centralized database to enable easier public access to information.

In relation to EITI Requirements 1.3, 1.5, and 7.1, CSOs have actively participated in consultations with Timor Resources P/L and coordinated with government authorities and the SOE TIMOR GAP, E.P. regarding their field activities. In these meetings, CSOs encouraged these entities to provide clear information on environmental aspects of their operations, as well as corporate social responsibility and local content. Nevertheless, CSOs acknowledge their own limitations in effectively supporting EITI implementation due to internal constraints and insufficient resources to sustain outreach activities.

11.4 Contribution of the Oil & Gas sector to Timor-Leste employment

ANP overview of the Timor-Leste employment in Oil & Gas sector

The 2023 EITI Standard requires disclosure of employment contributions from the extractive sector, including both absolute numbers and their share of total employment. This data should be disaggregated by gender, company, occupational level, and by local versus foreign nationals.

Based on ANP's database, a total of 537 individuals of both Timor-Leste nationals and expats are employed within the Bayu-Undan operation in 2023. The above total is broken down to 59% (315 individuals) employed offshore, 24% (131 individuals) employed onshore, 17% (90 individuals) worked through service companies, and 0.2% (1 individual) employed for Bayu-Undan Decommissioning as illustrated in Figure 11.1.

Figure 11.1 Employment in Bayu-Undan Operation in 2023

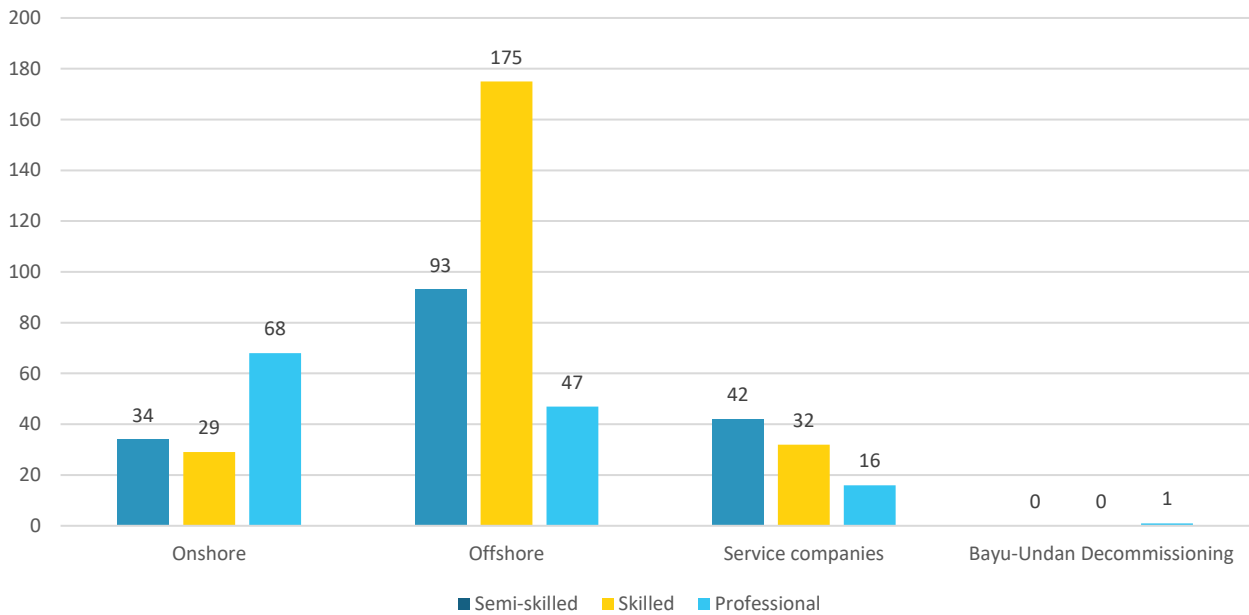


Table 11.5 below presents employment data for the Bayu-Undan operation in 2023, detailing the distribution between Timor-Leste and other countries' nationalities.

Table 11.5 Employment distribution in Bayu-Undan Operation by Timor-Leste and other countries' nationalities

Employment Category	Semi-skilled	Skilled	Professional	Total
Timorese employment - Onshore	34	29	44	107
Timorese employment - Offshore	93	64	10	167
Service companies	42	32	16	90
Bayu-Undan Decommissioning	-	-	1	1
Total Timor-Leste Nationals	169	125	71	365
Non-Timorese employment- Onshore	-	-	24	24
Non-Timorese employment - Offshore	-	111	37	148
Service companies	-	-	-	-
Bayu-Undan Decommissioning	-	-	-	-
Total Without Expats	-	111	61	172
Total Employment	169	236	132	537

Table 11.6 below presents employment data for the Bayu-Undan operation in 2023, disaggregated by gender.

Table 11.6 Employment distribution in Bayu-Undan Operation by gender

Employment Category	Timor-Leste Nationals		Expats	
	Male	Female	Male	Female
Semi-Skilled	141	28	0	-
Skilled	90	35	110	1
Professional	45	26	61	-

Employment Category	Timor-Leste Nationals		Expats	
	Male	Female	Male	Female
Total in 2023	276	89	171	1

As shown in Figure 11.2, the total number of women employed in 2023 was 90, representing 17% of the workforce. Additionally, the percentage distribution of employees by nationality indicates that 68% were Timor-Leste nationals, while 32% were non-residents, as presented in Figure 11.9 below.

Figure 11.2 Employment by gender

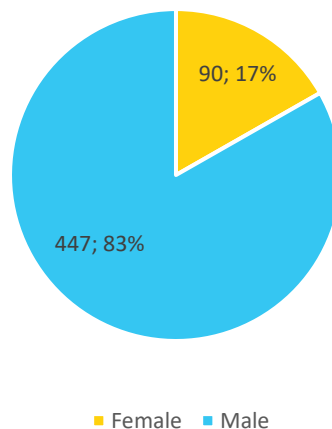
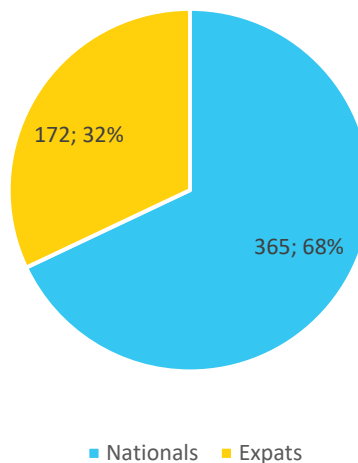


Figure 11.3 Non-resident and Timor-Leste resident employees



The next table 11.7 presents Timor-Leste's employment by location in Bayu-Undan operation in 2023.

Table 11.7 Bayu-Undan TLN employment headcount

Location	Employees
Offshore	

Location	Employees
Santos Offshore	101
Other Contracted Roles	9
CWPL	144
Oceaneering	6
ESS	55
Total Offshore	315
Onshore	
Santos Dili office	14
Altus Logistics	2
CWPL	23
OSA	44
ESS RP	6
Oceaneering	2
Bollore	19
Wood	21
Total Onshore	131
Services Companies	
Air North	21
Callidus Process Solutions	7
Contract Resources	3
Laloran Marine Services, Lda	15
Halliburton	1
SGS	2
RMS Engineering & Construction P/L	2
Stamford Medical Lda	39
Total Service Companies	90
Bayu-Undan Decommissioning	
EnerMech	1
Total Bayu-Undan Decommissioning	1

Companies' data on the Timor-Leste employment in Oil & Gas sector

To meet this requirement, 41 out of 51 companies within the scope of the 2023 EITI Report submitted detailed workforce information. Using templates prepared by the IA, companies were asked to report the number of employees they and their subcontractors had in 2023, specifically for activities conducted in Timor-Leste. The request focused on extractive companies, their affiliates, and state-owned enterprises (SOEs) engaged in oil and gas operations in the country. Below are the responses received.

Table 11.8 Number of employees that extractive companies and subcontractors within the scope had in 2023

Entity	Occupation Level	National		Expats		Note
		Male	Female	Male	Female	
SUNDAGAS BANDA UNIPESSOAL, LDA	Manager, Executive and Junior	4	1	0	0	
ENI JPDA 06-105	-	1	1	0	1	
Timor Resources Pty	-	91	21	52	3	
Santos NA Timor-Leste Pty Ltd	Professional	10	4	0	0	
Santos NA Timor-Leste Pty Ltd	Skilled	11	0	0	0	
Santos NA Timor-Leste Pty Ltd	Semi-skilled	8	0	0	0	
Santos NA (19-12) Pty Ltd	Professional	0	0	98	0	
Santos NA (19-12) Pty Ltd	Skilled	0	0	0	0	
Caltech Unipessoal Lda		127	48	1	1	
Chandler Macleod Group Limited	Technical	0	0	10	1	
Chandler Macleod Group Limited	Professionals	0	0	6	1	
Chandler Macleod Group Limited	Management Positions	0	0	4	0	
Haliburton Australia Pty Ltd	Technical	0	0	9	0	
Kotug Maritime Services (Bayu Undan) Pty Ltd	-	10	3	0	0	
Schlumberger Australia Pty Ltd	Technical	2	4	0	0	
Woodside Petroleum (Timor Sea 19) Pty Ltd)	-	1	0	0	0	
TIMOR GAP Chudith Unip Lda	-	0	1	0	0	
TIMOR GAP G RL 2 Unip Lda	-	1	0	0	0	
TIMOR GAP G S 03-20 Unip Lda	-	1	0	0	0	
TIMOR GAP Greater 03-19 Unip Lda	-	1	0	0	0	
TIMOR GAP Greater Sunrise RL Unip Lda	-	1	0	0	0	
TIMOR GAP Offshore Block Unipessoal	-	0	1	0	0	
TIMOR GAP Onshore Block C Unip Lda	-	1	0	0	0	
TIMOR GAP Onshore Block Unip Lda	-	1	1	0	0	
TIMOR GAP PSC 11-106 Unip Ld	-	1	0	0	0	
TIMOR GAP Pualaca Block Unipessoal	-	2	2	0	0	
TIMOR GAP Rarahana Unip Lda	-	1	0	0	0	
Total		275	87	180	6	
BU12 Australia Pty Ltd	These entities reported that there were no employees.					
BU13 Australia Pty Ltd						
ENI TIMOR 22-23 BV						
ENI Timor-Leste S.P.A						
ENI JPDA 03-13						
Inpex Sahul Ltd						
Inpex Timor Sea Ltd						
Tokyo Timor Sea Resources Pty Ltd						
Santos (JPDA 91-12) Pty Ltd						

Entity	Occupation Level	National		Expats		Note
		Male	Female	Male	Female	
Santos NA (19-13) Pty Ltd						
Santos NA Bayu Undan P/L						
Santos NA EMET P/L						
Santos NA Timor Sea P/L						
Laloran Marine Services Lda						
Baker Hughes Australia PTY Limited						
Woodside Petroleum (Timor Sea 20) Pty Ltd						
Clough Wood Pty Ltd						
Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)						
Weatherford Australia Pty Ltd						
Carnarvon Petroleum Timor Unipessoal Lda	Entities did not submit the template.					
Compass Group (Australia) Pty Ltd						
Finder Energy (ENI JPDA 11-106 BV BRANCH)*						
Offshore Services Autralasia Pty Ltd						
SGS Australia Pty Ltd						
Tidewater Offshore Pty Ltd						
Tidewater Onshore Operations Pte						
TIMOR GAP Driling Unip Lda						
TIMOR GAP Seismic Services Lda						
Konnekto Unipessoal Lda						
TOTAL		275	87	180	6	

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

In 2023, TIMOR GAP employed a total of 159 individuals, including consultants, with a gender composition of 107 males and 52 females. Among these employees, a total of 6 were expat staffs. Additional clarification from TIMOR GAP detailed the following employee distribution:

- Suai Airport Jet Avtur staff - 2 employees
- Suai Fuel Station staff - 10 employees
- Tasi Mane Project staff (Covalima Office) - 3 employees
- Overseas – 1 employee
- Remaining workforce (TIMOR GAP Head Offices) - 144 employees

The employment data provided by ANP (537) for the extractive industry differs slightly from the figures reported by companies (549), showing a discrepancy of 12 employees. This variance is mainly due to entities employing staff outside the Bayu-Undan field, minor cutoff differences between stakeholder-reported data and template submissions, and subcontractors that did not respond to the data collection request.

The 2023 EITI Standard also strengthens disclosure requirements related to gender equity. To support this objective, EITI encourages entities to report transparently on gender pay gaps. Table 11.9 below presents the gender pay gap data reported by entities that provided the necessary information.

The calculation of the salary gap is based on the average salary for men and women, determined by dividing the total wages for each gender by the number of individuals in that group, without considering specific roles. However, entities reported this information using different approaches, which may affect comparability. The most common methods include:

- **Monthly Average Salary:** Calculated by averaging monthly wages across the year.
- **Annual Average Salary:** Based on total annual earnings divided by the number of employees.
- **Portion of Monthly Salary:** Represents a percentage distribution of salaries between genders for a given month.
- **Per Daily Pay Rate:** Average daily wage calculated for each gender.

These variations reflect differences in payroll systems and reporting practices among entities.

Table 11.9 Gender Pay Gap

Company name	Salary, USD		Note
	Men	Women	
ENI JPDA 06-105 PTY LTD	29%	71%	Portion of monthly
SundaGas (Timor-Leste Sahul) Pte. Ltd	5 800	600	Monthly av. salary
SundaGas Banda Unip Ltd	5 800	600	Monthly av. salary
Timor Resources Pty Ltd	1101	1 005	Monthly av. salary
Caltech Unipessoal Lda	19 325	16 467	Annual av. salary
Chandler Macleod Group Limited	826,57	339,72	Per daily pay rate
Haliburton Australia Pty Ltd	6 510	-	Monthly av. salary
Kotug Maritime Services (Bayu Undan) P/L	150 000	100 000	Annual av. salary
Schlumberger Australia Pty Ltd	2 878	3 025	Monthly av. salary

Note: The remaining entities did not respond to this requirement, or the disclosure was not applicable to entities without employees.

The 2023 EITI Standard introduces new requirements for disclosing the number of women employed at different occupational levels. Table 11.10 below provides detailed information on the distribution of women across various occupational tiers as disclosed by reporting entities.

Table 11.10 Employment of women across various tiers

Entity	Occupational level (Women)				
	Technical	Professionals	Management Positions	Administration	Clerical
ENI JPDA 06-105 PTY LTD	0	1	1	0	0
SundaGas Banda Unipessoal, LDA	3	0	2	0	0
Timor Resources Pty Ltd	19	3	2	0	0
Santos NA Timor-Leste Pty Ltd	0	4	0	0	0

Entity	Occupational level (Women)				
	Technical	Professionals	Management Positions	Administration	Clerical
Caltech Unipessoal Lda	44	0	5	0	0
Chandler Macleod Group Limited	1	1	0	0	0
Kotug Maritime Services Australia Pty Ltd	0	3	0	0	0
Schlumberger Australia Pty Ltd	4	0	0	0	0
TIMOR GAP Chudith Unip Lda	0	0	1	0	0
TIMOR GAP Offshore Block Unipessoal	0	0	1	0	0
TIMOR GAP Onshore Block Unip Lda	0	0	1	0	0
TIMOR GAP Pualaca Block Unipessoal	0	0	2	0	0
Total	71	12	15	0	0

Note: The remaining entities did not respond to this requirement, or the disclosure was not applicable.

Environmental impact, climate change and energy transition assessment of the extractive industry

Requirement 6.4 of the EITI Standard encourages implementing countries to disclose information on the management and monitoring of the environmental impact of extractive activities.

This section describes the role government agencies responsible for overseeing environmental protection related to the extractive sector and provides an overview of the process of allocating an environmental license.

Additionally, Timor-Leste EITI has been making efforts in improving the availability of data and increasing public awareness around climate change and energy transition. These efforts have been focused on reporting the wider environmental and social impacts of the extractive industries, including greenhouse gas (GHG) emissions.

12



12.Environmental impact, climate change and energy transition assessment of the extractive industry

12.1 Environmental legislation

Below is a summary of the pertinent legislation, laws, decrees, and international guidelines and standards related to environmental policy in the oil, gas, and mining sectors in Timor-Leste:

Table 12.1 Legislation related to environmental policy in extractive sector

TITLE	DESCRIPTION
Timor-Leste National Legislation and Regulation	
Constitution of the Republic Democratic of Timor-Leste Article 61 (Environment)	The article specifies provisions for state including the proponent shall undertake to defend, and safeguard the environment recognizes the right of all citizens to a humane, health and ecologically balances environment while also specifying the duty of everyone to preserve and protect the environment for the benefit of future generation
Environmental (Licensing) Decree Law No.5/2011 Decree Law No. 39/2022 - the first alteration of the Decree Law no. 5/2011 about Environmental Licensing.	The procedure for directing the environmental assessment, the review of application for environmental license, issuance and renewal of license. • Categorization of the project category according to severity of the environmental impacts. • Procedures and information requirements for Category A and Category B projects • Organization and composition of the evaluation committee and its duties and responsibilities. • Specific provisions for public consultation and the protection of the traditional customs and cultural practices. • The decision by the Higher Environment Authority on the environmental impact assessment and environmental license including environmental assessment simplified and the rights of the project owner to appeal the decision.
Decree-Law No.18/2020 Onshore Petroleum Operations	Applies to Onshore Petroleum Operations including transportation, processing and storage of Crude Oil and Natural Gas with direct impact on any reservoir. In addition, it covers a broader scope of issues related with onshore activities, notably a legal statute that also addresses environmental and technical aspects related with the carrying out of onshore Petroleum Operations, such as rights of way through, on or over the land destined for Petroleum Operations, installation of pipelines, rules on geological, geophysical or geochemical surveys, environment. This Decree-Law No.18/2020 of 13 May also stipulated on matters pertaining to means and ways of intervention, expropriation, nationalization and privatization of means of production and land on grounds of public interest, as well as criteria

TITLE	DESCRIPTION
	for the establishment of compensations in such cases, including the appeal to the Government in case of any land dispute occurred.
Decree-Law No.32/2016 Offshore Petroleum Operations	This decree law applies to all offshore petroleum operations, which is carried out in accordance with the law on petroleum activities, including the transport and storage of crude oil and natural gas, with a direct impact on any deposits. This Decree-Law also sets the requirements, including the Environmental impact statement, Environmental Management Plan, Environmental monitoring, and also Oil Spill Contingency Plan.
Decree Law No. 26/2012 on Basic Environmental Law	Decree-Law No. 26/2012 establishes the principles of Timor-Leste's environmental policy, setting guidelines for the conservation and protection of the environment and the sustainable use of natural resources. With respect to extractive industries, the law outlines measures aimed at minimizing the direct environmental impacts of these activities, ensuring that resource exploitation is conducted in a manner that maintains ecological balance and prevents ecosystem degradation.
Law No. 12/2021, Mining Code	The Mining Code mandates that mineral resource exploration minimizes environmental impacts and promotes sustainability, following principles of precaution and prevention. Before starting any prospecting, research, or exploration, an Environmental Impact Study and mitigation measures are required. Environmental licenses must be obtained for mining activities. Rehabilitation of degraded areas, including soil and native vegetation restoration, is mandatory. Waste management must prevent contamination of soil, water, and air. Continuous monitoring from competent authorities ensures compliance with environmental standards.
Decree Law No. 5/2016 – National System of Protected Areas (Appendix 1 – List of Timor-Leste Protected Areas)	This Decree Law defines the norms and principles for the creation of the national system of terrestrial and marine protected areas, for the classification of protected areas and for the approval of the applicable management instruments, according to the international best practices, in the matter, duly adapted the national reality, without forgetting the important role of community authorities and existing customs. Provide the basis for the protection of the terrestrial and marine protected areas without putting aside the important role communities, authorities and existing customs.
Diploma Ministerial No.44/2017 – Impact Benefit Agreement	The article specifies the process for the agreement between the project proponent and the local community regarding the advantages and disadvantages of the project.

TITLE	DESCRIPTION
Diploma Ministerial No.45/2017 – Rules and Procedures of the Evaluation Committee for Project with Category A	The article specifies the importance of establishing rules and procedures for the evaluation committee for the management of the environmental evaluation process for projects in category A.
Diploma Ministerial No.46/2017 – Detail requirements of Classification, Initial Assessment and Terms of Reference, Environmental Impact Statement and Environmental Management Plan	The article highlights the necessity of establishing regulations for projects that may significantly impact the environment, and outlines the procedures and requirements for classifying projects into categories A, B, and C.
Diploma Ministerial No.47/2017 – Public Consultation Procedure and Requirement during Environmental Baseline Process	This Diploma Ministerial specifies the procedures and requirement of involvement of public and communities into different stages of the environmental assessment process through public consultation.
Law No. 04/2019	Law No. 4/2019 approved a special labor and migration regime for petroleum activities in BU field, which is nearing the end of its production life and requires decommissioning. Challenges and needs for decommissioning will be similar to those faced during production, with 24/7 operation & personnel traveling for work. Amendment of Law No. 4/2019 is proposed to extend the framework to cover decommissioning activities.
Law No. 12/2023 of 18th May	This law constitutes the first amendment to Law No. 4/2019 of 27 August, which approved the Labour and Migration Special Regime applicable to the Bayu-Undan Project.
Decree-Law No. 24/2019	Empowers the Ministry or ANP, in consultation with BU Contractor, to issue regulations for petroleum activities in the BU field. It covers decommissioning activities, commercial, registration, local content, reporting, insurance, evaluation, monitoring, inspection and liabilities in specific contract areas.
Decree-Law No 25/2023	In accordance with Decree-Law No. 25/2023, the Decommissioning Agreement is part of the legal framework for decommissioning the BU field. It replaces the PSCs for contract areas TL-SO-T 19-12 and TL-SO-T 19-13 to facilitate decommissioning activities between the ANP and the Bayu-Undan contractor.

TITLE	DESCRIPTION
Government Resolution No. 27/2023 about the Ocean National Policy of Timor Leste	This national policy intends to address the national marine issues, including pollution and climate change. The drilling activity will take place in the Timorese ocean, and to find integrated approach based on the national policy to mitigate the drilling impact to the ocean.
Waste Management: Decree Law No.33/2008 – Hygiene and Public Order. Decree Law; No. 3/2024 - The first alteration of the Decree Law no. 33/2008 about the Hygiene and public order. Decree Law No. 2/2007 – Urban Residual Waste Management	These laws establish the legal framework for managing urban solid waste and promoting workplace hygiene. They serve as the legal basis for project proponents to manage solid waste generated during any phase of a project.
Ministerial Diplomas No.44/2024 and No. 45/2024 of 12th June Approval on Model of the Certificate of Environmental License	The Ministerial Diploma No. 45/2024, dated June 12, approves the model for the environmental license certificate under the Ministry of Petroleum and Mineral Resources (MPRM). This ministry is responsible for managing mineral resources, including oil, and for licensing and regulating extraction and industrial activities related to oil and natural gas. The diploma is based on Decree-Law No. 46/2023 and Decree-Law No. 59/2023, which empower the MPRM to approve environmental licenses. It establishes the necessity for a specific model for these certificates.
International Industry and Guidelines Documents	
United Nations Convention on Biological Diversity (UNCBD)	Timor-Leste is rich in biodiversity, with significant ecosystems and endemic species. The country signed the convention in 2001. As the project may impact flora and fauna or pose a risk of biodiversity loss, it is a fundamental principle for the project proponent to prevent or minimize this risk during implementation.
United Nations Framework for Climate Change Convention (UNFCCC)	The project activities release GHG emissions, which may contribute to the country's climate change challenges. Minimizing climate change risks by reducing GHG emissions is an essential part of the project's environmental objectives and targets. This convention serves as the primary guidance for the project proponent to prevent air pollution and reduce GHG emissions as much as possible.
International Union for Conservation of Nature (IUCN)	Timor-Leste is a signatory to the IUCN, an international organization dedicated to nature conservation and the sustainable use of natural resources. The country has a responsibility to protect its ecological

TITLE	DESCRIPTION
	components to support economically sustainable development. The IUCN works globally and locally to promote ecological conservation and advance sustainable development principles.
Climate Change Kyoto Protocols. Government Resolution of National Action Plan for Climate Change	Timor-Leste is a signatory to the Kyoto Protocol and is committed to its implementation to reduce greenhouse gas (GHG) emissions. The protocol aims to lower the concentration of gases with global warming potential in the atmosphere. The Government's National Adaptation Programme of Action (NAPA) is the first national document identifying urgent and immediate climate change adaptation needs for the most vulnerable groups. It provides a foundation for integrating climate change adaptation into development plans as a key strategy for achieving sustainable development and poverty reduction (MDG, 2010).

12.2. Environmental licensing process

Institutional framework for governing environmental permits, licenses, impact assessments, rehabilitation and decommissioning

Environmental licensing is an essential process to ensure the principle of prevention set out in the Environmental Framework Law (Decree-Law No. 26/2012, dated July 4th), according to which "programs, plans, or projects with environmental impact must anticipate, prevent, reduce, or eliminate the causes primarily to the correction of effects that are likely to alter the quality of the environment."

During the period of institutional reform in Timor-Leste between 2022 and 2023, the National Petroleum Authority (ANP) and the National Minerals Authority (ANM), previously known as ANPM, were affirmed as the primary regulatory bodies for environmental oversight within the extractive industries, as specified in Article 31(1)(s) of Decree Law No. 46/2023, dated July 28th, 2023, under the Organic Law of the 9th Constitutional Government. Their responsibilities include managing the environmental licensing processes for the oil, gas, and mineral resources sectors, as well as granting the requisite environmental licenses.

Additionally, it is noteworthy that in June 2022, the Government made a strategic move to centralize and streamline the environmental licensing process by enacting four decree-laws⁵⁵ that updated existing environmental legislation and established the National Authority for Environmental Licensing (ANLA, I.P.). As stated in the Decree-law No. 41/2022, Article 2, ANLA ensures the implementation of the legislation on environmental licensing, being responsible for evaluating projects, classification, issuing environmental licenses and monitoring the activities of public and private entities in general, proponents and holders of Environmental Licenses, without prejudice to the powers of the Ministry of Petroleum and Minerals Resources.

Despite the establishment of ANLA to centralize the environmental licensing process, the ANP and ANM retain their status as the principal authorities for issuing environmental licenses in the oil and gas and mining sectors. ANLA provides support in these sectors, actively participated as member of the evaluation

⁵⁵ Decree-Law No. 39/2022, Decree-Law No. 40/2022, Decree-Law No. 41/2022, Decree-Law No. 42/2022. Source: [Jornal da República](#)

committee to the ANP or ANM, particularly in reviewing Environmental Impact Statement (EIS) and Environmental Management Plan (EMP) documentation for petroleum and mining sector.

The ANP or ANM, as the principal authorities responsible for issuing environmental licenses for petroleum and mineral resources, may engage ANLA to participate in public consultations and to contribute their expertise during the assessment process.

Environmental protection as part of the process of awarding licenses

The Decree Law No.39/2022 dated 8th of June, first amendment of No.5/2011⁵⁶ dated 9th of February established the Environmental Licensing System, tailored to preempt negative environmental consequences arising from complex projects and to align with the socio-economic context of East Timor. The system facilitates the issuance and monitoring of environmental licenses, integrating them into the environmental assessment process for projects, thereby streamlining procedures to prevent negative environmental impacts and control pollution.

Article 4 categorizes projects into three classes—A, B, and C—based on the magnitude of potential environmental impacts, each with corresponding legal requisites for environmental licensing.

a) Category A – includes projects that may potentially cause significant environmental impacts and are subject to the Environmental Impact Assessment (EIA) procedure, based on the Impact Analysis and the Environmental Management Plan (EMP), as provided in this regulation.

b) Category B – includes projects that may cause environmental impacts and are subject to the Initial Environmental Examination (IEE) procedure, based on the Environmental Management Plan, as provided in this regulation.

c) Category C – includes projects where environmental impacts are negligible or non-existent and are not subject to any Environmental Assessment procedure, as provided in this regulation.

Article 3 outlines the environmental licensing procedure, which includes:

- a. Guidance for defining the scope;
- b. Environmental Assessment and the Granting of the Environmental License;
- c. Issuance and Renewal of the Environmental License;
- d. Inspection.

Based on national laws and regulation, the following reports are required to be assessed and approved in order to obtain as Environmental Licensing for Petroleum Activities:

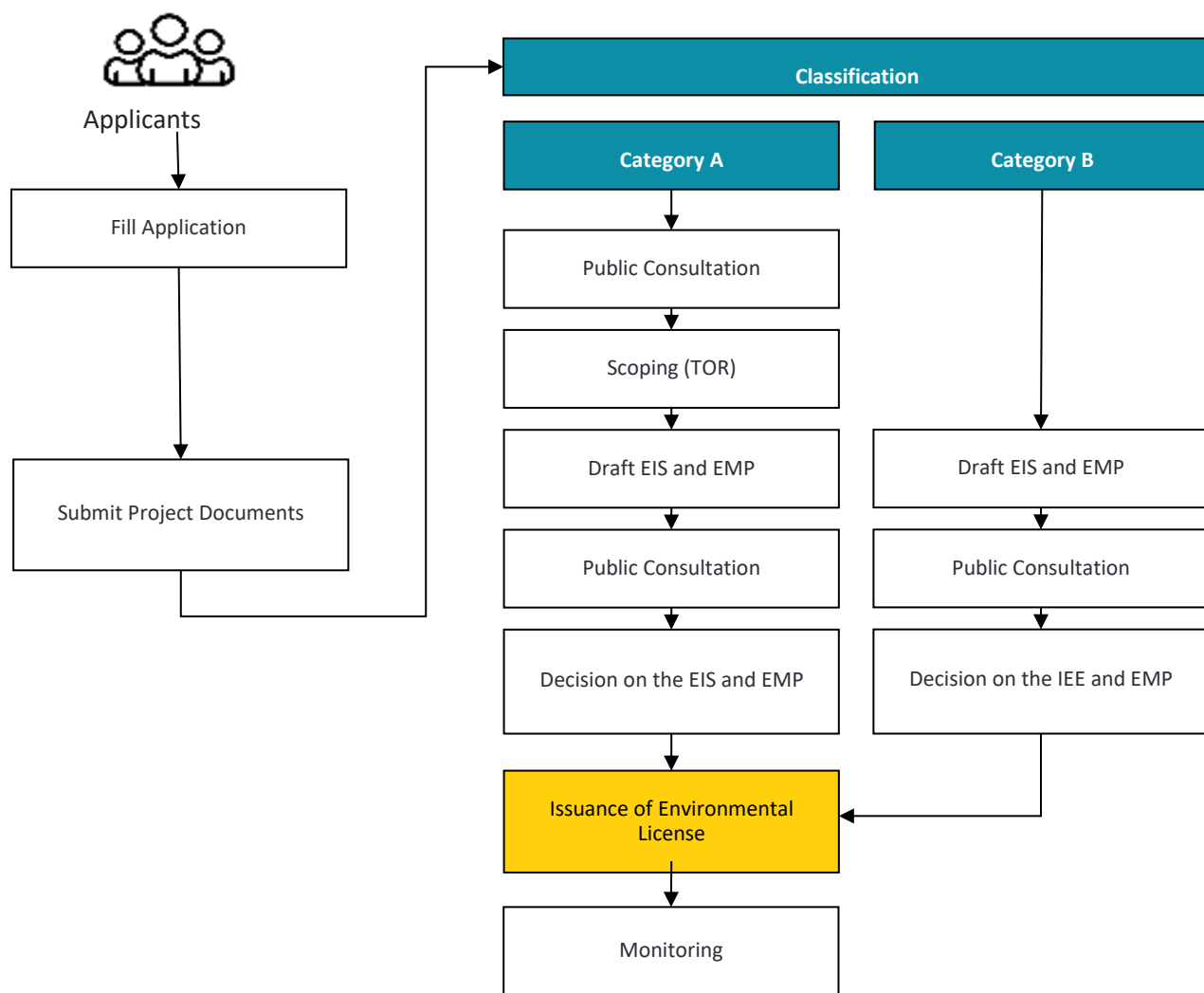
- Category A project: Environmental Impact Assessment (EIS) and Environmental Management Plan (EMP);
- Category B Project: Simplified EIS and EMP;
- Category A & B Project: OSCP;
- Environmental Annual Performance Report;
- End of Campaign Environmental Report (for short term project such as seismic survey, drilling, decommissioning, etc.);

⁵⁶ Source: [Mineral - DL NO.5 - 2011 LICENSA AMBIENTAL PORTUGUES.pdf \(anpm.tl\)](#)

- Environmental Monitoring Program.

Please see the figure below, which outlines the standard procedure for granting environmental permits for Category A and B in the oil and gas and mining sectors. In the case of Category C projects, the Environmental Authority supports the proponent in maintaining environmental management.

Figure 12.1 Process steps of environmental licenses awarding



In the environmental licensing project, documents such as TOR, EIS, SEIS, EMP are made available through public consultation. Such documents are posted in the ANP website⁵⁷ for public access. Below table 12.2 collects the available environmental impact assessment reports for the several PSC contracts.

Table 12.2 Environmental Impact assessment reports

⁵⁷ Source: [Public Consultation – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

Project name	Assessment reports available
Onshore oil drilling TL-OT-17-08	• ENVIRONMENTAL MANAGEMENT PLAN DRILLING ACTIVITY PSC TL-OT-17-08 • TERM OF REFERENCE – DRILLING ACTIVITY PSC TL – OT – 17 - 08 BLOCK A
Onshore oil drilling TL-OT-17-09	• TERM OF REFERENCE – DRILLING ACTIVITY PSC TL – OT – 17 - 09 BLOCK C • ENVIRONMENTAL IMPACT STATEMENT DRILLING ACTIVITY PSC TL-OT-17-09 • ENVIRONMENTAL MANAGEMENT PLAN DRILLING ACTIVITY PSC TL-OT-17-09
Onshore 2D Seismic Acquisition Project in TL-OT-21-17	• TGPualakaB EMP 2D-Seismic-Acquisition.pdf • TGPB SEIS 2D-Seismic-Acquisition.pdf
Chuditch offshore Appraisal drilling TL-SO-19-16	• SGBU-EMP-PSC-TL-SO-19-16_Rev-C-Consultation-Draft.pdf • SGBU-PSC-TL-SO-EIS-Rev-C-Consultation-Draft.pdf • SGBU-PSC-TL-SO-19-16 Public Notice • SGBU-EIS PSC TL-SO-19-16 Final Draft • SGBU EMP PSC TL-SO-19-16- Final Draft
Decommissioning Bayu-Undan Floating Platform	• BAYU-UNDAN FSO VESSEL CLEANING TERMS OF REFERENCE • BAYU-UNDAN CESSATION OF PRODUCTION – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.
Onshore MT-AMT Survey in PSC_TL – OT-22-18	• TGRARAHANA BLOCK PROJECT DOCUMENT • TGRARAHAN BLOCK EMP⁵⁸

Current practices in environmental management and monitoring activities

An authorized person or operator shall obtain an Environmental License prior to the commencement of a petroleum activity. Without a valid license, the activity is prohibited to be conducted.

Subsequently, ANP is responsible for monitoring projects that possess an environmental license, encompassing phases of construction, operation, and decommissioning. This oversight ensures compliance with the conditions stipulated in the environmental license, as per the requirements of Decree Law No. 39/2022, 1st amendment of Decree Law No.5/2011 on Environmental Licensing, Decree Law No. 32/2016 on Offshore Petroleum Operations in Timor-Leste, and Decree Law No.18/2020 on Onshore Petroleum Operations in Timor-Leste.

The monitoring process requires the licensee to engage in consistent observation and systematic data collection regarding the environmental state or the environmental impact of a specific project. This information must be documented in periodic reports to facilitate the evaluation of the effectiveness of the procedures.

The monitoring and inspection practices include:⁵⁸

⁵⁸ These documents pertain to the 2025 activities. They will be uploaded to ANP's website in Q1 2026 because of ongoing technical issues with the platform.

- Inspections to the project site and field observation are conducted regularly to ensure the control measures are implemented accordingly to ensure conformance with the approved environmental regulatory documents such as EIS, SEIS, EMP, OSCP, and any other relevant regulations to the project. Inspections are also conducted to verify the rehabilitation at project site as per the rehabilitation plan;
- Regular review of daily, monthly and annual report to monitor operator's environmental performance;
- Under the existing legal framework, ANP as the environmental regulatory authority is empowered to issue direction to implement corrective action, in case of non-compliance the activity can be suspended and or the license and approval can be revoked;

According to information published on the ANP Annual report for 2023, during 2023 The ANP conducted total of seven (7) inspections across various facilities in Offshore Bayu-Undan such as fixed production and storage facility, platform supply vessel, infield support vessel, helicopter and follow up previous findings including corrective action plan. In addition, ANP conducted one HSE and Environmental inspection to the well site in Onshore (Timor Resources), identifying 32 findings categorized as 25 positive and 7 requiring corrective action to close-out⁵⁹.

In 2024, the ANP conducted several inspection and monitoring activities to ensure compliance with technical, operational, and environmental standards across upstream petroleum operations.

Under the inspection program, metering inspections were carried out at the Darwin LNG Plant in February and December 2024, while a Fiscal Metering Revalidation was performed at the Bayu-Undan FSO in November 2024. These activities ensured the accuracy of fiscal measurements and compliance with JPDA metering standards.

Monitoring activities focus on production performance, field suspension, exploration, and decommissioning. The Bayu-Undan field reported an average gas production rate of 117 MMscf/d, with liquid output declining due to natural reservoir depletion. Five wells were successfully suspended under ANP supervision. ANP also oversaw onshore drilling at Lafaek ST-3, including well test flaring, to ensure safe and compliant operations.

Regarding the decommissioning practice, under the PSC provisions, contractors are required to submit a Decommissioning Plan to ANP for approval. This plan must include the estimated decommissioning costs, which serve as the basis for determining the decommissioning cost reserve. In addition, contractors must provide ANP with decommissioning security in the form of a bank guarantee. This guarantee ensures that the contractor will be able to cover the decommissioning costs and execute the required activities. The amount of the guarantee is determined during the approval of the Decommissioning Plan.

However, regarding the decommissioning activities at the Bayu-Undan field under contract areas TL-SO-T 19-12 and TL-SO-T 19-13, Decree-Law No. 25/2023 established the legal framework governing decommissioning between ANP and the Bayu-Undan contractor. This framework required the execution of a Decommissioning Agreement.

⁵⁹ Source: Health, Safety and Environment Inspection, ANP Annual Report 2023

ANP Annual Report for 2023 states that Santos completed the Bayu-Undan Decommissioning Cost Reserve (Class 4 estimate), while ENI obtained approval to proceed with Kitan well plug and abandonment under the Interim JPDA Regulation.

These inspections and monitoring efforts highlight the ANP's continued commitment to safety, environmental protection, and transparent regulatory oversight of petroleum activities in Timor-Leste.

Mining Environmental License

As stipulated in the applicable legal frameworks, ANM is mandated to manage and regulate the environmental aspects of mining activities throughout the territory of Timor-Leste. Prior to obtaining Mineral and Reconnaissance Permits or Exploration and Evaluation Licenses, all project proponents are required to secure Environmental Licenses in accordance with their respective categories.

Table 12.3 below summarizes the general findings observed and reported during mining activities across the country, based on planned and random inspections throughout past years⁶⁰.

Table 12.3 Environmental Impact assessment reports

Main Findings / Non-Compliance Issues	Corrective Actions Required / Implemented
Poor access road management	Upgrade drainage and road surface
Poor transportation maintenance	Require regular vehicle servicing
Lack of waste management	Provide bins and enforce scheduled disposal
No oil storage management	Install bunded areas for fuel/oil
Untreated wastewater	Construct and maintain settling ponds
Poor drainage and erosion	Silt fences and graded drainage required
Dust from crushing plants	Install water sprinkling system
Unstable pit slopes	Stabilize slopes with grading and vegetation

Sand and Rock Mining (Construction Materials)

Most Mineral Rights Holders have to implement the common Environmental Management Plan (EMP) commitments for sand and rock mining. However, the level of implementation varied among holders due to differences in resource availability.

To ensure effective compliance, ANM, as the environmental authority, continues to exercise its law enforcement role through regular monitoring and supervision.

Reconnaissance Phase Activities

These activities are non-ground disturbing in nature, and the impact to the environment is negligible. All Mineral Rights Holders carrying out Reconnaissance Activities have to submit both their quarterly and annual environmental monitoring reports.

Exploration and Evaluation Phase Activities

⁶⁰ Source: [Autoridade Nacional dos Minerais Timor-Leste, I.P.](#) pages 53-54

These activities are structured in phases based on their level of environmental impact, ranging from non-ground-disturbing to ground-disturbing. As the exploration program progresses, each project category is upgraded accordingly.

All Exploration and Evaluation License holders are required to submit both quarterly and annual monitoring reports and ensure full compliance with their Environmental Management Plans (EMPs).

Furthermore, the mining Closure Plan or Rehabilitation Plan is a critical component of the mining lifecycle. License holders are required to rehabilitate the site, which may include reclamation, revegetation, and reshaping the landscape to restore it to its original topography to the extent reasonably possible.

On ANM official website, there is a public list of issued environmental licenses⁶¹. However, based on clarification obtained from ANM, there were no Exploration and Evaluation License (EEL) holders in 2023, and only one Reconnaissance Permit was issued that year, as most licenses and permits were granted to construction materials companies. EELs were only issued in 2024, following the announcement of the first mineral tender winners.

12.3. Low carbon development

Timor-Leste's development has been highly dependent on national fossil fuel resources and will remain so until access to alternative economic models and markets are identified. For small island nations like Timor-Leste, economic diversification is not just a strategic goal—it is a necessity, given their vulnerability to external shocks and reliance on narrow economic bases.

Timor-Leste continues to export petroleum products to satisfy a small proportion of global fossil-fuel needs. However, Timor-Leste does maintain that larger more diversified and developed countries must take greater accountability for the immediate and drastic transition away from high emissions activities and should support countries like Timor-Leste with the tools and resources to diversify their economic opportunities. As a Least Developed Country and a climate-vulnerable developing nation, Timor-Leste references Articles 2.2, 4.3, and 4.19, regarding the concept of 'common but differentiated responsibilities' when developing the practicality and scope of its national emissions reduction commitments⁶².

The Government of Timor-Leste aims to facilitate the conditions required to enable sustainable low carbon development and will continue to seek options for increasing both the energy efficiency and economic efficiency of national energy services⁶³. In addition to technological changes made within the energy sector, Timor-Leste will continue to bolster national carbon sequestration potential as a means to reduce net domestic emissions in conjunction with any activities undertaken to transfer carbon emission reduction units offshore through modalities enabled under Article 6 of the Paris Agreement.

⁶¹ Sources:

Licenses for Construction Materials - [Autoridade Nacional dos Minerais Timor-Leste, I.P.](#)

Licenses for Reconnaissance - [Autoridade Nacional dos Minerais Timor-Leste, I.P.](#)

Licenses for exploration and Evaluation - [Autoridade Nacional dos Minerais Timor-Leste, I.P.](#)

⁶² Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)

⁶³ Source: [Timor Leste NAP.pdf](#)

Despite a negligible national contribution of 0.003%⁶⁴ of aggregate global emissions and high dependency on revenue from the oil and gas industry, Timor-Leste is committed to contributing to the collective efforts required by the Paris Agreement.

In that regard, Timor-Leste, in its Nationally Determined Contribution, has prioritized a series of initiatives aimed at reducing greenhouse gas emissions over the period from 2022 to 2030⁶⁵, and mentioned its commitment with EITI in this matter. The government plans to engage with the oil and gas industry to develop and implement strategies that will mitigate emissions and reduce the emissions intensity of operations. Efforts will be made to address fugitive emissions from offshore facilities. Additionally, the establishment of a robust national GHG inventory will improve transparency and enhance the nation's ability to design and assess low carbon development strategies. This initiative will also provide ancillary benefits for economic planning and policy formulation. Furthermore, Timor-Leste is committed to advancing legislation and regulations to support the adoption of Carbon Capture and Storage (CCS) technology, recognizing its critical role in substantially reducing carbon dioxide emissions.

Despite institutional challenges—such as limited technical capacity, inadequate data, and weak inter-agency coordination — the country has mobilized significant climate finance: USD 65.3 million from the Green Climate Fund (GCF), USD 31.2 million from the Global Environment Facility (GEF), and over USD 142 million from bilateral and multilateral partners⁶⁶. These resources fund projects in renewable energy, climate-resilient infrastructure, and early warning systems, but gaps remain in governance and direct access to climate finance.

Timor-Leste remains committed to the Paris Agreement and to advancing legislation that supports low-carbon technologies. By leveraging international support, strengthening institutional capacity, and accelerating renewable energy deployment, Timor-Leste seeks to transform its development model—balancing economic growth with climate resilience and sustainability.

Bayu-Undan Carbon Capture and Storage Project

On 13th September 2021, ANPM and Santos Ltd, operator in Bayu-Undan field, signed a Memorandum of Understanding (MOU) to assess the feasibility of Carbon Capture and Storage (CCS) at Bayu-Undan in Timor Sea. The Bayu-Undan reservoir and facilities have the potential to be a world-leading CCS project, and the CCS at Bayu-Undan has a potential capacity of approximately 10 million tons per annum.

In March 2022 front-end engineering and design commenced for the Bayu-Undan CCS project. Santos is working with both the Australian and Timor-Leste Governments with a view to progressing the development of this project. The Barossa field is identified as an initial CO₂ source once its natural gas production ends. The project, subject to regulatory approvals, will look to capture CO₂ from nearby projects to maximise throughput⁶⁷. Santos and its Bayu Undan joint venture partners have already spent around USD 38 million on front-end engineering and design, demonstrating their commitment to Bayu Undan CCS.

⁶⁴ Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)

⁶⁵ Source: [Nationally Determined Contribution Timor-Leste 2022-2030](#)

⁶⁶ Source: [Globally significant carbon capture and storage project a step closer | Santos](#)

⁶⁷ Source: [Globally significant carbon capture and storage project a step closer | Santos](#)

In August 2022 Santos announced a final investment decision for the Darwin Pipeline Duplication Project, committing jointly with their Barossa joint venture partners approximately USD 311 million. The Bayu-Undan CCS project will utilise the existing Bayu-Undan to Darwin pipeline and the offshore Bayu-Undan facilities to minimise the cost of the project. Potential CO₂ sources include natural gas developments and industrial sources in northern Australia with customers and investors in Korea and Japan also interested in the project for emissions reduction from their activities. Santos is participating in studies that are evaluating the feasibility and development of carbon dioxide aggregation in Korea and Singapore to capture CO₂ for storage within CCS reservoirs.

In May 2023, Santos signed four agreements with potential customers for CO₂ storage at the Bayu-Undan CCS project. These agreements involve upstream gas and liquefied natural gas projects offshore the Northern Territory and Darwin, as well as a South Korean energy and industrial conglomerate. The agreements indicate that demand for CO₂ storage at Bayu-Undan could exceed 10 million tons per year, highlighting strong commercial interest in the project⁶⁸.

On 7 August 2023, Santos and its Bayu-Undan joint venture partners signed an MOU⁶⁹ with Timor-Leste's national oil company, TIMOR GAP, to explore partnership opportunities for the CCS project. This includes sharing information and considering equity participation by TIMOR GAP. The agreement reinforces Timor-Leste's strategic role in carbon management services for the Asia-Pacific region, potentially creating new revenue streams, jobs, and business opportunities. Bayu-Undan CCS will leverage existing infrastructure for cost efficiency and provide safe, permanent CO₂ storage. The project is part of Santos' broader CCS strategy and aims to serve customers in Australia, Japan, Korea, and other Asian markets.

In July 2024, Santos was granted a five-year extension for the Bayu-Undan gas pipeline environmental plan⁷⁰ by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). This ruling allows Santos to keep the pipeline—currently near the end of its operational life—in place while assessing the feasibility of repurposing it to transport CO₂ over a distance of more than 500 km for at least two decades, an approach that is unprecedented globally.

Santos targets FID in 2025 and first CO₂ injection by 2028, while offsetting Barossa emissions through carbon credits until CCS operations begin⁷¹. IFC partnered with Timor-Leste to support legal and commercial frameworks, and high-level discussions with Timor-Leste's President reaffirmed the project's economic and environmental significance⁷².

However, Santos has not published an offshore project proposal (OPP) or environmental impact statement (EIS) on Bayu-Undan CCS, as would be expected for a venture of this scale. Santos still requires regulatory approval for some of the CCS infrastructure, and it has no permits in place to allow it to send CO₂ to Timor-Leste⁷³.

12.4. Greenhouse gas emissions

⁶⁸ Source: [Santos signs deals for CO₂ storage at Bayu-Undan CCS project; MOUs executed for potential CO₂ supply to underpin Santos' Bayu-Undan CCS project | Santos](#)

⁶⁹ Source: [Bayu-Undan joint venture and TIMOR GAP sign MOU to cooperate on carbon capture and storage | Santos](#)

⁷⁰ Source: [Bayu Undan to Darwin Gas Export Pipeline Environmental Plan](#)

⁷¹ Source: [Decarbonisation in action | Santos](#)

⁷² Source: [Government Signs Cooperation Agreement with IFC for Carbon Capture and Storage Project « Government of Timor-Leste](#)

⁷³ Source: [Bayu Undan-A test bed for carbon trading or a distraction Oct24.pdf](#), Executive summary

A new 2023 EITI Requirement 3.4 encourages companies to disclose their greenhouse gas (GHG) emissions in line with leading emissions disclosure standards. To increase implementing countries' ownership of GHG reporting, multi-stakeholder groups are encouraged to request companies to disclose disaggregated emissions data, where feasible.

Timor-Leste, a nation rich in oil and gas resources, is committed to sustainable development and environmental stewardship. As part of its adherence to the Extractive Industries Transparency Initiative (EITI) Standard, Timor-Leste is dedicated to transparent reporting of greenhouse gas (GHG) emissions from its extractive industries. This subsection provides a comprehensive overview of GHG emissions in the extractive sector, including compliance with international standards, quantitative data on emissions, and long-term low-emissions development strategies for the year 2023.

Compliance with international standards

Timor-Leste is committed to aligning its greenhouse gas (GHG) emissions reporting and reduction efforts with several key international standards and agreements. This commitment ensures that the country's extractive industries operate within globally recognized frameworks for environmental protection and sustainability. The primary standards and agreements that Timor-Leste comply with include:

1. Greenhouse Gas Protocol (GHG Protocol)⁷⁴

The GHG Protocol is the most widely used international accounting tool for government and business leaders to understand, quantify, and manage GHG emissions. It provides comprehensive global standardized frameworks to measure and manage emissions from private and public sector operations, value chains, and mitigation actions.

- **Corporate Standard:** Provides guidelines for companies to prepare a GHG inventory that represents a true and fair account of their emissions.
- **Scope 1, 2, and 3 Emissions:** Defines direct (Scope 1), indirect (Scope 2), and other indirect (Scope 3) emissions, ensuring comprehensive reporting across the entire value chain.

2. Global Reporting Initiative (GRI) Standards⁷⁵

The GRI Standards are the most widely used framework for sustainability reporting. They provide guidelines for organizations to report on their economic, environmental, and social impacts.

- **GRI 305: Emissions:** Requires organizations to disclose their GHG emissions, including direct (Scope 1), energy indirect (Scope 2), and other indirect (Scope 3) emissions. It also includes reporting on GHG intensity and reduction initiatives.

3. Task Force on Climate-related Financial Disclosures (TCFD)⁷⁶

TCFD provides recommendations for disclosing clear, comparable, and consistent information about the risks and opportunities presented by climate change.

- **Climate-Related Risks and Opportunities:** Encourages organizations to disclose information on governance, strategy, risk management, and metrics and targets related to climate change.

⁷⁴ Source: [Greenhouse Gas Protocol \(2022\). Corporate Standard](#)

⁷⁵ Source: [Global Reporting Initiative \(GRI\) Standards](#)

⁷⁶ Source: [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

- **Emissions Metrics:** Recommends the disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.

4. Carbon Disclosure Project (CDP)⁷⁷

CDP is a global disclosure system that enables companies, cities, states, and regions to measure and manage their environmental impacts.

- **Climate Change Questionnaire:** Provides a framework for organizations to disclose their GHG emissions, climate-related risks and opportunities, and strategies for managing them.
- **Scoring and Benchmarking:** CDP scores organizations based on their disclosure and performance, providing benchmarks for best practices.

5. Sustainability Accounting Standards Board (SASB)⁷⁸

SASB standards guide the disclosure of financially material sustainability information by companies to their investors.

- **Industry-Specific Standards:** Provides industry-specific standards that include metrics for GHG emissions, energy management, and climate-related risks.
- **Alignment with Financial Reporting:** Ensures that sustainability information is integrated with financial reporting for better decision-making by investors.

Quantitative Data on Emissions

Currently, Bayu-Undan is the only project in the production phase and, therefore, the sole source of GHG emissions. All other projects remain in the exploration phase and do not generate GHG emissions at this time.

Santos, as the project operator of the Bayu-Undan gas field in Timor-Leste, is responsible for maintaining and reporting emission-related information under the Bayu-Undan Production Sharing Contract (PSC). As part of the procedures, IA sent the gas emissions template to Santos for the 2023 fiscal year. This template was also shared with the remaining PSC contractors (ENI, INPEX, Tokyo Timor Resources, and BU Australia) to compare data across participants.

With only minor discrepancies noted, we concluded that Santos's Bayu-Undan Operations report provides comprehensive data on greenhouse gas emissions associated with operations at the Bayu-Undan field. The breakdown of emissions by source for 2023 under Scope 1 is outlined in Table 12.4 below. Since Bayu-Undan does not purchase energy from third parties, there are no Scope 2 greenhouse gas emissions.

Table 12.4 Breakdown of gas emissions of non-operating participants during 2023

DESCRIPTION	Bayu-Undan field	
	Scope 1	Scope 2
Carbon Dioxide (kg CO₂)	316 177 299	0
Emission Methodology (Method Type)	Emission Factors	Other
Methodology Notes	No purchased electricity (Scope 2)	
Methane (kg CH₄)	357 355	0

⁷⁷ Source: [Carbon Disclosure Project](#)

⁷⁸ Source: [Sustainability Accounting Standards Board \(SASB\)](#)

DESCRIPTION	Bayu-Undan field	
	Scope 1	Scope 2
Emission Methodology (Method Type)	Emission Factors	Other
Methodology Notes		
Nitrous oxide (kg N2O)	3 251	0
Emission Methodology (Method Type)	Emission Factors	Other
Methodology Notes	No purchased electricity (Scope 2)	

Source: EITI TL 2023 Data collection template provided by Santos.

The emissions for Bayu-Undan have been estimated in accordance with the Australian National Greenhouse and Energy Reporting legislation. These estimates are based on the emissions factors and methodologies prescribed under Method 1 of the National Greenhouse and Energy Reporting (Measurement) Determination.

Recommendations

This section presents recommendations deemed relevant within the scope of the 2023 EITI Standard, along with additional suggestions aimed at promoting continuous improvement and ensuring the effective implementation of EITI in Timor-Leste.

13



13. Recommendations

13.1 Recommendations arising from 2023 Report preparation process and EITI 2023 Standard implementation

As a result of the work conducted to prepare this report for 2023, MSGW agreed to emphasize the following recommendations to drive further progress in ensuring transparency and accountability in Timor-Leste's extractive sector. Additionally, it is important to ensure that the country continues to address the Board's comments from the last validation regarding the Stakeholder Engagement and Outcomes and Impact pillars, in line with best practices.

Finally, the EITI Standard has undergone substantial updating in 2023. This provides new opportunities to enhance transparency in Timor-Leste's extractive sector and new challenges for EITI implementation.

For MSGW to take advantage of these opportunities and contribute to overcoming the challenges, we recommend that MSGWs familiarize themselves with the updated version of the EITI Standard. This will allow them to contribute to the Steering Committee's workplan and play a central role in monitoring progress towards implementation.

Concerning the transparency pillar, the primary recommendations were associated with lack of disclosing information, enhancing transparency and reliability of data. This list is not exhaustive, and more suggestions are outlined on section 13.2.

a. Beneficial Ownership disclosure (RE 2.5)

Timor-Leste is making progress in enhancing the transparency of beneficial ownership within its extractive sector.

A notable innovation in the transparency of the disclosure of beneficial owner data was the implementation of lower threshold for reporting, decreasing from 25 % to 10%. Additionally, to ensure the comprehensiveness of the beneficial ownership information collected for the EITI Report, we have added a table listing all contractors and subcontractors who have not provided their BO data.

However, a complete legal and institutional framework for the disclosure of beneficial ownership information is not yet in place. While the current Companies Law requires companies to collect beneficial ownership data and submit it to the business registry (SERVE), there is no legal provision mandating public disclosure of this information. As a result, Timor-Leste does not yet maintain a comprehensive public register of the beneficial owners of companies operating in the oil and gas sector. To address this gap, we recommend establishing a corporate registry documenting the Ultimate Beneficial Owners (UBOs) of all corporate entities.

To advance this initiative, the MSGW should convene a dedicated meeting involving key institutions such as SERVE, the Central Bank, and the Financial Information Unit, which are important stakeholders in this area. Furthermore, MSGW should consider developing an online platform that would allow reporting entities to submit their beneficial ownership information electronically, replacing the current manual submission of hard-copy templates.

b. Social and environmental expenditure (RE 6.1)

The 2023 report indicates significant progress in collecting data on social and environmental expenditures, including a more comprehensive identification of social projects. However, certain limitations persist, particularly in aggregating project-level information, such as providing gender-disaggregated data on

beneficiaries of mandatory social expenditures and disclosing contracts related to mandatory social payments.

To address these gaps, it is recommended to establish a centralized database, aligned with EITI requirements, to record social and environmental payments made by companies in the extractive industry. ANP, in coordination with extractive companies and in collaboration with the MSWG, should lead efforts to develop this database to enhance compliance and improve transparency.

c. Increasing understanding about energy transition policies (RE 2.1)

Although Timor-Leste remains fully committed to the requirements of the multilateral process under the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement—having successfully submitted its Nationally Determined Contributions (NDC) report for 2022–2030—the EITI 2023 Standard requires disclosure of the potential impact that government policies related to the energy transition may have on the oil, gas, and mining sectors.

It is recommended to assess the feasibility of conducting studies relevant to the extractive sector. Additionally, it is encouraged to disclose a summary of carbon pricing mechanisms and carbon taxes, as well as any ongoing or planned reforms.

d. Disclose information on the gender pay gap (RE 6.3)

The 2023 EITI Standard introduces enhanced disclosure requirements to promote gender equity. In support of this objective, EITI encourages entities to report transparently on gender pay gaps. Timor-Leste has made notable progress in implementing these requirements by requesting information on salary differences between women and men through the Data Collection Template.

However, our analysis revealed inconsistencies in data aggregation, as entities applied varying methodologies, which impacted comparability. To address these challenges, we recommend that MSWG establish an annual review process with the main extractive entities to assess progress, align expectations with EITI requirements, and provide guidance on standardized reporting practices. This approach will strengthen data quality for future reports.

13.2 Barriers and other suggestions

This section lists a selection of items that are caused by legal, institutional barriers or data availability, which limit full compliance with the EITI standards and a higher degree of transparency.

Table 13.1 Issues caused by legal or institutional barriers (non-exhaustive)

No	Issue	Detail of the issue	Recommendation	Status of implementation (Yes/No/Ongoing)
1	Lack of EITI law	We noted that although Timor-Leste's EITI reports have been reconciled for 10 years, the legal framework defining the roles and responsibilities of stakeholders in the EITI process has yet to be created.	We recommend the enactment of EITI law as soon as possible. This law will provide a better understanding of the EITI process by all stakeholders and ensure that the reconciliation process is successful.	No, since discussions still take place.

No	Issue	Detail of the issue	Recommendation	Status of implementation (Yes/No/Ongoing)
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 a need to improve communication between the EITI Secretariat and the Government Entities with regard to the oil companies operating in the oil sector. However, contact details are available for the operators and joint ventures partners, but not the sub-contractors.	We recommend that the Timor-Leste-EITI Secretariat should create a database of extractive companies following our reconciliation exercise. The Secretariat should then liaise with the Government Entities to ensure it obtains adequate information regularly and updates its database accordingly. To this end, we believe it is vital that any new entrants to the oil sector are registered with the Timor-Leste-EITI Secretariat as part of the process before or at the same time as they obtain their operating license. A regular review with the Government Entities of the list of oil companies licensed to operate in the sector is recommended.	No
3	Confidentiality provisions in PSCs	The model PSC used by Timor-Leste contains a confidentiality provision, referenced from the Decree-Law Offshore and Onshore petroleum operations, which prevents the public disclosure of information relating to O&G operations by both parts, except if mandatory by law. Annex I PSC model contains confidentiality provision which prevents the disclosure of most recent (less than two years) information on certain commercial sensitive information. However, the full text copies of the executed PSCs of the Timor-Leste Area and the summaries of the model PSC for the former JPDA PSCs have been made available to public at ANP website.	If EITI law is under approval by the government, we recommend that it includes the necessary requirements to allow disclosure for EITI reporting obligation on the operators and Timor-Leste representatives.	Despite existing legal barriers to the disclosure of commercial sensitive information, there has been some progress in advancing contract transparency. Copies and summaries of PSCs are now publicly available on the ANPM website.
4	Lack of anti-corruption policy by SOE	To date, Timor GAP has not formalized an anti-corruption policy. We understand that this issue is currently under discussion at the board level, although no decision has been made yet.	We recommend formalizing an anti-corruption policy and making it publicly available. This policy should be included in Timor GAP's annual report or published on Timor GAP's website.	Ongoing. An anti-corruption policy is being discussed at a board level.
5	Availability of forecasts related to revenue from extractive sector	According to requirement 5.3 of the 2023 EITI Standard, any forecasts related to future revenues from the extractive sector, including assumptions on projected production levels, project costs, and commodity prices, should be disclosed. The petroleum revenues forecast is available on State Budget Law. However, forecast detailed assumptions information is currently available only for ANP internal use. To share this data with third parties or the public, ANP must comply with Timor-Leste regulations on data disclosure and confidentiality. There is no revenue forecast available for mining activities.	We recommend the disclosure of more detailed information on diverse assumptions considered on the State Budget. We also recommend that ANP includes revenue forecasts for extractive companies in its annual reports. Additionally, ANP should disclose the methods and inputs used to perform these forecasts, including any considerations related to energy transition and climate risk. We recommend the inclusion of mining revenue forecast in ANM report by ANM.	The forecast of future petroleum revenues is publicly available in State Budget Law, although the level of detail on the assumptions considered is not high.
6	Disclosure of project costs	Under requirement 4.10, countries are required to publish, at a minimum,	To enhance transparency, we recommend that the ANP develop a mechanism to publicly	Ongoing. Although there are legal barriers to

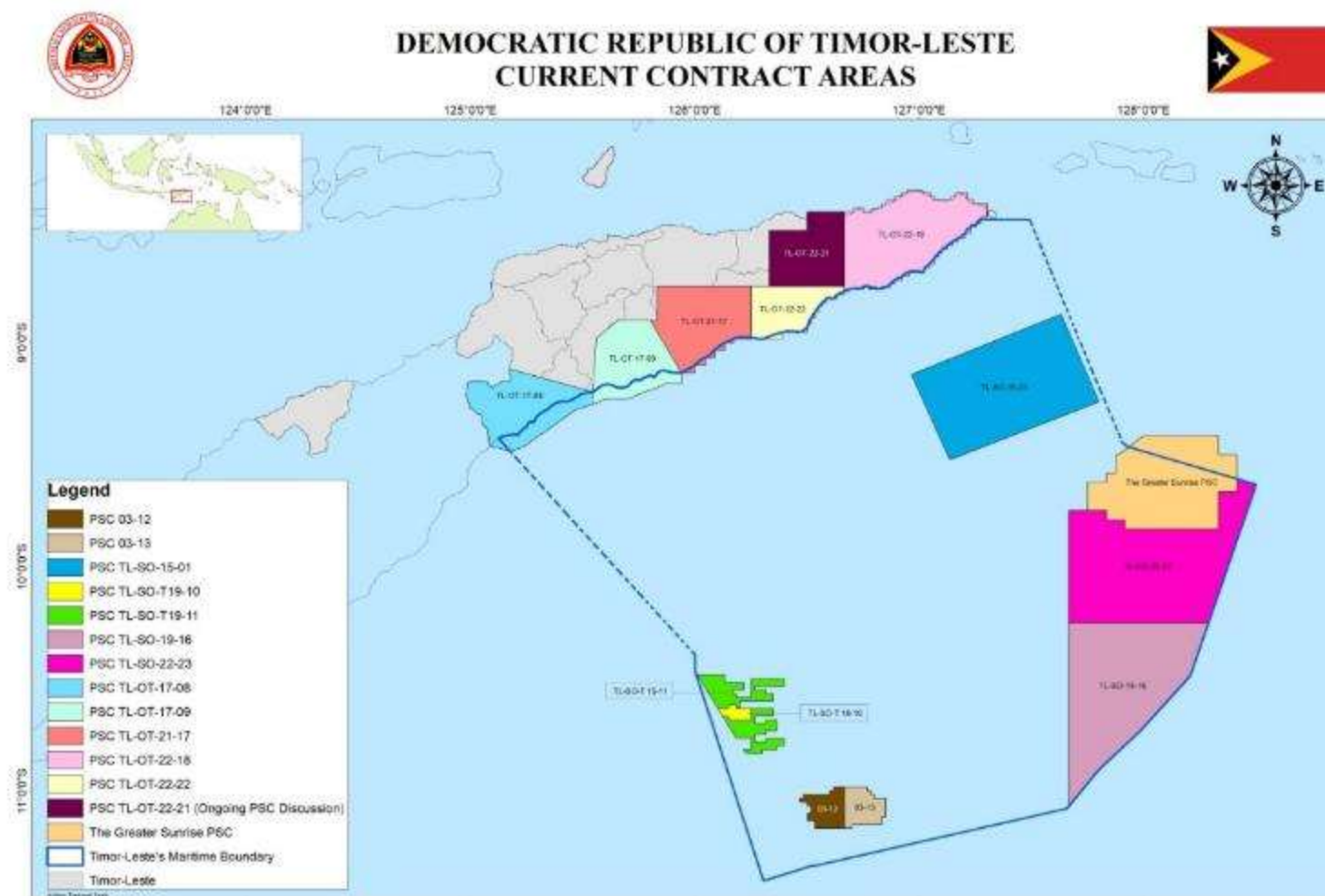
No	Issue	Detail of the issue	Recommendation	Status of implementation (Yes/No/Ongoing)
	and audit of PSC project costs	summaries of final tax and cost audits. Although the ANP audits PSC project costs, including non-recoverable and non-deductible costs, as well as any additional revenues to be collected, these audit reports are not publicly available. We understand that this is because the ANP must comply with the disclosure and confidentiality requirements stipulated under Timor-Leste regulations. Additionally, under requirement 4.10, companies and governments are encouraged to disclose capital and operating expenditures declared by companies, as well as the total costs incurred since the commencement of the project. In this regard, pages 11 of 2023 ANP Annual Report provide a summary of the exploration and development expenditure performance for the year 2023. Although the ANP report explains the nature of the main exploration and development expenditures for each PSC, it presents the summarized data of PSCs related expenditure in chart. However, we understand that the ANP, as the regulatory body, has access to this data.	disclose at least summaries of PSC audit reports in a timely manner. Additionally, we suggest enhancing the disclosure of the PSCs exploration expenditure portfolio in a tabular form, disaggregated by type of costs.	publishing PSC audit reports due to the commercially sensitive nature of the data, the ANP has made progress by disclosing the nature of exploration and development costs for each PSC incurred in 2023 and summarizing the data, which are subject to audits, in its Annual Report.
7	Accessibility of the social, environmental and gender assessment of extractive industry to Timor-Leste	In accordance with Requirement 6.4(b), there is an obligation to disclose the availability of other impact assessments and the efforts undertaken by the government, such as social assessments, gender assessments, and information on rehabilitation and closure programs within the extractive industry. During the preparation of this report, we attempted to access such information. Based on our analysis, there are no specific assessments focused exclusively on the extractive industry. However, some information on gender and social impacts is available and has been included in Chapter 11, which addresses the contribution of the oil and gas sector in these areas.	For future consideration, it would be beneficial for MSWG to promote initiatives aimed at conducting formal assessments. While certain information exists, a comprehensive assessment should include structured analysis and clear conclusions, which are currently lacking.	No

Annex A. Companies in the Oil&Gas Sector

N	OIL & GAS ENTITIES IN SCOPE
	CONTRACTORS
1	BU12 Australia Pty Ltd
2	BU13 Australia Pty Ltd
3	ENI JPDA 03-13 Ltd
4	ENI JPDA 06-105 PTY LTD
5	ENI TIMOR 22-23 BV
6	ENI Timor Leste S.P.A
7	Inpex Sahul Ltd
8	Inpex Timor Sea Ltd
9	Timor Resources Pty Ltd
10	Tokyo Timor Sea Resources Pty Ltd
11	SundaGas Banda Unip Ltd
12	Santos NA (19-12) Pty Ltd
13	Santos NA (19-13) Pty Ltd
14	Santos NA Timor Sea
15	Santos NA Emet
16	Santos NA Bayu Undan
17	Santos (JPDA 91-12) Pty Ltd
18	TIMOR GAP Rarahana Unip Lda
19	TIMOR GAP G RL 2 Unip Lda
20	TIMOR GAP G S 03-20 Unip Lda
21	TIMOR GAP Chudith Unip Lda
22	TIMOR GAP Greater 03-19 Unip Lda
23	TIMOR GAP Greater Sunrise RL Unip.Lda
24	TIMOR GAP Offshore Block Unipessoal
25	TIMOR GAP Onshore Block C Unip Lda

N	OIL & GAS ENTITIES IN SCOPE
26	TIMOR GAP Onshore Block Unip Lda
27	TIMOR GAP PSC 11-106 Unip Ld
28	TIMOR GAP Pualaca Block Unipessoal
29	Woodside Petroleum (Timor Sea 19) Pty Ltd
30	Woodside Petroleum (Timor Sea 20) Pty Ltd
31	Carnarvon Petroleum Timor,Unipessoal.Lda
32	Finder Energy (ENI JPDA 11-106 BV BRANCH)
SUB-CONTRACTORS	
1	Caltech Unipessoal
2	Laloran Marine Services
3	Baker Hughes Australia PTY Limited
4	Chandler Macleod Group Limited
5	Kotug Maritime Services
6	Schlumberger Australia Pty Ltd
7	Weatherford Australia Pty Ltd
8	Haliburton Australia Pty Ltd
9	Santos NA Timor-Leste Pty Ltd
10	TIMOR GAP Driling Unip Lda
11	TIMOR GAP Seismic Services Lda
12	Offshore Services Autralasia Pty Ltd
13	Clough Wood Pty Ltd
14	Compass Group (Australia) Pty Ltd
15	Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)
16	Tidewater Offshore Pty Ltd
17	Tidewater Onshore Operations Pte
18	SGS Australia Pty Ltd
19	Konnekto Unipessoal Lda

Annex B. Democratic Republic of Timor-Leste - Current Contract Areas



Annex C. Mineral Payments in 2023

No.	Name of Proponent	Origin	Type of Activities	Type of Payment						Cumulative Amount Paid (US\$)
				Total Mining Fees Paid for License (USD\$)	Total Mineral Royalty Paid for Authorization (USD\$)	Administrative Fees (\$/applications)	Mining Fees - Compensation Unauthorized Mining Activities (US\$)	Mineral Royalty - Compensation for Informal Mining Activities (US\$)	Mineral Public Tender Fees (US\$)	
1	2NJ Morai Civil Construction Lda.	Local	Commercial	4 312	-	-	-	-	-	4 312
2	AFG Bonuk Industry Unip., Lda.	Local	Commercial	-	-	100	-	-	-	100
3	Aitula Lda.	Local	Construction	-	-	-	-	9 642	-	9 642
4	Alda Magno Unip., Lda.	Local	Construction	-	-	-	2 240	-	-	2 240
5	Altelis Unip., Lda.	Local	Commercial	-	-	100	-	-	-	100
6	Arquiris Unip., Lda. (in JV with CTL Lda.)	Local	Construction	-	-	-	-	7 404	-	7 404
7	Asmaber Unip., Lda.	Local	Commercial	-	2 592	1 000	-	864	-	4 456
8	Atrai Los Sucesso Lda.	Local	Commercial	-	-	-	2 379	14 313	-	16 692
9	Beacon Minerals Limited, R.P.	International	Commercial	-	-	-	-	-	900	900
10	Boheek Unip., Lda.	Local	Commercial	-	-	-	-	16 632	-	16 632
11	Caballus Sand Lda.	Local	Commercial	-	-	-	-	-	300	300
12	Caiulu Unip., Lda.	Local	Construction	-	-	100	-	-	-	100
13	China Nuclear Industry 22nd Construction Co., Ltd., R.P.	International	Construction	-	-	-	36 033	-	-	36 033
14	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)	International	Construction	432 799	-	300	-	2 916	-	436 015
15	China Wu Yi Co., Ltd., R.P.	International	Construction	70 716	-	-	-	-	-	70 716
16	Chongqing International Construction Corporation, R.P. - CICO	International	Construction	-	-	-	407 684	5 400	-	413 084
17	Companhia Mineira de Timor Leste, S.A (CMTL)	Local	Commercial	-	-	-	-	-	450	450
18	Dalte Nova Unip., Lda.	Local	Commercial	-	-	100	-	-	150	250
19	EDS Construction Unip., Lda.	Local	Commercial	-	-	-	-	61 879	-	61 879
20	Estrella Resources Ltd. R. P.	International	Commercial	-	-	450	-	-	150	600

No.	Name of Proponent	Origin	Type of Activities	Type of Payment						Cumulative Amount Paid (US\$)
				Total Mining Fees Paid for License (USD\$)	Total Mineral Royalty Paid for Authorization (USD\$)	Administrative Fees (\$/applications)	Mining Fees - Compensation Unauthorized Mining Activities (US\$)	Mineral Royalty - Compensation for Informal Mining Activities (US\$)	Mineral Public Tender Fees (US\$)	
21	Exatomor Resources Lda.	Local	Commercial	-	-	100	-	-	-	100
22	Payment for Bidding Application Fees of Metallic Mineral Tender	-	-	-	-	-	-	-	2 520	2 520
23	Gerança Unip., Lda.	Local	Commercial	-	-	500	-	-	-	500
24	Hersege Lda.	Local	Construction	-	-	100	-	-	-	100
25	Hongrun Construction Lda.	Local	Construction	-	-	200	-	4 200	-	4 400
26	Ilatun Lda.	Local	Construction	-	-	100	-	-	-	100
27	Inur Behau Mota Ain Unip., Lda.	Local	Commercial	-	-	-	-	7 350	-	7 350
28	Iron Fortune Pty. Ltd.	International	Commercial	-	-	-	-	-	450	450
29	JLC Lda.	Local	Commercial	-	-	100	-	-	-	100
30	Jonize Construction Unip., Lda.	Local	Construction	-	-	-	-	6 900	-	6 900
31	Jova Construction Unip., Lda.	Local	Construction	-	-	100	-	15 225	-	15 325
32	King Construction, Unip., Lda.	Local	Commercial	-	7 020	800	-	-	-	7 820
33	Lacu'hu Lda.	Local	Construction	-	-	-	2 240	-	-	2 240
34	Li Britadeira Lda.	Local	Commercial	-	-	-	98 993	-	-	98 993
35	Libama Consorcio Lda.	Local	Commercial	-	-	-	21 181	-	-	21 181
36	Linatet Unip., Lda.	Local	Commercial	-	-	100	34 671	-	-	34 771
37	Miramar Unip., Lda. (Mira Mar Block Building Industry)	Local	Compounded	-	-	-	9 828	5 877	-	15 705
38	Montana Diak Unip., Lda.	Local	Construction	-	-	400	-	-	-	400
39	Peak Everest Mining Lda.	Local	Commercial	-	-	-	-	-	150	150
40	Quatro Colegas Lda.	Local	Construction	-	-	100	-	-	-	100
41	Queneno Unip., Lda.	Local	Commercial	-	-	-	-	-	150	150
42	Santana Diak Unip., Lda.	Local	Construction	-	-	-	-	8 461	-	8 461
43	Shabryca Construction Unip., Lda.	Local	Construction	-	-	100	-	-	-	100
44	Shanghai Construction Group, Co., Ltd., RP.	International	Construction	-	-	-	28 581	-	-	28 581

No.	Name of Proponent	Origin	Type of Activities	Type of Payment						Cummulative Amount Paid (US\$)
				Total Mining Fees Paid for License (USD\$)	Total Mineral Royalty Paid for Authorization (USD\$)	Administrative Fees (\$/applications)	Mining Fees - Compensation Unauthorized Mining Activities (US\$)	Mineral Royalty - Compensation for Informal Mining Activities (US\$)	Mineral Public Tender Fees (US\$)	
45	Sinar Satellite e Construction Unip., Lda.	Local	Construction	-	-	100	-	3 593	-	3 693
46	Somos Amigos, S.A.	Local	Commercial	-	-	-	26 252	21 687	-	47 939
47	Star Concrete Lda.	Local	Commercial	-	7 800	1 100	-	69 124	-	78 024
48	Starking Raw Material Industry Unip., Lda.	Local	Commercial	-	7 800	1 100	-	-	-	8 900
49	Weng Enterprise Group Lda.	Local	Commercial	-	-	-	-	4 995	-	4 995
50	Worldview Enterprise Unip., Lda.	Local	Commercial	-	-	-	-	-	150	150
51	Xirevo VC Unip., Lda.	Local	Commercial	-	-	100	-	-	-	100
52	Yefa Unipessoal, Lda.	Local	Commercial	-	-	-	137	4 403	-	4 539
TOTAL MINERAL REVENUE COLLECTION FOR THE YEAR ENDED 31 DECEMBER 2023				507 827	25 212	7 250	670 217	270 866	5 370	1 486 742

Annex D. Mineral Payments in 2022

No	Name of Proponent	Origin	Type of Activities	Type of Payment				Cummulative Amount Paid (US\$)
				Mining License (US\$)	Compensation (US\$)	Annual Surface Fee (US\$)	Administration Fees (US\$)	
1	Altelis Unip., Lda.	Local	Commercial	\$ 2 290,00	-	-	-	\$ 2 290,00
2	Aitula Lda.	Local	Compounded	-	\$ 31 175,10	-	-	\$ 31 175,10
3	CBMI Construction Co., & Chongqing Road Engineering (Group) Co., Lda.	International	Construction	\$ 200 000,00	-	-	-	\$ 200 000,00
4	China Harbour Timor Lda.	International	Construction	\$ 1 894 901,05	-	-	-	\$ 1 894 901,05
5	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG - COVEC, JV.)	International	Construction	\$ 106 000,00	-	-	-	\$ 106 000,00
6	China Wu Yi Co., Ltd., R.P.	International	Construction	\$ 1 500,00	\$ 70 715,54	-	-	\$ 72 215,54
7	Elegant Marble Group Unip., Ltd.	Local	Commercial	\$ 1 500,00	-	\$ 9 738,00	-	\$ 11 238,00
8	King Construction, Unip., Lda.	Local	Commercial	-	\$ 36 522,23	-	-	\$ 36 522,23
9	Montana Diak Unip., Lda.	Local	Construction	\$ 17 280,00	\$ 18 150,79	-	\$ 1 600,00	\$ 37 030,79
10	Shabryca Construction Unipessoal Lda.	Local	Commercial	-	\$ 6 762,49	-	-	\$ 6 762,49
11	Star Concrete Lda.	Local	Compounded	-	\$ 35 487,99	-	-	\$ 35 487,99
12	Timor General Development Group Unip., Lda.	Local	Commercial	\$ 8 850,00	\$ 12 492,00	-	-	\$ 21 342,00
13	Uma Marble Timor, Unip., Lda.	Local	Commercial	\$ 1 500,00	-	\$ 1 205,77	-	\$ 2 705,77
14	Yefa Unipessoal, Lda.	Local	Commercial	-	\$ 4 539,00	-	-	\$ 4 539,00
TOTAL MINERAL REVENUE COLLECTION FOR THE YEAR ENDED 31 DECEMBER 2022				\$ 2 233 821,05	\$ 215 845,15	\$ 10 943,77	\$ 1 600,00	\$ 2 462 209,97

Annex E. Production Sharing Contracts

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-12 ⁷⁹	These PSC-TL-SO-T 19-12 and PSC-TL-SO-T 19-13 are PSCs that substitute the existing PSC JPDA 03-12 and PSC JPDA 03-13 as the result of the implementation of the Maritime Boundary Treaty between Timor-Leste and Australia which transforming the Former JPDA area as Timor-Leste territory. Santos NA (19-12) Pty Ltd as the contract operator represents Bayu Undan Joint Venture to perform petroleum activities in Bayu Undan contract area. During the year 2023, the field continues the production.	Santos NA (19-12) Pty Ltd	Santos NA (9-12) Pty Ltd; Santos NA Timor Sea Pty Ltd; Santos NA Emet Pty Ltd; Santos (JPDA 91-12) Pty Ltd; Inpex Sahul Ltd; BU12 Australia PTY LTD.	Condensate, LPGs, Natural gas	The application was submitted during Indonesia Administration. The Government of Timor-Leste renegotiated the PSCs and signed it on 02-04-2003.	20-05-2002	01-06-2026 ⁸⁰
TL-SO-T 19-13		Santos NA (19-12) Pty Ltd; Santos NA Bayu Undan Pty Ltd	☒Santos NA Bayu Undan Pty Ltd; ☒Santos NA (03-13) Pty Ltd; Eni JPDA 03-13 Ltd; Tokyo Timor Sea Resources Pty Ltd; BU13 Australia PTY LTD.	Condensate, LPGs, Natural gas	The application was submitted during Indonesia Administration. The Government of Timor-Leste renegotiated the PSCs and signed it on 02-04-2003.	20-05-2002	01-06-2026

⁷⁹ 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%.

⁸⁰ Cessation of Production is declared on 4 June 2025, Press release available at ANP website: [BAYU-UNDAN CESSATION OF PRODUCTION – AUTORIDADE NACIONAL DO PETRÓLEO, I.P.](#)

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-10	The operation of this PSC was suspended in December of 2015 due to the impact of sustain low oil price to the economics of the Kitan field and reserved for future development of the field. The PSC is currently in the decommissioning phase.	Eni JPDA 06-105 Pty Ltd.	INPEX Timor Sea Ltd.; Repsol Oil and Gas Australia Pty Ltd.	Oil	-	22-09-2006	* ⁸¹
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.	TIMOR GAP Greater 03-19, Unipessoal Lda ⁸² ;	Osaka Gas Sunrise (PSC19) Pty Ltd; Osaka Gas Sunrise (PSC20) Pty Ltd	Gas & Gas condensate	-	20-05-2002	04-10-2026
03-20		TIMOR GAP Greater Sunrise 03-20 Unipessoal Lda	Woodside Petroleum (Timor Sea 19) Pty Ltd; Woodside Petroleum (Timor Sea 20) Pty Ltd.	Gas condensate	-	02-05-2002	13-11-2026

⁸¹* Upon the completion of decommissioning activities

⁸² 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. The Sunrise Joint Venture (SJV) participants, comprising TIMOR GAP (56.56%), Operator Woodside Energy (33.44%), and Osaka Gas Australia (10.00%)

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-T 19-11	In August 2024, the ANP approved the change of in control and change of operator and assignment where FINDER acquired the interest of INPEX and ENI and becomes the Operator for PSC TL-SO-T 19-11. This amendment also includes essential conditions such as a 3-year extension of the term of the PSC which includes Minimum Exploration Work Commitments agreed to be undertaken by FINDER TIMOR-LESTE B.V., FINDER PSC 19-11 PTY LTD and TIMOR GAP PSC 11-106 Unipessoal, Limitada.	Eni JPDA 11-106 ⁸³ B.V.	Inpex Offshore Timor-Leste Ltd; TIMOR GAP, E.P. PSC 11-106	Oil	-	23-10-2013	29-08-2027
TL-SO-15-01	During 2020, the operator carried out additional G&G studies with the Full Waveform Inversion (FWI) method to raise the quality of the seismic image of the sub-thrust area and under the sub-thrust area. During the period of 2020 and early 2021 the impact of the Covid-19 global pandemic has impacted execution of the PSC work programs; hence, this also delay some of the work priority within the PSC, including the preparation drilling. During the 2022, TIMOR GAP is going to carry out FWI in the work PSC area to further the identified prospects. Currently the PSC status is within the year the extended year 4 and 5 exploration period. It is expected that the company carry out its commitment drilling campaign within the extended year 4 and 5 exploration period.	TIMOR GAP Offshore Block Unipessoal, Lda ("TGOB")	N/A	Oil & gas	-	23-12-2015	23-12-2025

⁸³ In August 2024, Finder Energy Holdings Limited entered into Sale and Purchase Agreements with both Eni and Inpex, securing a 76% stake in PSC 19-11. As a result, Finder Operations Pty Ltd, a wholly-owned subsidiary of Finder, acquired all shares in Eni JPDA 11-106 B.V.

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
S-06-04 (PSC TLEA 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 2024, the contract area has been fully relinquished.	Eni Timor-Leste S.P.A	N/A	Oil	-	11-03-2006	28-06-2024
TL-SO-T 19-14	The contract area was previously under the Australian jurisdiction but with the new maritime boundary it became under Timor – Leste new territorial water jurisdiction. After the result of the G&G studies Carnarvon then submitted its application to drill September 2021 and the Approval to Drill (ATD) was granted on 22 December 2021. The Buffalo-10 Well was spudded on 30 September 2021 and the drilling has finished and the result of the drilling shows the hydrocarbon encountered, however there is no commercial discovery. Therefore, contract area has been fully relinquished in 2024.	Carnarvon Petroleum Timor Unipessoal Lda	N/A	Oil	-	29-08-2019	16-12-2024
TL-OT-17-08	Currently, the PSC in the preparation for Appraisal Drilling within the contract area.	Timor Resources Pty Ltd	TIMOR GAP ONSHORE BLOCK, UNIPESOAL, LDA	Oil & gas	-	26-06-2017	12-07-2026

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-OT-17-09	The Contractor continues to perform the minimum work requirements under the PSC.	Timor Resources Pty Ltd	TIMOR GAP ONSHORE BLOCK, UNIPESOAL, LDA	Oil & gas	-	26-06-2017	26-06-2026
TL-SO-T 19-16	The PSC is currently in the exploration phase and the contractor is focusing on the G&G studies. It is currently in preparation for Appraisal drilling.	SundaGas Banda Unipessoal, Lda	TIMOR GAP Chuditch, Unipessoal, Lda	Oil	-	19-12-2019	18-06-2026
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 Contractor continues to perform the minimum work requirements under the PSC.	TIMOR GAP Pualaca Block	N/A	Oil & gas	-	24-02-2022	27-02-2027
TL-OT-22-18	In December 2022, ANP entered into a PSC contract for block TL-OT-22-18 with TIMOR GAP Rarahana Block Unipessoal, Lda, a subsidiary of TIMOR GAP, E.P. This contract grants TIMOR GAP Rarahana Block Unipessoal, Lda permission to begin initial exploration activities, such as G&G studies, the 2D seismic data acquisition and drilling a well in the PSC TL-OT-22-18 block located in the Lautem municipality.	TIMOR GAP Rarahana Unip. Ltd	N/A	Oil & gas	Application submitted during the second licencing round 2019/2022	01-04-2023	01-04-2026

License number	Description	Operators	Joint Venture Partners	Extracted Material	Date of application	Effective date	Expiry date
TL-SO-22-23	In December 2023, ANP signed the PSC with the Eni Timor 22-23 B.V to undertake exploration activities in contract area block P.	Eni Timor 22-23 BV	(TIMOR GAP), a subsidiary of TIMOR GAP)	Oil & gas	Application submitted during the second licencing round 2019/2022	22-04-2024	21-04-2027

Annex F. List of Licenses 2006-2023

2006			2009		
No.	Name of License	License no.	No.	Name of License	License no.
1	Edi Konro – Konro	N/A	1	Always Construction Pty. Ltd.	No. 00012/LT/DNGRM/IV/09
2	.Agostinho Gomes	N/A	2	Always Construction Pty. Ltd.	No. 00012/LT/DNGRM/IV/09
3	JJ Mcdonalds	N/A	3	Carya Timor-Leste Lda.	No. 00006/LT/DNGRM/II/09
4	JJ Mcdonalds	N/A	4	Domin Timor Construction Lda.	No. 00010/LT/DNGRM/IV/09
5	Tinolina Company Ltd.	No.GMR/2006/XII/002	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 Unipesoal Lda	No. 00009/LT/DNGRM/II/09
			13	Montana Diak Unip. Lda.	No. 00016/LT/DNGRM/X/09
			14	Montana Diak Unip. Lda.	No. 00017/LT/DNGRM/X/09
			15	RMS Engineering and Construction Pty. Ltd.	N/A
			16	Top Liberty 88 Lda.	No. 00007/LT/DNGRM/II/09
			17	Top Liberty 88 Lda.	No. 00008/LT/DNGRM/II/09
			18	Top Liberty 88 Lda.	N/A
			19	Trans Global Unip. Lda.	No. 00001/LT/DNGRM/XII/08
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			2010		
No.	Name of License	License no.	No.	Name of License	License no.
1	Unknown	N/A	1	Always Construction Pty. Ltd.	No. 0001/LT/DNGRM/I/2010
2	Unknown	N/A	2	Carya Timor-Leste Lda.	No. 0004/LT/DNGRM/II/2010
3	Jonize Construction Unip. Lda	No. DNGMR/2008/VIII/0017	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 Veadó Ltd.	No. 0009/LT/DNGRM/IV/2010
			9	RMS Engineering and Construction Pty. Ltd.	No. 0005/LT/DNGRM/II/2010
			10	RMS Engineering and Construction Pty. Ltd.	No. 0006/LT/DNGRM/III/2010

2010			2012		
No.	Name of License	License no.	No.	Name of License	License no.
11	RMS Engineering and Construction Pty. Ltd.	No. 0007/LT/DNGRM/III/2010	12	Yefa Unipessoal Lda.	No. 0011/LT/DNGRM/VIII/2012
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			2013		
No.	Name of License	License no.	No.	Name of License	License no.
1	Carya Timor-Leste Lda.	No. 0005/LT/DNGRM/III/2011	1	Empat Saudara Lda.	No. 0009/LT/DNM/VI/2013
2	Ensul Esphera Engenharia	No. 0008/LT/DNGRM/VI/2011	2	Libama Comsorsium	No. 0006/LT/DNM/VI/2013
3	Fatuk Candi Jonggrang	No. 0013/LT/DNGRM/XII/2011	3	Montana Diak Unip. Lda.	No. 0002/LT/DNM/I/2013
4	Jonize Construction Unip. Lda.	No. 0004/LT/DNGRM/III/2011	4	Montana Diak Unip. Lda.	No. 0003/LT/DNM/I/2013
5	Libama Comsorsium	No. 0009/LT/DNGRM/X/2011	5	RMS Engineering & Construction Pty. Lda.	No. 0008/LT/DNM/IV/2013
6	Linatet Unip. Lda.	No. 0003/LT/DNGRM/II/2011	6	Suai Indah Constuction Lda.	No. 0005/LT/DNM/I/2013
7	Montana Diak Unip. Lda.	No. 0011/LT/DNGRM/XI/2011	7	Weng Enterprise Group Co. Ltd.	No. 0004/LT/DNM/I/2013
8	Montana Diak Unip. Lda.	No. 0012/LT/DNGRM/XI/2011	8	Yefa Unipessoal Lda.	No. 0007/LT/DNM/IV/2013
9	Monte Veador Ltd.	No. 0006/LT/DNGRM/VII/2011			
10	RMS Engineering and Construction Pty. Ltd.	No. 0002/LT/DNGRM/I/2011	2014		
11	Suai Indah Construction Lda.	No. 0001/LT/DNGRM/I/2011	No.	Name of License	License no.
12	Weng Enterprise Group Co. Ltd.	No. 0014/LT/DNGRM/XII/2011	1	Aitula Fuel’s Lda.	No. 0010/LT/DNM/XII/2014
2012			2	Aitula Fuel’s Lda.	No. 0013/LT/DNM/XII/2014
No.	Name of License	License no.	3	Carya Timor-Leste Lda.	N/A
1	Carya Timor-Leste Lda.	No. 0007/LT/DNGRM/VI/2012	4	Empat Saudara Lda.	No. 0009/LT/DNM/XII/2014
2	Castelo Fronteira Unip. Lda.	No. 0009/LT/DNGRM/VII/2012	5	Jonize Construction Unip. Lda.	N/A
3	Empat Saudara Lda.	No. 0001/LT/DNGRM/II/2012	6	Jonize Construction Unip. Lda.	N/A
4	Ensul Esphera Engenharia	No. 0003/LT/DNGRM/III/2012	7	Jonize Construction Unip. Lda.	No. 16/2014
5	Ensul Esphera Engenharia	No. 0009/LT/DNGRM/VII/2012	8	Libama Consorcio Lda.	No. 0007/LT/DNM/XI/2014
6	Jonize Construction Unip Lda.	No. 0006/LT/DNGRM/VI/2012	9	Maliana Brother’s Lda.	No. 0011/LT/DNM/XII/2014
7	RMS Engineering & Construction Pty. Ltd.	No. 0002/LT/DNGRM/II/2012	10	Manoko Unip. Lda.	No. 0014/LT/DNM/XII/2014
8	Tak-Kong Electronic Unip. Lda.	No. 0012/LT/DNGRM/VIII/2012	11	Montana Diak Unip. Lda.	N/A
9	Timor Block Building Industry	No. 0004/LT/DNGRM/III/2012	12	Montana Diak Unip. Lda.	N/A
10	Timor Block Building Industry	No. 0004/LT/DNGRM/III/2012	13	Nobre Labadain Unip. Lda.	No. 12/2014
11	Yefa Unipessoal Lda.	No. 0008/LT/DNGRM/VI/2012	14	Suai Indah Construção Lda.	No. 0006/LT/DNM/X/2014
			15	TL Cement Lda.	No. 01/2014
			16	Uha Cae Lda.	No. 0008/LT/DNM/XI/2014
			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
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 CONSTRUCTION CORPORATION (CICO)	No. 06/2016
4	CHONGQING INTERNATIONAL CONSTRUCTION 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
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
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	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 02/2019
2	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 03/2019
3	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 04/2019
4	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 05/2019
5	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 06/2019
6	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 07/2019
7	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 08/2019
8	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 09/2019
9	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 10/2019
10	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 11/2019
11	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 12/2019
12	CBMI Construction. Co & Engineering (Group) Co, Lda	No. 13/2019
13	King Construction, Lda	No. 14/2019

2020/2021		
No.	Name of License (Note: Updated until 25th of January 2022)	License no.
1	Express Distribution Services & Diverses, Unipessoal, Lda.	No. 01/2021
2	Express Distribution Services & Diverses, Unipessoal, Lda.	No. 02/2021
3	2NJ Morai Civil Construction Unipessoal, Lda.	No. 03/2021
4	Montana Diak, Unipessoal, Lda	No. 04/2021
5	China Harbour Timor, Lda.	No. 05/2021
6	Altelis, Unipessoal, Lda	No. 06/2021

2021/2022		
No.	Name of License (Note: Updated until 25th of January 2022)	License no.
1	Altelis, Unipessoal, Lda.	No. 06/2021

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

* There were 4 licenses awarded regarding 2023 and therefore will be disclosed in 2023 EITI Report

2022/2023*		
No.	Name of License (Note: Updated until 26th of July 2023)	License no.
1	China Wu Yi Co., Ltd., R.P.	No. 01/2022
2	CBMI Construction. CO & Chongqing Road Engineering (Group) Co, Lda	No. 02/2022
3	CBMI Construction. CO & Chongqing Road Engineering (Group) Co, Lda	No. 03/2022
4	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG – COVEC, VJ)	No. 04/2022
5	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG – COVEC, VJ)	No. 05/2022
6	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG – COVEC, VJ)	No. 06/2022
7	China Railway International Group Co., Ltd., R.P. & COVEC (CRIG – COVEC, VJ)	No. 07/2022
8	Timor General Development Group Co., Lda	No. 08/2022
9	Timor General Development Group Co., Lda	No. 09/2022
10	Montana Diak, Unipessoal, Lda.	No. 10/2022
11	Starking Raw Material Industry Unip., Lda.	No. 01/2023
12	King Construction, Lda.	No. 02/2023
13	Gerança Unipessoal. Lda	No. 01/R/2023
14	Star Concrete, Lda.	No. 03/2023

Annex J. Mining coordinates

Name of the License: Starking Raw Materials Unipessoal.Lda		
Number of the License: 01/2023		
Geographic Coordinate:		
<u>Vertices</u>	<u>Easting</u>	<u>Northing</u>
1	753241.89	8975280.56
2	753310.04	8975289.65
3	753333.24	8975007.04
4	753252.05	8975010.94
5	753208.5471	8974753.658
6	753138.7114	8974767.02
7	753056.3594	8974780.77
8	752994.8696	8974998.47
9	753190.1949	8975125.68

Name of the License: King Construction.Lda		
Number of the License: 02/2023		
Geographic Coordinate:		
<u>Vertices</u>	<u>Easting</u>	<u>Northing</u>
1	764613	9052408
2	764661	9052402
3	764894	9052323
4	764904	9052194
5	764639	9052180
6	764396	9052445
7	764410	9052333
8	764551	9052393
9	764722	9052360
10	764822	9052321
11	764886	9052274
12	764921	9052474

Name of the License: Star Concrete.Lda		
Number of the License: 03/2023		
Geographic Coordinate:		
<u>Vertices</u>	<u>Easting</u>	<u>Northing</u>
1	763708	9049875
2	763743	9049902
3	763804	9049810
4	763910	9049735
5	763876	90496699
6	763727	9049789
7	762809	9051330
8	762708	9051271
9	762739	9051198
10	762685	9051170
11	762791	9051033
12	762919	9051120

Name of the License: Geranca Unipessoal.Lda (Reconnaissance Permit)		
Number of the License: 01/R/2023		
Geographic Coordinate:		
<u>Vertices</u>	<u>Easting</u>	<u>Northing</u>
A	828299	9058055
B	828666	9058052
C	828665	9057868
D	828848	9057866
E	828844	9057313
F	828293	9057317
G	9057317	9057501
H	828111	9057503
I	828114	9057872
J	828297	9057871

Annex K. Bid evaluation matrix

Bid Evaluation Matrix for Onshore Bid Blocks

No	Proposed Minimum Work Programmes	Unit	Work Programmes	Maximum assigned scores attributions	Scores gained
A	2D Seismic data acquisitions	... In Line Kilometers		10 points	
B	3D Seismic data Acquisitions	... in square kilometers		15 points	
C	Explorations wells	 numbers of wells. First [2].000 mTVD/well measured from the subsea		25 points	
D	Total commitment for non-Seismic Survey geophysical surveys	US\$..... (in US\$ values)		5 points	
	Total commitment for other technical studies	US\$..... (in US\$ values)		5 points	
F	Local Content	US\$..... (in US\$ values)		5 points	
G	Proof of Financial capabilities	This evaluation is to be based on the bidders' financial statements provided		15 points	
H	Companies experiences in E&P and H&E Good Standing (5), Access to technical experts (2), Technology & Innovation (1), Companies branding (2)	This evaluation to be based on the Proof evidences/documents submitted		10 points	
I	Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings	This assessment will be based on the result of the bidders' technical evaluation of areas to be bided for based on the available technical data		10 points	
	Total Scores for the bids			100 points	

Bid Evaluation Matrix for Offshore Bid Blocks

No	Proposed Minimum Work Programmes	Unit	Proposed Work Programmes	Maximum assigned scores attributions	Scores gained
A	2D Seismic data acquisitions	... In Line Kilometers		5 points	
B	3D Seismic data Acquisitions	... in square kilometers		15 points	
C	Explorations wells	 numbers of wells. First [2],000 mTVD/well measured from the subsea		25 points	
D	2D or 3D Seismic data reprocessing	In line kilometers or in Square kilometers		15 points	
	Total commitment for other technical studies/non-seismic geological and geophysical surveys	US\$..... (in US\$ values)		5 points	
F	Local Content	US\$..... (in US\$ values)		5 points	
G	Proof of Financial capabilities	This evaluation will be seen from the bidders' financial statements provided		15 points	
H	Companies experiences in E&P and H&E Good Standing (5), Access to technical experts (2), Technology & Innovation (1), Companies branding (2)	This evaluation will be based on the Proof evidences/documents submitted		10 points	
I	Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings	This assessment will be based on the result of the bidders' technical evaluation of areas to be bided for based on the available technical data		5 points	
	Total Scores for the bids			100 points	

Annex L. Data collection template for BO information approved by MSG



Timor Leste Extractive Industries Transparency Initiative

For the year ended at 31 Dec 2023

Beneficial ownership definition (click 'unhide' to view the definition)

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

(RQ 2.5) Disclosure of information on the gender pay gap, where available.

Number of Beneficial Owner(s)	Name (s)	Are the BO(s) Political Exposed Person(s)?
Beneficial Owner number 1		
Beneficial Owner number 2		
(if necessary include more lines)		

In case reporting entity is a subsidiary of publicly listed companies, please disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed to facilitate public access to their beneficial ownership information.

Owner(s) name (i.e. Publicly listed company)	% of shares	Name of the stock exchange and include a link to the stock exchange filings
Company 1		
Company 2		
(if necessary include more lines)		

Management Sign Off

(I, undersigned, for and on behalf of the reporting entity confirm that all information provided in the above declaration is accurate and reliable.



Name:

Signature:

Position:

Date:

For each Beneficial Owner complete the table below:

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:	
(Add more rows if necessary)	
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:	
(Add more rows if necessary)	

(Add more tables if there are more than two Beneficial Owners)

Annex M. Data collection template received from mining entities - 2023

China Railway International Group Co., Ltd, R.P.

General information	
Full name of the Entity: China Railway International Group Co., Ltd, R.P.	
Contact information on responsible person, who signed this questionnaire (Full name, job title, contact number, e-mail): Fan Yixiao(Yanoy)-Business manager; +679 76047473; yanoy.eovero@gmail.com	
Legal owner(s) of the entity: Wang Ligang	
Contact address:AV/DE PORTUGAL, MARCONI, ZERO IV, FATUHADA, DOM ALEIXO, DILI, TIMOR-LESTE (registered office for legal entities):	
Auditor: PricewaterhouseCoopers	
Link to the most recent audited financial statements (in case the Entity's financial statements is a public): n/a	
Other information: n/a	
Is the company publicly listed? If yes, what is the name of the stock exchange? No	
If applicable, please share the link to the stock exchange filings where they are listed: N/A	

Shareholders	Government/private entity	% Interest
China Railway International (Group) Co., Ltd.	State owned	100%

(BQ 5.1) Disclosure of number of employed persons, by gender, occupational level, company, project and between local and foreign nationals where available
(If necessary include more lines)

Employees	Occupational level	Number of Employed Persons (*)	(*) Please allocate the number of employed persons into gender and between local and foreign					
			National		Female		Foreign	
			Male	Female	Male	Female	Male	Female
China Railway International Group Co., Ltd. R.P.	Management Staff	0	0	0	0	0	0	0
China Railway International Group Co., Ltd. R.P.	Others	100	100	0	0	0	0	0
Extraction Entity A								
Extraction Entity B								

(BQ 5.2) Disclosure of information on the gender pay gap, where available:

Gender	Average salary (in USD or in percentage)		
	Extraction Entity A	Extraction Entity B	Extraction Entity C
Men	90.6%		
Women	0.4%		

0.004516120

New requirement of 2023 EITI Standard

(BQ 5.3) Disclosure of information on the number of women employed at different occupational levels:

Occupational level	Number of Workers (women)		
	Extraction Entity A	Extraction Entity B	Extraction Entity C
Technical	0		
Professionals	0		
Management Positions	0		

New requirement of 2023 EITI Standard

Management Sign Off

I, undersigned, for and on behalf of (or reporting) entity declare that all information provided in the above declaration is accurate and reliable.

Name: FAN YIXIAO(Yanoy)

Position: Business manager

Signature:

Date: 17-September-2023

(RQ 2.5) Disclosure of information on the gender pay gap, where available.

Number of Beneficial Owner(s)	Name (s)	Are the BO(s) Political Exposed Person(s)?
Beneficial Owner number 1	China Railway International Group Co. Ltd.	No
Beneficial Owner number 2 (if necessary include more lines)		

In case reporting entity is a subsidiary of publicly listed companies, please disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed to facilitate public access to their beneficial ownership information.

Owner(s) name (i.e. Publicly listed company)	% of shares	Name of the stock exchange and include a link to the stock exchange filings
China Railway International Group Co. Ltd.	100%	
(if necessary include more lines)		

For each Beneficial Owner complete the table below.

Beneficial Owner number 1 or, in its absence a Top Manager	Description
Full name	Wang Ligang
ID information	
Identification number	PE3306909
Identification Type	Passport
ID validity date	18-Feb-30
Issuance date of the ID	18-Feb-25
Information about how ownership is held or control over the company is exercised	
Number of shares	USD 100,000.00
% of shares	100%
% of direct control rights	100%
% of indirect control rights	N/A
Other	
Date when beneficial interest was acquired	
Date	27th October 2018
Means of contact	
	67075203555
General information	
Taxpayer identification number	N/A
Date of birth	6-Oct-85
Nationality as stated in the ID	China
Country of permanent residence	Timor-Leste
Country of legal domicile	China & Timor-Leste
Residential or care address	Seaview Apartment, Av.Portugal, Fatuhada, Dili
Public office position and role	Seaview Apartment, Av.Portugal, Fatuhada, Dili; Headquarter
Date when office was assumed	23-Aug-22
Date when office was left (if applicable)	
Political Exposed Person(s)	
Is the beneficial owner a Politically Exposed Person (PEP)?	Not
Is the beneficial owner a family member of a PEP?	Not

Annex N. Information on anti-corruption policy

Type	Company	Responsiveness	Anti-corruption Policy	Link/Document
Contractors	BU 12 Aust Pty Ltd	Responsive	Publicly Available	https://sk-inc.com/en/m/esg/ethics.aspx#corruption-prevention-policy
Contractors	BU 13 Aust Pty Ltd	Responsive	Publicly Available	https://sk-inc.com/en/m/esg/ethics.aspx#corruption-prevention-policy
Contractors	Carnarvon Petroleum Timor Unip Lda	Non-responsive	No response	
Contractors	Eni JPDA 03-13 Ltd	Responsive	Publicly Available	https://www.eni.com/en-IT/governance/controls-and-risks/anti-corruption.html
Contractors	Eni JPDA 06-105 Pty Ltd	Responsive	Publicly Available	https://www.eni.com/en-IT/governance/controls-and-risks/anti-corruption.html
Contractors	Eni JPDA 11-106 B.V.	Responsive	Publicly Available	https://www.eni.com/en-IT/governance/controls-and-risks/anti-corruption.html
Contractors	Eni Timor Leste Spa Account	Responsive	Publicly Available	https://www.eni.com/en-IT/governance/controls-and-risks/anti-corruption.html
Contractors	Finder Energy (ENI JPDA 11-106 BV BRANCH)	Non-responsive	No response	
Contractors	Inpex Sahul Ltd	Responsive	Publicly Available	Basic policies INPEX CORPORATION Additionally, Separate INPEX Anti-corruption policy was submitted as part of the EITI data submission request.
Contractors	Inpex Timor Sea Ltd	Responsive	Publicly Available	Basic policies INPEX CORPORATION Additionally, Separate INPEX Anti-corruption policy was submitted as part of the EITI data submission request.
Contractors	Offshore Services Australasia Pty Ltd	Non-responsive	No response	
Contractors	Santos (JPDA 91-12) Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	Santos NA (19-12) Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	Santos NA (19-13) Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf

Type	Company	Responsiveness	Anti-corruption Policy	Link/Document
Contractors	Santos NA Bayu-Undan Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	Santos NA Emet Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	Santos NA Timor Leste Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	Santos NA Timor Sea Pty Ltd	Responsive	Publicly Available	https://www.santos.com/wp-content/uploads/2022/06/SMS-POL-COC-PD02-Anti-Corruption-and-Sanctions-Compliance-Procedure.pdf
Contractors	SundaGas Banda Unipessoal, Lda	Responsive	Publicly Available	Responsibility - Sunda Energy At the time of preparing this report, there was an issue with downloading documents from the SundaGas website. In the interim, SundaGas provided hard copies of the group's Anti-Bribery and Corruption (ABC) and Anti-Money Laundering (AML) policies to ensure access to the relevant information.
Subcontractors	Tidewater Offshore Pty Ltd (Swire Pacific Offshore Pty Ltd)	Non-responsive	No response	
Subcontractors	Tidewater Onshore Operations Pte (Swire Pacific Pte Ltd)	Non-responsive	No response	
Contractors	Timor Resources Pty Ltd	Responsive	Available	Company ANTI-BRIBERY & CORRUPTION GUIDELINES was provided as part of the EITI Data submission request
Contractors	Tokyo Timor Sea Resources	Responsive	No available	TTSR does not have an independent policy that mentions explicitly anti-corruption. The anti-corruption policies of JERA Australia and Tokyo Gas Group (Page 47-48) was provided via email.
Contractors	Woodside Energy Pty Ltd (Woodside Petroleum (Timor Sea 19) Pty Ltd)	Responsive	Publicly Available	https://www.woodside.com/docs/default-source/about-us-documents/corporate-governance/woodside-policies-and-code-of-conduct/anti-bribery-and-corruption-policy.pdf?sfvrsn=601966b6_24
Contractors	Woodside Petroleum (Timor Sea 20) Pty Ltd	Responsive	Publicly Available	https://www.woodside.com/docs/default-source/about-us-documents/corporate-governance/woodside-policies-and-code-of-conduct/anti-bribery-and-corruption-policy.pdf?sfvrsn=601966b6_24
Subcontractors	Baker Hughes Australia PTY Limited	Responsive	No response	-
Subcontractors	Caltech Unipessoal Lda	Responsive	Available	Caltech's Code of Conduct Guideline and Code of Ethics Policy, which include the anti-corruption and anti-bribery policies within this broader framework was submitted as part of the EITI data submission request.

Type	Company	Responsiveness	Anti-corruption Policy	Link/Document
Subcontractors	Cape Australia Onshore Pty Ltd	Non-responsive	No response	-
Subcontractors	Chandler Macleod Group Limited	Responsive	Available	The Anti-Bribery and Corruption (ABC) Policy of RGF Staffing APEJ was submitted as part of the EITI data submission request
Subcontractors	Clough Wood Pty Ltd	Responsive	Not available	
Subcontractors	Compass Group (Australia) Pty Ltd	Non-responsive	No response	
Subcontractors	Haliburton Australia Pty Ltd	Responsive	Publicly Available	https://www.halliburton.com/en/sustainability/annual-sustainability-report/governance/anti-bribery-anti-corruption-and-fair-competition#:~:text=Employees%20must%20comply%20with%20the,a%20legal%20and%20ethical%20manner
Subcontractors	Konnekto Unipessoal Lda	Non-responsive	No response	
Subcontractors	Kotug Maritime Services (Bayu Undan) P/L	Responsive	Available	The Kontug Anti-Corruption and Business Ethics Policy was submitted as part of the EITI data submission request
Subcontractors	Laloran Marine Services	Responsive	No response	-
Subcontractors	Schlumberger Australia P/L	Responsive	Publicly Available	https://www.slb.com/about/who-we-are/our-code-of-conduct
Subcontractors	SGS AUSTRALIA PTY LTD	Non-responsive	No response	
Subcontractors	Weatherford Australia Pty limited	Responsive	Publicly Available	https://www.weatherford.com/about-us/policies/weatherford-code-of-business-conduct/
Subsidiaries of SOE	TIMOR GAP Chuditch Unipessoal Lda	Non-responsive	No response	
Subsidiaries of SOE	Timor Gap Drilling	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Greater Sunrise 03-19	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Greater Sunrise 03-20	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Greater Sunrise RL	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Greater Sunrise RL2	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Offshore Block Unipessoal	Non-responsive	No response	
Subsidiaries of SOE	Timor Gap Onshore Block Unip Lda	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Onshore Block Unip Lda	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP PSC 11-106 Unip Lda	Non-responsive	No response	

Type	Company	Responsiveness	Anti-corruption Policy	Link/Document
Subsidiaries of SOE	TIMOR GAP Pualaka Block Unip Lda	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Rarahana Unip Lda	Non-responsive	No response	
Subsidiaries of SOE	TIMOR GAP Seismic Services Lda	Non-responsive	No response	

Annex O. Timor GAP subsidiaries and its associate information

Subsidiary	TIMOR GAP, E.P. interest ⁸⁴	
	2023	2022
TIMOR GAP PSC 11-106, Unipessoal, Lda	100%	100%
TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda	100%	100%
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda	100%	100%
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda	100%	100%
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda	100%	100%
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda	100%	100%
TIMOR GAP Drilling & Services, Unipessoal, Lda	100%	100%
TIMOR GAP Chuditch, Unipessoal, Lda	100%	100%
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda	100%	100%
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda	100%	100%
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda	100%	100%
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda	100%	100%
South Horizon Offshore Services, Lda	100%	100%
TIMOR GAP Seismic Services, Unipessoal, Lda	60%	60%
TIMOR GAP Pualaca, Unipessoal, Lda	100%	100%
TIMOR GAP Rarahana Block, Unipessoal, Lda	100%	100%

Associate	TIMOR GAP, E.P. interest	
	2023	2022
Weststar-GAP Aviation, Unipessoal, Lda	45%	45%

⁸⁴ Source: Timor GAP Annual Report 2023, Page 112 [Timor Gap Annual Report.pdf](#)

Annex P. Information on conducting external financial audit in the Companies

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2023	Notes
1	Contractors	BU12 Australia Pty Ltd	No	No		
2	Contractors	BU13 Australia Pty Ltd	No	No		
3	Contractors	ENI JPDA 03-13 Ltd	Yes	Yes	Audit Financial Statements received by email	
4	Contractors	ENI JPDA 06-105 PTY LTD	Yes	Yes	Audit Financial Statements received by email	
5	Contractors	ENI TIMOR 22-23 BV	No applicable	No applicable		Due to lack of activity during 2023
6	Contractors	ENI Timor-Leste S.P.A	Yes	Yes	Audit Financial Statements received by email	
7	Contractors	Inpex Sahul Ltd	Yes	Yes	Audit Financial Statements received by email	
8	Contractors	Inpex Timor Sea Ltd	Yes	Yes	Audit Financial Statements received by email	
9	Contractors	Timor Resources Pty Ltd	Yes	No		Received main items (Balance Sheet) without evidence of audit
10	Contractors	Tokyo Timor Sea Resources Pty Ltd	Yes	Yes	FY23 TTSRPL Annual report.pdf	
11	Contractors	SundaGas Banda Unip Ltd	Yes	No	Financial Statements received by email.	Received main items (Balance Sheet, Income statement) without evidence of audit
12	Contractors	Santos NA (19-12) Pty Ltd	Yes	Yes	Annual-Report-2023.pdf	Individual financial statements are not available; only consolidated financial statements have been provided.
13	Contractors	Santos NA (19-13) Pty Ltd	Yes	Yes	Annual-Report-2023.pdf	
14	Contractors	Santos NA Timor Sea	Yes	Yes	Annual-Report-2023.pdf	
15	Contractors	Sanots NA Emet	Yes	Yes	Annual-Report-2023.pdf	
16	Contractors	Santos NA Bayu Undan	Yes	Yes	Annual-Report-2023.pdf	
17	Contractors	Santos (JPDA 91-12) Pty Ltd	Yes	Yes	Annual-Report-2023.pdf	
18	Sub-Contractors	Timor Gap Drilling Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
19	Contractors	Timor Gap Rarahana Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
20	Sub-Contractors	Timor Gap Seismic Services Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2023	Notes
21	Contractors	Timor Gap G RL 2 Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
22	Contractors	Timor Gap G S 03-20 Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
23	Contractors	Timor Gap Chudith Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
24	Contractors	Timor Gap Greater 03-19 Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
25	Contractors	Timor Gap Greater Sunrise RL Unip.Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
26	Contractors	Timor Gap Offshore Block Unipessoal	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
27	Contractors	Timor Gap Onshore Block C Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
28	Contractors	Timor Gap Onshore Block Unip Lda	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
29	Contractors	Timor Gap PSC 11-106 Unip Ld	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
30	Contractors	Timor Gap Pualaca Block Unipessoal	Yes	Yes	https://www.timorgap.com/wp-content/uploads/2024/11/AR23_English_Final_Webpost.pdf	
31	Contractors	Woodside Petroleum (Timor Sea 19) Pty Ltd	Yes	Yes	https://www.woodside.com/docs/default-source/investor-documents/major-reports-(static-pdfs)/2023-annual-report/2023-annual-report.pdf?sfvrsn=964007ef_17	
32	Contractors	Woodside Petroleum (Timor Sea 20) Pty Ltd	Yes	Yes	https://www.woodside.com/docs/default-source/investor-documents/major-reports-(static-pdfs)/2023-annual-report/2023-annual-report.pdf?sfvrsn=964007ef_17	
33	Contractors	Carnarvon Petroleum Timor, Unipessoal.Lda	Non-responsive	Non-responsive		
34	Sub-Contractors	Tidewater Offshore Pty Ltd	Non-responsive	Non-responsive		
35	Sub-Contractors	Tidewater Onshore Operations Pte	Non-responsive	Non-responsive		

N	Contractor/Subcontractors	Full name of the entity from the template	Financial statements received	External audit report incorporated	Reference to Financial Statements and the audit report and opinion for 2023	Notes
36	Contractors	Finder Energy (ENI JPDA 11-106 BV BRANCH)	Non-responsive	Non-responsive		
37	Sub-Contractors	Caltech Unipessoal	Yes	No	Unaudited Financial Statements received by email	
38	Sub-Contractors	Laloran Marine Services	No	No		
39	Sub-Contractors	Baker Hughes Australia PTY Limited	No	No		
40	Sub-Contractors	Chandler Macleod Group Limited	Yes	No	Unaudited Financial Statements received by email	
41	Sub-Contractors	Kotug Maritime Services	Yes	Yes	Audit Financial Statements received by email	
42	Sub-Contractors	Schlumberger Australia Pty Ltd	No	No	SAPL Timor Leste Branch does not have audited financial statements.	
43	Sub-Contractors	Weatherford Australia Pty Ltd	Yes	Yes	Audit Financial Statements received by email	
44	Sub-Contractors	Haliburton Australia Pty Ltd	Yes	Not applicable	Halliburton Australia Pty Ltd is a non-resident entity with permanent establishment in Timor Leste and we do not prepare audited financial statement for the Timor Leste operations.	Received main items (Balance Sheet) without evidence of audit
45	Sub-Contractors	Santos NA Timor-Leste Pty Ltd	Yes	Yes	Annual-Report-2023.pdf	Individual financial statements are not available; only consolidated financial statements have been provided.
46	Sub-Contractors	Offshore Services Autralasia Pty Ltd	Non-responsive	Non-responsive		
47	Sub-Contractors	Clough Wood Pty Ltd	No	No		
48	Sub-Contractors	Compass Group (Australia) Pty Ltd	Non-responsive	Non-responsive		
49	Sub-Contractors	Cape Australia Offshore Pty Ltd (Altrad Services Pty Ltd)	No	No		
50	Sub-Contractors	SGS Australia Pty Ltd	Non-responsive	Non-responsive		
51	Sub-Contractors	Konnekto Unipessoal Lda	Non-responsive	Non-responsive		