República Democrática de Timor-Leste
Ministério das Finanças
Direcção-Geral de Finanças do Estado
Direcção Nacional do Tesouro

"Adeus Conflito, Bemvindo Desenvolvimento"

Dili, 30 June 2010

Ofício n.º 285 / TREA/2010

To,

Mr. Antonio Freitas,

Director General,

Policy Analysis and Research

Subject: Statement on accounting policy for Petroleum Fund the Fiscal Year 2009

With respect to the provisions of the Article 24.1 part (c) of the Petroleum Fund Law, following statement on the accounting policy may be kept for your record:

"In accordance with Article 21 of the Petroleum Fund Law, the Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee (IASC) that remained in effect at the Petroleum Fund's balance date. The Financial Statements of the Petroleum Fund have also adopted *IFRS 7: Financial Instruments Disclosures*."

Best Regards

Sara Lobo Brites

Director of Treasury

ANNEX III

Statement of comparison of income with last three years

(As per Article 24.1 (d) of Petroleum Fund Law No. 9/2005)

Please refer to the Income Statement of the Financial Statements for details.

(US dollars)

FY 2009	FY 2008	Jul-Dec 2007	FY 2006-07
31,465,511	222,608,815	91,843,726	48,292,979

ANNEX IV

Statement of comparison of nominal income on the investment of Petroleum Fund assets with the real returns after adjusting for inflation

(As per Article 24.1 (e) of Petroleum Fund Law No. 9/2005)

The yield on the portfolio in the period is 0.6 per cent. The average yield to maturity of the investments made through the Financial Year 2009 has been estimated at 1.1 per cent.

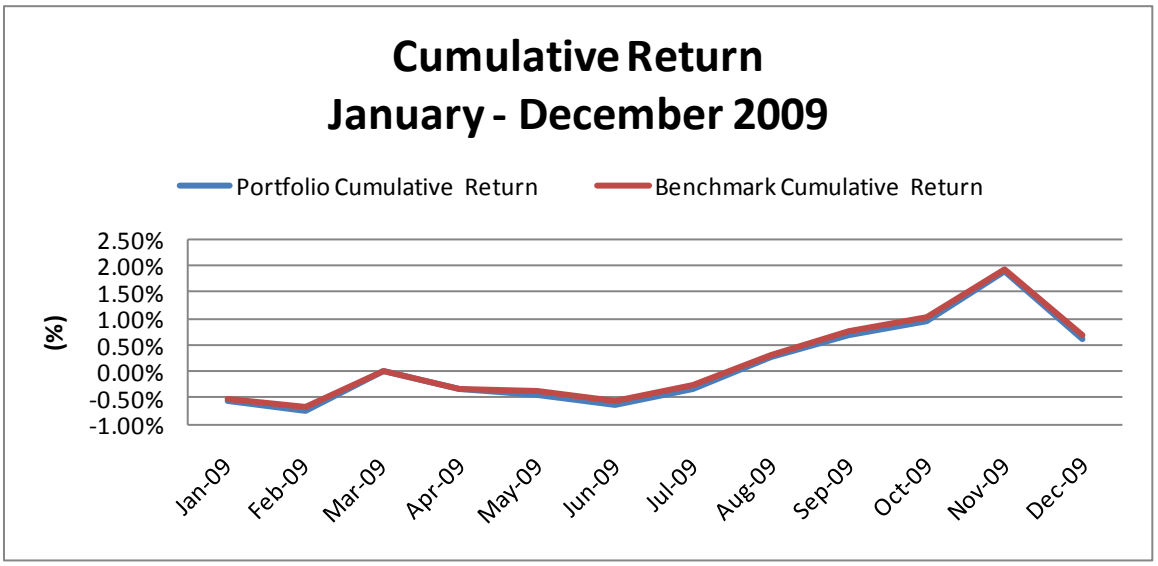
During 2009 inflation in the USA was 2.7 per cent. The real return on the investments, based on the yield on the portfolio and the yield to maturity, is -2.1% and -1.6% respectively.

ANNEX V

Statement of comparison of income on the investment of Petroleum Fund assets with the benchmark performance indices

(As per Article 24.1 (f) of Petroleum Fund Law No. 9/2005)

Statement of comparison of income on the investment of Petroleum Fund assets with the benchmark performance indices is given below:



Petroleum Fund of Timor - Leste
Monthly Cumulative Performance Numbers
January - December 2009

Period	Portfolio	Benchmark	Excess return	Cumulative Portfolio Return	Cumulative Benchmark Return	Cumulative Excess Return
Jan-09	-0.56%	-0.51%	-0.05%	-0.56%	-0.51%	-0.05%
Feb-09	-0.19%	-0.17%	-0.02%	-0.75%	-0.68%	-0.07%
Mar-09	0.76%	0.70%	0.06%	0.01%	0.02%	-0.01%
Apr-09	-0.35%	-0.33%	-0.02%	-0.34%	-0.31%	-0.03%
May-09	-0.09%	-0.05%	-0.04%	-0.43%	-0.36%	-0.07%
Jun-09	-0.21%	-0.20%	-0.01%	-0.64%	-0.57%	-0.08%
Jul-09	0.32%	0.32%	0.00%	-0.32%	-0.25%	-0.07%
Aug-09	0.58%	0.57%	0.01%	0.26%	0.32%	-0.06%
Sep-09	0.44%	0.44%	-0.01%	0.70%	0.77%	-0.07%
Oct-09	0.25%	0.25%	0.01%	0.95%	1.02%	-0.06%
Nov-09	0.95%	0.92%	0.03%	1.91%	1.94%	-0.03%
Dec-09	-1.29%	-1.25%	-0.04%	0.60%	0.67%	-0.07%

ANNEX VI

Statement of comparison of Estimated Sustainable Income for the Fiscal Year with the sum of transfers from the Petroleum Fund for the year

(As per Article 24.1 (g) of Petroleum Fund Law No. 9/2005)

The total withdrawal from the Petroleum Fund for the Financial Year 2009 has been 512,000,000 US dollars, which was 104,000,000 US dollars higher than the Estimated Sustainable Income.

Please refer to Statement of changes in capital and note 6 of the Financial Statements for further details.

República Democrática de Timor-Leste
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Dili, 30 June 2010

Oficio n.º224/TLEA/2010

To,

Mr. Antonio Freitas,

Director General,

Policy Analysis and Research

Subject: Borrowings during the Fiscal Year 2009

During the Fiscal Year 2009 from 1 January to 31 December 2009, there were no borrowings by the Government.

This may kindly be kept for record as required under the Petroleum Fund Law no 9/2005.

Best Regards

Sara Lobo Brites

Director of Treasury

ANNEX VIII

List of persons holding relevant positions for the operation and performance of the Petroleum Fund

(As per Article 24.1 (i) of Petroleum Fund Law No. 9/2005)

The list of persons holding relevant positions for the operation and performance of the Petroleum Fund is given below:

(i) The Minister of Finance

Ms. Emilia Pires

(ii) The Director of Treasury

Mr. Manuel Monteiro (1 January – 17 May 2009)
Ms. Sara Lobo Brites (18 May 2009 -)

(iii) The members of the Investment Advisory Board

Name	Position
Mr. Abraão Fernandes de Vasconselos	General Manager of the Banking & Payments Authority of Timor-Leste
Mr. Kevin Bailey	Principal and Private Client Adviser Shadforth Financial Group, Australia
Mr. Olgario de Castro	Special Adviser on Investments, Ministry of Finance
Mr. Manuel Monteiro (1 January 2009 – 17 May 2009)	Director of the National Directorate of Treasury
Ms. Sara Lobo Brites (18 May 2009)	Director of the National Directorate of Treasury
Mr. Torres Trovik	Adviser of the Petroleum Fund

(iv) The External Investment Managers

Bank of International Settlements (BIS) – 3 June 2009

(v) The Administrator of the Central Bank

Mr. Abraão Fernandes de Vasconselos
General Manager of the Banking & Payments Authority of Timor-Leste

(vi) The Consultative Council was formally constituted 6 November 2006. For the Financial Year 2009 the members of the Consultative Council were:

Name	Representation	Position
Mr. Francisco M. de Vasconselos	Religious Organizations	Coordinator
Mr. Joãozito Viana	Civil Society	Vice Coordinator
Mr. Aurelio Guterres	Substitution of the Former President of the National Parliament	Member
Mr. Oscar Lima	Private Business Sector	Member
Ms. Maria de Fatima X. Dias	Civil Society	Member
Mr. Nuno Rodrigues	National Parliament	Member
Mr. Antero Benedito da Silva	National Parliament	Member

Mr. Alfredo Pires' position in the Consultative Council is currently vacant as he is the Secretary of State of Natural Resources. The Former Prime Minister, Mr. Mari Alkatiri and the Former Minister of Planning and Finance, Ms. Maria Madalena Brites Boavida have asked for suspension as they currently are members of the National Parliament.

Deloitte.

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23 June 2010

Compilation Report to the Ministry of Finance, Democratic Republic of Timor-Leste in respect of the Statement of Petroleum Fund Receipts for the year ended 31 December 2009

On the basis of information provided by management we have compiled, in accordance with the International Standard on Related Services applicable to compilation engagements, the attached list of aggregate amounts of payments made as Petroleum Fund Receipts for each Payer for the year ended 31 December 2009. The National Petroleum Authority and The Petroleum Tax Division are responsible for monitoring that all payments that should have been made under the Petroleum Fund Law (LAW No. 9 /2005) have been made for the year and it is the Petroleum Fund's management that are responsible for the information contained in the attached list. We have not audited or reviewed the attached list and accordingly express no assurance thereon.

DELOITTE TOUCHE TOHMATSU

Deloitte Touche Tohmatsu

Chartered Accountants
Darwin

Deloitte.

Petroleum Fund of Timor-Leste
Statement of Petroleum Fund Receipts
for the period 1 January 2009 to 31 December 2009

Payee	Receipt (USD$)
Article 6.1 (a) Receipts	
Access Management (WA) Pty Ltd	687,339
Amec Engineering Pty Ltd	266,579
Amec Engineering Pty Ltd & C Engineering and Integrated Services	1,453,946
Australia Inter. Petro Consultant	23,404
Baker Hughes Australia Pty Ltd	10,291
Brunel Energy Pty Ltd	82,178
CAPE EAST PHILIPPINES INC	72,056
Caterpillar of Australia	30,253
CETCO OILFIELD SERVICES PTY LTD	22,348
Code Engineering Services Pty Ltd	658,651
Conoco Phillips (03-19) Pty Ltd	4,027
Conoco Phillips (Emet) Pty Ltd	3,427,555
Conoco Phillips(Timor sea) Pty Ltd	29,060,415
ConocoPhillips (03-12) Pty Ltd	250,697,765
ConocoPhillips (03-13) Pty Ltd	17,603,496
ConocoPhillips Timor Leste Pty Ltd	88,951
Diamond Offshore (Australia) LLC	383,186
DQ HOLDING PTY LTD	1,336
Elang EPS PTE LTD	96,296
ENI JPDA 03-13 Limited	72,349,460
Eni JPDA 06-105 Pty Ltd	4,121,085
Eni Timor Leste SPA (PSC Area 3)	201,379
Ensco Offshore International	1,377,430
Eurest Services de Suporte(Timor Leste) SA	38,057
Expro Group Pty Ltd	67,127
Farstad Shiping (Indian Pacific)	637,129
Fugro Survey Pty Ltd	9,289
Geographe Energy Pty Ltd	132,026
GO OFFSHORE PTY LTD	47,478
Haliburton Australia Pty Ltd	1,765,341
Hydro Marine Sevices Inc (Internal Transfer)	(110,970)
Inpex Sahul Ltd	77,143,602
Intico Ptd Ltd	32,891
Lloyd Offshore Helicopters Pty Ltd	554,722
Maersk Contractors Australia Pty Ltd	480,031
MINZA OIL & GAS LIMITED	98,484
OCB OILFIELD SERVICES FZCO	92,176
Offshore Marine Services Pty Ltd	196,067
Oil Tools International Pty Ltd	330,602
Oilex JPDA (06-103) Ltd	10,564
Pae Singapore Pte Ltd	37,233
PC (Timor Sea 06-102) Ltd	3,595,876
Phillips Petroleum Company ZOC.	52,412,686
Prosafe Personnel Pty Ltd	40,691

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Petroleum Fund of Timor-Leste
Statement of Petroleum Fund Receipts
for the period 1 January 2009 to 31 December 2009

(Continued)

Payee	Receipt (USD$)
Article 6.1 (a) Receipts (Cont'd)	
RELIANCE EXPLORATION & PRODUCTION DMCC	1,332,669
Riverwijs Offshore Marine Pty Ltd	28,364
Santos (JPDA 91-12) Pty Ltd	72,185,360
SGS Australia Pty Ltd	83,462
Skilled Group Ltd	37,305
Sodexco Singapore Pty Ltd	25,701
Solar Turbines Australia	21,394
SUBMEC PTY LTD	89,330
Subsea 7 Australia Pty Ltd	39,740
SVITZER FAR EAST PTE LTD	133,024
SWG OFFSHORE PTY LTD	90,938
TAD Adecco Pty Ltd	28,433
TCA Partners Pty Ltd	2,345
TideWater Marine Australia Pty Ltd	168,381
Tokyo Timor Sea Pty Ltd	64,650,319
TS MARINE PTY LTD	656,994
Woodside Petroleum (Timor Sea 19) Pty Ltd	1,330,268
Total receipts from Article 6.1 (a)	**661,234,555**
Article 6.1 (b) Receipts	
National Petroleum	993,091,969
Eni Timor Leste SPA	543,510
Reliance Exploration	77,480
Total receipts from Article 6.1 (b)	**993,712,959**
Article 6.1 (c) Receipts	
Interest received	167,294,658
Total receipts from Article 6.1 (c)	**167,294,658**
Article 6.1 (e) Receipts	
Pipeline Fees	5,240,800
Total receipts from Article 6.1 (e)	**5,240,800**
Total Petroleum Fund Receipts	**1,827,482,972**