4.2. Timor-Leste Exclusive Offshore Area

Overview
The Timor-Leste Exclusive offshore Area lies between the southern coast of Timor-Leste and the JPDA, covering an area of some 28,776 square kilometers. In 2006, 6 out of 11 blocks were awarded to 2 different companies, Reliance Exploration and Production DMCC (S06-06) and ENI Timor Leste SpA (S06-01 to S06-05). Of the 6 blocks awarded, 3 wells are scheduled to be drilled by the end of 2009; two from Eni TL SpA and one from Reliance.

Exploration activity in the Timor-Leste Exclusive area is focused on a ‘Deep Water Fairway’ that lies along the southern side of the Timor Trough, where a number of potential ‘Sunrise lookalike’ structures have been identified. More recent seismic acquisition indicates prospective petroleum systems within and beneath the ‘Timor Accretionary Prism’, located directly offshore from the south coast of Timor-Leste.

4.2.1. Contract Area S06-01, S06-02, S06-03, S06-04 and S06-05
Contract Areas : 12,183KmSq
Operator : Eni Timor Leste S.p.A
Partners : GALP Exploração and Kogas

Exploration
Eni TL SpA and Joint Venture Partners GALP (10%) and KOGAS (10%) hold 5 blocks within the Timor-Leste Exclusive Area, covering a total area of some 12,183 square kilometres. In 2008 a 3D seismic survey was completed, covering the majority of the area within S06-03 and S06-04. The data has been fully processed and is presently under interpretation for delineation of prospects.

Eni TL SpA is currently committed to drill two wells within S06-03 by the end of 2009. An extensive 2D seismic survey has been completed within S06-01, S06-02 and S06-05. Initial work program indicates that 1 well will be drilled in each of these Contract Areas towards the end of PSC term (7 years, 2013).

Health and Safety
Health and Safety section became actively involved in exclusive areas after the formation of ANP on 1st July 2008. From July to Dec 2008, there were no activities recorded requiring a Health & Safety input.
ENI Timor Leste SpA (80% share) has invested in exploration activities in the Timor-Leste Exclusive Area (TLEA) with Joint Venture partners GALP (10% share) and KOGAS (10% share).

**Exploration**

The blocks within TLEA are covering a total area of 12,183 Km². The results of a 3D and 2D seismic survey carried out in 2008 were compiled and interpreted for delineating prospects for the drilling of two wells planned for 2010.

Eni Timor-Leste relinquished 25% of the blocks PSC S06-03, 04 and 05 as required at the end of their 3rd year of their PSC. However, one year extension was granted for the 25% relinquishment for the blocks PSC S06-01 and 02 in order to await the results of further geological and geophysical studies.

*Figure 19 Map showing PSC S06-01–S06-05 with seismic coverage*
Health & Safety

As part of the technical requirements for their activities, ANP requested that ENI fulfill their H&S requirements in a similar fashion to that implemented in the JPDA.

Due to the fact that the primary activity was the acquisition of seismic data, the ANP requested that a vessel HSE case should be submitted for approval.

Local Content

Local content programs of Eni Timor-Leste are attributed to five PSC areas: S06-01, S06-02, S06-03, S06-04, S06-05. For the period of this report, in line with its expenditure commitments, Eni has undertaken a range of programs:

With respect to education and training in petroleum-related activities, Eni TimorLeste has supported the development of a research program through the University of Western Australia (UWA), aimed at contributing to the knowledge of the petroleum geology of Timor-Leste. The program has included participation of Government staff during field trips and training of local technicians.

In addition, Eni Timor-Leste advertised for two Geology postgraduate scholarships to TL graduates in 2009. The two awardees have commenced their English course at UWA in 2010, prior to undertaking their graduate diploma studies in geology. The award of the scholarship was undertaken through a transparent and competitive process. ANP observed all the recruitment and selection processes whilst Eni and UWA representatives conformed a panel for all selection process, based on UWA requirements.

Following a similar selection process, Eni TimorLeste also awarded a scholarship to one Timorese postulant for the Master program in Management and Economics of Energy and the Environment (MEDEA), at The Eni Corporate University in Milan, Italy. This student successfully completed the program and returned to Timor-Leste in 2009. A further two candidates will participate in the MEDEA program during 2010.

In the area of petroleum related infrastructure, Eni Timor Leste is involved in the upgrade and refurbishment of the Geological Lab, located at the UNTL Hera campus, which includes the upgrade of the facility and laboratory equipment. Works on the lab will be completed in 2010.

Another petroleum infrastructure program undertaken in 2009 was is the preparation for the establishment of a descent core library in Hera. SERN has been in negotiation with the Ministry of Education and UNTL for a block of land within the premise of UNTL, in Hera. The two parties aim to sign an understanding on the matter in 2010. It is expected that all administrative issues are addressed and the design, and the construction can begin by the end of 2010. Eni has been involved in discussions and aims to contribute towards this facility.

Eni Timor-Leste, apart from the commitment elaborated above, it also undertakes some other CSR programs in TL. This included the introduction of Initiative Scuela program, rural community development programs ranging from health, agriculture, and water sanitation.