

Timor-Leste 'disappointed' with Sunrise delays



Sunrise options: Timor-Leste's Minister for Natural Resources Alfredo Pires

REUTERS/SCANPIX

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Timor-Leste's Minister for Natural Resources says he is disappointed with Woodside Petroleum's decision to effectively shelve plans for the Sunrise liquefied natural gas development in the Timor Sea.

The chief executive of the Australian operator, Peter Coleman, [cast doubt over the future of the project last month](#) when he said the consortium had run out of options to move the stalled project forward.

"We are not so happy with that idea (to shelve to project) because we need to keep on having dialogue," Alfredo Pires told delegates at the Australasian Oil & Gas conference in Perth on Thursday.

"We've been having dialogue with Woodside in the last four months and that was very productive ... There is concern for us if we are going to start delaying this big project as well so that dialogue is vital."

Pires also noted that the remaining term for the production sharing contract over Greater Sunrise needed to be taken into consideration when delaying the project further with the PSC set to expire in 2026.

The Sunrise joint venture partners and the Timor-Leste government have been at loggerheads over the preferred development option for the offshore field for several years.

The joint venture's preferred option would see the field exploited using a floating liquefied natural gas facility while the government wants the gas piped back to an onshore plant on the country's south coast.

The joint venture has argued the pipeline option carried significant technical risks in relation to the building, maintenance and operability of the subsea pipeline, due to water depths in the Timor Trench hitting 3000 metres.

However, the Timor-Leste government has long argued the joint venture's assessment was incorrect and Pires said Thursday the government had invested over \$20 million exploring its preferred pipeline development option.

"There were some indications the figures we were given (on the cost of the pipeline option) were probably over estimated so we went into the business of verifying those things," he said.

This included front-end engineering and design studies on the proposed pipeline and marine facilities and the government came up with the figure the 230 kilometre pipeline from the Sunrise field to Beacu would cost about \$800 million.

"When we talk about Greater Sunrise we have figures and we have studies that we can defend the Timor-Leste option," Pires said.

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Pires also told the media on the sidelines of the conference the government was willing to purchase any of the joint venture partners equity in the project, including Woodside, and hand it over to state-run Timor-Leste Gap.

"I've raised the issue with Woodside already and said if you find the whole thing too hard to handle and you might like to spend your money elsewhere that doesn't have the issues we have, it's another way out," Pires said, however he added Woodside expressed that it was not interested in exiting the project.

The Greater Sunrise fields were discovered in the mid-1970s and are owned by operator Woodside with a 33.44% stake, ConocoPhillips on 30%, Shell with 26.56% and Osaka Gas on 10%.

The project's estimated contingent reserves are 5.13 trillion cubic feet of dry gas and 226 million barrels of condensate.



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