

ANNUAL REPORT & ACCOUNTS 2024







REPORT DESCRIPTION

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TIMOR GAP, E.P. and its subsidiaries annual activities and accounts

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1 January to 31 December 2024

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This report is published in Portuguese and English

ACCESSIBILITY

This report is available in print and electronic formats. The digital version can be downloaded from TIMOR GAP's website at www.timorgap.com

*We value and add value to
the resources*





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Message of President & Chief Executive Officer



Dear Stakeholders,

It is with great pleasure that I present TIMOR GAP's Annual Report for 2024, a year of significant progress and growth. With the continued support of the Government of Timor-Leste, we made meaningful strides across key projects and initiatives aimed at developing the nation's oil and gas resources and delivering tangible benefits for our country.

We extend our appreciation to the Bayu-Undan Joint Venture (JV) partners for welcoming TIMOR GAP and recognizing our company's capability to be part of the Bayu-Undan JV alongside international players: Santos, SK E&S, INPEX, Eni, JERA, and Tokyo Gas. Bayu-Undan has long been one of the major contributors to Timor-Leste's economic development and is TIMOR GAP's first producing asset.

TIMOR GAP continued actively working to explore and develop its onshore and offshore blocks in collaboration with its established international partners such as SundaGas, TIMOR Resources, and FINDER Energy. On that note, preparations are progressing for the appraisal drilling campaign in onshore Block A, as well as for the Chuditch gas field.


We partner with the best in the sector to deliver high-quality services. TIMOR GAP joined forces with one of the leading companies in the offshore helicopter services industry, Weststar Aviation, and secured a contract to provide helicopter transport and medevac support for the Bayu-Undan operation. We also engaged MMA Offshore Australia, an experienced international partner, for the provision of services related to the Bayu-Undan Decommissioning Project.

In 2024, TIMOR GAP continued to provide technical support to the Tasi Mane Project and made progress on several fronts, particularly on the Suai Supply Base (SSB) and the highway project, one of the key supporting infrastructures planned for the south coast. This large-scale national initiative materializes the Government's vision to develop downstream infrastructure and establish the country's oil and gas industry, anchored on two key hubs: Suai and Natarbora, both critical to the development of the Greater Sunrise and other fields in the Timor Sea.

A defining moment this year was the conclusion of the Concept Study by WOOD Plc and its partners, an independent consultant, which confirmed that TLNG is technically viable and commercially the most advantageous among all development options assessed. This reinforces the Government's objective to build an offshore pipeline to deliver the Greater Sunrise gas to Timor-Leste for processing at the planned LNG plant in Natarbora, generating long-term socio-economic benefits for our nation.

Looking ahead, TIMOR GAP is focused on maintaining momentum and driving further progress in 2025. We will continue advancing major strategic projects and pursue new growth avenues through active engagement with respected industry partners, expecting to bring in additional strategic partners in the years ahead to support this ambition.

As we reflect on the achievements of 2024, we do so with deep gratitude to our stakeholders and employees, for their unwavering support and trust. We look forward to continuing this journey together, with shared purpose and determination.

Yours sincerely,

Rui Soares



Executive Summary

The present Annual Report & Accounts contains TIMOR GAP's activities, programs and financial results for 2024, with 31 December as the financial year end. This Annual Report comprises eight chapters that provide an overview of the company's main business activities and projects executed during the reporting period, along with details of institutional and human resources development; and the results of a thorough external audit conducted by an independent third-party auditor, as presented in the financial results and statements included in Chapters 7 and 8.

Upstream

TIMOR GAP's primary focus is on its upstream sector, which oversees exploration, development, and production activities both onshore and offshore with the national territory. The company and its subsidiaries operate as both operators and joint venture partners.

This year, TIMOR GAP remained actively involved in various offshore and onshore projects at different stages of exploration, development, and production. A significant portion of these initiatives involve conducting comprehensive Geological and Geophysical studies and surveys aimed at assessing potential prospects and leads. Currently, TIMOR GAP holds three offshore Production Sharing Contracts (PSCs): PSC TL-SO-15-01, PSC TL-SO-T 19-11, and PSC TL-SO-19-16; along with four onshore PSCs: PSC TL-OT-17-08, PSC TL-OT-17-09, PSC TL-OT-21-17, and PSC TL-OT-22-18. Furthermore, the company is actively evaluating Reserve Block B in preparation for signing the PSC. A significant milestone was achieved this year with the successful acquisition of a 16% Participating Interest in the Bayu-Undan field.

Additionally, the company is pursuing exploration, development, and production opportunities in onshore blocks C & A. This clearly demonstrates our unwavering commitment to further exploration and production opportunities, aiming to unlock the vast potential of Timor-Leste. We are confident that our

efforts will lead to positive and prosperous outcomes for the country.

TIMOR GAP remained actively involved in negotiations and discussions regarding the Greater Sunrise fields, where it holds a majority participating interest of 56.56% through its subsidiaries. In 2024, Sunrise Joint Venture meetings and trilateral meetings (involving the Sunrise Joint Venture partners and state representatives) were conducted to discuss and negotiate various aspects of the Legal and Fiscal Regime, including the Petroleum Mining Code (PMC) and the Production Sharing Contract (PSC). Significant progress has been made on both the fiscal regime and legal frameworks. The legal frameworks are nearing completion, while for the fiscal regime, Timor-Leste and Australia have agreed to apply Timor-Leste's taxation system to the Greater Sunrise Special Regime Area (GSSRA). Consequently, a draft law, the Taxation on Greater Sunrise Contractors Act (ToGSuCA), has been initiated and is currently under discussion. Additionally, the launch and completion of the Concept Study reaffirmed the technical and economic feasibility of developing the TLNG pathway in Timor-Leste, highlighting its potential to deliver transformative socio-economic benefits for the country.

Downstream

In 2024, TIMOR GAP's Downstream Business made significant progress across its retail, aviation, and subsidiary operations. The Suai Fuel Station recorded a 23% increase in fuel sales volume and a 27% rise in revenue compared to 2023, reflecting consistent growth with an average annual rate of 22-24% since 2022. This performance reinforces a positive outlook for the planned expansion of new fuel stations nationwide, with priority given to Natarbora and Betano to meet the anticipated rise in fuel demand driven by upcoming petroleum infrastructure developments.

The Suai Aviation Fuel Facility was fully renovated

to support helicopter operations, aligning with government plans to shift aviation services from Dili to Suai. Commissioning was completed, with staff undergoing certified Jet A-1 fuel handling training.

Among its subsidiaries, South Horizon Offshore Services signed an MOU with Singapore-based Executive Offshore, allowing participation in tenders for vessel supply services. WESTSTAR-GAP Aviation, a joint venture, secured a renewable contract from Santos for helicopter and medevac services supporting the Bayu-Undan field. Meanwhile, TIMOR GAP Oil & Gas Marine and Logistics had no business activity in 2024.

Tasi Mane Project

In 2024, TIMOR GAP made substantial progress in advancing the Tasi Mane Project, a national initiative central to Timor-Leste's long-term economic transformation. The project was restructured into two key industrial clusters: Suai Supply Base and Natarbora Refinery, Petrochemical Industry, and Timor-Leste LNG, supported by infrastructure developments including new towns, airport upgrades, and the Suai to Natarbora highway.

The Suai Supply Base progressed through updated technical studies, environmental licensing, and commencement of a comprehensive physical survey campaign. Technical documentation was finalized, positioning the project for tendering under a Design, Build, and Finance model in 2025.

Institutional and Human Capital Development

TIMOR GAP is committed to robust institutional and human capital development, emphasizing continuous investment in our human resources, Quality, Health, Safety, and Environment (QHSE) system, and Information & Communication Technology (ICT) infrastructure. These elements have been pivotal in our growth journey.

TIMOR GAP remains committed to investing in our most valuable asset, our employees. As of 31 December, our team comprised 162 staff members. Throughout the year, we have actively provided our employees with a diverse range of training and course opportunities across various fields. This initiative has been carried out in collaboration with our business partners and reputable training providers. By doing so, we aim to enhance the skills and competencies of our workforce, ensuring that they are well-equipped to meet the challenges of the industry and contribute effectively to the company's growth.

TIMOR GAP's QHSE played a vital role in supporting the company's commitment to high standards in quality, health, safety, and environmental management. Through its Integrated Management System (IMS), QHSE conducted internal and external audits, identifying improvement areas and preparing

TIMOR GAP also launched the Holbelis Suai Relocation Project, involving the construction of 62 community houses and supporting facilities to resettle residents near Suai Airport. Phase 1 is expected to be completed by mid-2025, with final completion by 2026.

In addition, the South Coast Highway design was revised to accommodate the updated project layout. TIMOR GAP completed new route assessments and tender documentation, preparing for procurement and construction in 2025.

These initiatives reflect TIMOR GAP's commitment to enabling strategic infrastructure to support the petroleum sector and national development goals.

for recertification in 2025. The department upheld the company's "Safety First" principle by monitoring workplace risks and conducting inspections. In 2024, QHSE led efforts in environmental compliance, securing licenses for key projects such as Suai Fuel Station, Suai Supply Base, and the 2D seismic study in the Pualaca Block.

In the ICT & Data Management area, our team has focused on the continuous improvement of our ICT system, identifying and mitigating risks, and aligning with the Integrated IMS standard to support our operations and strategic initiatives.

TIMOR GAP actively participates in its Social Investment Program. This Corporate Social Responsibility (CSR) program

focused on three key pillars: Environmental Sustainability, Economic Growth, and Social Development. These initiatives reflect our dedication to creating long-term value for communities, promoting sustainable business practices, and fostering meaningful stakeholder engagement.



1 ABOUT TIMOR GAP

Offices and Business Units
Subsidiaries Companies
Financial Overview





WHO WE ARE

TIMOR GÁS & PETRÓLEO, E.P. (hereinafter referred to as “TIMOR GAP”) is the national oil company of Timor-Leste, established by the Government in 2011 under Decree Law no. 31/2011 and amended by Decree Law no. 61/2023 is mandated to develop business activities in upstream exploration, development, and production. This includes operations of the same or similar nature carried out in the Special Regime Area of Greater Sunrise, both onshore and offshore, within and beyond the national territory.

TIMOR GAP, as defined by the responsible Ministry, may also be assigned with the execution of midstream and downstream commercial activities related to the storage, refining, processing, import, export, transportation, distribution, marketing, and sale of petroleum and its derivatives, as well as natural gas and any other hydrocarbons.

TIMOR GAP also entrusted to involve in any activities in the areas of decarbonization and new energy, including the production of hydrogen, biofuels, synthetic fuels, geothermal energy, and similar activities.

OUR CORPORATE VALUES

- Integrity - We are committed to the highest standards of integrity, always behaving ethically and professionally.
- Competence - We are capable, confident and committed, delivering high-quality, accurate and innovative products and services.
- Business Focus - We are business oriented, always seeking new opportunities and adding values to resources and stakeholders.
- Safety - We care for the health and safety of employees, communities and the environment, aligned with international best practices.
- Teamwork - We work together with an open mind and respect for diversity and connected by a family spirit.

OUR MISSION

- To contribute to national development by securing and adding value to energy resources
- To create business opportunities and jobs, improving skills and technological transfer
- To support social and economic development by maximizing local capacity and participation
- To operate according to quality, health, safety and environmental best standards
- To guarantee customer and partner satisfaction through our products, services and projects
- To promote innovation and creativity through research and development

OUR VISION

To be a regional leader in oil & gas for sustainable national development.

Driving our nation towards a future of development and prosperity, while preserving our roots and heritage.



1.1. Offices and Business Units

TIMOR GAP's organization comprises nine (9) Business Units, each led by a Vice President or Director, in addition to the Office of the President & CEO. A brief overview of the key functions of the Office of the President & CEO and each Business Unit is presented below, in accordance with Decree-Law No. 61/2023 (Second Amendment to Decree-Law No. 31/2011 of 27 July).

Offices & Business Units	Key Functions
Office of President & CEO	Incorporates the departments of Procurement and Quality, Health, Safety & Environment (QHSE); and provides support to the daily activities and duties carried out by the President & CEO.
Greater Sunrise Development Unit	Manages and coordinates the Greater Sunrise projects, encompassing both upstream development and downstream LNG plant, as well as the refinery, and all petrochemical processing plants that are integrally developed as part of the Greater Sunrise project; this also includes their associated facilities, notably the subsea gas pipeline from upstream to landing point onshore and marine facility. The Unit also oversees the Greater Sunrise Subsidiary Companies and, along with these subsidiaries, represents TIMOR GAP as Joint Venture in the Greater Sunrise project.
Infrastructure Unit	The Unit is responsible for managing and coordinating the execution of the Suai Supply Base Project and in coordination with relevant units manage all other infrastructure projects. This encompasses conducting necessary technical studies, ensuring adherence to schedules and cost estimates, and maintaining the highest technical standards. The Unit is also responsible for representing the company in the management of supporting infrastructures associated with the Tasi Mane Project, such as housing, new townships, roads, bridges, schools and other public amenities and infrastructure.
Government Relations and Stakeholders Engagement Unit	The Unit is responsible for representing TIMOR GAP before the Government and other key stakeholders in the country on matters related to budget subsidy and the Infrastructure Fund, amongst others. The Unit also represents the company and deals with matter related to ensuring compliance with EITI requirements, coordinates with IT and other units for regular updates on the company's website, overseas and plans corporate social responsibility and socio-economic evaluation programs and supports the implementation of local content commitments of subsidiaries.
Finance and Commercial Unit	Provides full support to the company's operations of programs and projects, managing corporate financial and accounting matters, including the execution and oversight of corporate taxation and asset registry. It negotiates commercial aspects of petroleum contracts, analyzes contractual risks and rewards, and coordinates with relevant units to procure business partnerships and secure funding for project financing.
Human Resources Development & Administration Support Unit	The Unit is responsible for overseeing and managing all matters related to the company's Human Resources, Information and Communication Technologies (ICT), Logistics, General Administration and Travel.
Exploration and Development Unit	The Unit is responsible for managing all technical, asset, and technology-related activities associated with the exploration and development of oil and gas in which TIMOR GAP is involved. It also coordinates and provides technical support to the Exploration & Development subsidiaries. Additionally, the Unit is responsible for identifying potential onshore and offshore blocks that can be farmed in or out as potential opportunities for TIMOR GAP.

Downstream Business Unit	This Unit oversees the operation of fuel facilities, namely the Suai Fuel Filling Station and Suai Airport Avtur facilities, and monitors downstream project activities, including the establishment of new fuel stations, import & export fuel terminals, and refinery facilities, with the Unit preparing to assume operational control upon their completion. Additionally, the Unit identifies opportunities for TIMOR GAP to engage in providing oilfield goods and services, such as helicopter services and marine logistics, through the company's subsidiaries.
Research, Development and Services Unit	Provides support services to all relevant units for the studies required for their projects and manages research on a variety of emerging issues, including energy transition, renewable energy, Carbon Capture Usage and Storage (CCUS), marine support, gas and LPG technology, as well as fabrication and maintenance. Additionally, the unit identifies potential areas for TIMOR GAP's involvement in new ventures for upstream services, specifically in drilling technology, and oversees the provision of drilling and seismic services through the subsidiaries TIMOR GAP Seismic Services and TIMOR GAP Drilling & Services.
Corporate Legal Unit	The Unit is responsible for providing comprehensive support to the Company and its subsidiaries in all matters related to legal affairs, including drafting and reviewing contracts and other legal documents; reviewing internal policies and procedures; providing legal assistance and coordinating the Company's ongoing disputes in close collaboration with the Legal Counsel; researching national and international industry regulations, laws, and directives; renewing the Company's registration documents; and providing on-demand legal assistance and advice to the Company's units, departments, and subsidiaries.

Table 1.1: TIMOR GAP's Offices and Business Units core activities



Figure 1.1: TIMOR GAP's employees during a team building activity

1.2. Subsidiary Companies

Pursuant to the Decree-Law no. 61/2023, of 6 September, second amendment to Decree-Law no. 31/2011, of 27 July 2011, in order to pursue any activities related to its object, TIMOR GAP, E.P., is authorized to incorporate subsidiaries, which may be associated with other national or foreign companies, as well as acquire, encumber and dispose of shareholdings in any company. The Consolidated Financial Statements of TIMOR GAP and its subsidiaries and associates are detailed in Sections 7 and 8.

Subsidiaries which are majority owned by TIMOR GAP are subject to directives and strategic planning, and common corporate rules providing technical, administrative, accounting, financial or legal guidance, which are approved by the Board of Directors. Members of the Executive Committee are allowed to participate in the management of these subsidiaries and affiliates, by appointment of the Board of Directors.

In furtherance of the company's purpose, TIMOR GAP has since established several subsidiaries aiming to conduct specific business activities in the petroleum sector and related services. As of 31 December 2024, TIMOR GAP holds the following subsidiary companies:

	NAME	OBJECT
UPSTREAM SUBSIDIARIES	TIMOR GAP PSC 11-106, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2012 as a Special Purpose Vehicle (SPV), with the sole objective in the acquisition and exercise of respective rights arising from ownership of a participating interest in the PSC TL-SO-T 19-11, designated as PSC JPDA 11-106 prior to the ratification of the Maritime Boundary Treaty. The subsidiary object includes the exploration and production of crude oil and natural gas, and respective sale activities.
	TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, created in 2015 as a SPV for the offshore block TL-SO-15-01.
	TIMOR GAP CHUDITCH, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2016 as a SPV to participate in exploration and exploitation activities in the PSC TL-SO-19-16, which comprise the gas field Chuditch, including exploration & production of crude oil and natural gas and respective sale activities.
	TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2017 as a SPV with the sole purpose of entering into PSC TL-OT-17-08 signed with TIMOR RESOURCES for the exploration and exploitation of the onshore Block A.
	TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2017 with the purpose of participating in exploration and exploitation activities in the onshore Block B.
	TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2017 as a SPV with the sole purpose of entering into PSC TL-OT-17-09 signed with Timor Resources for the exploration and exploitation of the onshore Block C.
	TIMOR GAP PUALACA BLOCK, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2021 to develop petroleum exploration and production activities in the PSC TL-OT-21-17, under the terms and pursuant to the respective legislation in force for the petroleum sector.
	TIMOR GAP RARAHANA BLOCK, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2022 to conduct exploration and production activities of crude oil and natural gas in the onshore PSC TL-OT-22-18.
	TIMOR GAP Bayu-Undan 19-12, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary, established in 2024 with the sole objective of acquiring and exercising the rights arising from ownership of a participating interest in PSC 19-12, which encompasses the Bayu-Undan field, including exploration & production of crude oil and natural gas and respective sale activities.

	TIMOR GAP Bayu-Undan 19-13, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary, established in 2024 with the sole objective of acquiring and exercising the rights arising from ownership of a participating interest in PSC 19-13, which encompasses the Bayu-Undan field, including exploration & production of crude oil and natural gas and respective sale activities.
	TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2024 to conduct exploration, development and production activities of crude oil and natural gas in the onshore PSC TL-OT-22-22.
	TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2024 to conduct exploration, development and production activities of crude oil and natural gas in the offshore PSC TL-SO-22-23.
GREATER SUNRISE SUBSIDIARIES	TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, created in 2018 with the purpose of holding a participating interest in the Retention Lease NT/RL2 of the Greater Sunrise fields, or any other contract that may replace the retention lease in the future to conduct any petroleum operations to be developed in the referred gas fields.
	TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, created in 2018 with the purpose of holding a participating interest in the Retention Lease NT/RL2 of the Greater Sunrise fields, or any other contract that may replace the retention lease in the future to conduct any petroleum operations to be developed in the referred gas fields.
	TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2018 with the purpose of holding interests in the PSC JPDA 03-19 of the Greater Sunrise fields.
	TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2018 with the purpose of holding participating interests in the PSC JPDA 03-20 of the Greater Sunrise fields.
SERVICES SUBSIDIARIES	TIMOR GAP Seismic Services, Unipessoal, Lda.	Owned by TIMOR GAP (60%) and BGP Geoexplorer Pte, Ltd (40%), the subsidiary was established in 2015 with the purpose of providing seismic survey services within the Timor-Leste's territory.
	TIMOR GAP Drilling & Services, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, established in 2017 with the objective to create, identify and optimize the value of commercial economy through business opportunity by providing services for drilling activities especially in exploration, development, production, abandonment and other upstream services.
	TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda.	A TIMOR GAP wholly owned subsidiary company, created in 2014 to provide general services for the marine industry and to render logistic and support services to the petroleum industry operating in the Timor Sea, Timor-Leste and afar.
	South Horizon Offshore Services, Lda.	A subsidiary of TIMOR GAP Oil & Gas Marine and Logistics, Lda., established in 2015 with the object to provide support services to vessels and offshore facilities operating in the Timor Sea, to own and operate offshore support vessels and to render any other services for the marine and oil & gas industry.
	WESTSTAR-GAP AVIATION, Lda.	A subsidiary company established in 2020 by TIMOR GAP in joint venture with WESTSTAR AVIATION TIMOR, Unipessoal, Lda., for the purpose of providing offshore helicopter transport services.

Table 1.2: TIMOR GAP's subsidiary companies

1.3. Financial Overview

The audited Financial Statements are described in Section 8 of this Report and attached with a detailed analysis of the results for 2024, for a period of 12 months, with 31 December as the financial year end. TIMOR GAP has been using International Financial Reporting Standards (IFRS) to ensure high quality, internationally recognized set of accounting standards being followed that bring transparency, accountability and efficiency to financial markets, both locally and internationally. The figures shown in this Report are stated in US Dollars.

The company received a government grant of \$18,000,000 during the year ended 31 December 2024. The other main source of income originated from fuel sales from Suai Petrol Station amounting to \$278,319 and income from Contracts \$797,109.

The expenditure for the Offices and Business Units for this financial year is detailed in accordance with the company structures, as illustrated in the tables below.

President & CEO Office	Expenditures related to: the settlement of carried-over outstanding invoices; Project Cost for Onshore and Offshore Blocks; office renovation and necessary equipment and transport acquisition; legal and technical consultant costs, procurement training, conferences, and workshops; preparation for the ISO certification audits and EIA related studies; first aid and emergency response training, and HSE HUET training; participation in the Bayu-Undan Decommissioning project; local and international business travel; and other office-related expenditure. Expenditures related to the QHSE and Procurement departments are incorporated under this office.
Infrastructure Unit	Project expenditures, such as: Construction of Holbelis community housing resettlement, consultant supervision for community housing resettlement, Suai airport support facilities, Construction of Suai office base, South Coast Highway, Office renovation, project expenditures related to Geotechnical survey, Suai Supply Base (SSB) Physical Survey – Onshore & Offshore Topographical, Geophysical & Metocean survey. TLNG Natarbora, New construction of fuel station and expenses related to the commercial assessment meeting in Jakarta and the observation of the Laboratory Test for the onshore Geotechnical survey at Bandung; field visits for re-verification of teak wood (GIS); rehabilitation and new construction of the TIMOR GAP Operational Base in Betano and other related activity expenses.
Greater Sunrise Development Unit	Expenditures related to the development of the Greater Sunrise project, including the negotiation process and discussion of the Petroleum Mining Code and Fiscal Regime. Additional expenses are associated with the Concept Study and the engagement of experts in legal, commercial, and technical areas including LNG, refinery & petrochemical studies, Greater Sunrise pipeline studies, Marine facilities studies, Greater Sunrise negotiations, Training on Youth for LNG Operation & Maintenance and Land Acquisition.
Government Relations and Stakeholders Engagement Unit	Expenditures for this unit primarily cover travel and expenses for corporate social and charity activities, and for internal and external engagement with stakeholders. Additional expenditure pertains to marketing materials (such as printing, banners, brochures, leaflets, flyers, booklets, etc.) and training & professional development, travel to attend conferences and road shows.
Finance and Commercial Unit	Expenditures related to the unit, such as travelling and training cost related to the SAP program and overall expenses incurred to assist the company in financial and commercial matters, Training and Professional development costs, consultant costs, overhead costs, capex expenditure, and income tax expenses.

Human Resources Development & Administration Support Unit	This unit covers all expenditures related to employee salaries and wages and other employee benefit costs; telephone and communication expenses; office supplies and stationery; computer hardware and software costs; copy machine leasing; internet services; vehicle and computer maintenance and repairs; office lease and electricity expenses; office administration; corporate events; as well as cleaning and security services.
Exploration and Development Unit	Expenses related to the unit and project work program and budget 2024 for all the Onshore and Offshore Blocks. Unit expenses cover administrative matters and technical desktop study, GnG study (geological mapping & geophysical reprocessing and interpretation) and Schlumberger sophisticated software utilization for technical static and dynamic simulation. And preparing to provide proper data management system to secure and store technical data in appropriate system (Platform). Project expenses provide technical evaluation for the new block's evaluation including TIMOR GAP's existing operator and joint venture blocks. This unit also covers expenses for workshops, meetings, training, and team building for the unit.
Downstream Business Unit	Expenditures related to field trip, travel, training and professional cost, overhead cost and capex, and Project expenditure to support project such as New Fuel Station feasibility Studies, Feasibility Study for LPG Distribution & Lubricant, Additional tanks/fuel trucks for SSF, Jet A1 Browser etc.
Research, Development and Services Unit	Expenditures for this unit cover travelling expenses, training and professional cost, overhead cost and capex, unit's project such as Pipeline Studies (including offshore and onshore), Acquisition of onshore rig, CCSU Project Studies, Bayu Undan Lower Structure Study, etc.
Corporate Legal Unit	Expenses incurred to assist the company in legal matters and travelling expenses, training and professional development for employees, consultants' cost, overhead expenses.

Table 1.3: Overview of expenditure for each Business Unit and Office for the period from 1 January to 31 December 2024

The main components of the 2024 financial year were related to the development and management of several projects, as detailed from Section 2 to 5.



2 UPSTREAM

Upstream Subsidiaries Companies
Business Development and Provision of
Services for Upstream





2.1. Overview

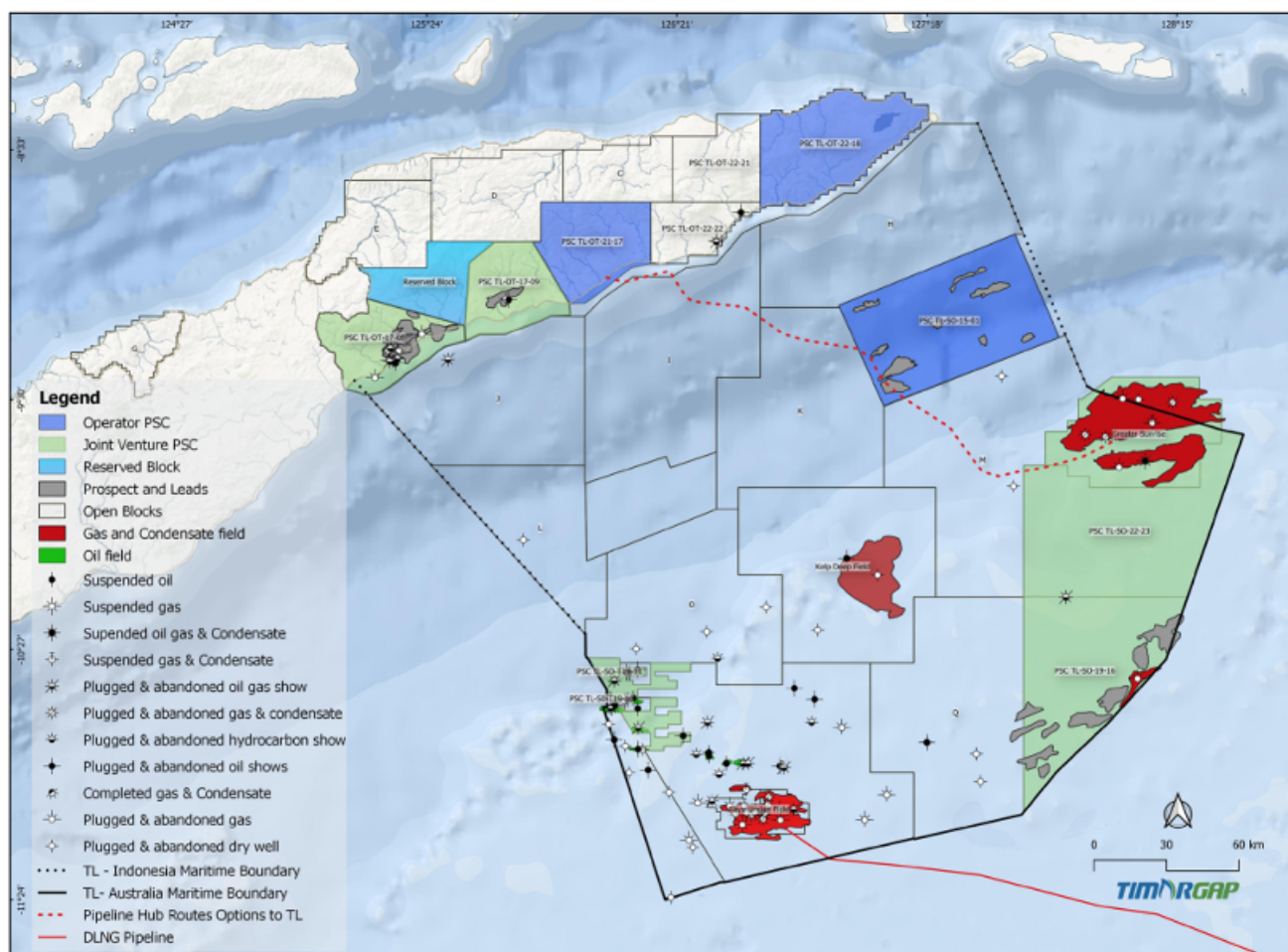


Figure 2.1: Location of TIMOR GAP onshore and offshore PSCs

TIMOR GAP's primary focus is on its Exploration and Development unit, where it spearheads a wide array of activities encompassing exploration, development, and production both onshore and offshore within the national territory. These endeavors are undertaken directly by TIMOR GAP and its subsidiaries, operating as both Operators and Joint Venture partners.

Diving into specifics, TIMOR GAP is actively engaged in various offshore and onshore projects at different stages of exploration, development, and production. A significant part of these initiatives involves conducting comprehensive Geological and Geophysical studies and surveys to assess potential prospects and leads. Currently, TIMOR GAP holds four offshore Production Sharing Contracts (PSCs): PSC TL-SO-15-01, PSC TL-SO-T 19-11, PSC TL-SO-19-16, and PSC TL-SO-22-23, along with five onshore PSCs: PSC TL-OT-17-08, PSC TL-OT-17-09, PSC TL-OT-21-17, PSC TL-OT-22-18, and PSC TL-OT-22-22. This year marked a major achievement with the successful completion of our acquisition of a 16% Participating Interest in the Bayu-Undan field, one of Timor-Leste's most strategic and valuable petroleum assets. Additionally, TIMOR GAP is actively engaging with PETROTRIM, the operator of onshore Block B, and the National Petroleum Authority (ANP) to finalize the necessary technical, legal, and regulatory requirements for signing a Production Sharing Contract (PSC), which is planned for the second quarter of 2025. Beyond the existing PSCs, TIMOR GAP is vigorously pursuing additional exploration, development, and production opportunities to harness the abundant untapped potential of Timor-Leste's natural resources. As part of this endeavor, the company is currently engaged and conducted technical evaluations concerning onshore blocks C, D, and E, which were released in the National Petroleum Authority (ANP) second licensing round, indicating a significant advancement in exploring Timor-Leste's onshore potential.

Moreover, TIMOR GAP is intensively negotiating and discussing with the Sunrise Joint Venture (Woodside and Osaka Gas) and the States (Timor-Leste and Australia) to secure the Greater Sunrise PSC, PMC, and Fiscal Regime.

In terms of technical capabilities, TIMOR GAP's Exploration and Development Unit is investing in industry-standard software and hardware to ensure that day-to-day technical operations meet the highest technological standards. The team is exposed to multidisciplinary workflows encompassing Geology, Geophysics, Petrophysics, and Engineering (including Drilling, Reservoir, Production, Asset, and Technology). Widely used software such as Petrel, Intersect, Eclipse, Pipesim, Navigator, Interactive Petrophysics, and Petrosys play a crucial role in project execution within the unit. Looking ahead, the technical team remains committed to adhering to standard procedures, prioritizing safety, and executing projects efficiently to achieve the set goals and targets for the next financial year.

2.2. Greater Sunrise

2.2.1. Greater Sunrise Special Regime

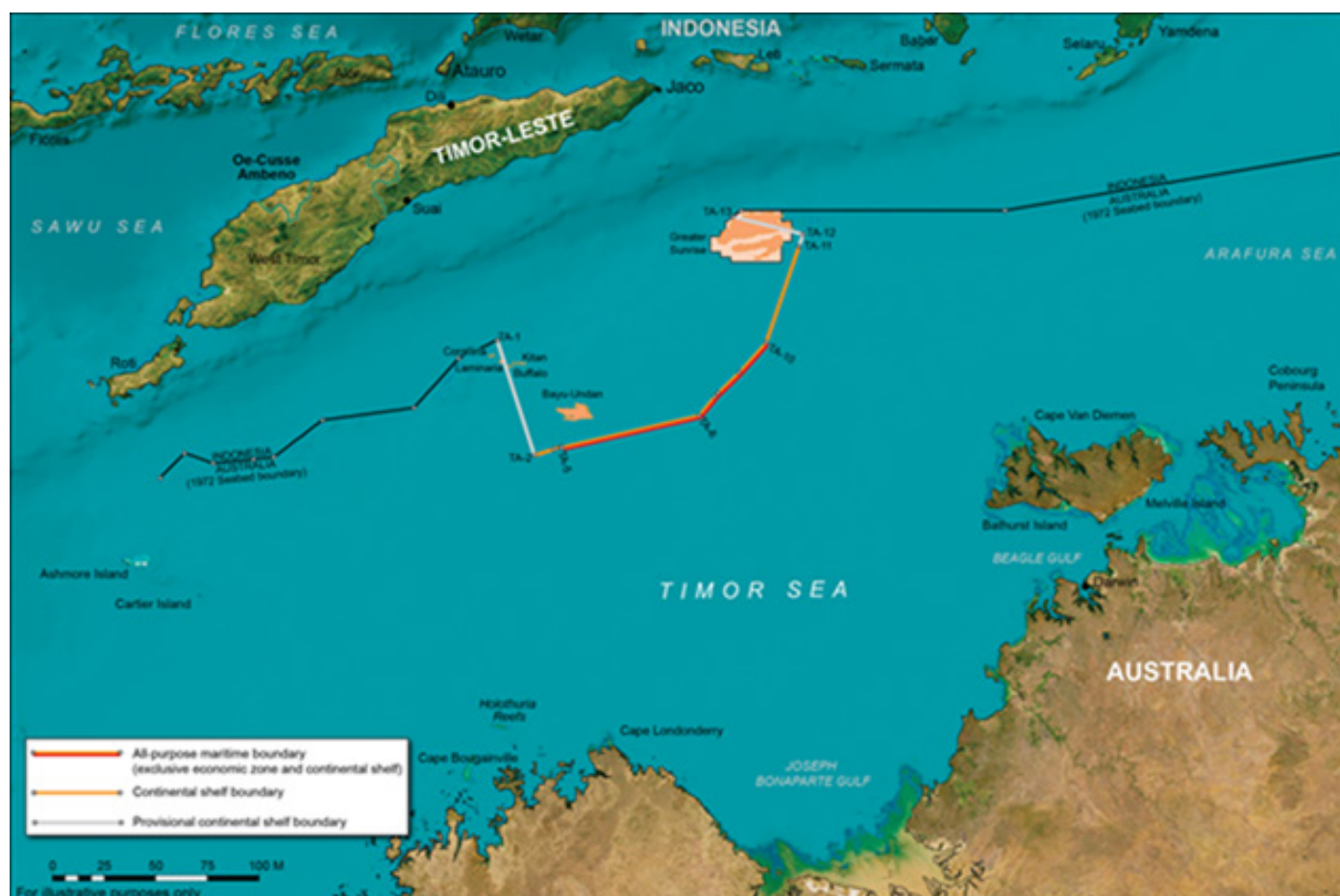


Figure 2.2: Map of the Greater Sunrise fields (Source: Maritime Boundary Office)

The Sunrise and Troubadour gas and condensate fields, collectively known as the Greater Sunrise Fields, are located approximately 140 km south-east of Timor-Leste and 450 km north-west of Darwin, Australia. Discovered in 1974, the Greater Sunrise fields are part of the rock formation known as the Plover Formation (Upper and Lower) that underlies the Greater Sunrise Special Regime Area (GSSRA).

The Greater Sunrise fields are subject to the GSSRA established by the Maritime Boundary Treaty between Timor-Leste and Australia (thereinafter designed as “the Treaty”), which was signed on 6 March 2018 and entered into force on 30 August 2019. The mentioned GSSRA established a pathway to the development of the Greater Sunrise resources and provides that Timor-Leste will receive either 70 or 80 percent of the upstream revenue from the direct upstream exploitation of petroleum produced in the Greater Sunrise fields depending on the development option selected, that is, whether by means of a pipeline to a liquefied natural gas (LNG) processing plant in Timor-Leste or Australia, respectively.

In addition to the revenue sharing, the Greater Sunrise Special Regime has provisions on the taxation, regulatory and governance framework applicable to the fields, which are jointly governed by Timor-Leste and Australia.

The regulatory structure includes a Designated Authority, the Timor-Leste National Petroleum Authority (Autoridade Nacional do Petróleo, ANP), overseen by a Governance Board composed of two representatives from Timor-Leste and one from Australia.

2.2.2. Greater Sunrise Contractors

The Greater Sunrise fields are planned to be developed via onshore LNG development within Timor-Leste, using a submarine pipeline system across the Timor Trough, from the Greater Sunrise fields to landfall and LNG Plant at Natarbora, on the south coast. This development concept is known as Timor-Leste Liquefied Natural Gas or TLNG and forms an integral part of the Tasi Mane Project, which is intended to provide maximum socio-economic benefits for the country whilst offering significant value to all project stakeholders.

The TLNG development concept will be executed under two main projects: a) Upstream project, which will encompass the development of the subsea wells and associated production system, and offshore production/processing facilities; and b) Downstream project, which will encompass the export pipeline to shore (across the Timor Trough), LNG plant facilities and marine/LNG export facilities.

The Maritime Boundary Treaty allowed the creation of a platform for intensive negotiations and discussions with the upstream Joint Venture Partners, and with this, commercial developments are made, resulting in the acquisition of Shell and ConocoPhillips' participating interests and rights in the PSC JPDA 03-19, PSC JPDA 03-20, Retention Lease NT/RL and Retention Lease NT/RL2, in the Greater Sunrise field, through Sales and Purchase Agreements (SPAs) signed between the above-mentioned companies, its affiliates, and the Government of Timor-Leste. The participating interests and rights acquired by the Government were, subsequently, transferred to TIMOR GAP's wholly owned subsidiaries, exclusively incorporated for this purpose: TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.; TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.; TIMOR GREATER SUNRISE RL, Unipessoal, Lda.; and TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda., pursuant to the terms provided under the Government Resolution no. 20/2018, of 24 October, and Resolution no. 5/2019, of 30 January.

With the above, TIMOR GAP, through its wholly owned TIMOR GAP Greater Sunrise subsidiaries, holds a 56.56% majority participating interest, while the Sunrise Joint Venture (SJV) partners hold the remaining, namely, Osaka (10%) and Woodside (33.44%), the latter being the Operator.

2.2.3. Greater Sunrise Project Progress for 2024

2.2.3.1. Greater Sunrise Legal and Fiscal Frameworks

As stipulated in the Maritime Boundary Treaty, the GSSRA will be governed by a special set of legal and fiscal frameworks which need to be established by the States of Timor-Leste and Australia and with the Sunrise Joint Ventures (SJV). These include the Petroleum Mining Code (PMC), Production Sharing Contract (PSC), Taxation, and associated Regulations and Guidelines.

TIMOR GAP has proactively engaged and worked with the SJV partners, Woodside and Osaka Gas, to discuss with the States of Timor-Leste and Australia to finalize the above legal and fiscal frameworks. In 2024, significant progress was achieved on the legal frameworks particularly with respect to PMC and PSC, both of which are near completion. Regarding the Fiscal Regime, both States of Timor-Leste and Australia have agreed to use Timor-Leste's taxation for the GSSRA based on which a draft law known as the Taxation on Greater Sunrise Contractors Act (ToGSuCA).

2.2.3.2. Concept Study for Greater Sunrise Development

The Sunrise Joint Venture (SJV) launched a Concept Study, in 2024, to evaluate potential development pathways for the Greater Sunrise gas field, with a primary focus on gas delivery to Timor-Leste for LNG production and options of gas delivery to Australia. The objective was to engage a third-party contractor to provide an independent, impartial, and competitive analysis across a range of parameters ranging from technical to commercial and through to socio-economic impact assessment. Following a competitive procurement process, Wood Plc was selected as the main contractor supported by sub-contractors Poten and Partners, Earnst and

Young (EY), and EPConsult Energy. The contract was awarded in April 2024, and by November 2024, the Concept Study was concluded.

The Concept Study was performed by incorporating and assessing industry-wide specialized technology developments and by taking into account the recent trends in market conditions, financing, and costs. The study evaluated fifteen (15) criteria across multiple areas, encompassing technical feasibility, cost analysis, schedule, commercial/financing considerations, economic returns, HSE, local content, and socio-economic impacts. Various downstream facility locations were considered, including a Greenfield LNG facility in Natarbora, Timor-Leste, and several options in Darwin, Australia, such as a Greenfield LNG facility and existing ILNG and DLNG facilities.

The key findings of the study demonstrated that all proposed development pathways were technically viable, with the TLNG pathway (gas delivery to Timor-Leste) offering the lowest operational costs (Opex), the best returns for the SJV based on standard economic metrics, and the highest overall returns, both direct and indirect, for Timor-Leste. Furthermore, the TLNG pathway delivers substantial socio-economic benefits to Timor-Leste, including significant GDP growth and job creation.



Figure 2.3: Study Outcome Validation Session at Wood's Office, Reading, UK

2.3. Bayu Undan

On 16 September 2024, TIMOR GAP E.P. reached a significant milestone in its strategic development by formally entering the Bayu-Undan Joint Venture through the signing of a Sale and Purchase Deed (SPD). The agreement grants TIMOR GAP a 16% participating interest in the Bayu-Undan project, with an effective economic date of 1 July 2024. This milestone follows approximately two months of intensive negotiations with the Operator, Santos, and the existing joint venture partners.

This acquisition represents TIMOR GAP's first direct participation in producing offshore petroleum assets, marking a new era for the company as it transitions from a government-owned enterprise focused on project facilitation to an active upstream participant. It demonstrates the company's growing technical and commercial capacity to manage and contribute to complex oil and gas developments.

The Bayu-Undan field, located in the Timor Sea, has been in production since 2004 and continues to yield natural gas and condensate at commercially viable levels. The field is operated by Santos, which holds a 36.5% interest, alongside joint venture partners SK E&S (21%), INPEX (9.6%), ENI (9.2%), and Tokyo Timor Sea Resources (7.6%).

In mid-2024, the joint venture secured a seventh extension of the Production Sharing Contract (PSC), enabling production to continue. This extension reinforces the long-term economic potential of the field and provides a stable platform for further investments and collaboration.

Through this acquisition, TIMOR GAP not only enhances its revenue-generating capacity but also strengthens its strategic role in Timor-Leste's petroleum sector. The company's participation in the Bayu-Undan Joint Venture directly supports national objectives for energy sovereignty, economic diversification, and capacity building within the local workforce. This achievement reflects TIMOR GAP's commitment to playing a leading role in the sustainable development of Timor-Leste's natural resources.



Figure 2.4: Signing of Sale & Purchase Deed between TIMOR GAP & Bayu Undan JV

2.4. PSC TL-SO-T 19-11

TIMOR GAP PSC 11-106, Unipessoal, Limitada is an offshore subsidiary of TIMOR GAP E.P. The company incorporated and existed under the law of the Democratic Republic of Timor-Leste, registered under no. 188/2012. The objective of the Company is exclusively the acquisition and exercise of respective rights arising from ownership of a participating interest in the PSC regarding Block PSC TL SO T 19-11 in Timor Sea, including the exploration and production of crude oil and natural gas, and respective sales. The Subsidiary is one of the joint venture partners in PSC TL-SO-T 19-11 block with 24% carried interest together with Finder Energy, as the Operator for the block with 76% Participating Interest.

PSC TL-SO-T- 19-11 located in the Northern Bonaparte Basin, Timor Sea, approximately 240 km south of Dili and 500 km northwest of Darwin. The area covers about 662 km², adjacent to the Kitan oil field and lies in an average water depth of 350m. The block has few discoveries, proven but unproduced reserves at Jahal, Kuda Tasi (+/- 20MMbbls), in addition to few prospects such as Kanase, Karungu, Squilla and Krill fields with approximate cumulative of more than 500 MMbbls and other prospects yet to be explored.

Since 2013, the exploration and drilling have been conducted by former Joint Venture Structure composed of Eni, as Operator, INPEX and TIMOR GAP. After few years of exploring the area, in August 2024, Eni JPDA 11-106 B.V, the Operator of the PSC TL-SO-T 19-11 and INPEX, under the arrangement of Sale Purchase Agreement (SPA) acting as “Seller” submitted its application to ANP for approval of the Change in control of its participating interest and Change of Operator for the PSC to FINDER Energy. This block embarks on its business portfolio with new operator, FINDER ENERGY and TIMOR GAP as its joint venture in 2024.



Figure 2.5: Signing Ceremony Block 19-11 between ANP, FINDER Energy and TIMOR GAP, October 2024

In 2024, TIMOR GAP, through its wholly owned subsidiary TG PSC 11-106 UL, actively participated in observing and providing input to the joint venture work program, which is primarily executed by the Operator, Finder Energy. The joint venture work program was discussed in November 2024 and subsequently submitted to the ANP for approval. The work program, designed for implementation in 2025, includes the commencement of modern high-end pre-stack depth reprocessing of the 2005 IKAN 3D seismic data, geological and geophysical (G&G) studies to support the reprocessing and align with PSC objectives, reservoir engineering studies to develop reservoir models and assess resource deliverability for Development Concept Select and Resource Certification, as well as engineering studies for the Kuda Tasi and Jahal Development Concept Select. Following the signing ceremony, the operator began executing the work program by initiating the reprocessing of the IKAN 3D seismic data. The subsidiary, TG PSC 11-106 UL, remains actively involved in the project’s progress through weekly virtual update meetings. The IKAN 3D seismic reprocessing is being closely monitored by the internal TIMOR GAP team in collaboration with Finder Energy, with completion targeted for April 2025.

2.5. PSC TL-SO-15-01

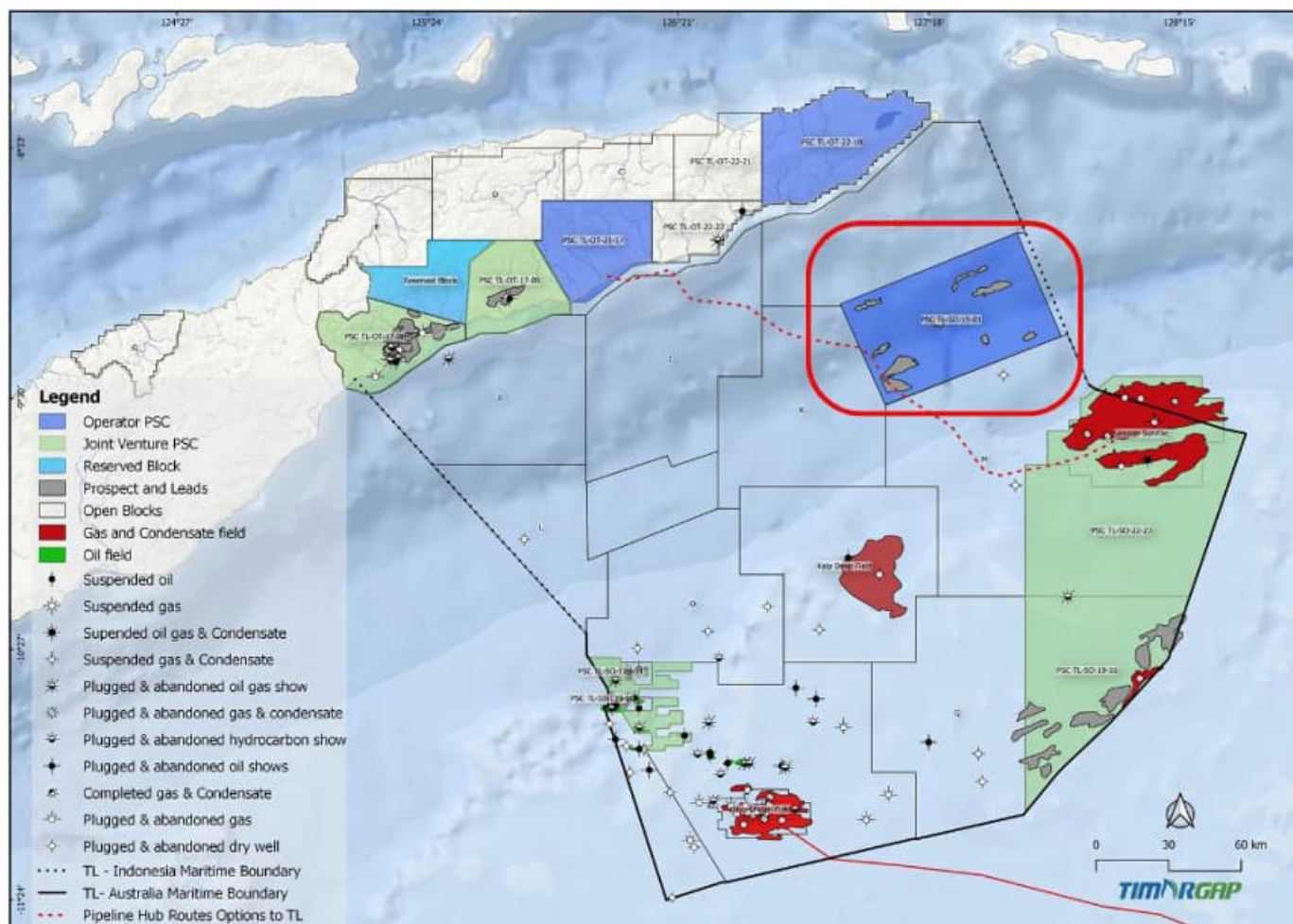


Figure 2.6: Location map of TIMOR GAP offshore PSC TL-SO-15-01

TIMOR GAP OFFSHORE BLOCK Unipessoal Limitada is a wholly owned subsidiary of TIMOR GAP E.P. and serves as the operator of PSC TL-SO-15-01. TIMOR GAP Offshore Block was awarded by the Government of Timor-Leste through the National Petroleum Authority (ANP) to TIMOR GAP E.P. in December 2015. This block is located approximately 60 kilometers southeast offshore from Timor-Leste's coastline. Over the past nine years of exploration activity, TIMOR GAP Offshore Block has acquired approximately 3,600 square kilometers of 3D seismic data across the entire contract area and has conducted further technical prospectivity mapping and studies based on this new 3D seismic data, alongside existing 2D and 3D data and nearby well information. These studies have led to the identification of several multi-stack horizon prospects within the Jurassic-Triassic and even Permian formation horizons of the contract area.

Through these studies, several multi-stack horizons prospects were identified within the Jurassic-Triassic and even Permian formation horizons in the contract area. Apart from these prospectivity mappings, detailed petroleum system modelling was also conducted within the area and the results were promising. However, through these technical studies, they also found that seismic images may require further improvement. The study further recommended that one may require to carry out a Full Waveform Inversion modelling and Reverse Time Migration reprocessing in order improve the seismic image and further data reinterpretation needed to be made to de-risk and further raise one's confidence level on previously identified prospects. In that, a new project for reprocessing the acquired 3D Crocodile data by utilizing the Full Waveform Inversion and Reverse Time Migration method seismic data reprocessing. Therefore, in late 2023, the TIMOR GAP Offshore Block with the approval of the ANP conducted a Full Waveform Inversion (FWI) and Reverse Time Migration (RTM) reprocessing of the Crocodile 3D Seismic data and reinterpretation of the reprocessed data over the sub-thrusts area of the northern region of the contract area. This FWI-RTM reprocessing and reinterpretation project implementation was carried out throughout the period of 2024; the data reprocessing was completed by the end of quarter 2024, whereas the interpretation was continued and is expected to be concluded.

Considering the ongoing technical studies, for the period of 2024, TIMOR GAP Offshore Block postponed its farm-out and business divestment campaign to focus more on concluding the ongoing technical studies. In addition, ANP and TIMOR GAP OFFSHORE BLOCK agreed to arrange a separate mechanism through a side letter or deed amendment for Annex D: Clause 3 (a) of the local content proposal for PSC TL-SO-15-01. This program aims to directly benefit Timor-Leste Nationals through skills development, capacity building, training, and socio-economic development of the local communities. In this aim in view, TIMOR GAP OFFSHORE BLOCK has identified the Professional Training Centre of Ir. Carlos Gamba SDB in Fatu maca, Dili, mainly focusing on education and training, to carry out specific training for Timor-Leste nationals. The TGOB had managed to conclude the local content implementation framework agreement with the Ir. Carlos Gamba Professional Training Center by December 2024, and it is expected the training program implementation to commence in the first quarter of 2025.

2.6. PSC TL-SO-19-16

TIMOR GAP CHUDITCH, Unipessoal, Lda. is a wholly owned subsidiary of TIMOR GAP, established to represent the company in a joint venture with SundaGas Banda, Unipessoal, Lda. for carrying out exploration and production activities in the Chuditch undeveloped gas discovery (PSC TL-SO-19-16), located in Timor-Leste's Offshore Area (TLOA). The PSC TL-SO-19-16 covers a total contract area of approximately 3,571.49 km². TIMOR GAP CHUDITCH, Unipessoal, Lda. holds a 25% carried interest as the joint venture partner, with SundaGas Banda, Unipessoal, Lda. holding the remaining 75% as the PSC's Operator.

In early 2024, TIMOR GAP and SundaGas formalized the assignment of a 15% farm-up interest by signing a formal Farm-up Agreement, which included relevant documents such as the Novation to the Joint Operating Agreement (JOA) and the Assignment Agreement, executed on 23 February 2024.

As a result of this farm-up, TIMOR GAP now holds a 40% working interest in PSC TL-SO-19-16, while SundaGas remains the Operator with a 60% working interest. With the drilling campaign approaching, the Joint Venture continued its discussions and collaboration through Technical and Operating Committee Meetings (TCM/OCM), while also working closely with the National Petroleum Authority (ANP) to finalize and complete the required Health, Safety, and Environmental (HSE), procurement processes, and other operational planning.

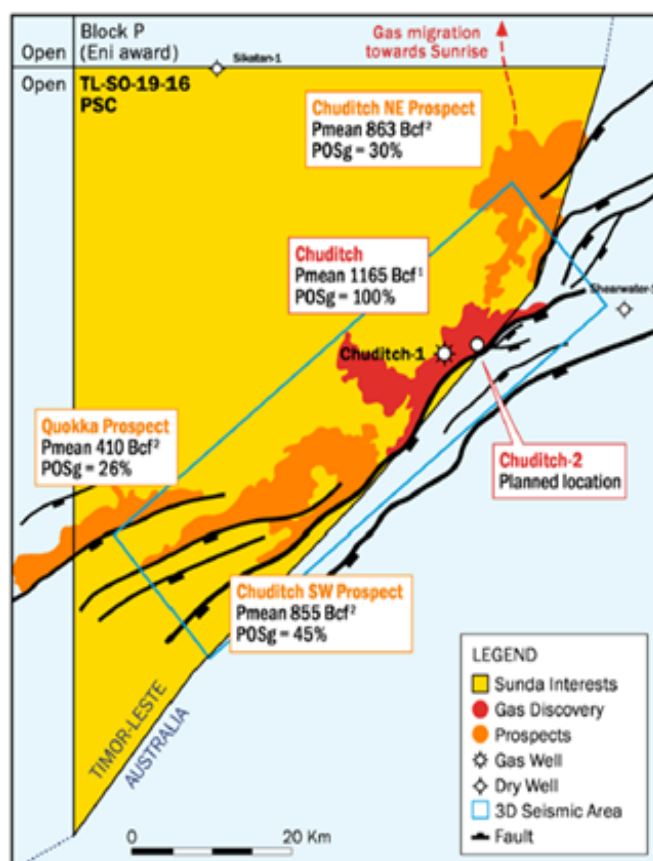


Figure 2.7: PSC TL-OT-22- 8 (Block CHUDITCH) Contract Area

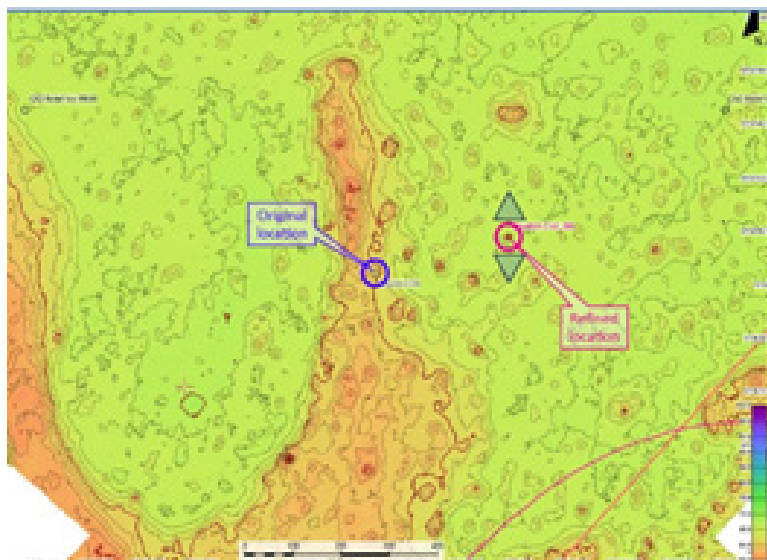


Figure 2.8: Chuditch-2 Geophysical Site Survey: Bathymetry from multibeam data showing the new proposed well location.

The preparation for the Chuditch-2 appraisal well drilling remained the primary focus throughout 2024. A significant portion of this preparation involved Geological and Geophysical (G&G) and engineering studies. One of these studies was the Geophysical and Geotechnical site survey, which was successfully completed in April 2024. The site survey identified issues with the initially planned location, which was deemed unsuitable for the placement of a jack-up rig due to seabed rugosity and a likely hard substrate. Consequently, a new location was chosen, 286 meters offset and bearing 076 degrees from the original location. This new site is now considered the final well location.

Although the well was initially planned to be drilled in late Q4 2024, operational delays by other operators currently utilizing the intended rig have shifted the spud date to Q2 2025. Nonetheless, the technical team continues to make the necessary preparations. As part of the G&G work, a geological basis of design was completed, and potential drilling hazards were analysed to optimize the well design. Well design was one of the primary works in 2024 and was completed in early Q4 2024. This includes the analysis of the offset well, kick tolerance calculations, casing design, drilling fluid selection, and well testing preparation. On the other

hand, the contract and procurement processes are ongoing and are expected to carry over into 2025, particularly concerning concluding the rig contract and other long-lead items.

Before the close of 2024, TIMOR GAP, SundaGas, and the Ministry of Petroleum and Mineral Resources (MPRM) signed a Memorandum of Understanding (MoU), under which the JV partners will collaborate with MPRM and ANP to plan the accelerated development of Chuditch gas following the drilling of the Chuditch-2 appraisal well, scheduled for Q2 2025.

In anticipation of a successful production flow test (“DST”) at Chuditch-2, the parties to the MoU will collectively undertake engineering and commercial studies to assess the feasibility of developing Chuditch gas, with plans for pipeline export to the existing facilities at the Bayu-Undan gas field and onward transmission to an LNG facility to be located on the south coast of Timor-Leste (anticipated to be in the Natarbora district).



Figure 2.9: Signing of MoU regarding Development Concept for Gas in the Chuditch Field.

2.7. PSC TL-OT-17-08

TIMOR GAP, through its wholly owned subsidiary TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda., and its partner, TIMOR RESOURCES Pty Ltd, were awarded the onshore PSC TL-OT-17-08 (Block A) in 2017 to commence oil and gas exploration activities in Block A, which covers an area of approximately 1,000 km². This PSC establishes a 50:50 joint venture between the TIMOR GAP subsidiary and its partner, TIMOR RESOURCES, with the latter assuming operatorship.

In 2024, preliminary activities for the appraisal drilling campaign have been undertaken, including the execution of rig contracts, with the appraisal of the wells expected to be completed by 2025. The two appraisal wells proposed and approved for drilling in 2025 are Feto Kmaus-2 and Weda'a-2.

In May 2024, all parties to the JOA entered into a Settlement Agreement and a Deed of Amendment to the JOA, with the aim of supporting the Operator, TIMOR RESOURCES, in continuing and fulfilling the commitments to drill the appraisal wells and meet future obligations, should the appraisal campaign yield positive results in terms of commercial discovery.

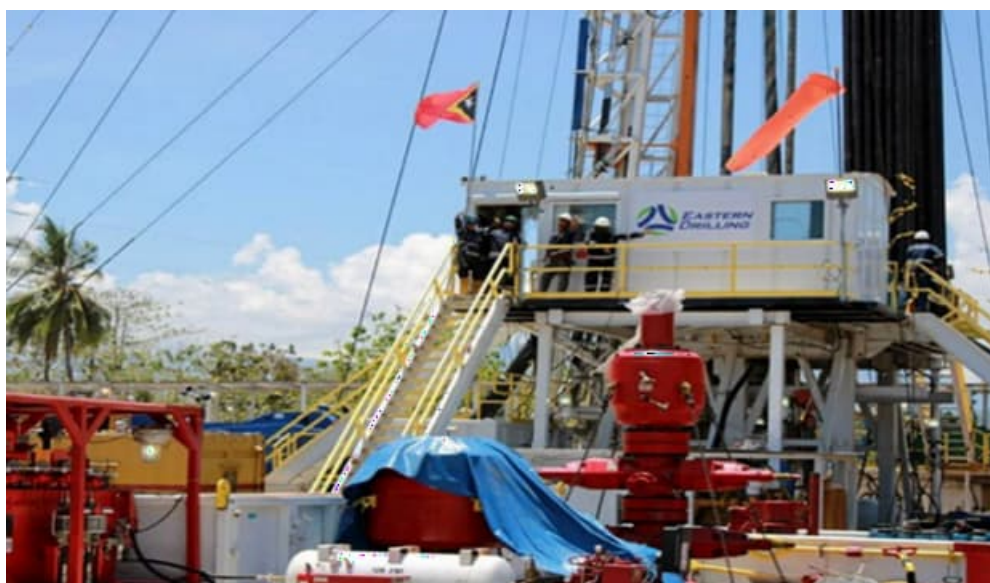


Figure 2.10: Drilling rig at the onshore PSC TL-OT-17-08

2.8. PSC TL-OT-17-09

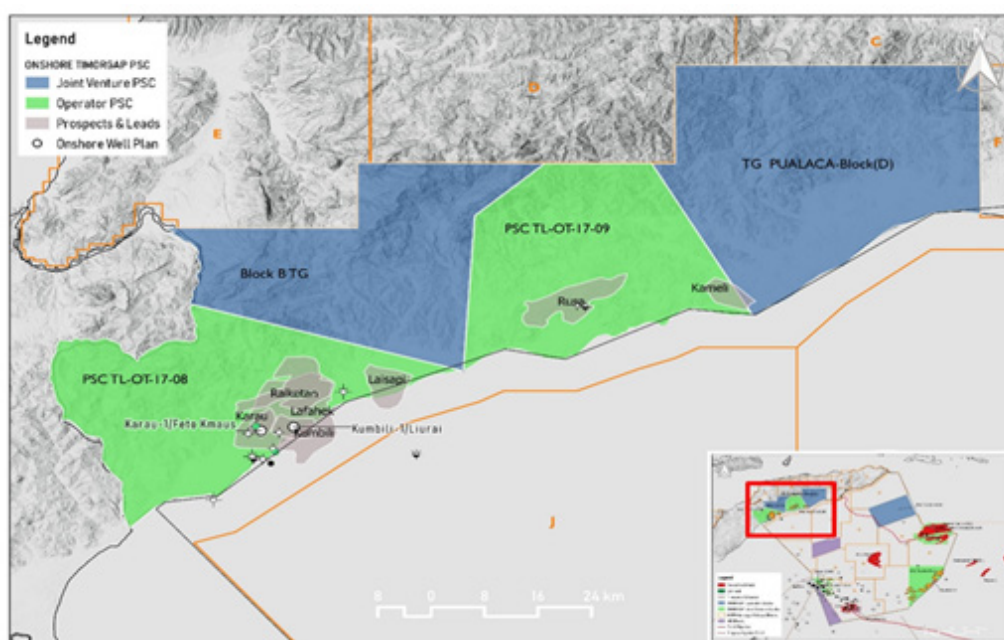


Figure 2.11: Location of the exploration wells planned to be drilled in the PSC TL-OT-17-09 contract area

TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda. is a wholly owned subsidiary of TIMOR GAP, established to engage in petroleum activities, particularly within the contract area of PSC TL-OT-17-09 (Onshore Block C), which spans an area of 1,291 km². The company's primary objective is to exclusively exercise the rights derived from its participating interest in the PSC, including the exploration and production of crude oil and natural gas, as well as the associated sales of these products.

Through this subsidiary, TIMOR GAP holds a 50% participating interest in PSC TL-OT-17-09, while the remaining 50% is held by TIMOR RESOURCES, which also serves as the Operator. The PSC includes a committed 7-year exploration work program. Since the signing of the PSC, the Operator and Joint Venture have completed several geological and geophysical (G&G) studies, along with other technical evaluations.

In 2024, an application was submitted for the extension of the Environmental License for PSC TL-OT-17-09, including the Environmental Management Plan (EMP) for Drilling Activity – Rusa-1 Site Inspection and Monitoring Report. The Operator received approval from the ANP on 6 February 2024, validating the license from 1 February 2024 to 1 February 2026.

In May 2024, all parties to the Joint Operating Agreement (JOA) entered into a Settlement Agreement and amended JOA, whereby the Company reached a final settlement regarding its share of participating interest. As a result, the Company is now liable to bear 30% of the project expenses, with the remaining 20% of its participating interest being free-carried by the Operator.

Additionally, Operating Committee Meetings (OCM) were held between TIMOR GAP and its Joint Venture partner, Timor Resources, on 9 May and 27 June 2024, followed by a Management Committee Meeting with ANP on 25 June 2024.

Internally, TIMOR GAP Onshore Block C has conducted a technical evaluation of available non-seismic data (gravity, magnetic, and radiometric) to support the interpretation of seismic data in preparation for the upcoming drilling activities. The Operator has also continued updating the Rusa-1 subsurface mapping, which includes three targets, a common risk segment mapping of petroleum plays, revision of uncertainties, and a risk analysis for the Deep Décollement targets.

Moreover, the Operator is actively engaging with drilling contractors and is in ongoing discussions with potential high-capacity (2,000 HP) drilling rig providers, including negotiations on pricing, availability, and technical specifications. The Operator has introduced ARAD technology; a radiometric technique used to identify and map zones indicating the presence of mobile hydrocarbons under pressure.

Between October and December 2024, following a comprehensive evaluation of all tender submissions using an established assessment matrix, the Operator concluded that Velseis was the optimal choice to undertake the 2D seismic data reprocessing. The reprocessing will cover approximately 140 km of 2D data within Block C, under PSC TL-OT-17-09.

2.9. PSC TL-OT-21-17

TIMOR GAP Pualaca Block, Unipessoal Lda is a wholly owned subsidiary of TIMOR GAP. Its primary objective is to represent its parent company and implement exploration activities within the onshore area of Timor-Leste. The company holds 100% participating interest in the Pualaca Block, in accordance with the requirements of PSC TL-OT-21-17. Located along the south coast of Timor-Leste, the block spans 1,575 km² and encompasses three municipalities: Manatuto, Viqueque, and Manufahi. Incorporated under Law No. 35/2012 and governed by the laws of the Democratic Republic of Timor-Leste, TIMOR GAP Pualaca Block's core purpose is to execute the programs outlined in PSC TL-OT-21-17, including the exploration and production of crude oil and natural gas.

The PSC work program includes desktop studies, non-seismic methods, seismic acquisition, and the drilling of one exploration well during the first exploration period. The Full Tensor Gravity Gradiometry (FTG) survey, conducted by Bell Geospace Limited, was completed in 2022. This survey covered 3,149 line kilometers with 500-meter spacing, enhancing the understanding of the block's geophysical characteristics and informing the conceptual design of the seismic survey lines.

Throughout 2023, the company continued social engagement related to PSC TL-OT-21-17 with local authorities and affected communities within the contract area. Activities included the collection of environmental baseline data and local content information to support the upcoming seismic survey. In pursuit of this objective, key

meetings were held with ANP to discuss the integrated 2D seismic acquisition for the Pualaca Block. The preparation for the tender process involved reaching out to potential seismic survey service providers in the region to participate in a restricted tender. However, due to unforeseen circumstances, the tender process did not move forward.

In parallel, TIMOR GAP Pualaca Block continued field mapping to conduct detailed analysis of surface rocks and observed oil and gas seeps within the block. This ongoing effort is essential to advancing geological and geophysical understanding of the area.

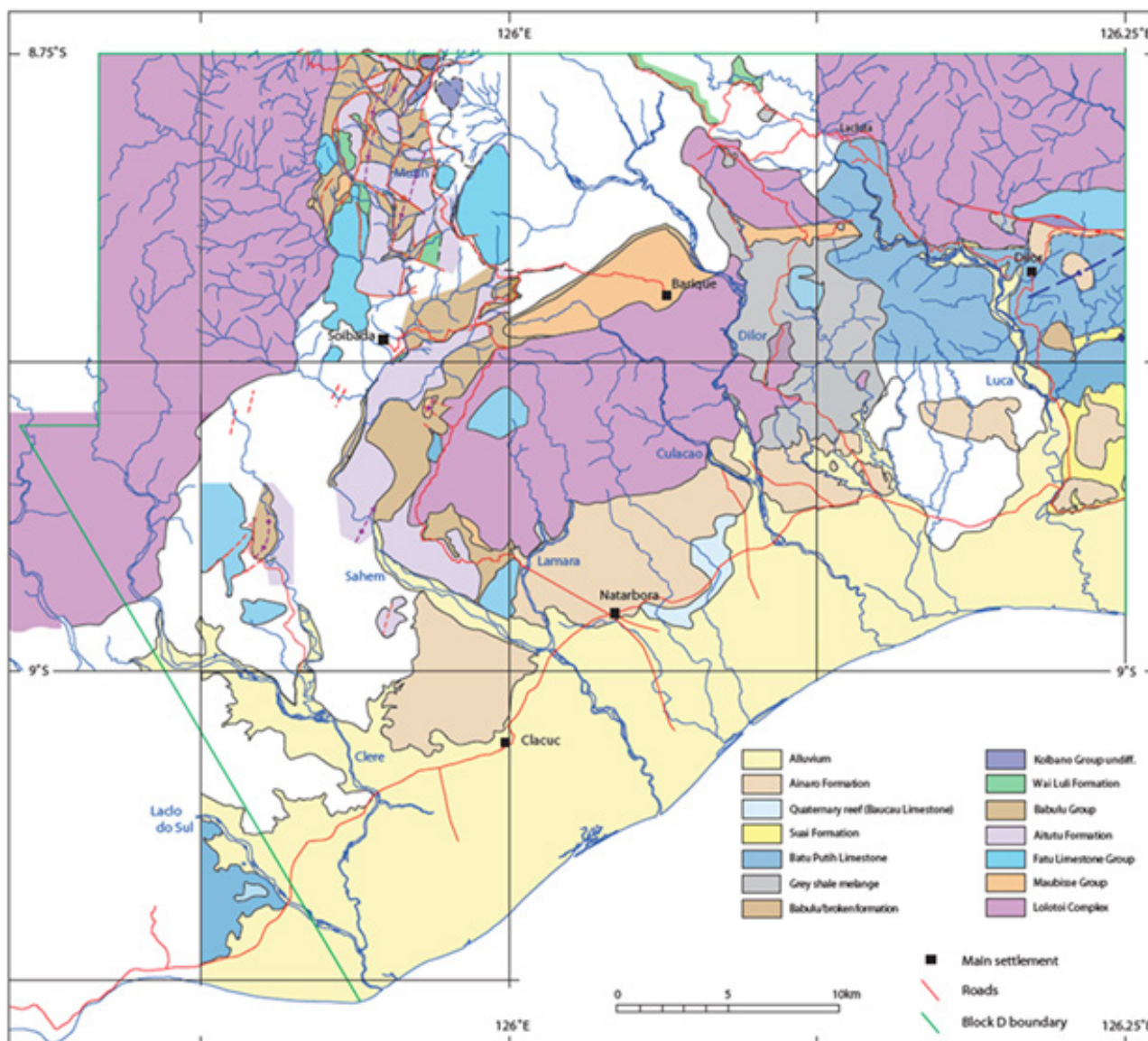


Figure 2.12: PSC TL-OT-21-17 contract area

In 2024, the transition of TIMOR GAP Pualaca Block (TGPB)’s management was successfully completed, and its Work Program & Budget (WP&B) received approval from ANP. In collaboration with its technical team and the Exploration & Development (E&D) Unit and under the supervision of a Geology Consultant, TGPB carried out a surface geological mapping study. The result was a comprehensive report titled “The Geology and Petroleum Prospectivity of the Pualaca Block (PSC TL-OT-21-17)”, which served as the basis for designing 2D seismic acquisition lines in alignment with FTG survey findings.

Additionally, TGPB engaged Horizon GeoConsulting (UK), Ltd. to conduct laboratory analysis of field samples in Jakarta. This included biostratigraphy, source rock analysis, and gas seep analysis. As a result, Horizon GeoConsulting produced a proprietary report titled “Outcrop and Gas Seep Samples, Pualaca Block, Timor-Leste: Geochemical and Biostratigraphic Evaluation.”

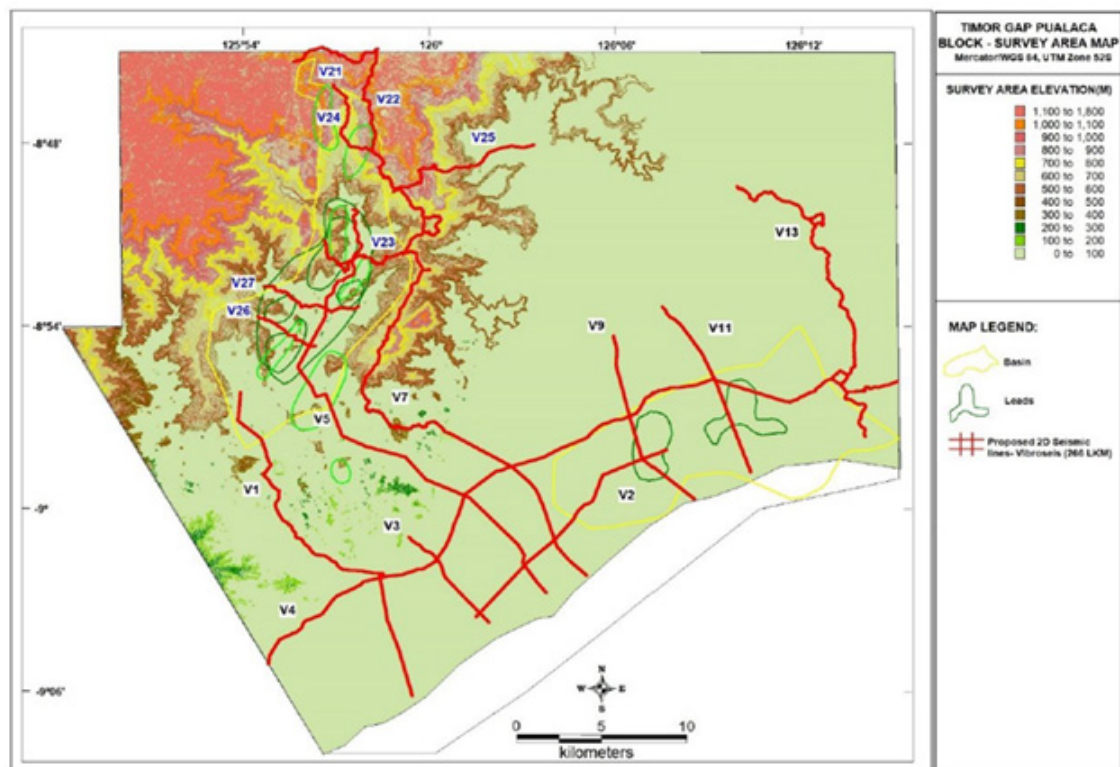


Figure 2.13: Proposed Seismic Survey Lines with Prospects / Leads

Following the completion of the report, TGPB engaged experienced Geophysical Consultant Robert Alan Kennedy to finalize the seismic survey design and develop the Scope of Work (Terms of Reference) for the tendering process. Subsequently, the procurement process for the 2D seismic acquisition was initiated, culminating in the award of the project to BGP Inc., CNPC (RP).



Figure 2.14: Group Scouting (Site Visit) involved with 3 Bidders (Terrex, SLB & Elnusa) in the Seismic Desing Lines (project sites) and Observing by ANP.

Concurrently with the procurement process, TGPB initiated the Initial Environmental Examination (IEE) following the approval of the Project Document (PD) under Category B. In coordination with the QHSE team and HALONA SERENA, TGPB developed and submitted the Simplified Environmental Impact Statement (SEIS) and Environmental Management Plan (EMP) to ANP. In conjunction TGPB successfully conducted public consultation in the affected project area as one of requirements under IEE.



Figure 2.15: Public Consultation for Initial Environmental Examination (IEE) for 2D Seismic Acquisition with H.E. Ministry of Petroleum and Mineral Resources, Timor-Leste.

As part of the regulatory requirements for the Kafé 2D Seismic Acquisition, TGPB submitted the Bridging Document for the Health and Safety Plan (HSE) and the Emergency Response Plan (ERP) to ANP for approval. Prior to project implementation, TGPB, in collaboration with ANP, conducted a Health, Safety, and Environmental inspection of the seismic equipment at the BGP facility in Natarbora. This collaboration with ANP continues in identifying cultural elders with local authorities in preparation for the project's launch and the cultural blessing ceremony for the Kafé 2D Seismic Acquisition.



Figure 2.16: ANP Conducting HSE Inspection to Seismic Equipment at the BGP facility in Natarbora.

TGPB has also secured ANP's approval for a two-year extension of PSC TL-OT-21-17, as the current PSC license is set to expire on 24th February 2025. This extension will allow TGPB to continue its exploration activities as outlined in the minimum work program commitment under first exploration period until 24th February 2027.

2.10. PSC TL-OT-22-18

TIMOR GAP RARAHANA BLOCK, Unipessoal, Lda., a wholly owned subsidiary of TIMOR GAP, was awarded with the PSC TL-OT-22-18 signed on December 2022. This block is located onshore in Timor-Leste, covering an area of 4862.59km² across Lospalos, Baucau, and Viqueque Municipalities. TIMOR GAP, through its subsidiary, holds a 100% participating interest in this PSC, with TIMOR GAP also assuming the role of Operator.

In 2023, TIMOR GAP RARAHANA BLOCK continued to make progress in our exploration activities under PSC TL-OT-22-18 and successfully obtained the approval condition of precedent for the contract, marking a crucial step forward in our operations.

A key highlight of the year was the completion of the launching ceremony of the TIMOR GAP Rarahana Block project and petroleum exploration activities socialization program, which took place in Lospalos, Lautem Municipality, on 11 April 2023. This event was instrumental in engaging with the local community and stakeholders, ensuring their involvement and support for our exploration activities. Currently focused on preparing the Scope of Work for the continuation of geological mapping and the design of survey lines for a Magnetotelluric (MT) survey, including the selection of a suitable consultant. This preparation is crucial for enhancing our understanding of subsurface geology and identifying potential hydrocarbon reservoirs. Additionally, a base map for the TIMOR GAP RARAHANA BLOCK has been developed to support ongoing and future activities, including surveys and the integration of local content. This base map serves as a key operational tool, ensuring accurate geographic data representation and efficient planning. Lastly, efforts are being made to strengthen our geological and geophysical integrated database in preparation for the continuation of detailed geological mapping, which is scheduled to take place in 2025.

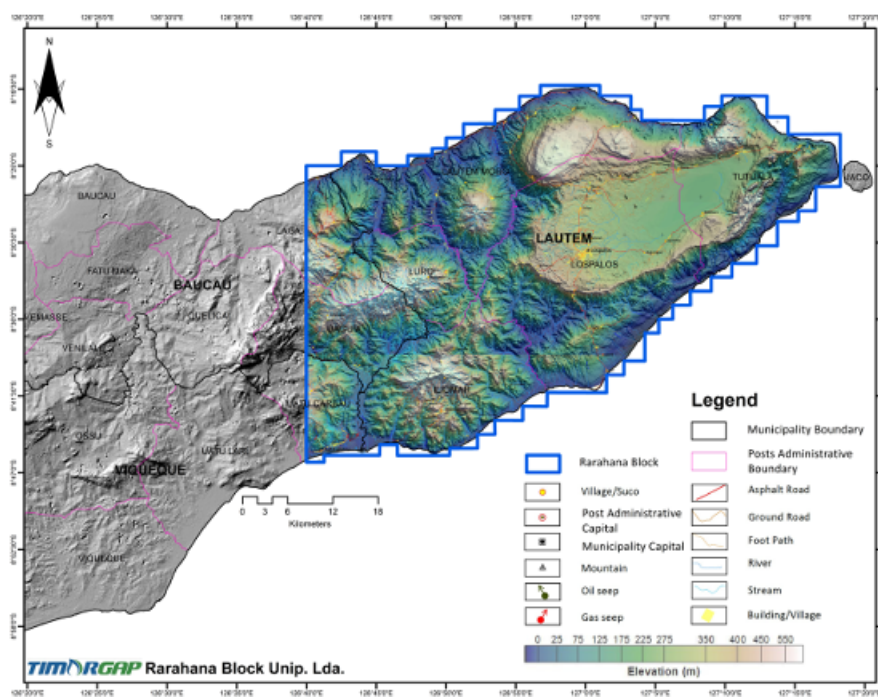


Figure 2.17: PSC TL-OT-22-18 (Block Rarahana) contract area

2.11. PSC TL-OT-22-22

The Block F petroleum exploration area, located in southeastern onshore Timor-Leste, was gazetted during the Second Petroleum Exploration Licensing Round conducted by the Autoridade Nacional do Petróleo (ANP, formerly ANPM) in 2022. The block was awarded to HTS Exploration Ltd in March 2024 under the designation PSC TL-OT-22-22.

TIMOR GAP PSC TL-OT-22-22 is a subsidiary of TIMOR GAP, E.P., established to partner with HTS Exploration Ltd in undertaking oil and gas activities within the PSC contract area. Between July and December 2024, the main activities focused on setting up the company and compiling technical information related to the geology and petroleum potential of PSC TL-OT-22-22.

On 29th October 2024, TIMOR GAP PSC TL-OT-22-22 held its first meeting with the Operator, HTS Exploration Ltd, to discuss TIMOR GAP's participation in the petroleum operations of the contract area and on 20th December 2024, TIMOR GAP PSC TL-OT-22-22 signed a Non-Disclosure Agreement (NDA) with the Operator, HTS Exploration Ltd, and the National Authority of Petroleum (ANP).

2.12. PSC TL-OT-22-23

After signing the Production Sharing Contract (PSC), TIMOR GAP Management took the initiative to conduct negotiations with ENI Management regarding share participation in the block. As a result of these discussions, it was concluded that TIMOR GAP Offshore Block P – PSC TL-SO-22-23 is a new subsidiary of TIMOR GAP, E.P., holding a 12.5% free carry interest up to first oil production. The remaining 87.5% interest is held by ENI, which serves as the Operator of the block.

PSC TL-SO-22-23 (Block P) is located in the southern waters of Timor-Leste, near the Greater Sunrise Field, approximately 270 km southeast of Dili and 381 km northeast of Darwin. The PSC was officially signed on 14 December 2023.

The PSC TL-SO-22-23 (Block P) covers an area of 4032 km² with a water depth of 50m to 350m (most of block ~70m apart from NW corner). Notably, there is no previous drilling within this block. Eni the Operator has carried out seismic interpretation and prospect identification in the Block. The trap type is stratigraphy pinch-out of excellent quality of Jurassic Sandstone. The Operator also identified Ramelau Prospect which is a combined structural stratigraphy trap on the flank of the Greater Sunrise-Troubadour High.

The Block P (PSC TL-SO-22-23 UL) is in a strategically significant area offshore Timor-Leste, where the water depth ranges between 70 and 200 meters, making it accessible for modern exploration and production techniques.

Comprehensive work activities reflect from June to December 2024. The key activities covered include administrative work, meetings and in-house technical assessments. In-house technical assessment involves the detailed data compilation of checkshot and VSP information from wells adjacent to Block P, as well as the assessment of available 2D seismic data. The Exploration and Development Unit through G&G Department successfully established a Petrel and tNavigator project to facilitate extensive geological and geophysical studies, including seismic well ties and interpretations.

In line with this development, the appointed Managing Director has collaborated closely with the TIMORGAP Legal team to compile and submit all necessary documents required for the registration of this new subsidiary with SERVER (Serviço de Registo e Verificação Empresarial).

2.13. Business Development and Provision of Services for Upstream

Business opportunities and services for the upstream sector are identified and managed by the New Venture Business (NVB) team. This team focuses on creating and tapping into business opportunities, forming partnerships with other upstream oil & gas and service companies, and providing upstream services through its subsidiaries, TIMOR GAP Seismic Services and TIMOR GAP Drilling & Services. These subsidiaries offer seismic and drilling-related services for both onshore and offshore upstream operations.

In 2024, activities focused primarily on evaluating blocks in Timor-Leste's territory, pursuing farm-in and farm-out opportunities, and providing services related to the upstream sector.

2.13.1. Farm-in and Farm-out Opportunities

NVB has engaged with several potential partners who have expressed interest in the TIMOR GAP Pualaca Block, as well as other existing blocks. The department also works closely with the Exploration and Development technical team, collaborating with technical consultants to support their efforts in technical aspects.

In addition, NVB continues to seek potential investors to support TIMOR GAP's exploration blocks through farm-in and farm-out activities. TIMOR GAP has approached and held discussions with various investors interested in oil and gas opportunities within Timor-Leste's onshore and offshore territories, including its exclusive area.

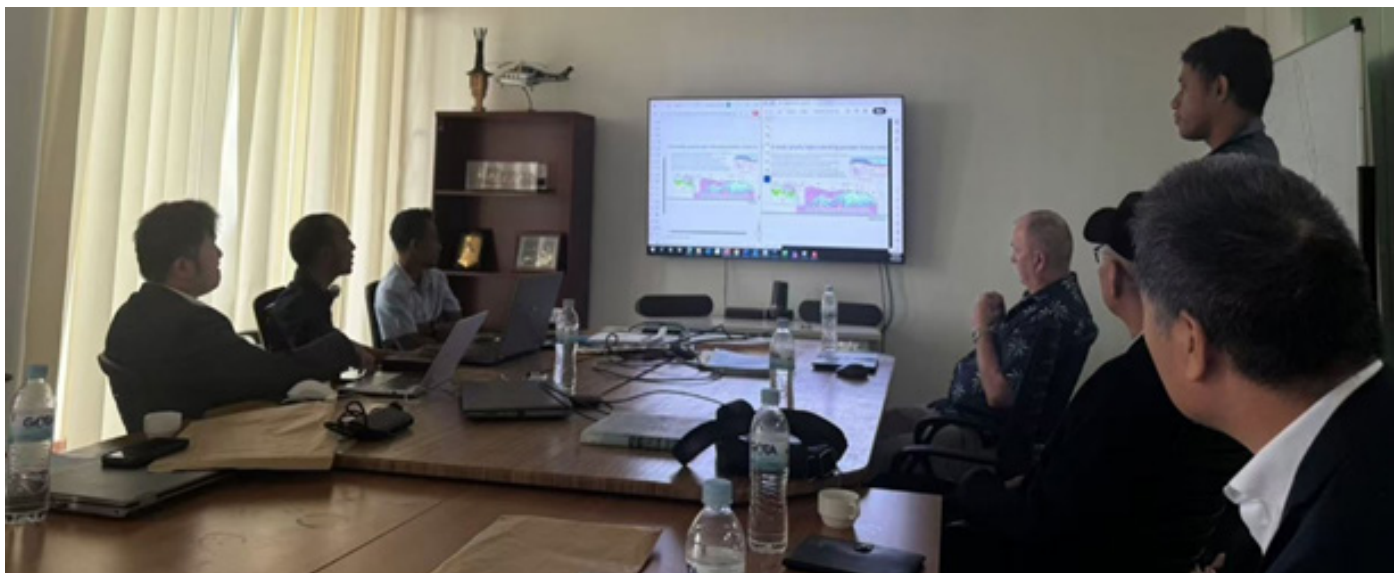


Figure 2.18: Exploration and Development – New Venture Team discussion

2.12.2. TIMOR GAP Seismic Services, Unipessoal, Lda.

Established in 2015, TIMOR GAP Seismic Services (TGSS) is jointly owned by TIMOR GAP (60%) and BGP Geopexplorer Pte, Ltd (40%), a subsidiary of China National Petroleum Corporation (CNPC), specializing in marine seismic services. TGSS was created through a Joint Venture Agreement signed in October 2015 by the two companies with the purpose of providing seismic survey services within Timor-Leste's territory and planning expansion to overseas projects. The main scope of TGSS is to perform 2D/3D seismic acquisition, processing, and, in the future, interpretation, while also providing training opportunities and technological development to its local staff through its international partners.

In 2024, TIMOR GAP Seismic Services (TGSS) continued its efforts to identify and evaluate potential seismic activities across both onshore and offshore areas of Timor-Leste. These efforts are vital for improving the country's subsurface knowledge and supporting future exploration and development initiatives. Throughout the year, TGSS maintained close communication and coordination with its strategic partner to ensure operational readiness and alignment in technical planning. In addition, TGSS engaged with potential collaborators, including PT BGP Indonesia and PT Elnusa Tbk, to explore joint opportunities in Timor-Leste—most notably the Pualaca Block seismic project, along with other prospective blocks under consideration for exploration. This proactive engagement is also part of TGSS's broader commitment to strengthening national geophysical capabilities and contributing to Timor-Leste's long-term energy independence and economic development.



Figure 2.19: Communication and discussion on potential seismic services

2.12.3. TIMOR GAP Drilling & Services, Unipessoal, Lda.

TIMOR GAP Drilling & Services (TGDS) is a wholly owned subsidiary of TIMOR-GAP, established in 2017. TGDS was created in response to the complexity, challenges, and operational demands of delivering upstream oil and gas services. Its core objective is to create, identify, and optimize commercial value through business opportunities, particularly by offering specialized services for drilling activities—ranging from exploration and development to production, abandonment, and other upstream operations.

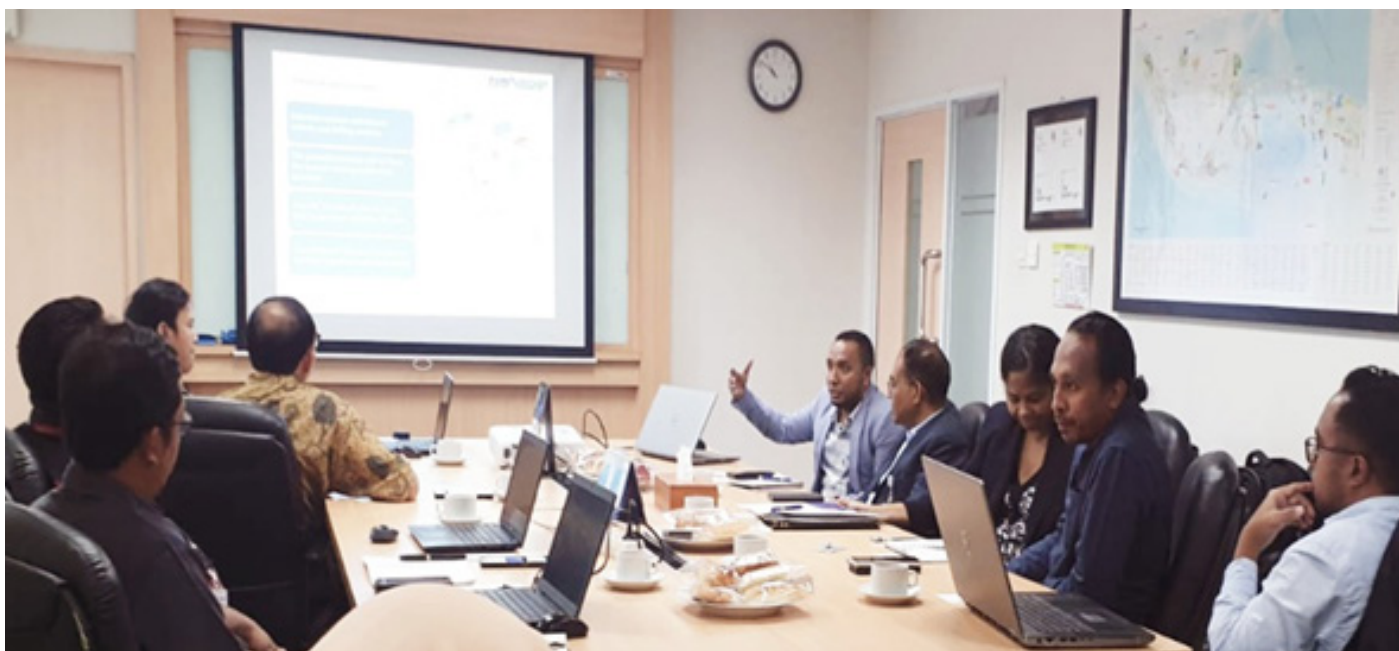


Figure 2.20: Communication and discussion with PT Elnusa Tbk on potential seismic services

In 2023 and early 2024, TGDS remained actively involved in the Bayu-Undan Decommissioning Project. In collaboration with experienced international partners, TGDS submitted several Expressions of Interest for services tendered by Santos. As a result of these efforts, TGDS, in cooperation with MMA Offshore Australia, was awarded the contract for Suspension Operations Package A (SoOps A), covering infield flushing and cleaning operations. This project was successfully delivered in April 2024.



Figure 2.21: SoOps A Project Kick-off for Vessel Mobilization to Bayu Undan Field for Decommissioning work

This type of engagement not only strengthened TGDS's technical capabilities but also demonstrated its growing capacity to contribute meaningfully to regional decommissioning efforts. Importantly, the project included the participation of Timor-Leste nationals, reinforcing TGDS's commitment to human resource development and local content enhancement.

In June 2024, TGDS officially changed its name to TIMOR GAP Drilling & Seismic Services (TGDSS) to formally incorporate seismic service capabilities under its structure combining their technical capabilities and strategic focus under one unified structure. This strategic rebranding reflects the company's broader mandate to deliver both drilling and seismic services in support of Timor-Leste's upstream sector, enhancing operational integration and aligning with TIMOR-GAP's long-term goals for energy sector development.

TGDSS is committed to delivering high-quality upstream oil and gas services that support the sustainable development of Timor-Leste's energy sector. Through continuous human resource development and strategic partnerships, TGDSS aims to build national capacity and strengthen local content across the industry.



3 DOWNSTREAM

Retail Business

Downstream Subsidiary Companies





3.1. Overview

Pursuant to TIMOR GAP's mandate, the company is entrusted with the execution of downstream commercial activities, including the fuel storage, refining, processing, importing, exporting, transporting, distributing, marketing and selling oil and its by-products, as well as natural gas and any other hydrocarbons.

In line with this mandate, TIMOR GAP has continued managing its existing retail services and operations, namely Suai Fuel Station (SFS) and Suai Aviation Fuel Facility (SAFF), while working towards expanding its retail business network nationwide to generate additional revenue and strengthen its brand in the national market.

Additionally, TIMOR GAP plans to conduct a study on the downstream business model, with a particular focus on a market analysis for Liquefied Petroleum Gas (LPG) bottling and lubricant products. This study aims to provide a comprehensive understanding of market dynamics and customer needs, equipping the company with key insights to develop a robust and strategic business plan for the successful implementation of both product lines over the next decade. The Downstream Business Unit plans to conduct in-house lubricant customer satisfaction surveys and engage a qualified consulting firm to carry out an LPG business case study in 2025. Both initiatives aim to support the introduction of TIMOR GAP's own Lubricant and LPG products to the Timor-Leste market.

TIMOR GAP also provides aviation, marine, and logistic services to the oil and gas industry through its subsidiaries WESTSTAR-GAP AVIATION, Lda., TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda., and South Horizon. The service provision remains a key focus for TIMOR GAP, which intends to actively expand these operations in the coming year.

3.2. Retail Businesses



Figure 3.1: Existing TIMOR GAP Fuel Station in Suai

3.2.1. Suai Fuel Station

TIMOR GAP operates a fuel station in Suai, Covalima Municipality, dedicated to providing a consistent and quality fuel supply, ensuring that the needs of its customers are met efficiently.

In 2024, Suai Fuel Station recorded a total sales volume of 191,701.329 liters, consisting of 74,541.176 liters of gasoline and 117,160.153 liters of diesel. This marks a 23% increase from the 2023 total of 155,960.254 liters.

Additionally, the station reported a total sales revenue of \$274,069.04, including \$104,186.82 from gasoline sales and \$169,882.22 from diesel sales. Consequently, sales revenue grew by 27% compared to the 2023 revenue of \$215,820.20.

Overall, over the three-year period from 2022 to 2024, the average annual growth rate for both sales revenue and sales volume is 22% and 24%, respectively.

TIMOR GAP performs regular fuel price analyses, adjusting the retail prices at Fuel Station, thus ensuring that Suai Fuel Station remains competitive and continues to meet customer expectations in a fluctuating market.

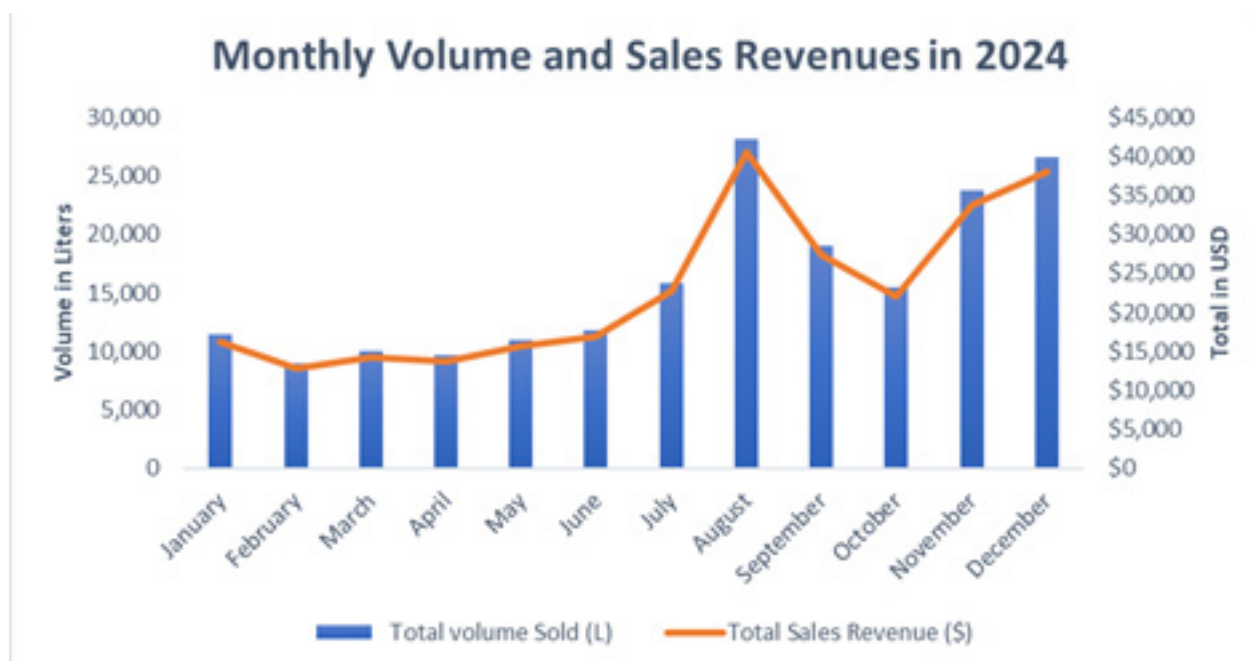


Figure 3.2: Total monthly volume and sales of Petroleum Products (Gasoline and Diesel) in 2024

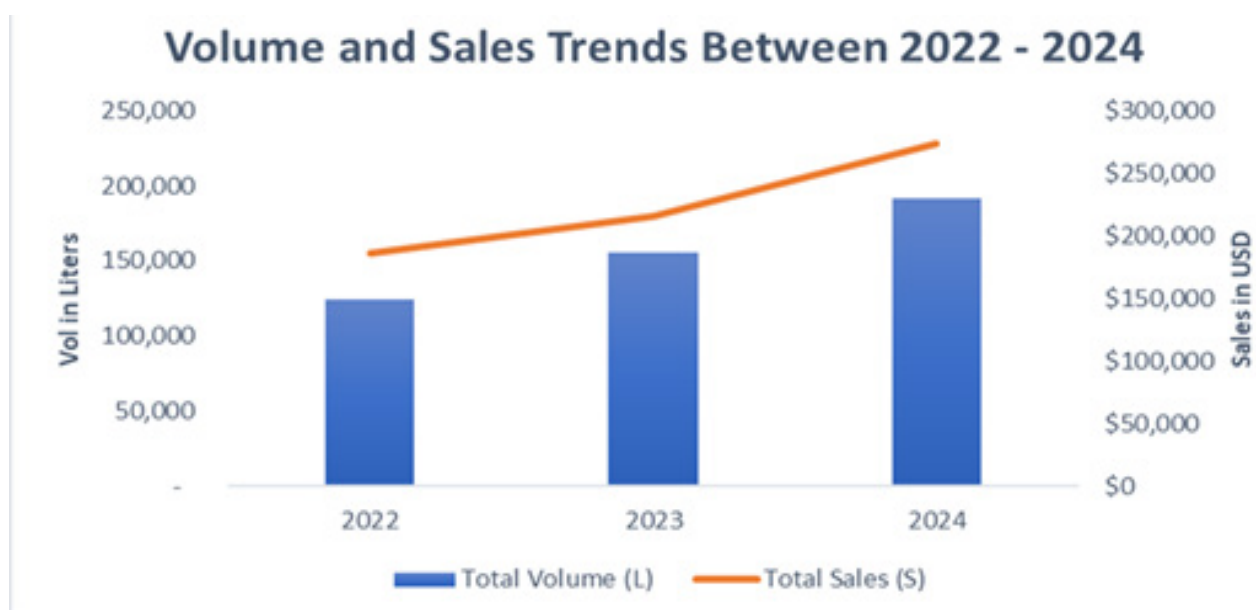


Figure 3.3: Total volume and sales trends between 2022 until 2024

In 2024, TIMOR GAP maintained brand loyalty by providing high-quality services and continued to supply fuel to its non-cash clients, such as Banco Nacional de Comércio de Timor-Leste (BNCTL) and CVTL (Cruz Vermelha de Timor-Leste) branch offices in Suai. In addition, TIMOR GAP also added new business clients including Moundias Fuel Unip.Lda and Labilay Unip.Lda. Besides meeting its target revenue, TIMOR GAP also intends to reduce operating costs by planning to procure two (2) petroleum road tankers. This would cut operational costs associated with renting third-party vehicles to transport fuel from Dili to Suai.

At Suai Fuel Station, safety remains a top priority. The station undergoes regular inspections by the regulatory authority, ANP, to ensure compliance with Standard Operational Procedures and applicable regulations. TIMOR GAP's commitment to enhancing our workforce's technical capabilities through continuous training reflects our dedication to employee development. As of 31 December 2024, our fuel station employed a locally recruited workforce of 12.

Our proactive approach, including rigorous inspections, diligent maintenance, and comprehensive employee training, led to a significant achievement in 2024: TIMOR GAP recorded zero incidents, exemplifying our unwavering commitment to safety.



Figure 3.4: Suai Fuel Station Staff

3.2.2. New Fuel Stations Development

TIMOR GAP plans to establish a strong presence in the national retail market by developing a comprehensive network of TIMOR GAP-branded retail stations across various locations. In line with this goal, the prototype design for the new fuel stations has been completed, incorporating additional non-fuel retail offerings such as convenience stores, car wash services, and LPG and Lubricant distribution network. This initiative aims to enhance revenue potential while expanding TIMOR GAP's customer base.

In 2024 and 2025, TIMOR GAP's priority program included establishing new fuel stations along the south coast region, specifically in Natarbora, a sub district of Manatuto Municipality and Betano, a village of Manufahi Municipality. These two (2) locations have been selected in anticipation of the increased fuel demand in the south coast region due to the potential development of petroleum infrastructure. The new fuel stations will be built to international standards and will feature a strong brand identity. These new facilities are expected to improve local access to fuel, foster economic growth through job creation, and generate income for TIMOR GAP.



Figure 3.5: New fuel station prototype design 3D

To ensure the successful execution of this goal, TIMOR GAP is preparing to launch various initiatives in 2024 and 2025, including detailed planning, research and studies, securing necessary licenses, and coordinating with local stakeholders.

As part of the implementation process, TIMOR GAP's Downstream Business Unit (DBU) team has identified a strategic location for future new fuel station in Natarbora in 2024. An agreement has been reached with landowners for the purchase of the land; however, the process remains pending due to the need for land ownership confirmation from the Land and Property Department and location approval from ANP. In addition to land identification, TIMOR GAP DBU team is currently drafting a feasibility study, which is expected to be completed by the second quarter of 2025. Once finalized, the site will be handed over to TIMOR GAP's infrastructure unit for tendering and construction.

Regarding future fuel station developments in Dili municipality, discussion and negotiations with other fuel retailers have been halted, as the company's focus is on establishing two (2) new fuel stations along the south coast to support the anticipated infrastructure projects on the south coast.



Figure 3.6: Localization Map of Future Construction of Fuel Station in Natarbora

3.2.3. Suai Aviation Fuel Facility

TIMOR GAP has expanded its retail services to the aviation sector through the ownership of a Jet A-1 depot facility, consisting of two fuel tanks with a capacity of 60kl each, designed to store and supply plane fuel to the Offshore Aviation Company based in the Suai Airport. The depot facility has been fully renovated in 2024 in line with the Government plans to relocate helicopter services from Dili to Suai. Repair and maintenance work including tank cleaning on the Jet A-1 tanks and piping was carried out by contractor TALFIQ ENGINEERING, PLT. Commissioning and testing have been completed, with Safe Helifuel and Santos assisting in the observation process. A few tools are pending installation upon arrival.

The facilities are now ready to support helicopter operations from Suai to the Bayu-Undan field, as well as future commercial flights. A bowser will be procured after the specification is approved by the relevant authority, with acquisition expected in the third or fourth quarter of next year.

Furthermore, TIMOR GAP has identified relevant courses and training for its staff, as they are crucial for daily operations. The first training session attended by staff was Jet A-1 fuel handling training, provided by Pertamina in Surabaya.



Figure 3.7: Maintenance of two (2) JET A1 storages in Suai Aviation Fuel Facility (SAFF)



Figure 3.8: TIMOR GAP Staff attending Basic Jet-A1 Fuel Handling at Pertamina Office in Surabaya, Indonesia.

3.3. Downstream Subsidiary Companies

3.3.1. TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda.

TIMOR GAP Oil & Gas Marine and Logistics is a wholly owned subsidiary of TIMOR GAP, established in 2014 to provide general services for the marine industry and to offer logistic and support services to the petroleum industry operating in the Timor Sea, Timor-Leste and beyond. The subsidiary is expected not only to manage but also to eventually own and operate supply vessels, tugboats, and other general marine services essential to the petroleum industry. No business activities were conducted in 2024 for this subsidiary.

3.3.2. South Horizon Offshore Services, Lda.

South Horizon Offshore Services, Lda. is a subsidiary of TIMOR GAP Oil & Gas Marine and Logistics, Lda., established in 2015 to provide support services to vessels and offshore facilities operating in the Timor Sea, own and operate offshore support vessels, and offer other services for the marine and oil & gas industries.

In 2024, South Horizon Unipessoal Lda successfully signed a Memorandum of Understanding (MOU) with Executive Offshore, a leading offshore vessel management company based in Singapore. This MOU enables South Horizon to participate in both Santos and Sunda Gas tendering process for the provision of vessel supply.

3.3.3. WESTSTAR-GAP AVIATION, Lda.

WESTSTAR-GAP Aviation, Lda. is a subsidiary established by TIMOR GAP through a joint venture with WESTSTAR AVIATION TIMOR, Unipessoal, Lda., an affiliate of the Indonesian aviation company PT. WESTSTAR AVIATION INDONESIA (PTWAI). The Joint Venture Agreement was signed on 19 September 2019, forming a company specialized in providing aviation transportation services, particularly for the offshore oil and gas industry. TIMOR GAP holds a 45% share in the subsidiary, while WESTSTAR AVIATION TIMOR, Unipessoal, Lda. owns 55%.

Since its establishment in 2019, WESTSTAR-GAP has managed to secure a service contract for one year, with the provision of an extension of six (6) + six (6) months from Santos in 2024 for the provision of helicopter services and medevac to support the Bayu-Undan Operation. Prior to Santos awarding the helicopter service contract, both Santos and ANP conducted a final inspection to ensure WESTSTAR-GAP's capabilities at WESTSTAR-GAP's head office in Kuala Lumpur, including its hangar facilities in Kerteh, Malaysia.



Figure 3.9: First arrival of one of the two helicopters (9M-WSV) approved for the operation as agreed in the contract. The helicopter arrived on 4/1/2025.

4 TASI MANE PROJECT

Suai Cluster
Natarbora Cluster





4.1. Tasi Mane Project Overview

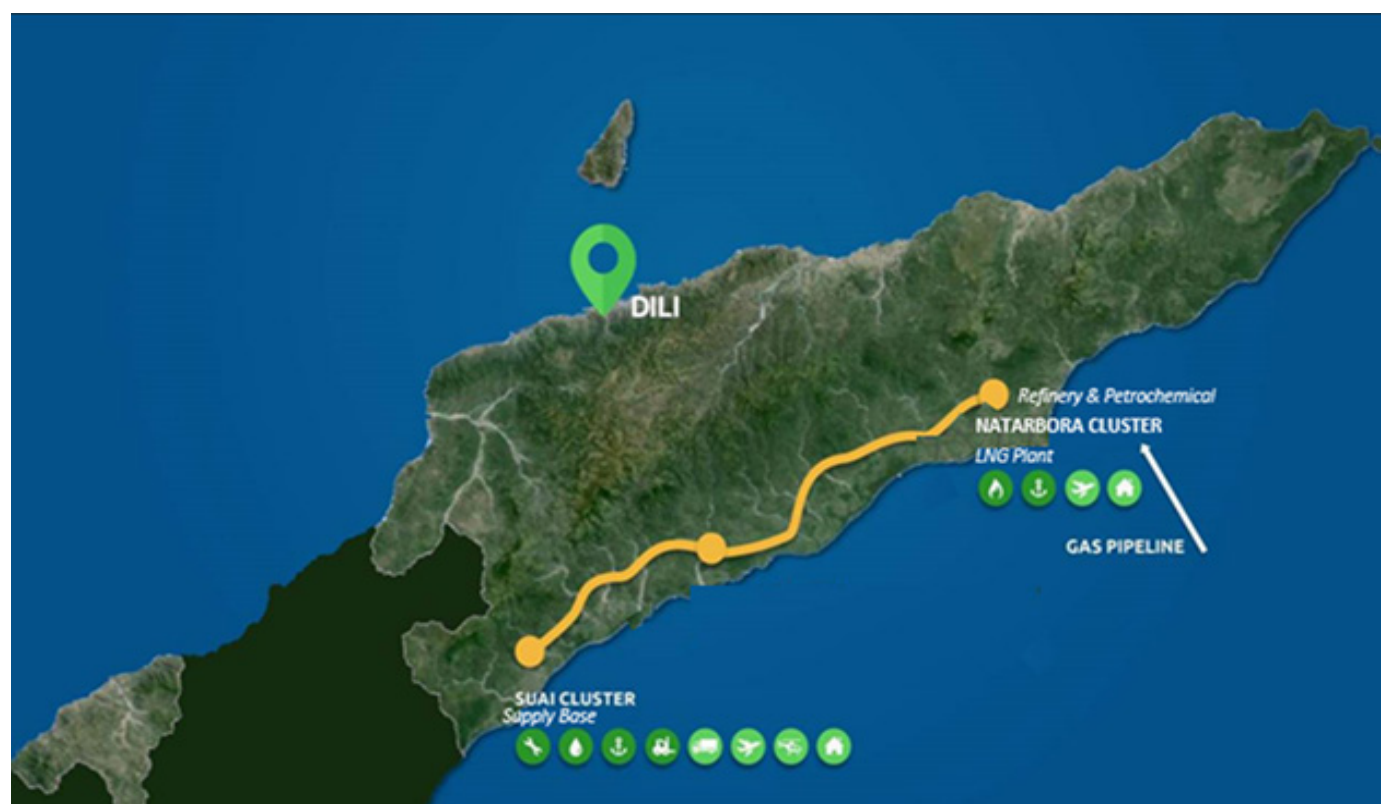


Figure 4.1: Map of the Tasi Mane Project and its industrial clusters

Tasi Mane is an essential project for Timor-Leste, envisioned in the Government's Strategic Development Plan 2011-2030, which identifies the careful management of the petroleum sector as a basis for the nation's sustainable development. Tasi Mane comprises the development of a national petroleum industry that will provide direct economic benefits from Timor-Leste's natural resources, including job creation in the oil sector as well as in related services and businesses. This mega project involves the establishment of core infrastructures on the south coast of the country and will contribute to the transformation of the country's economy based on the national petroleum industry with a dynamic private sector.

In 2023, the Government decided to restructure the Tasi Mane Project by consolidating it into two principal industrial clusters: the Suai Supply Base and the Natarbora Refinery, Petrochemical Industry, and Timor-Leste LNG.

The two clusters will be supported by infrastructure development, including the development of new towns in Suai and Betano to accommodate the workforce and the relocation of local residents, the upgrading of Suai Airport to support regional air transportation, and the construction of a highway connecting project sites along the south coast (Suai-Betano-Natarbora).

4.2. Suai Cluster

The Suai Cluster focuses on the Suai Supply Base, Airport, and Nova Suai. The Suai Supply Base is designated to be a logistics base for the petroleum industry's service center in Timor-Leste with the goal of supporting oil and gas activities both onshore and offshore. The supporting facility includes fabrication facilities, open yards, mini-shore bases, warehouses, and human resources development. The project is currently being revised in conjunction with the Timor-Leste government plan to optimize its benefits and capabilities.

The Suai Supply Base will envisage the outgrowth of the following:

- a). **Industrial state**, is intended to provide facilities for small and medium-sized local businesses to provide benefit from the infrastructure and transportation networking associated with the Suai Supply Base.

- b). **Nova Suai**, the new town is expected to establish a commercial business center, house up Supply Base staff, contractors and their families.
- c). **Suai Airport upgrade**, the existing Suai Airport, located in Holbelis, was already upgraded to cater for expanded passenger and freight services.

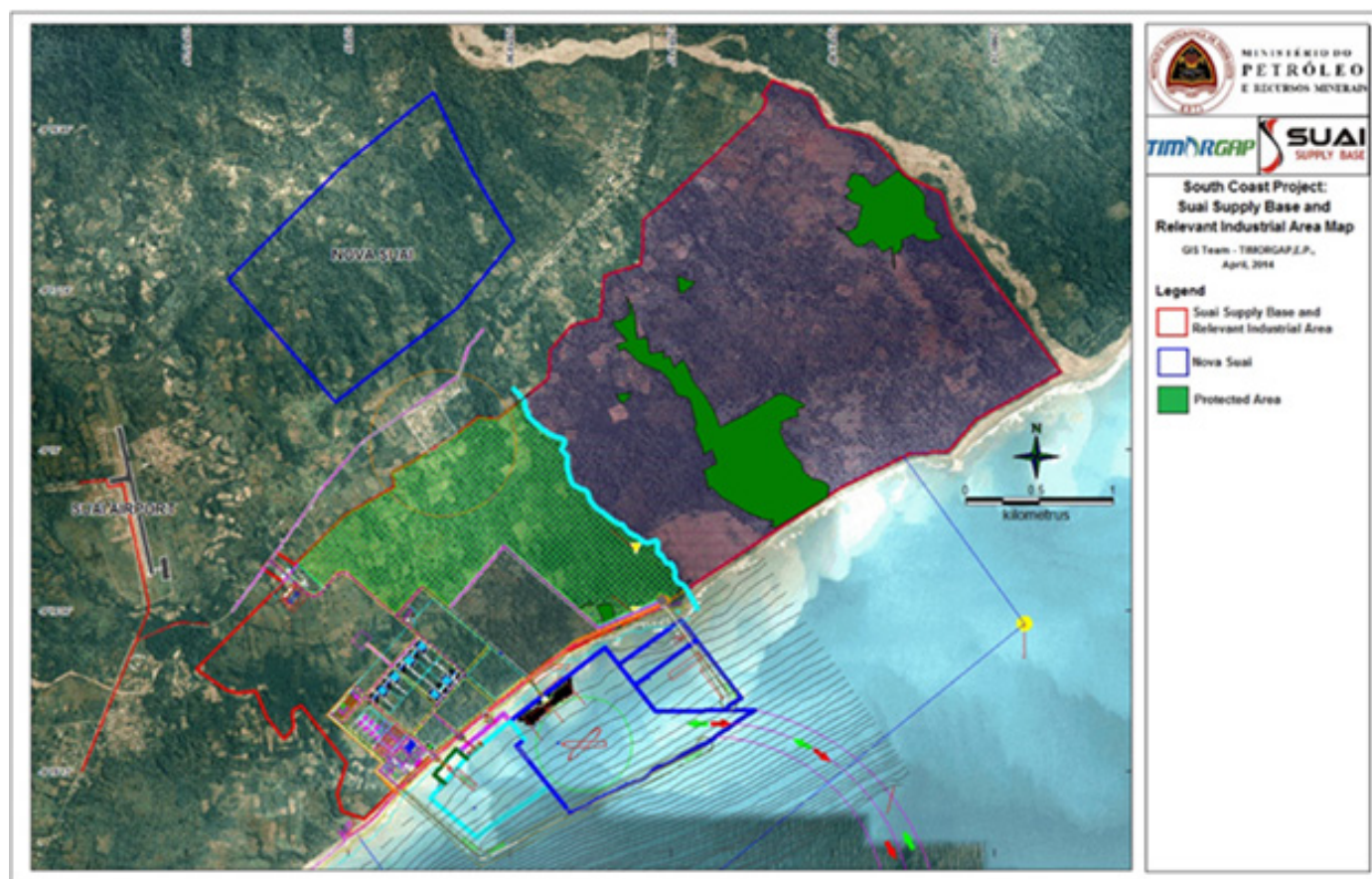


Figure 4.2: Map of Suai cluster designated area

4.2.1. Suai Supply Base (SSB)

4.2.1.1. Project Description and Status

The logistics marine supply base is located in Camenaça, Covalima District, approximately 135 km southwest of Dili, 22 km from the Indonesian border, and 5 km inland from the Timor Sea along the southern coastline. The supply base will support both offshore and onshore petroleum activities in Timor-Leste's Exclusive and Joint Petroleum Development Areas, as well as provide industrial logistics services. It will also serve as an entry point for materials required for the development of the other two planned clusters on the south coast, in Suai and Natarbora

In 2024, several activities were carried out in relation to the Suai Supply Base (SSB) Project, including the review and update of the Front-End Engineering Design (FEED), covering both land and marine facilities; the renewal of the Environmental Impact Assessment (EIA) license; and the commencement of the Physical Survey Campaign, which is expected to be completed in the first quarter of 2025.

Additionally, TIMOR GAP engaged Worley Consultant to conduct a comprehensive review of the SSB layout. As part of this engagement, the consultant successfully revised the layout to align with current project requirements and site conditions, prepared the necessary technical documentation including updated engineering drawings and specifications, and provided a revised cost estimate to support the project's future implementation and tendering process. These technical documents were finalized in 2024, positioning the project to proceed with a new tender process, expected to be launched in 2025 under a Design, Build, and Finance procurement modality.

The development and construction of SSB are contingent upon endorsement and decision by the Government. In collaboration with the Ministry of Justice, TIMOR GAP has acquired 414 hectares of land out of the total 1,113 hectares required for the project.

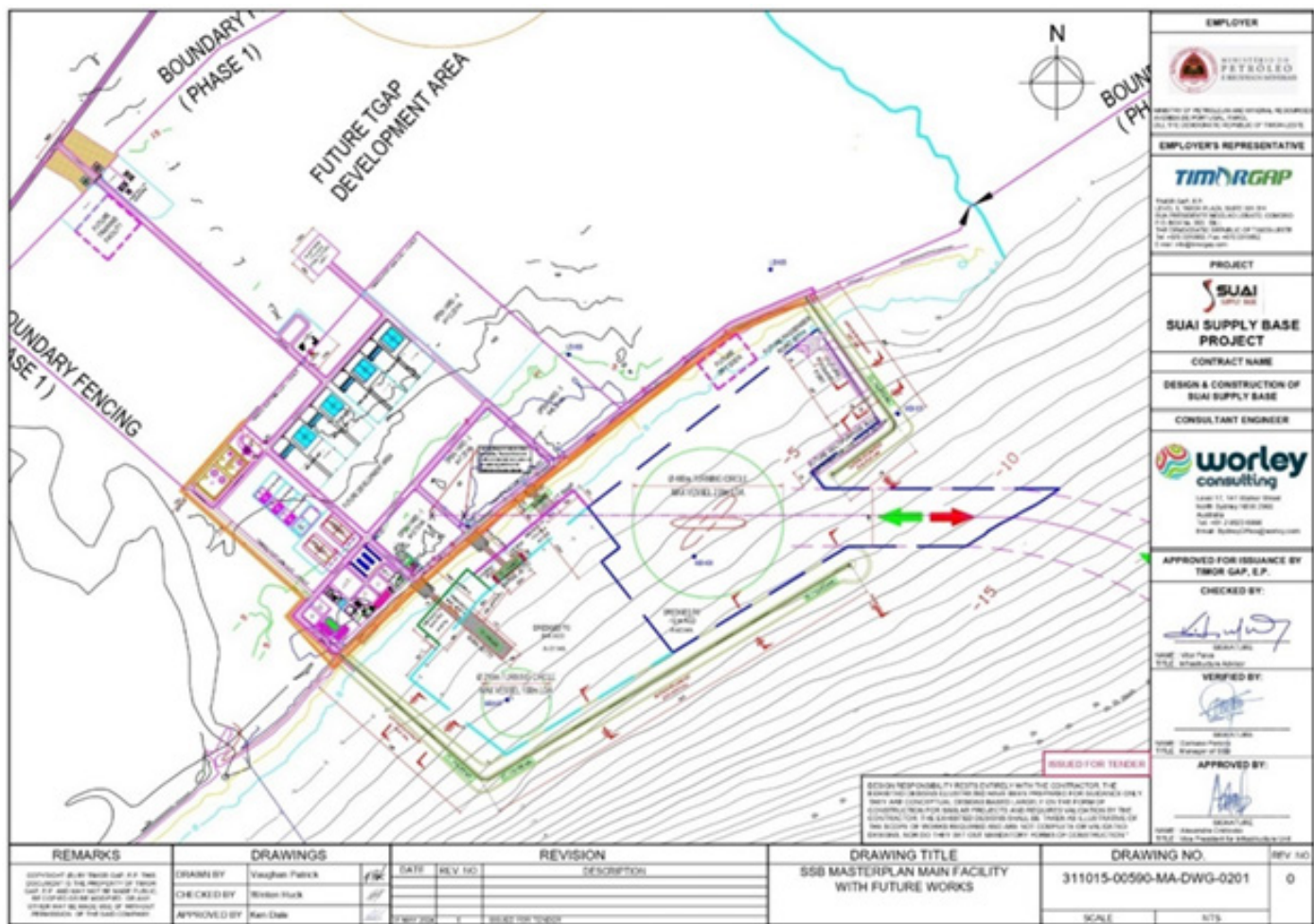


Figure 4.3: Map of Suai Supply Base revised layout with the breakwater optimization



Figure 4.4: Meeting held between H.E the Minister of Petroleum and Mineral Resources, MPMR Team and TIMOR GAP in Worley office in Sydney.

4.2.1.2. Suai Supply Base Physical Survey Campaign

The Suai Supply Base Physical Survey Campaign is a comprehensive initiative aimed at conducting onshore and offshore site investigations essential for the successful planning and development of the project. To ensure the effective execution of all required surveys and investigations, TIMOR GAP, in June 2024, awarded contracts to specialized survey companies: Hidrokinetik Technologies SDN BHD and a joint venture comprising PT GeoAce, PT Amythas, Lelo Engineering, and Mojes Enterprise.

The project aims to validate the initial design parameters and assumptions created as part of the final assessment and to support ongoing study work including design, planning, and costing activities for the proposed infrastructure (SSB) into Detailed Engineering Design (DED). The surveys were divided into 2 packs as detailed below:

1. The survey scope of package one (1) consists of:
 - a). Onshore topography survey – Topography, LiDAR survey and shoreline bathymetric contour
 - b). Onshore geophysics survey – MASW, Seismic Refraction and onshore residual magnetic
 - c). Offshore geophysics survey – Bathymetry, SBES, MBES, Full Analog (SSS, SBP), Gradiometry, Mini Gravity Coring & Grab Sampling and Magnetometer
 - d). Meteorology and Oceanography – Monitoring of wind's direction and velocity, rainfall intensity, temperature, tide, wave and current turbidity
 - e). Benthic Assessment
2. The survey scope of package two (2) consists of:
 - a). Onshore Geotechnical – Borehole drilling and SPT, CPT standard and Seismic, Test Pit and DCP
 - b). Offshore Geotechnical - Borehole drilling and SPT, CPT standard and Seismic

The physical survey activities commenced in July 2024. Most of the surveys have been completed, with only a few remaining activities expected to be finalized in 2025. The survey results have been incorporated into the tender package for the Suai Supply Base bidding documents. The tendering process is scheduled to begin in the first quarter of 2025.



Figure 4.5: Contract Signing Between Hidrokinetik Technology and TIMOR GAP for SSB Physical survey activity



Figure 4.6: Onshore physical survey activities for SSB project



Figure 4.7: SSB survey campaign for offshore Geotechnical data collection



Figure 4.8: Report of the Geophysical and Geotechnical Survey Reports included in the Tender Pack for the Suai Supply Base

4.2.2. Construction of Infrastructure Facilities to Support the Suai Airport Project

The Holbelis Suai Relocation Project involves the construction of community housing in Holbelis, Suai. This project is part of a broader initiative to support the development of the Suai Airport and surrounding infrastructure. It aims to resettle the local community into new housing facilities to improve their living conditions and support regional development.

In 2024, the Ministry of Petroleum and Mineral Resources, through TIMOR GAP, launched the Holbelis Community House Resettlement Project through a procurement process. The construction contract was awarded to CHL Timor Unipessoal Lda, with DETILE appointed as the construction supervision consultant.

The new resettlement area will consist of a total of 62 houses, one unit with four bedrooms and 61 units with three bedrooms, each equipped with an external kitchen and bathroom. The community will also benefit from the construction of additional public facilities, including a chapel, a kindergarten, local market facilities, a community center, and sports facilities such as a futsal field. Furthermore, the area will be equipped with essential infrastructure and utilities, including a drainage system, embankment, electrical and water supply systems, and a concrete-paved access road.

The design of the Holbelis community houses was completed in 2023 by DETILE, the appointed design consultant. The Detailed Engineering Design (DED) was subsequently approved by the National Development Agency (Agência de Desenvolvimento Nacional, ADN). The design incorporates engineering standards from the existing Lohorai community housing project and includes a local content training program to promote community involvement and build local capacity.

The project is scheduled for completion in two phases by 2026. The first phase, comprising 23 houses, is expected to be completed by July 2025 in response to the Suai Airport Authority's request to support airport operations. The second phase, consisting of 37 houses, is expected to be completed and handed over in the third quarter of 2026.



Figure 4.9: New design for the Holbelis Resettlement houses



Figure 4.10: Onsite Construction activities

4.2.3. Review and Elaboration of Highway Road from Suai to Natarbora

The Timor-Leste South Coast Highway Project is a key infrastructure initiative aimed at enhancing connectivity and supporting economic development in the region. This project is part of the broader Tasi Mane Project, which focuses on developing the oil and gas sector along the south coast of Timor-Leste.

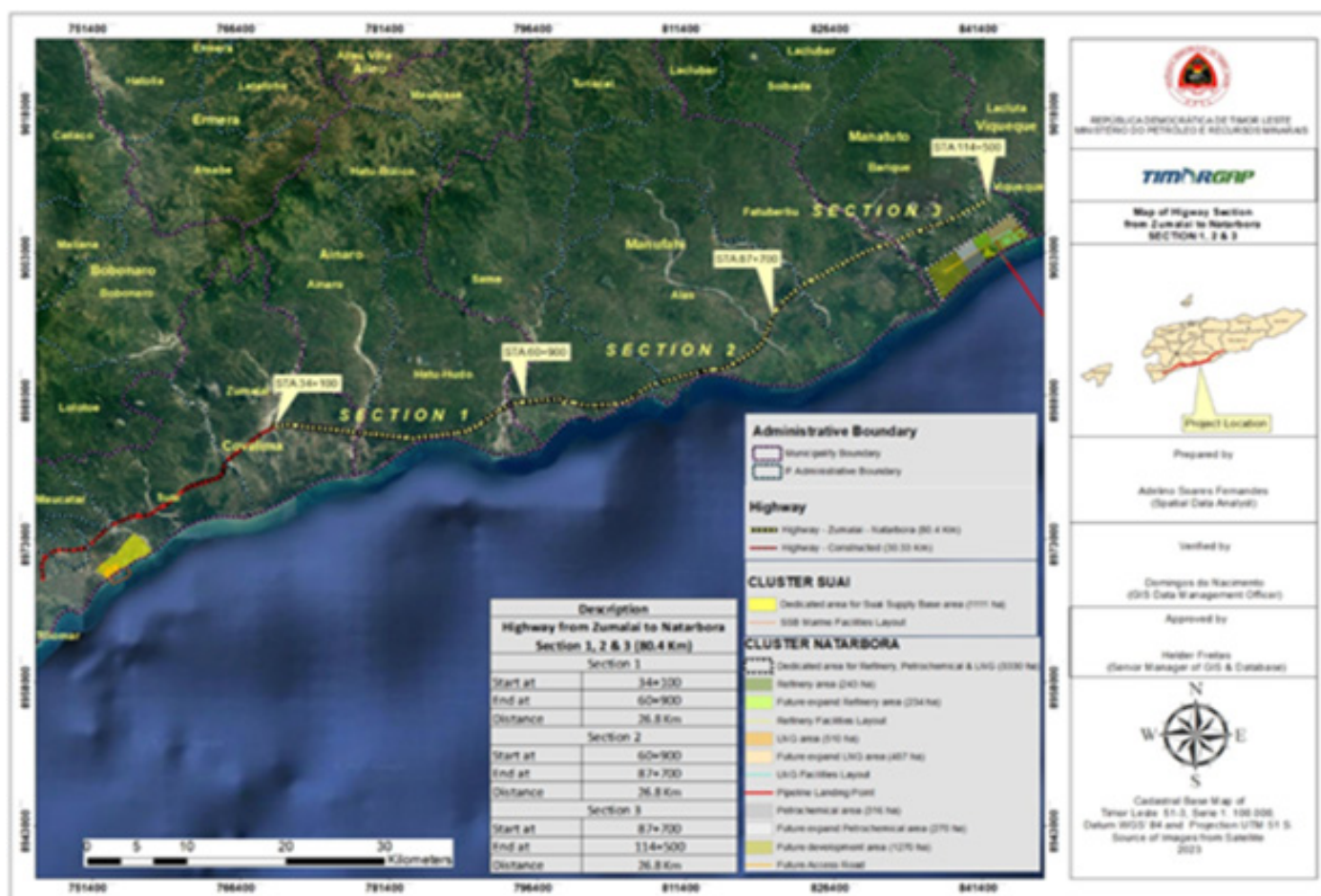


Figure 4.11: Map of New route alignment of South Coast Highway

In 2010, the Government of Timor-Leste commissioned PT. Virama Karya, in association with Multi-Arch LDA, to undertake the Detailed Design and prepare the complete bid package for international competitive bidding for the highway road connecting Suai to Betano and Beaço. The Detailed Design was finalized in 2014, which subsequently led to the commencement of construction on the first section of the highway, covering a total length of 30.355 kilometers from STA. 3+920 to STA. 34+273, between Suai and Zumalai.

In alignment with the Government's decision regarding changes to the South Coast development cluster, TIMOR GAP undertook a series of preparatory activities in 2024 to accommodate the revised plans. These activities included a geohazard assessment of the highway, an evaluation of potential new routes, and a realignment study. Subsequently, TIMOR GAP re-engaged PT. Virama Karya to carry out the realignment of the South Coast Highway, with two primary scopes of work. First, the development of an updated alignment design for the highway, segmented into three (3) sections: Section 1- from STA 34+155 to STA 59+767; Section 2- from STA 59+767 to STA 85+259; and Section 3- from STA 85+259 to STA 110+787. Second, review and update the entire set of procurement documents for the new highway alignment, setting the foundation for the subsequent engineering and construction phases.



Figure 4.12: kick off Meeting with PT. Virama Karya in Jakarta, Indonesia

The design activities commenced in June 2024 and were concluded in December 2024. The final design and the revised tender documents were subsequently submitted to the Ministry of Petroleum and Mineral Resources (MPRM) to initiate the bidding process for the design, build, and finance, which is planned to commence in 2025. In addition to the realignment design, TIMOR GAP also worked closely with Instituto de Geociências de Timor-Leste (IGTL) to assess both the existing highway and the proposed new alignment. This assessment aimed to identify potential geohazards and to gather critical information to support planned maintenance works on the existing highway section, which are scheduled for implementation in 2025.



Figure 4.13: Site Visit with H.E Minister of Petroleum and Minerals to Existing Highway section in Suai

4.3. Natarbora Cluster

In accordance with the program of the IX Constitutional Government, both the Refinery & Petrochemical Industry, initially planned to be built in Betano, and the Timor LNG, previously planned for Beaçó, have been reevaluated and consolidated in one single industry hub, which will now be located in Natarbora. This strategic consolidation will enable a more integrated and efficient development process, streamline operations and foster synergies between the two projects.

In 2024, most of the engineering and technical studies were handled by the MPRM with necessary support from TIMOR GAP from time to time.

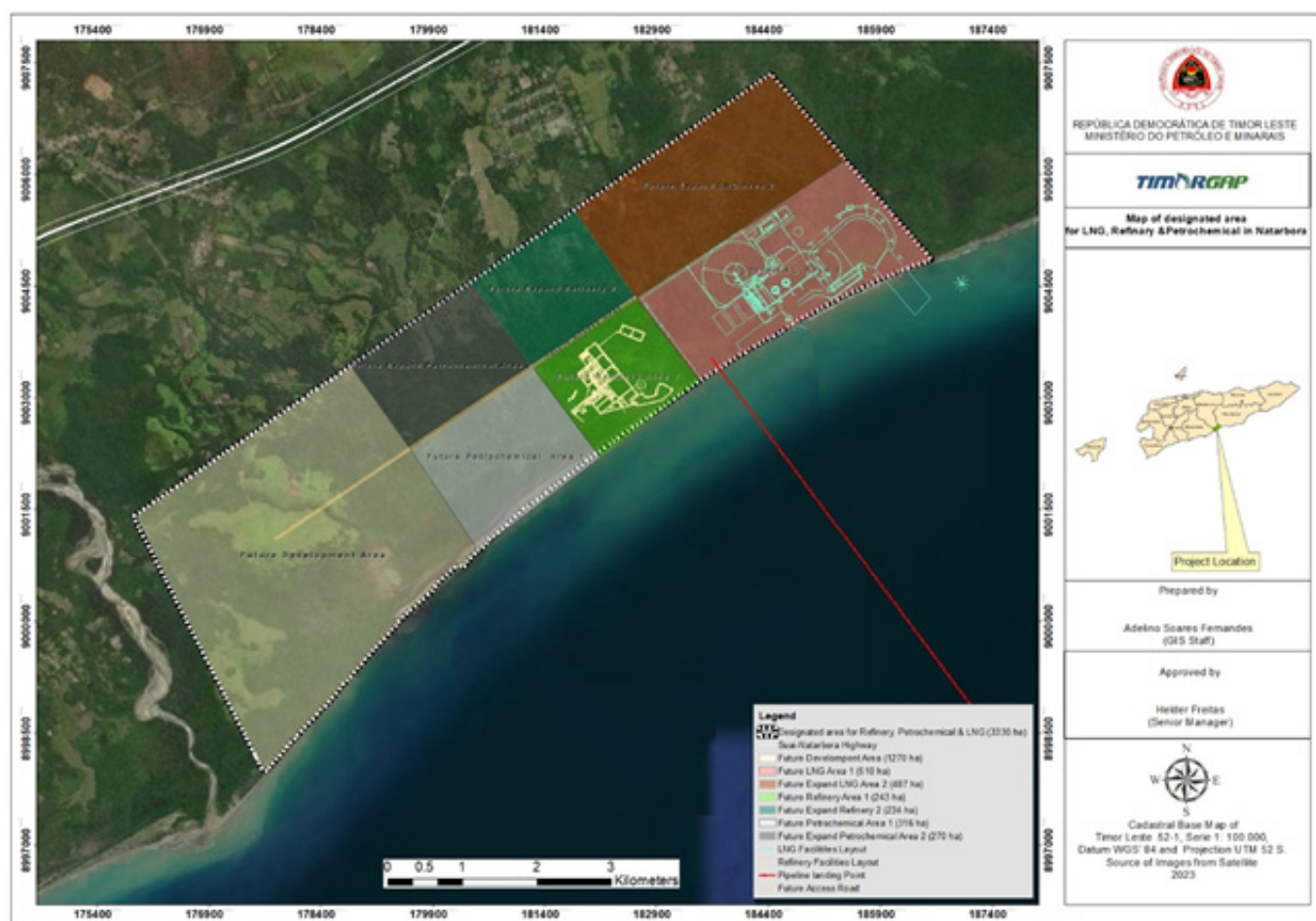


Figure 4.14: Map of the designated area for LNG, Refinery & Petrochemical in Natarbora



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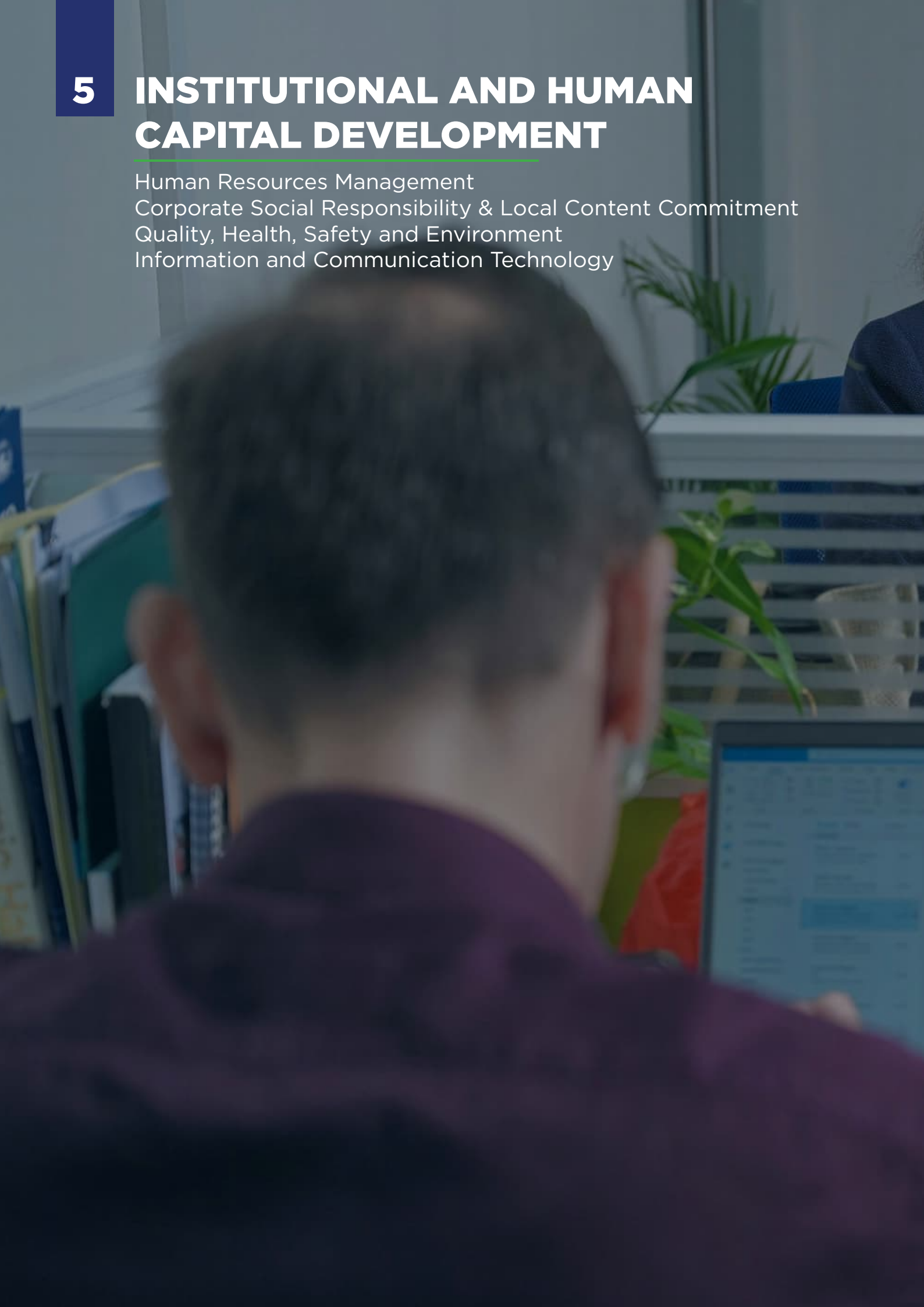
INSTITUTIONAL AND HUMAN CAPITAL DEVELOPMENT

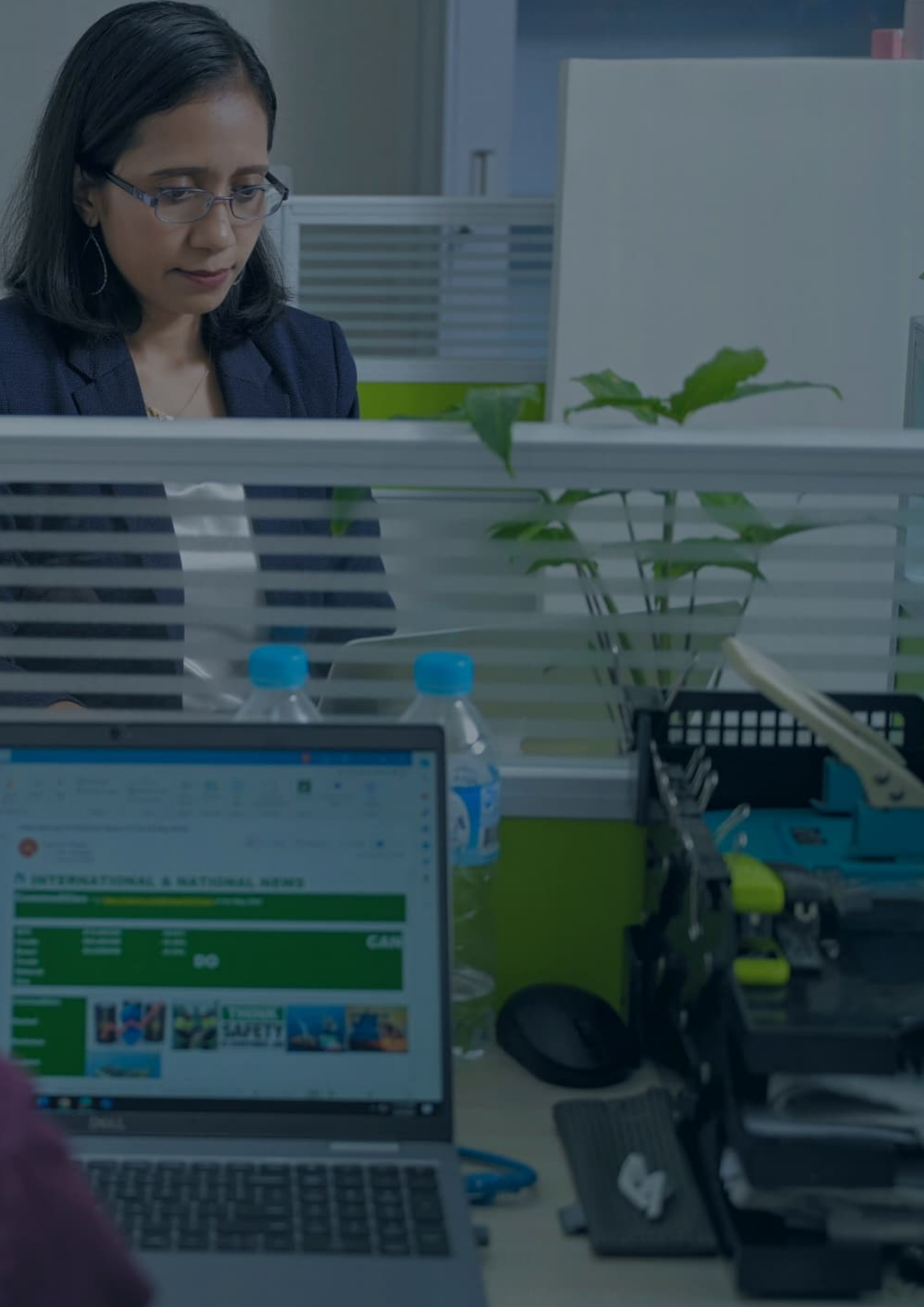
Human Resources Management

Corporate Social Responsibility & Local Content Commitment

Quality, Health, Safety and Environment

Information and Communication Technology





5.1. Overview

Over the years, TIMOR GAP has committed to continuous investment in both the institutional capabilities and the professional development of its workforce. This strategic focus has laid a strong foundation, enabling the company to successfully navigate the complexities of recent challenges and changes while remaining steadfast in its commitment to achieving its strategic objectives.

In 2024, TIMOR GAP reaffirmed its belief in the value of human capital as a key driver of success. The company invested in and prioritized the development and training needs of its employees, offering a range of training and courses at both domestic and international levels. Additionally, TIMOR GAP provides study leave for employees pursuing higher education, further cementing our commitment to nurturing our talent pool.

Our dedication to Quality, Safety, Health, and Environment (QSHE) reflects our unwavering commitment to upholding the highest operational standards. Throughout 2024, the QSHE department diligently carried out routine checks and supported the company's operations and projects. This included addressing findings from both internal and external QSHE annual audits, reinforcing our commitment to excellence and safety across all components of our operations. We actively encourage all employees to adopt these standards and participate in related activities.

Information and Communication Technology (ICT) is the technological backbone that supports our operations and strategic initiatives. In an era where digital transformation is pivotal, our ICT & Data Management team focused on the continuous improvement of the entire ICT system, identifying issues and risks and successfully implementing strategies for planning, mitigation, and risk minimization. Concurrently, the ICT team made ongoing improvements to the system in accordance with the Integrated IMS standard to support overall ICT and Data Management activities.

TIMORGAP continues to prioritize impactful Corporate Social Responsibility (CSR) initiatives aimed at advancing sustainable development, driving economic growth, and supporting social progress. In 2024, our CSR efforts centered around three main pillars: Environmental Sustainability, Economic Growth, and Social Development. These efforts underscore our commitment to generating lasting value for communities, encouraging responsible business practices, and strengthening engagement with our stakeholders.

5.2. Human Resources Management

We believe that our employees are our most valuable asset and the key driver behind our success. This belief guides our approach to investing in our employees through comprehensive recruitment, targeted development programs, continuous learning opportunities, and a nurturing work environment that encourages teamwork and professional growth. By prioritizing the well-being and development of our staff, we aim to not only enhance their individual competencies but also foster a culture of excellence and dedication that permeates the entire organization.

In line with the above, we have implemented a comprehensive human resources strategy that heavily focuses on the development of our employees' competencies and knowledge, by providing training, courses, and capacity-building opportunities for all employees. This year, TIMOR GAP continued to provide training and courses, both domestically and abroad, in several areas of expertise, designed to equip participants with the skills and knowledge needed to succeed and thrive in their respective fields.

In addition to the extensive training programs provided by TIMOR GAP, we also recognize and highly encourage our employees to pursue higher education. We offer our employees the opportunity to take study leave for the duration of their studies, should they be awarded prestigious scholarships from foreign governments. The company is committed to providing its employees with job security during their studies, while they invest in their professional development and future contributions to the company.

Our human resources strategy is guided by robust and thorough policies and procedures, which we are committed to continually enhancing and refining. In line with this, the first amendment to the Career Development Regime & Pathways Policy and Procedures was approved by the Board of Directors in 2023. This amendment lays down the rules on careers and professional advancement of employees working at TIMOR GAP under an employment contract, reflecting the new demands of the company's organizational structure.

5.2.1. Employees

As of 31 December 2024, TIMOR GAP reported a total workforce of 162 individuals, with a gender breakdown of 53 female (33%) and 109 male (67%). We anticipate a strategic increase in our workforce over the coming years to support and facilitate the company's planned expansion and growth. This vision, set forth by new management and embodied in the new organizational structure, aims to enhance both our upstream and downstream business portfolios, prepare and implement key projects along the south coast and strengthen our back-office operations to improve support for our core functions.

As a State-owned company, TIMOR GAP predominantly employs local talent to drive its operations and contribute to the development of Timor-Leste's oil and gas sector. Among our 162 employees, only 8 are expatriates, comprising of 6 males and 2 females. Our national workforce is a blend of experienced professionals and recent graduates, boasting a range of skill sets and expertise, many of whom are highly qualified with Master's and Bachelor's degrees in various business and technical fields. In fact, 85% of our employees hold a higher education degree or are currently pursuing one.

We also recognize the importance of knowledge transfer and experience enhancement for future professionals, and thus TIMOR GAP has established a Graduate Internship Program (GIP) aimed at providing final year and new graduates with an opportunity to gain practical experience and further knowledge in the oil and gas sector. In this year, TIMOR GAP received a total of 6 graduate interns, allocated to Government Relations & Stakeholder Engagement Unit, Human Resource Development & Admin Support Unit, Research, Development and Services Unit, and QHSE.

Beyond our headquarters, TIMOR GAP also employs staff in its projects developed in the field, such as our Tasi Mane Project staff based in Suai, and TIMOR GAP's Jet Fuel Depot at Suai Airport and Fuel Station in Suai, Covalima. In these projects, we prioritize the recruitment of local staff whenever possible, and, as of 31 December 2024, we employed a total combined of 15 local staff members. In addition, TIMOR GAP employs 2 local staff members in Betano, Manufahi, to liaise with the local community in the project area previously designated for the Refinery and Petrochemical Project. By investing in national talent and promoting local content, TIMOR GAP is playing a crucial role in the socio-economic development of Timor-Leste, providing valuable employment opportunities and fostering the growth of industry-specific skills among the Timorese population.

Educational Background Based on Gender

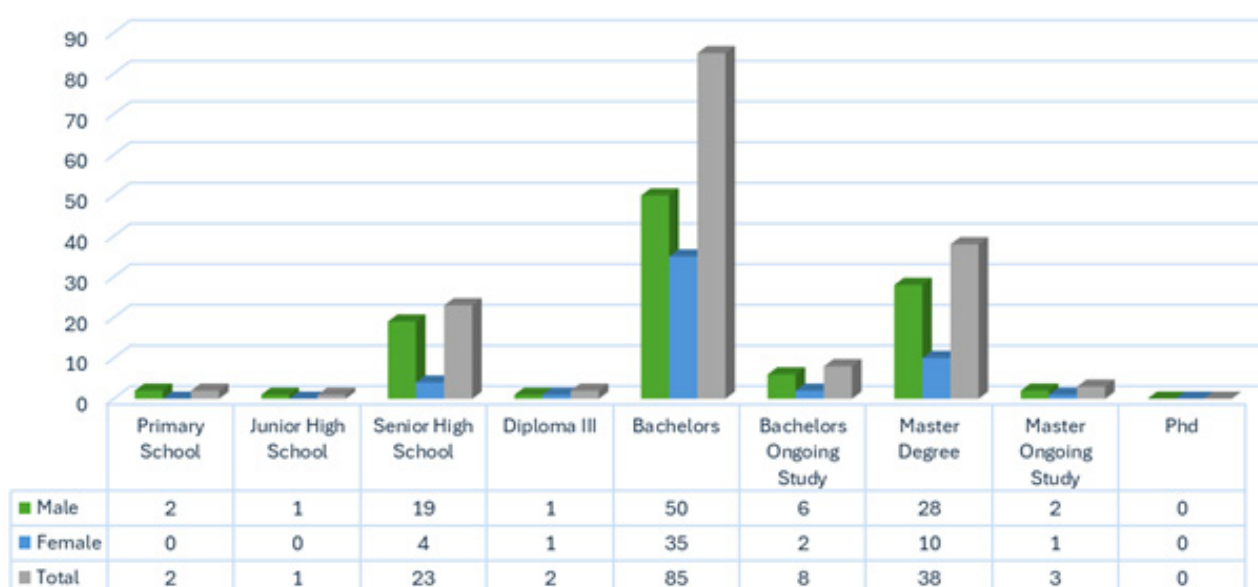
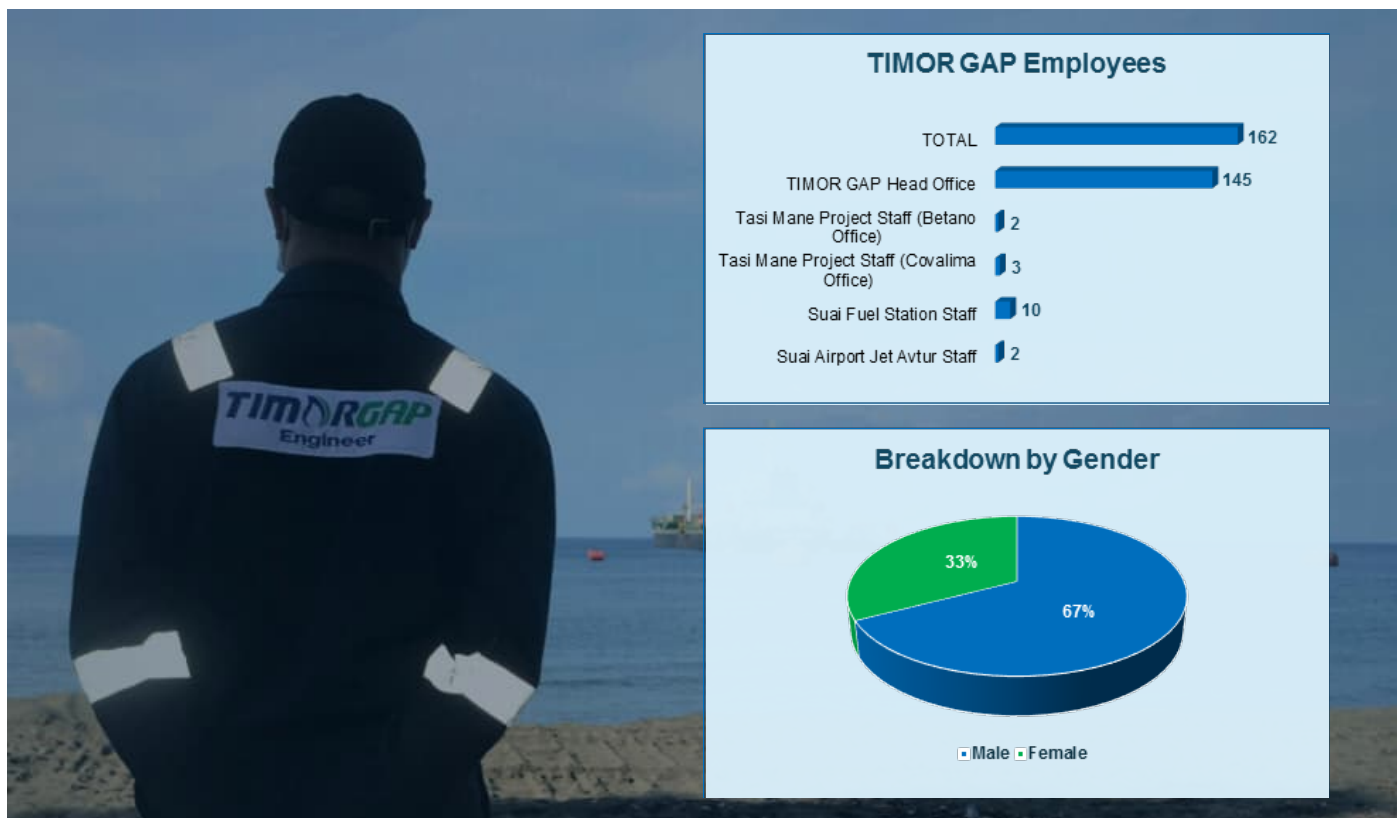


Figure 5.1: TIMOR GAP's employees educational background based on gender



Breakdown by National & International Staff

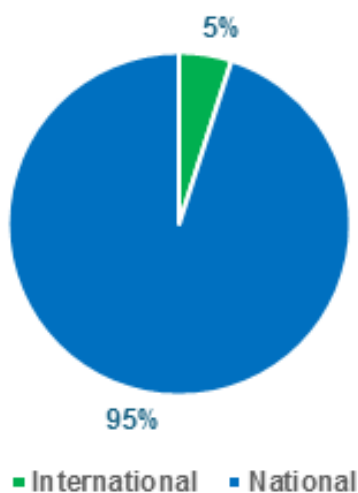


Figure 5.2: TIMOR GAP employee during the fuel supply operation in Betano (background picture); (from top to bottom): TIMOR GAP employees overview, breakdown by gender and breakdown by national & international staff

5.2.2. Development and Training

Our employees are the key to TIMOR GAP's success, and it is essential that we equip them with the necessary tools, skills, and knowledge to achieve the company's objectives. Recognizing the importance of continued professional development, we are committed to investing in our staff. Since our establishment, we have offered a range of training courses, workshops, conferences, and secondments to facilitate our employees' growth and ensure they stay abreast of the latest developments in the oil and gas industry. By providing these opportunities, we affirm our commitment to preparing our staff to meet the challenges ahead effectively.

In 2024, TIMOR GAP employees had the opportunity to participate in a variety of training programs, both nationally and internationally, including workshops and conferences, as detailed below.

5.2.2.1. Courses and Training

In 2024, TIMOR GAP staff actively participated in a range of overseas training programs, enhancing their expertise across various disciplines including HR, quality management, environment, SAP, data science, leadership, communication, CSR, and local content management. The following outlines the details of the training programs attended.

- a). HR Leadership – Best Practice HR Management Training: one HRD staff completed this seven-day training course provided by TRANZ Training & Consultant in Jakarta, Indonesia.
- b). International Financial Reporting Standards: eight Finance & Commercial staff completed this eight-day training course in Kuala Lumpur, Malaysia.
- c). Conducting Due Diligence for Drone Lidar Equipment & Attending Data Acquisition & Data Processing: four GIS staff completed this three-day training course in Jakarta, Indonesia.
- d). Lead Auditor: eight TIMOR GAP staff from various units completed this five-day course provided by SGS Academic in Jakarta, Indonesia.
- e). Environment Training: five TIMOR GAP staff from various units completed this eleven-day training course provided by Alam Sekitar Malaysia in Kuala Lumpur, Malaysia.
- f). SAP Training: Twenty-two employees took part in this twelve-day training course provided by PT. Trainocate Network Indonesia in Jakarta, Indonesia.
- g). Petroleum Data Management & Fundamental Data Science Training: two E&D staff completed this five day training course provided by NobleProg in Jakarta, Indonesia.
- h). The Frontline Leader Training: two E&D staff completed this seven-day training course provided by Australian Institute of Management in Perth, Australia.
- i). Communication Skill, Lobbying & Negotiation Skill in Relation to Community Liaison Duties, and Logistics & Supply Chain Management Training: five GRSE staff completed this ten-day course provided by PMC Training & Consultant in Jogjakarta, Indonesia.
- j). CSR – Integrating Sustainability for Future Growth Training: one GRSE staff attended this five-day course provided by Glomacs in Lisbon, Portugal.
- k). Local Content Management in the Oil and Gas Industry Training: one GRSE staff attended this five-day course provided by London Premier Centre in London, United Kingdom.
- l). Asset Management, Finance & Warehouse: three Logistics staff completed this five-day training course provided by PMC Training & Consultant in Jakarta, Indonesia.
- m). Creative Administrator & Excellent Communication Skill: two Pualaca Onshore Block staff completed this twelve-day training course provided by PMC Performa Mandiri Creativa in Bali, Indonesia.

5.2.2.2. Workshops and Conferences

In 2024, TIMOR GAP participated in several prominent conferences and exhibitions as listed below.

- a). Australia Oil and Gas (AOG) Conference & Exhibition and Timor-Leste Energy Networking Cocktail in Perth, Australia.
- b). Australian Petroleum Production and Exploration Association (APPEA) or Australia Energy Producers (AEP) Conference and Exhibition in Perth, Australia.
- c). SLB Digital Forum in Monaco.
- d). Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) in Abu Dhabi, United Arab Emirates.

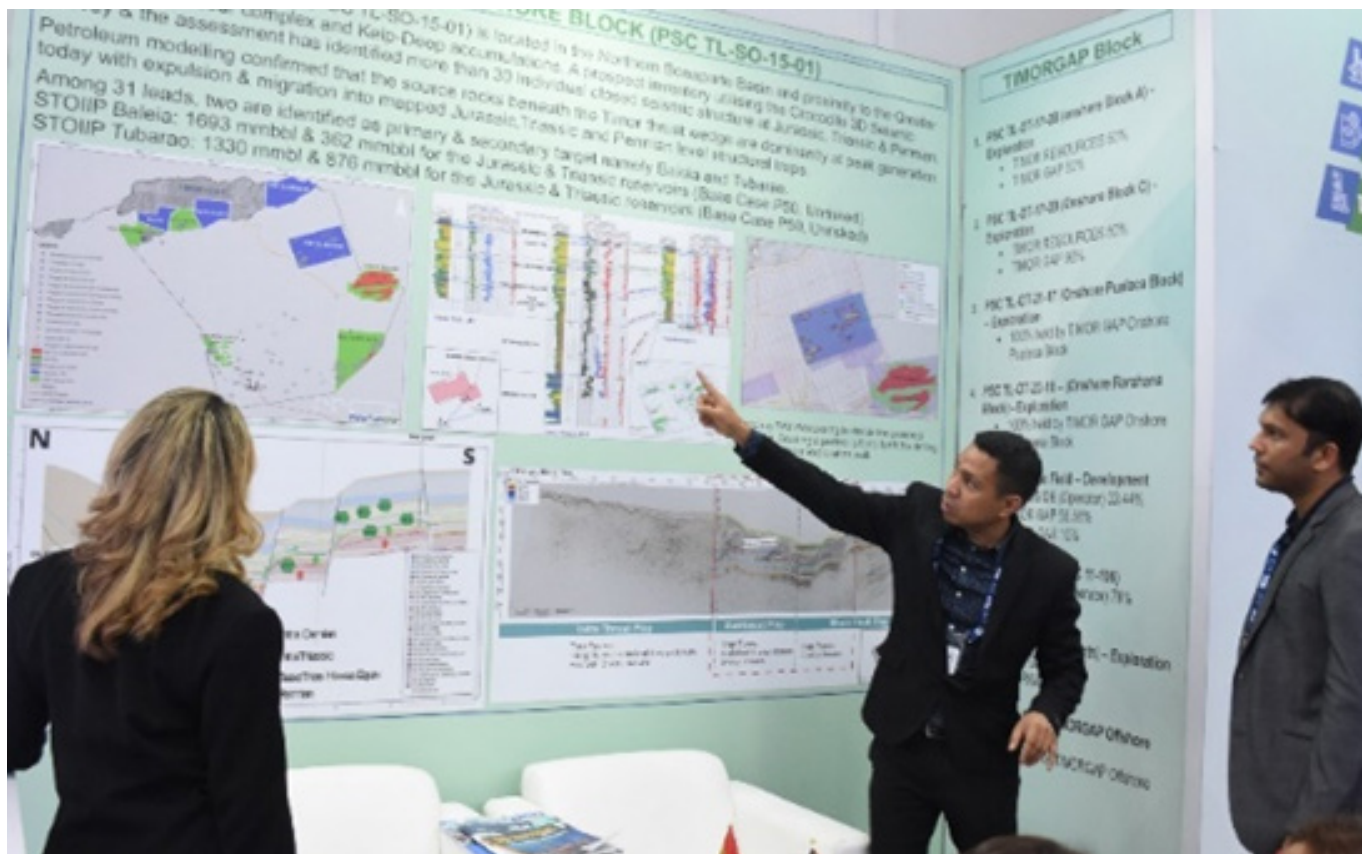


Figure 5.3: TIMOR GAP participation in Conference and Exhibition

5.2.2.3. Study Leave

In addition to the opportunities provided by the company, our internal training and development policies also support employees interested in pursuing higher education through prestigious scholarships awarded by foreign governments by offering study leave. In these instances, we ensure job security for our employees as they invest in their professional development, contributing to the future growth of the company. We take pride in acknowledging our employees' efforts to achieve their academic goals and believe that granting study leave for the duration of their studies represents an invaluable investment in their future.

In 2024, one employee rejoined the company after completing a Master of Business Administration in Energy Futures (Oil & Gas) at Curtin University, Perth, Australia. Additionally, this year, four staff members are furthering their education with academic scholarships at prestigious universities in Australia, Japan, and USA expanding their knowledge in the following higher degree programs:

- Master of Energy Geoscience at University of Western Australia, Australia, under the Australian Awards Scholarship Program
- Master of Engineering at University of Sydney, Australia, under the Australian Awards Scholarship Program
- Master of Finance & Business Economics at University of Adelaide, Australia, under the Australian Awards Scholarship Program
- Master of Petroleum Engineering at University of Adelaide, Australia, under the Australian Awards Scholarship Program
- Master of Energy Transition & Policy Strategist at Southern Illinois University, USA, under the Fulbright Scholarship Program

5.3. Corporate Social Responsibility (CSR) & Local Content Commitment

5.3.1. Corporate Social Responsibility

TIMORGAP remains committed to delivering impactful Corporate Social Responsibility (CSR) initiatives that contribute to sustainable development, economic growth, and social progress. In 2024, our CSR efforts focused on three key pillars: Environmental Sustainability, Economic Growth, and Social Development. These initiatives reflect our dedication to creating long-term value for communities, promoting sustainable business practices, and fostering meaningful stakeholder engagement.

5.3.1.1. Environmental Sustainability

As part of TIMORGAP's ongoing commitment to environmental stewardship, several sustainability initiatives were implemented throughout the year. To support reforestation and coastal conservation, TIMORGAP launched the Ai-Kasi Tree Planting Initiative at Tasi-Tolu Beach as a celebration of the company's 13th anniversary. A total of 150 Ai-Kasi trees - the iconic tree of Dili - were planted as part of this initiative. This effort not only enhances biodiversity and combats soil erosion but also contributes to restoring the Ai-Kasi tree, preserving its cultural and ecological significance for future generations. TIMORGAP continues to collaborate with the youth group Defesa Ambiental, ensuring the monitoring and maintenance of the trees for two years, reinforcing our long-term commitment to environmental conservation.

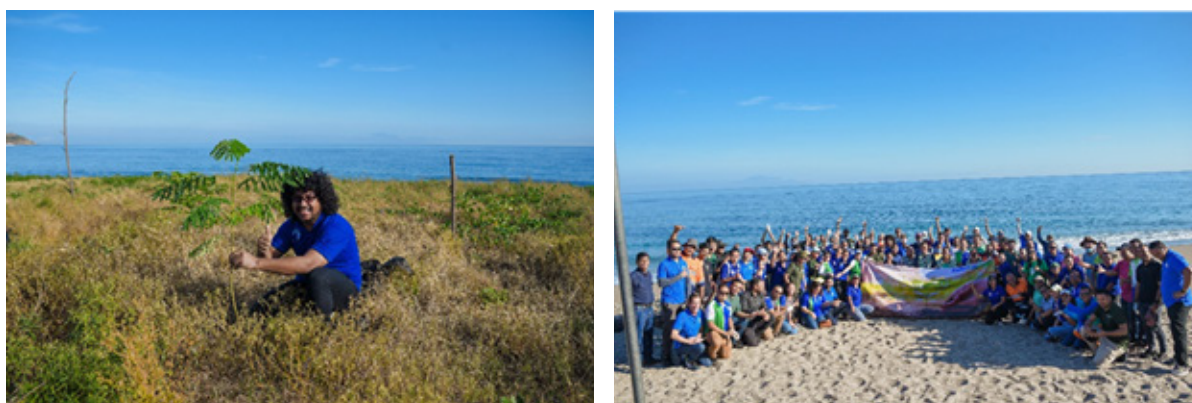


Figure 5.4: TIMOR GAP's tree planting initiatives

To reduce our environmental footprint, TIMORGAP strengthened its 'Less Paper' and 'Local Focus' initiatives during international exhibitions, including the Australian Oil and Gas (AOG) Exhibition and Conference, Australian Energy Producers (AEP) Exhibition and Conference, and Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2024. By utilizing QR codes for digital materials, minimizing printed exhibition materials, and incorporating locally produced TIMORGAP Tais and Café Letefoho sachets, we promoted eco-friendly business practices while supporting local artisans and producers.



Figure 5.5: TIMOR GAP participation at APPEA exhibition in Perth, Australia

5.3.1.2. Economic Growth

TIMORGAP remains dedicated to fostering economic development through initiatives that enhance local content, entrepreneurship, and sustainable livelihoods. In 2024, we assisted our Onshore Pualaca Block in implementing local content initiatives, strengthening community participation in economic activities and maximizing the benefits of resource development for local stakeholders.

A key initiative under our CSR program this year was the TIMORGAP CSR Agricultural Initiative, which focuses on community-based agricultural development in Suai. This initiative targets two key sites: Sanfuk and Salele, with each site covering approximately one hectare of land. The program aims to equip local communities with practical agricultural skills, enhance food security, and create long-term livelihood opportunities.

To ensure effective implementation, TIMORGAP selected five representatives from each site to participate in a two-week intensive agricultural training at Timor Nusantara Farm (Atambua) and GS Organic Farm (Kupang). These participants were provided with hands-on experience in horticulture, organic and sustainable farming techniques, and agricultural management, enabling them to apply their knowledge upon returning to their respective communities.

Recognizing the importance of infrastructure in supporting agricultural activities, TIMORGAP has committed to providing and facilitating essential facilities to ensure the sustainability of the project. This includes the construction of fencing to protect the cultivated areas, the installation of a water tower to ensure a reliable water supply, and other necessary resources to support agricultural development.

TIMORGAP continues to engage with local authorities and community members to foster long-term commitment and ownership of the initiative. By investing in capacity building, infrastructure, and community participation, this initiative is expected to create a sustainable model for local agriculture, strengthening economic resilience and improving the livelihoods of participating families in Sanfuk and Salele.



Figure 5.6: TIMOR GAP CSR Agriculture project initiatives

Beyond agriculture, TIMORGAP continued its efforts to support local businesses by promoting Café Letefoho at international exhibitions such as AOG 2024, AEP 2024 and ADIPEC 2024, providing greater visibility for Timor-Leste's small and medium-sized enterprises (SMEs) on a global platform. Additionally, the company expanded its partnership with MOVE, exploring future initiatives that will further strengthen local entrepreneurship and economic empowerment.

5.3.1.3. Social Development

TIMORGAP's CSR initiatives also prioritized community engagement, education, and employee recognition. In collaboration with Universidade Católica Timorese (UCT), TIMORGAP hosted a CSR briefing session for students, offering insights into the company's corporate social responsibility programs. Additionally, TIMORGAP served as a panelist for UCT students' final presentations on the company's three CSR pillars: social development, economic growth, and environmental sustainability.

Internally, TIMORGAP reinforced its commitment to employee engagement by launching the Employee Award and Recognition Initiative in collaboration with the HRD&AS Unit. This initiative, introduced as part of the company's 13th-anniversary celebrations, aimed to acknowledge and reward outstanding contributions from employees, fostering a culture of excellence and motivation within the organization.



Figure 5.7: TIMOR GAP CSR briefing session with UCT

TIMORGAP also played an active role in promoting entrepreneurship and community engagement by sponsoring and participating in the ‘Feira do Empreendedor powered by MOVE’ event. This initiative aligns with our broader goal of supporting local business development and providing networking opportunities for emerging entrepreneurs.

Furthermore, TIMORGAP contributed to research and knowledge-sharing efforts by assisting a researcher from the Timor-Leste and Australia Energy Partnership Program with access to relevant CSR data collection. This collaboration underscores our commitment to advancing industry knowledge and fostering a deeper understanding of CSR effectiveness in the oil and gas sector.



Figure 5.8: TIMOR GAP employee award 2024

Overall, in 2024, TIMORGAP’s Corporate Social Responsibility initiatives demonstrated a strong commitment to sustainability, economic empowerment, and community engagement. Through targeted programs in environmental conservation, local economic development, and social capacity-building, the company has strengthened its role as a responsible corporate entity. Moving forward, TIMORGAP remains dedicated to expanding its CSR initiatives, fostering long-term community partnerships, and driving sustainable impact across Timor-Leste.

5.3.2. Local Content Programs

5.3.2.1. Local Content for Pualaca Block

In 2024, TIMOR GAP Pualaca Block, Unipessoal Lda. implemented a range of local content initiatives aligned with its approved Work Program and Budget (WP&B). These efforts focused on increasing local employee participation, enhancing capacity building, and supporting community development across the project area, which covers parts of the Manatuto, Viqueque, and Manufahi municipalities.

The company prioritized employment and capacity development by retaining and extending contracts for two local staff members, an Administrative Assistant and a Community Liaison Officer. To strengthen their skills, both employees were sent to Jakarta, Indonesia, to participate in a training program on Creative Administration and Excellent Communication Skills. Technical capacity was further enhanced through knowledge transfer from a geophysical consultant to the G&G team during seismic line design activities.



Figure 5.9: Creative Administration and Excellent Communication Skills training in Jakarta, Indonesia

To support the local economy, TIMOR GAP continued renting properties in Natarbora for office use and staff accommodation, thereby contributing to local income generation. The company also conducted an assessment of school learning facilities and identified several schools within the contract area that lack adequate infrastructure and essential educational materials. TGPB is committed to addressing these issues by providing learning resources as part of its obligations under the PSC.



Figure 5.10: School condition in Fatuberliu (left) and Lacluta (right).

In efforts to improve healthcare access, a survey of local health centers was conducted to understand operational challenges, and plans are in place to procure and donate a mobile ambulance to serve remote communities. Additionally, the company identified several key locations with limited access to clean water and proposed the installation of Sky Hydrant purified water units in public spaces such as schools, churches, and health centers.

Overall, the local content activities implemented in 2024 established a solid foundation for meaningful community support. Although some initiatives remain incomplete due to operational constraints, it is recommended that these outstanding programs be implemented in 2025, subject to ANP approval.

5.4. Quality, Health, Safety, and Environment (QHSE)



The Quality, Health, Safety, and Environment (QHSE) department operates under the leadership of the President and CEO's Office, with the principal duty of overseeing and managing all matters pertaining to QHSE. This position is essential in maintaining one of TIMOR GAP's missions and values which are "To operate according to quality, health, safety and environmental best standards."

From its role as a support department, QHSE has been of great assistance to the company's business units in their efforts to protect the health and safety of workers and contractors, as well as to reduce the amount of environmental damage caused by the activities and projects carried out by the business units.

In addition to its core responsibilities, the QHSE department is dedicated to the ongoing professional development of its team members and other staff through planned capacity-building initiatives. This commitment ensures that every employee is equipped with the skills and knowledge that are essential for effective implementation and support of QHSE objectives and the Integrated Management System (IMS).

5.4.1. Integrated Management System (IMS)

5.4.1.1. Audits

TIMOR GAP has demonstrated its commitment to implementing its Integrated Management System (IMS) through a comprehensive audit program. Both internal and external audits are conducted annually to ensure compliance with IMS standards and to drive continuous improvement.



Figure 5.11: External audit conducted at TG main office

A gap assessment conducted by a third party in September 2024 identified a total of 29 findings, the majority of which fell under the Opportunity for Improvement (OFI) category. An external audit conducted in November 2024 resulted in 10 findings. QHSE intends to work closely with each unit to address and respond to all findings in early 2025 to ensure successful recertification.

5.4.2. Occupational Health and Safety

TIMOR GAP adhered to the philosophy of "SAFETY FIRST," always putting safety and wellbeing of employees at the top priority. During this year, TIMOR GAP continued to identify, assess, control, and monitor health and safety issues arising from various TIMOR GAP activities, through the procedures and guidelines developed to provide the processes needed for the assessment and management of risk, incident, and accident, both

in the office environment and in the field and during operations. This conformed to health and safety related code of conduct, oil and gas industrial best practices, ISO requirements, Timor-Leste Labor Code Section IV- Occupational Safety, Hygiene & Health, and any other international standards.

In line with this, regular activities are performed routinely by the QHSE subunit as better described in the following table.

ACTIVITY	OBJECTIVES
Safety Briefing	Delivering information about safety prior to departure is essential to increase safety awareness during the journey. The Occupational Health and Safety (OHS) department, OHS representatives, and/or team leaders are responsible for conducting safety briefings to ensure that everyone involved has an equal understanding of OHS procedures in the event of an incident or accident. Additionally, during an emergency, this knowledge is essential for a successful outcome.
Safety Induction	Safety induction is given to temporary visitors to the TIMOR GAP office regarding the safety layout in the event of an emergency, as well as to employees, contractors, and consultants who will be with the company for an extended period. This is then followed by a comprehensive induction on the company's Occupational Health and Safety policy and procedures.
Equipment Inspection	Conducting inspections of all vehicles used for field trips, fire extinguishers, IT equipment, and furniture at the TIMOR GAP office to ensure they remain in good condition for use. Inspections of the building, air conditioners, and electrical systems are also carried out by Timor Plaza, the facility owner.
First Aid Kit Provision	Providing First Aid Kits to employees travelling to the districts for minor injuries treatment during the journey. First Aid Kits are also provided on the office premises.
Emergency Drill	Carrying out regular emergency drills at the company's offices helps employees to be better prepared for any emergency. The drill familiarizes staff with the evacuation route and safety practices. Unfortunately, due to Change in Management, the drill was not conducted in 2023.

Table 5.1: TIMOR GAP's QHSE routine activities

QHSE also carried out non-routine activities as per business unit request. QHSE worked with Downstream Business Unit, along with Malaysian Westar Aviation, to inspect all safety infrastructure at Suai Airport to ensure compliance to international standards. Fire extinguisher labels, power supply systems, internet providers, alarm systems, waste management protocols, fire fighter equipment, flammable liquid storage, and fire sprinkler systems were examined.

5.4.3. Quality and Environment

5.5.3.1. Environmental License

TIMOR GAP complies with applicable laws and fulfills its environmental protection responsibilities by conducting studies for all projects under its portfolio to assess their potential impacts on the environment and surrounding communities.

In 2024, as to meet the environmental licensing requirements for the Suai Fuel Station (SFS) as requested by the regulatory authority ANP, TIMOR GAP, through its QHSE Department, implemented a monitoring program covering key environmental aspects such as air quality, water quality, noise levels, and waste management. As a result, ANP granted a new environmental license following the approval of the environmental report in February 2024. QHSE also successfully secured the renewal of the environmental license for the Suai Supply Base (SSB) project, which had been delayed for several years.

Additionally, QHSE supported Pualaca Block, a subsidiary, in obtaining an environmental license for its 2D seismic acquisition project in the municipalities of Manatuto, Viqueque, and Manufahi. QHSE prepared the

Project Document (PD) for the scoping phase, which was subsequently approved. For the Environmental Impact Assessment (EIA), Pualaca Block engaged a third-party consultant who worked closely with QHSE to ensure that all required documentation met regulatory standards. Ultimately, the environmental license was granted to carry out the 2D seismic survey in 2025.

TIMOR GAP, through its Downstream Business Unit, also plans to utilize Suai Airport for helicopter crew transportation in support of offshore oil and gas operations. In collaboration with its aviation partners, TIMOR GAP decided to undertake maintenance of the Suai Aviation Fuel Filling Facilities (SAFF), following inspections by ANP and a previous joint assessment by Air BP Australia. The Downstream Business Unit invited QHSE to oversee the maintenance and repair of the Jet A1 fuel storage tanks. QHSE's involvement was essential to ensure that all activities were conducted safely, efficiently, and in compliance with established quality and environmental procedures.

QHSE also collaborated with TIMOR GAP's subsidiaries to ensure adherence to quality standards. TG Drilling and Services (TGDS) requested QHSE's support in participating in an audit conducted by Santos to verify that project requirements were being met for the Bayu Undan Decommissioning Project, specifically within the SoOps A scope, which involved flexible flowline flushing and cleaning. TGDS's subcontractor, MMA, provided the vessel for the project. A second audit was conducted by Santos and ANP to confirm that the MMA vessel was adequately prepared to carry out the umbilical cleaning procedure at Bayu Undan. QHSE played a key role in supporting TGDS throughout the audit preparation process.

To support the implementation of the Integrated Management System (IMS), QHSE developed and delivered relevant capacity-building programs. The team organized a Quality Management Systems Auditor/Lead Auditor Training Course facilitated by SGS Indonesia, aimed at equipping participants with the necessary skills and knowledge to conduct audits effectively—particularly within the framework of TG's Management System. Additionally, an internal auditor training course was delivered by Ratama Mitra Konsultan to further strengthen TG staff's capabilities in conducting internal audits, identifying process weaknesses, and supporting improvement initiatives within the organization.

5.5. Information & Communication Technology (ICT)

TIMOR GAP Information & Communication Technology (ICT) & Data Management (DM) focused on the continuous improvement of the entire ICT system, identifying issues and risks, and successfully implementing planning, mitigation, and risk minimization strategies. Concurrently, ICT continuously improves its system in accordance with the Integrated IMS standard to support overall ICT and DM activities.

One of the primary goals for 2024 is to improve the manual system while eventually digitalizing it. Transforming manual forms into online forms promotes effectiveness and collaboration. In 2024, TIMOR GAP ICT & DM continuous improvement on three important areas such as Network System and Servers, Microsoft 365 Application Development, and Training & Improvement.

On Network System and Servers, the ICT & DM continuous monitoring and maintenance of network systems and swiftly addressing issues like Internet downtime. The team also continues to advocate for a new fibre optic connection to enhance connectivity. Support was also extended to subsidiaries, including Internet service setup for WestStar GAP operations and potential Starlink installation at Dili Airport.

The ICT & DM sustained its commitment to digital transformation by continuing the development, enhancement, and maintenance of various Microsoft 365-based applications. This initiative aims to streamline internal processes, reduce dependency on manual and paper-based systems, and improve overall operational efficiency across units. One of the key milestones achieved was the finalization of the Cash Advance Online Form, which was developed and successfully completed in Q4 2024 following comprehensive testing, user feedback, and iterative adjustments.

In line with TIMOR GAP strategic objective to strengthen internal capabilities and ensure the company remains aligned with evolving technological advancements, ICT & DM placed a strong emphasis on training and capacity building to maintaining a high standard of ICT service delivery, supporting digital transformation, and mitigating potential risks such as cybersecurity threats and data loss. Throughout 2024, two ICT & DM staff members successfully received an SAP overview and basic modules training in Jakarta focused on key functional modules such as system utilization, navigation, and configuration.

6

CORPORATE GOVERNANCE

Corporate Bodies
Governance





6.1. Corporate Bodies

As a State-Owned company, TIMOR GAP is under the supervision of the Ministry of Petroleum and Mineral Resources, the body of direct administration of the State responsible for the supervision of the petroleum sector. Notwithstanding the autonomous nature of TIMOR GAP, all business activities and strategic direction of the company shall be aligned in accordance with the Government's strategic direction and objectives for the sector, as set by the supervisory body.

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

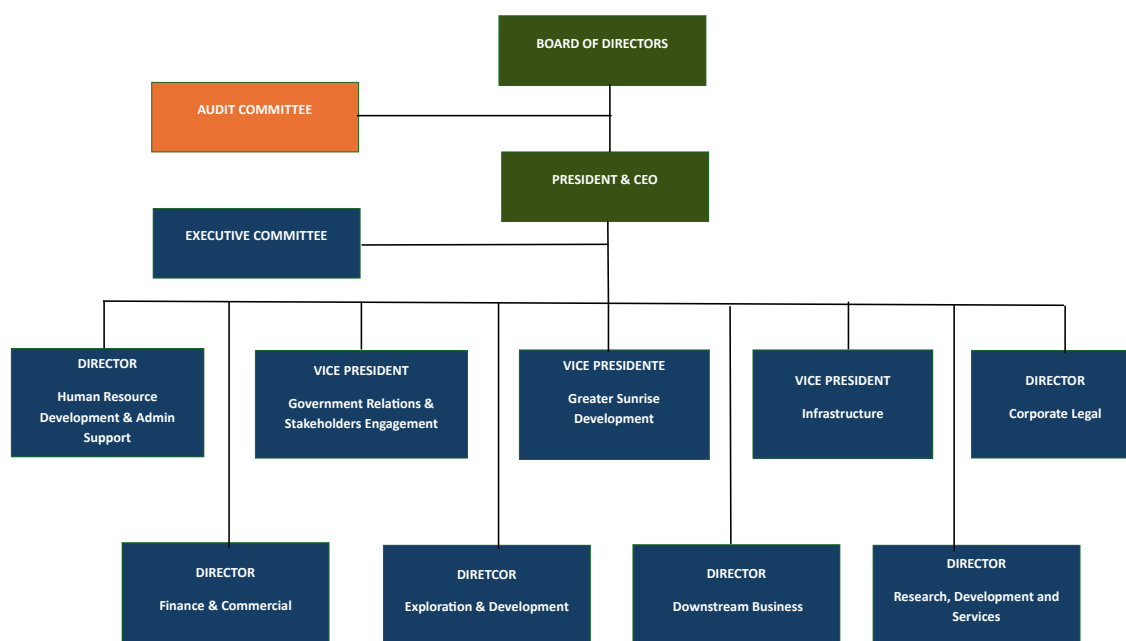


Figure 6.1: Organization Structure of TIMOR GAP, E.P.

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.

6.1.1. Board of Directors

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.

TIMOR GAP's Board of Directors comprises five members with deliberative duties. The President of the BOD is appointed and dismissed through a Government Resolution, based on the proposal of the supervising minister. The President & CEO is appointed for a four-year term, with the renewal of its mandate subject to the approval of the Council of Ministers.

Regarding the other members, the Minister of Finance shall appoint one member to represent the Ministry of Finance. The members of the Government responsible for the petroleum sector shall appoint and dismiss the remaining members. The term of office for the Board members is four (4) years, which may be renewed for equal periods, subject to the approval of the Minister of Finance and the Minister of Petroleum and Minerals Resources, respectively.

In line with the above, Mr. Rui Soares was appointed President of the Board and Chief Executive Officer (CEO) of TIMOR GAP on 14 September, as endorsed through Government Resolution No. 34/2023, in accordance with which Mr. Rui Soares was appointed for a four-year renewable term.

The remaining Board members were appointed by the Minister of Petroleum and Mineral Resources on 26 September, namely: a) Mrs. Aurélia Alves; b) Mr. Alexandre Cristóvão; and c) Mr. Domingos Lequisiga Maria, through Dispatches No. 22/MPRM/IX/2023, 23/MPRM/IX/2023, and 24/MPRM/IX/2023, respectively, for a four-year term. The Minister of Finance has yet to appoint its representative.



Figure 6.2: Members of the Board of Directors of TIMOR GAP

Pursuant to Decree-Law No. 61/2023, of 6 September, the second amendment to Decree-Law No. 31/2011, of 27 July, 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.

6.1.2. Executive Committee

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 EC is composed of the Chairman of the Executive Management/"Chief Executive Officer" (CEO), who is also the President of the Board by virtue of his capacity, the Vice Presidents, and the Executive Directors of TIMOR GAP's units.

The EC is chaired and headed by the company's President & CEO. The BOD is responsible for the appointment of the members of the EC for a term not exceeding four (4) years, and who may be reappointed. On 11 October 2023, the BOD approved the new organizational structure and appointed the EC members, as schematically shown in Figure 6-3.

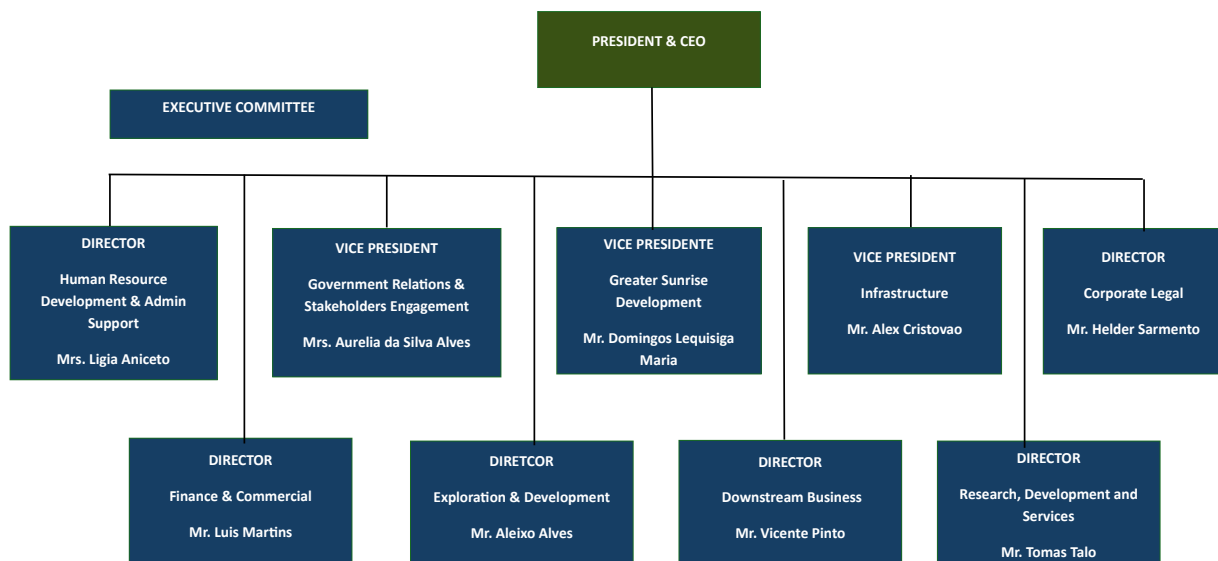


Figure 6.3: Executive Committee structure and members

The members of the Board of Directors and Executive Committee are briefly presented in the section below.



Mr. Rui Soares
President & CEO

Mr. Rui Soares graduated in 2015 with a Master of Business Administration (MBA) from Aston University, United Kingdom. Previously, in 2006, he earned a Bachelor of Engineering (Petroleum) from the University of Adelaide, Australia. With over 10 years of experience in the oil and gas sector, Mr. Soares has supervised and ensured compliance in oil and gas operations led by top international companies, and possesses extensive knowledge of oil and gas operations, project management, and a deep understanding of the industry regulatory frameworks. Mr. Soares began his career in the oil and gas sector in 2007 with the Timor Sea Designated Authority (TSDA) as a Technical Officer of Drilling and Production. By 2008, he had advanced to the roles of Development and Production Manager and Acting Director for Exploration and Production Directorate. He later joined the National Petroleum and Minerals Authority, serving from 2008 to 2016, as the Director for Exploration and Production Directorate, and subsequently for the Development and Production Directorate. In 2019, Mr. Soares was appointed as the Timor-Leste Commissioner for JPDA and Greater Sunrise, later serving as Board of Governance member for the Greater Sunrise Special Regime under the Maritime Boundary Treaty.

Before joining TIMOR GAP in 2023 as its President & CEO, Mr. Soares performed the role of Head of the Tibar Port Project Management Unit for seven years, where he garnered significant knowledge and experience in financial mobilization and implementation of PPP projects.



Mrs. Aurélia Alves
Board Member and Vice President for Government Relations and Stakeholders Engagement

Mrs. Aurélia Alves holds a Bachelor of Education from the National University of Timor-Leste and is currently undertaking an MBA in Management and Leadership at Robert Kennedy College, Zurich, Switzerland. Mrs. Alves has extensive experience in oil and gas sector with more than 20 years combined, specializing in administration, demonstrated ability in good communication skills, handled deals with the Government, key legislative committee members, non-governmental organization, and stakeholder's company. Her professional journey began at the Australian Embassy, where she served as a local national staff member. She then advanced her career by working with institutions such as the UNDP, the Timor Sea Designated Authority (TSDA), and the National Petroleum Authority, where she held the position of Senior Admin Manager. Later, Mrs. Alves joined TIMOR GAP, initially as an Executive Adviser to the President and CEO and subsequently as Chief of Staff for the President & CEO. In September 2023, she was appointed as a Board Member, and in October 2023, she assumed the role of Vice President for Government Relations and Stakeholders Engagement.



Mr. Alexandre Cristovão
Board Member and Vice President for Infrastructure

Mr. Alexandre Cristovão graduated in 2011 with a degree in Civil Engineering from UNDIKNAS University, specializing in construction structures for infrastructure buildings. With over 10 years of experience in civil construction engineering, he began his career at TIMOR GAP as a civil engineer in 2012, was promoted to Civil Engineer Team Leader in 2014, and then to Betano & Beaço Technical Team Leader in 2020. Mr. Cristovão has extensive expertise in team leadership, project planning and management, contract management, and budget planning and cost control. In September 2023, he was appointed as a Board Member, and in October 2023, he assumed the role of Vice President for Infrastructure.



Mr. Domingos Lequisiga Maria

Board Member and Vice President for the Greater Sunrise Development

Mr. Domingos Lequisiga Maria earned in 2006 a BSc in Natural Resources & Environmental Management from the University of Hawaii at Manoa, Honolulu, USA. He was awarded a Fulbright Scholarship in 2008-2009 to pursue an MSc in Energy Management at the New York Institute of Technology, USA. With over 20 years of experience, Mr. Lequisiga has developed a combination of technical and managerial skills within the oil and gas sector, as well as in research institutions and international agencies. During his tenure as Director of the Gas Business Unit at TIMOR GAP, he managed and coordinated all business activities related to natural gas, including LNG, LPG, and gas pipelines. Prior to his return to TIMOR GAP in 2023 as a Board Member and Vice President for the Greater Sunrise Development, he served for 3 years as the Head of Climate Change and Environment Unit at the United Nations Development Programme (UNDP) Timor-Leste.



Mr. Luís Martins

Director of Finance and Commercial

Mr. Luís Martins earned his BSc in Industrial Engineering from Winaya Mukti University and an MSc in Energy and Environmental Management and Economics from Scuola Enrico Mattei – ENI University, in Milan, Italy. Mr. Martins has over 15 years of experience in both technical and management skills within the oil and gas sector of Timor-Leste and has held managerial positions at the UN Agency as well as other international organizations in the country. Mr. Martins previously served as the Director of the Business Development Unit at TIMOR GAP for over 9 years, before he was appointed as the Director of Finance and Commercial in 2023, with the primary responsibilities of managing corporate financial and accounting matters, negotiating commercial aspects of petroleum contracts, and securing funding for projects.



Mr. Vicente Pinto

Director of Downstream Business

Mr. Vicente Pinto graduated in 2010 with an MSc in Engineering in Oil & Gas Management from the Asian Institute of Technology (AIT) in Bangkok, Thailand. With over 20 years of work experience, Mr. Pinto has served as a public servant in administration and management, specializing in the petroleum and mineral resources sector. He previously held the position of Director for the Refinery and Petroleum Services Unit at TIMOR GAP for over 9 years, before being appointed as the Director for Downstream Business in 2023. In his current role, he is tasked with overseeing the company's fuel facilities and identifying opportunities for TIMOR GAP to engage in providing oilfield goods and services.



Mr. Tomas Talo

Director of Research, Development and Services

Mr. Tomas Talo graduated in 2008 with a Master's degree in Mechanical Engineering from Nagaoka University of Technology, Japan, after previously earning a Bachelor's degree in Mechanical Engineering from Gadjah Mada University, Yogyakarta, Indonesia, in 1998. With an extensive career spanning over two decades, Mr. Talo has focused on pipeline management and LNG project development. He began his career in the oil and gas industry in 2004 as a Mechanical Operations Technician with ConocoPhillips Australia Pty at the Bayu-Undan Project in the Timor Sea. From 2008 to 2011, Mr. Talo worked as a Pipeline Analyst at the Secretariat of State for Natural Resources, where he was part of the pipeline task force and participated in LNG Plant studies for Timor-

Leste. In 2012, Mr. Talo joined TIMOR GAP as Pipeline Manager under the Gas Business Unit and later served as the TLNG Project Manager within the Downstream Business Unit. In October 2023, he assumed his new role as Director of Research, Development, and Services.



Mr. Helder Sarmento

Director of Corporate Legal

Mr. Helder Sarmento has been a legal professional for more than 21 years; he has devoted his career to contributing to the legal system in Timor-Leste. He holds a Master of Laws (LLM) from the University of Aberdeen, Scotland, United Kingdom, in 2018. Prior to that, in 2001, he graduated with a law degree from Universitas Semarang, Central Java, Indonesia. Mr. Sarmento started his career with the United Nations Mission in Timor-Leste (UNMISET) as a trainee prosecutor for the Serious Crimes Unit in 2002, and following that, he served as a legal officer for several state institutions, including the National Petroleum Authority from 2009 until 2012, as well as for Non-Government Organizations and UN Agencies. Mr. Sarmento is a practitioner lawyer and a member of the East Timor Bar Association (AATL) since 2002 until now. He has been working with TIMOR GAP as a Senior Legal Analyst for more than 10 years before assuming his new role as Director of the Corporate Legal Unit.



Mr. Aleixo Alves

Director of Exploration and Development

Mr. Aleixo Alves graduated in 2011 with a Bachelor of Petroleum Engineering from University Proclamation 45 in Yogyakarta, Indonesia. Mr. Alves possesses extensive experience in the oil and gas industry, with over 10 years of experience, having worked with companies such as PERTAMINA and TIMOR GAP, where he joined in 2013, serving as a petroleum engineer and database analyst. Throughout his career at TIMOR GAP, Mr. Alves has held diverse roles, including project leadership, field operations management, and technical analysis. He has collaborated closely with multidisciplinary teams comprising Geological, Geophysics, and Engineering experts, playing a pivotal role in ensuring the successful execution of exploration, drilling, and production projects. Mr. Alves was appointed Director of Exploration and Development in 2023. In his current role, his main responsibilities include managing all activities related to the exploration and development of oil and gas in which TIMOR GAP is involved, and coordinating and providing technical support to the upstream subsidiaries.



Mrs. Ligia Aniceto

Director of Human Resources Development and Administration Support

Mrs. Ligia Aniceto earned her Bachelor's degree in International Public Relations from the Faculty of Social and Political Sciences at the National University of Timor-Leste (UNTL) and a Master of Business Administration (MBA) from the International University of Japan. Mrs. Aniceto has amassed over 10 years of experience in administrative support, office management, and human resources. She has held various roles within TIMOR GAP, including Executive Secretary and Executive Assistant to the President & CEO, as well as Business Support Officer. Beyond TIMOR GAP, her experience includes positions such as Research and Teaching Assistant at the International University of Japan, and Commercial Analyst & Business Consultant at the Embassy of Timor-Leste in Japan, alongside other roles in office management and HR at various organizations. Since 2023, Mrs. Aniceto has been serving as the Director of Human Resources Development & Administration Support.

6.2. Governance

6.2.1. Law on Petroleum Activities

The Law No. 13/2005 on Petroleum Activities indicates that pursuant to international law, Timor-Leste has sovereign rights for the exploration, exploitation and management of its natural resources, including petroleum. The country is entitled to all petroleum resources existing in the subsoil of its territory, both onshore and offshore. One of the objectives of the Law is to ensure stability and transparency in regulating the development of petroleum resources. Therefore, the Law is complemented with transparency requirements.

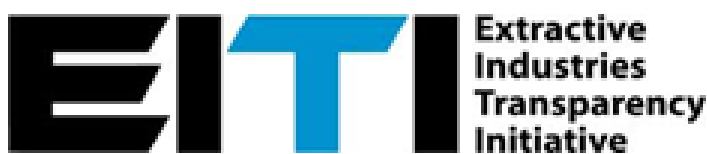
6.2.2. Petroleum Fund

Our Petroleum Fund was created through the Petroleum Fund Law No. 9/2005, with the intention to contribute to the wise and sustainable management of petroleum resources for the benefit of the people and future generations. The Petroleum Fund contributes to sound fiscal policy and is to be integrated into the State Budget. It requires prudent management and is operated in an open and transparent way, within the constitutional and legal framework.

The Central Bank of Timor-Leste administers the Petroleum Fund, and the Ministry of Finance is responsible for the overall management and investment strategy. The Fund's Investment Advisory Board provides strategic investment advice concerning the investments of the Petroleum Fund to the Minister of Finance.

Established by Petroleum Fund Law No. 9/2005, the Petroleum Fund Consultative Council advises the Parliament on matters relating to the performance and operation of the Petroleum Fund and advises the Parliament on whether the appropriations of the Petroleum Fund are being used effectively to the benefit of the current and future generations.

6.2.3. Extractive Industries Transparency Initiative (EITI)



Timor-Leste is committed to full transparency in accounting for income resulting from its petroleum resources, which have been the greatest source of State budget revenue. Our commitment to transparency is demonstrated through the adherence to the Extractive Industry Transparency Initiative (EITI), which is a global coalition of governments, companies, and civil society, to improve accountable management of revenues from natural resources. More openness on how a country manages its natural resources, such as oil, gas, metals and minerals, helps to ensure that they can benefit all citizens. Timor-Leste was admitted in 2008 as a candidate to implement the EITI and became in 2010 an EITI Compliant Country, meaning that it meets all requirements in the EITI Standard.

The EITI Standard ensures full disclosure of taxes and other payments made by oil, gas and mining companies to governments. These payments are disclosed in an annual EITI Report, which allows citizens to see how much their government is receiving from their country's natural resources. Timor-Leste produces annual EITI Reports that disclose revenues from the extraction of its natural resources: companies disclose what they have paid in taxes and other payments and the government discloses what it has received.

6.2.3.1. TL-EITI

Timor-Leste is proud to be the first country in Southeast Asia and the third in the world to achieve the status of EITI Compliant Country. In 2007, Timor-Leste's Government invited civil society and industry to nominate representatives to form a Multi-Stakeholder Working Group (MSWG). Upon its establishment, the MSWG created the TL-EITI Secretariat office, which has been functioning since 2008 under the former Ministry of Petroleum and Mineral Resources and current Ministry of Petroleum, with the aim of ensuring the transparency of resources generated by the oil and mineral sector and guaranteeing technical and administrative support to the MSWG.

In June 2012, six months after the start of operations, TIMOR GAP became one of the few national oil companies in the world supporting the EITI. TIMOR GAP, as the state-owned company, participates in the MSWG's monthly meetings, which brings together relevant key stakeholders, such as representatives from the Government (MPRM, ANP, Central Bank of Timor-Leste, Ministry of Finance), petroleum industry, civil society and international organizations. This working group is responsible for discussing and approving by unanimously the EITI-TL reports, prepared by an Independent Administrator (IA) selected by public tender, the supplementary EITI reports, the annual plan and the progress report. Following its approval by the MSWG, the reports are published by the Secretariat in accordance with the standard set by the International Council of EITI. The published reports are intended to transparently demonstrate the payments made by the extractive companies as well as the revenues collected by the State (reconciliation).

In 2024, TIMOR GAP actively participated in the Multi-Stakeholder Working Group (MSWG) meetings, reaffirming its commitment to transparency and the adoption of best practices in the oil and gas sector. A key highlight of the year was the approval and subsequent publication of the Timor-Leste EITI Reports for the fiscal years 2021 and 2022, prepared by Ernst & Young Audit & Associados – SROC, SA, serving as the Independent Administrator. These reports represent a significant step forward in addressing the challenges related to the implementation of EITI standards. Through the dedicated efforts of the MSWG, the reports set a new benchmark for transparency by providing a comprehensive breakdown of data, disaggregated by reporting entities, revenue types, and project-level information. This approach not only aligns with the stringent requirements of the EITI but also exemplifies TIMOR GAP's unwavering commitment to promoting accountability and openness.

Following their publication, TIMOR GAP participated in the public dissemination of the TL-EITI 2021 Report in Baucau and Bobonaro municipalities, held on 15 and 29 May 2024, respectively. TIMOR GAP is also scheduled to participate in the dissemination of the TL-EITI 2022 Report, which is planned to take place in 2025 in the municipalities of Dili, Manatuto (Natarbora), and Oecusse.

Further information on the above socialization activities, including published reports, is available online on TL-EITI website www.tleiti.mpm.gov.tl



Figure 6.4: TIMOR GAP participated in the dissemination of the TL-EITI 2021 Report to the public in Betano, Manufahi







Set out below are the audited consolidated financial statements of TIMOR GAP group for the year ended 31 December 2024. This is the group's thirteenth trading period. TIMOR GAP has adopted International Financial Reporting Standards (IFRS) to ensure that reporting is based on a well-recognized reporting framework.

7.1. Grant Funding

During the current year, the Government provided a grant of \$18,000,000 (2023: \$54,000,000) to support the company's 2024 operations, with a primary focus on the upstream sector encompassing both offshore and onshore subsidiaries acting as operators and joint venture partners, while also funding major project-related studies to advance the Tasi Mane Project and sustaining downstream businesses and services across retail, aviation, and other subsidiary activities, all of which reflects the company's continued commitment to investing in human capital development.

7.2. Revenue

The government grant/subsidy had always been TIMOR GAP's main source of income. Likewise in previous years, the government grant of \$18,000,000 (2023: \$54,000,000) forms the majority of TIMOR GAP's revenue for the year 2024. While the company depends heavily on government grants to carry out its operating and non-operating project expenses, the company has also internally generated income from fuel sales from Suai Petrol Station amounting to \$278,319 (2023: \$21,565,926 includes fuel supplies to ECTL) and income from Contracts \$797,109 (2023: Nil).

7.3. Project Expenses

The primary projects that TIMOR GAP incurred expenses during the period included:

- Investment in Offshore Exploration
- Investment in Onshore Exploration
- Greater Sunrise Project Progress
- Bayu-Undan Project
- Downstream Businesses and Services
- Tasi Mane Project

These projects have been discussed in detail in Sections 2 to 4 of this report.

7.4. Financial Results

7.4.1. Comprehensive Profit/Loss for the Year

The company's operating profit for the year ended 31 December 2024 amounted to 35,590 (2023: -\$214,945) and total comprehensive profit of 133,545 (2023: -381,214). The total income of the company is reduced by \$77,720,802 (2023: \$86,340,965) which is derived considering unspent project budgets for the year 2024. On a group basis, TIMOR GAP has received a grant of \$18,00,000, out of which \$9,260,460 has been transferred to the subsidiaries to carry out their minimum exploration program as depicted in their individual ANP approved work program and budget.

On a group basis, the operating loss for the year ended 31 December 2024 stood at -\$33,474,302 (2023: -\$37,248,384). The loss on a group basis is reduced by the total income tax and deferred tax charge of \$2,642 (2023: Deferred Tax Charge of \$63,339).

The company now has an equity of \$22,597,775 (2023: \$22,464,230) and the same at group level is -\$833,500,366 (2023: -\$799,975,128). The company's retained earnings as of 31 December 2024 are \$20,097,775 (2023: \$19,964,230).

Set out below are the main categories of operational expenses incurred.

7.4.1.1. Depreciation and Amortization Expense

During the period TIMOR GAP has additions to total tangible assets of \$533,781 (2023: \$238,984) as set out in Note 11 to the financial statements. TIMOR GAP adopted IFRS 16 lease accounting standards from the year 2019 which introduced a single lessee accounting model and required a lessee to recognize assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. TIMOR GAP, being lessee, is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The written down value for the right to use asset is reported at \$2,878,326 (2023: \$423,851) as on 31 December 2024.

As set out in the accounting policies TIMOR GAP has adopted the straight-line basis of accounting for depreciation and amortization over the expected useful lives of the assets from the date they were acquired and were ready for first use. At company level, during 2024, depreciation of property, plant and equipment amounted to 313,432 (2023: \$361,661), for computer software the amortization for the year is \$108,768 (2023: \$132,151) and for Right to use asset \$575,341 (2023: \$556,059). The depreciation cost for tangible assets is increased due to purchase of office vehicles, IT hardware, office equipment, etc.

7.4.1.2. Employee Costs/Expenses

On 31 December 2024 TIMOR GAP had a staff count of 168 employees (2023: 154 employees). Employee Cost recorded for the year is \$5,019,724 (2023: \$4,319,865). The company has recognized long service remuneration provision for the employees as per the provisions of article 56 of the Timor-Leste Labor Law, which states that “in case of termination of the employment contract the worker shall be entitled to compensation for length of service and that shall be the equivalent of 1 month’s salary for each 5-year period the worker has worked for the employer”. Accordingly, the group has recorded the provisions for long term employee benefits of \$998,246 (2023: \$1,009,907) as non-current liability and \$32,464 (2023: \$30,335) as current liability in accordance with the principles outlined in IAS-19 employee benefits (amended 2011, effective from 1 January 2013) through conduct of Actuarial Valuation as of 31 December 2024. The standard establishes the principle that the cost of providing employee benefits should be recognized in the period in which the benefit is earned by the employee, rather than when it is paid or payable, and outlines how each category of employee benefits is measured, providing detailed guidance about post-employment benefits.

7.4.1.3. Project Expenses

During the period, the company’s project expenditure was directed toward Investment in Offshore Exploration, Investment in Onshore Exploration, Greater Sunrise Project Progress, Bayu-Undan Project, Downstream Businesses and Services and Tasi Mane Project. Due to various internal and external factors, the project costs were not fully expensed in the year 2024 and hence in accordance with the provisions of IAS 20 which defines “accounting for government grants and disclosure of government assistance “that Government grants shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Accordingly, the group has carried forward the project grants received from the government to the extent of \$112,259,272 (2023: \$121,268,323). This has resulted in the income recognition of \$27,009,451 (2023: \$ 26,427,528) of the total grant received in the year 2024 from the government. Hence the total carryover budget for projects for the year 2024 is \$112,259,272 (2023: \$121,268,323). The carryover of the 2024 group’s project budget i.e., \$112,259,272 is being treated as Deferred Income (Grant) which is captured in the liability section of the audited financial position for the year 2024. The group intends to execute the approved work program and budget in the rest of the year remaining in 2025 as per group work program and budget.

7.4.1.4. Other Expenses

The most significant “other expenses” for the year ended 31 December 2024 for the company include the following items:

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Training & Development Expenses	713,736	2,366,353	682,809	2,296,425
Rates & taxes	1,160	-	-	-
Rental Expenses	109,530	133,201	66,571	99,185
Telephone & Internet Expenses	145,663	87,076	145,663	87,076
Travel Expenses	2,048,503	1,316,683	1,870,620	1,053,785
BOD Related Cost	-	33,321	-	6,000
Bank Charges	108,154	202,622	24,327	115,430
Repairs & Maintenance	606,632	553,339	588,272	553,339
Meeting & Conferences	355,178	190,605	341,282	116,909
Subscription Charges	734,463	342,007	685,584	326,050
Provision for Doubtful Debt	-	3,682,147	-	3,682,147
Office Maintenance	386,184	320,012	386,183	319,889
General Overhead Expenses	170,783	62,125	139,748	53,820
Legal and Consultant Expenses	7,852,661	9,683,849	6,714,635	5,795,559
Loss on Sale of Property, plant and equipment	2,469	-	2,469	-
Contractual Fees	23,440	-	-	-
Subsurface Rental Fee	225,081	225,081	-	-
Donation	-	1,000	-	1,000
Total	13,483,637	19,199,421	11,648,163	14,506,614

Training & Development expenses include SAP software training for in-house IT, Finance, Procurement, HR and Sales & Distribution team. Travel & expenses include the costs of attending conferences, field trips for Onshore blocks and Project activities, CSR initiatives and community liaison. Also, project expenditures related to Geotechnical survey, Holbelis community house resettlement, Suai Supply Base (SSB) Physical Survey – Onshore & Offshore Topographical, Geophysical & Metocean survey.

The General Overhead Expenses are the expenditure on electricity, outsourced services like cleaning and security, minor equipment, organization promotion and other miscellaneous expenses. Consultant costs include external third-party company consultants for greater sunrise technical studies, audit costs, legal consultants and internal company functional support and service consultants.

7.5. Taxation

TIMOR GAP is subject to the Taxes and Duties Act of 2008. In the financial year 2024, the company has not estimated the income tax expenses on account of marginal profit of \$35,590 (2023: -\$214,945).

During the year, the company has timely paid withholding taxes to the extent of \$1,341,381 (2023: \$1,312,899) to Timor-Leste Tax Authority which is primarily deducted on wages and salaries paid to local employees, payments of rental fees and payments on non-resident suppliers and consultants at the prescribed rate as mentioned in the decree law of Timor-Leste. The company has recognized a liability towards company contribution of 6% on local employees’ salaries and withholding tax payable of \$833,619 (2023: \$217,910) which is payable after the year end closing of financial year 2024.

7.6. Statement of Financial Position

7.6.1. Intangible Assets under Development

The group had 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 at a total consideration of \$ 651,677,390. The Carrying amount of the intangible assets under development of Subsidiary Companies’ (Greater Sunrise Group) are assessed by the management through a third-party valuer to determine whether there is any indication of impairment. As per IAS 36 - Impairment of Assets, Recoverable amount of an asset is higher of its “Fair Value Less Cost of Disposal” and its “Value in Use”. If the Carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in the Statement of Profit and Loss. Pursuant to that, Impairment losses in financial year 2021 were triggered by uncertainty of fiscal and regulatory regime of the Greater Sunrise Special Regime, uncertainty on the Joint Venture Partners (JVs) agreed development concept necessary for commercial development of the

Greater Sunrise field, revision of the mid and long-term oil/gases prices, refining margin outlook reflecting the expected effects of the macroeconomic environment, COVID-19 pandemic and energy market demand and supply fundamentals. For the financial year 2024, the management has not re-evaluated the fair value & NPV workings as there is no tangible progress observed during the year 2024 and has observed no significant change in it. Impairment expenses recognized in statement of profit or loss in the current financial year amounts to \$5,016,653 (2023: \$1,189,160), which is primality incurred for 56.56% of TIMOR GAP's share in operating expenses of Greater Sunrise oil field. As a progress, The Sunrise Joint Venture (SJV) participants, comprising TIMOR GAP (56.56%), Operator Woodside Energy (33.44%), and Osaka Gas Australia (10.00%), following a global contract procurement process has awarded the Greater Sunrise Concept Study (the Study) contract to Wood Australia Pty Ltd (Wood PLC). The study evaluated four main development options - Timor-Leste Liquefied Natural Gas (TLNG), Darwin LNG (DLNG), Ichthys LNG and a new LNG facility in Australia. The outcome of the concept study shows that all the options were technically feasible, however, TLNG is commercially the most viable option as it provides the highest economic return not only to SJV but also to the States.

7.6.2. Current Assets

Current assets include amounts expected to be received within a year of the balance sheet date. Current assets of the company amount to \$86,429,850 (2023: \$94,406,677) and include fuel inventories of \$126,453 (2023: \$110,895), trade receivables of \$37,970 (2023: \$10,600) on account of pending payments yet to be received from petrol station credit customers loans receivable from subsidiary companies and associate \$3,243,601 (2023: \$3,130,971), term deposits of \$15,088,340 (2023: \$15,022,493), other receivables of \$26,763,443 (2023: \$10,183,046) and other refundable deposits of \$347,882 (2023: \$172,291). At year-end 2024, cash at the bank and on hand amounted to \$39,711,461 (2023: \$65,685,339).

As set out in Note 32 the financial statements have been prepared on the going concern basis, which assumes the realization of assets and discharge.

7.6.3. Borrowings

To mitigate the liquidity risk, the Group has borrowed the fund to the extent of \$650,000,000 in financial year 2019 from the Petroleum Fund of Timor-Leste with a longer moratorium period and expects to generate revenue by then to meet its obligation. The loan is unsecured and carrying interest rate of 4.5 % compounded annually. The loan tenure is of 18 years whose first annual repayment is due on 9 April 2028. The borrowings for the financial year 2024 were reported at \$836,445,105 (2023: \$800,425,938).

The Cash Outflows on account of repayment of loans from BCTL as per existing terms and conditions of the loan agreement between the Group and the lender. The loan has been taken specifically for the purpose of acquiring participating interest in the Greater Sunrise Oilfields and the loan repayment start date of 2028 was also agreed upon based on expected production commencement date of Greater Sunrise Oilfields. However, as the expected production commencement date of Greater Sunrise Oilfields has been delayed, the Group management may consider initiating a discussion with the lender and external stakeholders to restructure the loan in the near future to avoid cash flow mismatches.

7.6.4. Earnings and Equity

The company recorded a net profit of \$32,948 (2023: -\$278,284), (Group Loss of -\$33,376,347; 2023: -\$37,416,905) during the year ended December 31, 2024.

The company has retained earnings amounting to \$20,097,775 (2023: \$19,964,230) while the retained earnings of the group stands at -\$836,075,326 (2023: -\$802,698,961). The decrease in the equity is majorly due to recognition of impairment losses on Greater Sunrise intangible assets, and annual compound interest charges on loan from Petroleum Fund.

TIMOR GAP is dependent on government grants to sustain its operations and to carry out project expenditure until the company grows its business and starts its main revenue from oil & gas production to become sufficiently self-funded. In the phase of its business growth, the company continues to pursue opportunities in line with TIMOR GAP's long-term vision for the development of the oil and gas industry in Timor-Leste.

AUDIT





Grant Thornton Bharat LLP

Unit 1603 & 1604, EcoCentre,
Plot No 4, Street No 13,
EM Block, Sector V,
Bidhannagar,
Kolkata - 700 091
West Bengal, India

T +91 334 444 9300

Independent Auditor's Report

To the Board of Directors of **TIMOR GAP, E.P**

Opinion

1. We have audited the accompanying consolidated financial statements of TIMOR GAP, E.P. ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and associate, which comprise the Consolidated Statement of Financial Position as at 31 December 2024, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to note 32 of the consolidated financial statements as on 31 December 2024, which states that the Group has incurred net losses amounting to USD 33,376,347 for the year ended 31 December 2024, and as on that date, the Group's current liabilities have exceeded its current assets by USD 10,213,801 and the Group's net worth is fully eroded. The said conditions indicate existence of material uncertainty that may cause significant doubt about the Group's ability to continue as going concern. However, for reasons more fully described in the aforesaid note, the going concern basis of accounting is appropriate for preparation of these consolidated financial statements.

Our opinion is not modified in respect of this matter.

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Connaught Circus, Outer Circle, New Delhi - 110001.
Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Indore, Kochi, Kolkata, Mumbai,
New Delhi, Noida and Pune

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Emphasis of Matter

5. We draw attention to Note 39 of the accompanying consolidated financial statement which describes the uncertainty involved with respect to applicability of Withholding Tax Liability on interest accrued on loans taken for the Greater Sunrise project under the Australian taxation laws. Two subsidiaries, TIMOR GAP Greater Sunrise RL, Unipessoal, Lda. and TIMOR GAP Greater Sunrise RL, Unipessoal, Lda. own a participating interest in the Project which is located in territorial waters of both Timor Leste and Australia and accordingly, a Maritime Boundary Treaty (the 'treaty') has been signed which stipulates that the applicable taxation will be determined by way of a Production Sharing Contract ('PSC') to be entered into as part of the terms of treaty. As of date, the PSC is yet to be signed and consequently, no adjustments have been made to the accompanying consolidated financial statements in respect of any withholding tax liability which is uncertain as on date.

Our opinion is not modified in respect of this matter

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Grant Thornton Bharat LLP**

Place: Dili, Timor-Leste

Date: 26 June, 2025

Grant Thornton Bharat LLP

Unit 1603 & 1604, EcoCentre,
Plot No 4, Street No 13,
EM Block, Sector V,
Bidhannagar,
Kolkata - 700 091
West Bengal, India

T +91 334 444 9300

Independent Auditor's Report

To the Board of Directors of **TIMOR GAP, E.P.**

Opinion

1. We have audited the accompanying financial statements of TIMOR GAP, E.P. ('the Company'), which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to note 32 of the accompanying standalone financial statements as on 31 December 2024, which states that the Company has incurred losses in the prior years and has provided financial support to its Subsidiary Companies as at reporting date. The said conditions indicate existence of material uncertainty that may cause significant doubt about the Company's ability to continue as going concern. However, for reasons more fully described in the aforesaid note, the going concern basis of accounting is appropriate for preparation of these standalone financial statements.

Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

5. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Grant Thornton Bharat LLP**

Place: Dili, Timor-Leste

Date: 26 June, 2025

TIMOR GAP, E.P.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December, 2024

Amount in USD

Particulars	Notes	Group		Company	
		Year ended 31st December, 2024	Year ended 31st December, 2023	Year ended 31st December, 2024	Year ended 31st December, 2023
Revenue					
Revenue from contract with customers	4	1,075,428	21,565,926	278,319	21,565,926
Other income	5	27,089,853	26,458,650	17,683,817	20,202,482
Revenue (A)		28,165,281	48,024,576	17,962,136	41,768,408
Purchase of Stock of Fuel		237,070	22,071,283	237,070	22,071,283
(Increase)/decrease in inventory	6	(15,558)	3,036	(15,558)	3,036
Employee Costs	7	5,804,976	4,744,772	5,019,724	4,319,865
Exploration and evaluation cost	8	40,715	2,499,549	-	-
Finance Cost	9	36,058,773	34,500,787	39,606	32,684
Depreciation and amortization expense	11	1,013,317	1,064,952	997,541	1,049,871
Impairment Expense	12	5,016,653	1,189,160	-	-
Other expenses	10	13,483,637	19,199,421	11,648,163	14,506,614
Total Expense (B)		61,639,583	85,272,960	17,926,546	41,983,353
Profit Before Share of Profit / (Loss) of Associates and Tax (C) = (A-B)		(33,474,302)	(37,248,384)	35,590	(214,945)
Share of Profit / (Loss) of Associates (D)		-	(2,250)	-	-
Profit/(Loss) before tax (E) = (C-D)		(33,474,302)	(37,250,634)	35,590	(214,945)
Tax expense					
Income tax expense	20	-	-	-	-
Deferred tax charge/(Credit)	20	2,642	63,339	2,642	63,339
Total Tax Expense (F)		2,642	63,339	2,642	63,339
Profit/(Loss) after tax (G)= (E-F)		(33,476,944)	(37,313,975)	32,948	(278,284)
Other Comprehensive Income					
<u>Items that will not be reclassified to profit or loss:</u>					
Remeasurement gain/(loss) on defined benefit plans (net)		111,774	(114,367)	111,774	(114,367)
Income tax effect on above		(11,177)	11,437	(11,177)	11,437
Total Other Comprehensive Income (H)		100,597	(102,930)	100,597	(102,930)
Total Comprehensive Profit/(Loss) (I)= (G+H)		(33,376,347)	(37,416,905)	133,545	(381,214)
Total Profit/(Loss) attributable to :					
TIMOR GAP, E.P		(33,476,962)	(37,313,887)	-	-
Non-Controlling Interest		18	(88)	-	-
Total Comprehensive Profit/(Loss) attributable to :					
TIMOR GAP, E.P		(33,376,365)	(37,416,817)	-	-
Non-Controlling Interest		18	(88)	-	-

See accompanying notes to the financial statements

1-42

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 26th June, 2025**President & CEO**
Place: Dili, Timor-Leste
Date: 26th June, 2025**Board Member**
Place: Dili, Timor-Leste
Date: 26th June, 2025

TIMOR GAP, E.P.
Statement of financial position as at 31st December, 2024
Amount in USD

Particulars	Notes	Group		Company	
		As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
ASSETS					
Non-current assets					
Property, plant and equipment	11	2,218,306	2,060,802	2,160,381	1,991,706
Right-of-use assets	11	2,878,326	423,851	2,878,326	423,851
Capital Work in progress		187,224	187,224	187,224	187,224
Intangible assets	11	20,864	129,632	20,864	129,632
Intangible assets under development	12	6,898,378	4,167,204	-	-
Financial assets					
Investments	13	-	-	1,197,446	1,177,446
Loans	14	-	-	14,608,683	14,382,818
Other financial assets	18	4,001,754	4,000,000	-	-
Other non-current assets	19	320,529	-	-	-
Total non-current assets		16,525,381	10,968,713	21,052,924	18,292,677
Current assets					
Inventories	15	126,453	110,895	126,453	110,895
Financial assets					
Loans	14	112,630	-	3,243,601	3,130,971
Trade receivables	16	93,755	66,386	37,970	10,600
Cash and cash equivalents	17	90,123,581	106,053,463	39,711,461	65,685,339
Other financial assets	18	15,930,903	15,350,956	42,805,933	25,468,872
Other current assets	19	510,856	11,501	504,432	-
Total current assets		106,898,178	121,593,201	86,429,850	94,406,677
Total assets		123,423,559	132,561,914	107,482,774	112,699,354
LIABILITIES AND EQUITY					
Liabilities					
Non-current liabilities					
Deferred Tax Liability (Net)	20	147,583	133,764	147,583	133,764
Financial Liabilities					
Borrowings	21	836,445,105	800,425,938	-	-
Lease Liabilities	30	2,221,012	-	2,221,012	-
Provisions	22	998,246	1,009,907	998,246	1,009,907
Total non-current liabilities		839,811,946	801,569,608	3,366,841	1,143,671
Current liabilities					
Financial Liabilities					
Trade payables	23	2,592,445	4,638,424	2,204,670	1,971,005
Lease Liabilities	30	645,630	465,369	645,630	465,369
Other financial liabilities	24	579,843	4,244,169	80,909	65,805
Provisions	25	33,237	37,593	32,464	30,335
Other current liabilities	26	113,260,824	121,581,878	78,554,485	86,558,939
Total current liabilities		117,111,979	130,967,433	81,518,158	89,091,453
Total liabilities		956,923,925	932,537,041	84,884,999	90,235,124
Equity					
Contributed Capital	27	2,500,000	2,500,000	2,500,000	2,500,000
Retained Earnings	27	(836,075,326)	(802,698,961)	20,097,775	19,964,230
Non- Controlling Interest		74,960	223,833	-	-
Total equity		(833,500,366)	(799,975,128)	22,597,775	22,464,230
Total equity and liabilities		123,423,559	132,561,914	107,482,774	112,699,354

See accompanying notes to the financial statements 1-42

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 26th June, 2025

President & CEO
Place: Dili, Timor-Leste
Date: 26th June, 2025

Board Member
Place: Dili, Timor-Leste
Date: 26th June, 2025

TIMOR GAP, E.P.

Statement of cash flows for the year ended 31st December, 2024

Amount in USD

Particulars	Group		Company	
	Year ended 31st December, 2024	Year ended 31st December, 2023	Year ended 31st December, 2024	Year ended 31st December, 2023
Cash flow from operating activities				
Profit/(Loss) before tax	(33,474,302)	(37,248,384)	35,590	(214,945)
Adjustments for:				
Depreciation expenses	1,013,317	1,064,952	997,541	1,049,871
Impairment expenses	5,016,653	1,189,160	-	-
Interest expenses	36,019,167	34,468,103	-	-
Finance Cost on lease liabilities	39,606	32,684	39,606	32,684
Loss on sale of PPE	2,469	-	2,469	-
Interest income	(76,719)	(31,122)	(300,779)	(247,051)
Dividend income from subsidiaries	-	-	(223,336)	-
Provision for doubtful debts	-	3,682,147	-	3,682,147
Increase / (Decrease) in trade payables	(2,045,979)	3,209,630	233,665	667,059
Increase / (Decrease) in other current financial liabilities	(832)	(26,282)	10,104	(23,965)
Increase / (Decrease) in provisions	102,242	(511,845)	102,242	(511,845)
Increase / (Decrease) in Other liabilities	(8,321,054)	27,221,663	(8,004,454)	17,186,030
(Increase) / Decrease in Trade receivables	(27,370)	(1,093,336)	(27,369)	(1,093,337)
(Increase) / Decrease in other financial assets	(543,642)	821,845	(17,075,667)	(1,104,185)
(Increase) / Decrease in Inventory	(15,558)	3,036	(15,558)	3,036
(Increase) / Decrease in other current assets	(499,355)	307,463	(504,432)	318,964
(Increase) / Decrease in Loans	(112,630)	-	(112,630)	-
Income tax paid	(6,485)	(866,247)	-	(674,992)
Net cash flows provided by (used in) operating activities (A)	(2,930,472)	32,223,466	(24,843,008)	19,069,471
Cash flow from Investing activities				
Payment for property, plant and equipment and intangible assets	(533,781)	(238,984)	(529,176)	(230,552)
Payment for Intangible under Developments	(11,731,849)	(1,189,160)	-	-
Investment in subsidiaries / Associates	-	-	(15,000)	(5,000)
Interest income	3,482	1,209	1,677	1,147
Investment in bank deposits	-	(4,000,000)	-	-
Proceeds from redemption of bank deposits	-	500,000	-	-
Proceed from sale of property, plant and equipment	44,600	-	44,600	-
Net cash flow provided by (used in) investing activities (B)	(12,217,548)	(4,926,935)	(497,899)	(234,405)
Cash flow from Financing activities				
Payment of lease liabilities	(632,971)	(620,560)	(632,971)	(620,560)
Payment of Dividend to Non-Controlling Interest shareholders	(148,891)	-	-	-
Net cash flow provided by (used in) financing activities (C)	(781,862)	(620,560)	(632,971)	(620,560)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(15,929,882)	26,675,971	(25,973,878)	18,214,506
Cash and cash equivalents at the beginning of the year	106,053,463	79,377,491	65,685,339	47,470,832
Cash and cash equivalents at the end of the year	90,123,581	106,053,463	39,711,461	65,685,339

See accompanying notes to the financial statements

1-42

As per our report of even date

Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 26th June, 2025President & CEO
Place: Dili, Timor-Leste
Date: 26th June, 2025Board Member
Place: Dili, Timor-Leste
Date: 26th June, 2025

TIMOR GAP, E.P.
Statement of changes in equity for the year ended 31st December, 2024
Amount in USD

A. Contributed Capital

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Contributed Capital as at the beginning of the year	2,500,000	2,500,000	2,500,000	2,500,000
Received during the year	-	-	-	-
Contributed Capital as at the end of the year	2,500,000	2,500,000	2,500,000	2,500,000

B. Retained Earnings

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Balance at the beginning of the year	(802,698,961)	(765,282,144)	19,964,230	20,345,444
Profit/(Loss) for the year	(33,476,962)	(37,313,887)	32,948	(278,284)
Other comprehensive income	100,597	(102,930)	100,597	(102,930)
Total comprehensive income for the year	(33,376,365)	(37,416,817)	133,545	(381,214)
Balance as at the end of the year	(836,075,326)	(802,698,961)	20,097,775	19,964,230

C. Non-Controlling Interest

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Balance at the beginning of the year	223,833	223,921	-	-
Total comprehensive income for the year	18	(88)	-	-
Payment to Non-Controlling Interests towards Dividend	(148,891)	-	-	-
Balance as at the end of the year	74,960	223,833	-	-

See accompanying notes to the financial statements 1-42

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 26th June, 2025

President & CEO
Place: Dili, Timor-Leste
Date: 26th June, 2025

Board Member
Place: Dili, Timor-Leste
Date: 26th June, 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements

1 Corporate and Group Information

a) Corporate Information

TIMOR GAP, E.P. ('the Company', 'the Parent') is a limited liability company by quotas ("Sociedade por Quotas") incorporated and domiciled in the Democratic Republic of Timor Leste whose registered office is located at Timor Plaza, Level 3, Rua Presidente, Nicolao Lobato, Comoro, Dili, Timor-Leste.

TIMOR GAP, E.P. is incorporated with the object to explore and develop hydrocarbon resources through its subsidiaries and market petroleum products.

The standalone and consolidated financial statements of TIMOR GAP, E.P and its subsidiaries (collectively, the Group) and its associate for the year ended 31st December, 2024 were authorised for issue in accordance with a resolution of the directors on 26th June, 2025.

b) Group Information

The Consolidated financial statements of the Group and its associate includes:

Subsidiaries:

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2024	As at 31st December, 2023
TIMOR GAP PSC 11-106, Unipessoal Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Oil & Gas Marine and Logistics, Unipessoal, Lda.	Logistic and Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	Drilling Service	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Chuditch, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
South Horizon Offshore Services, Unipessoal, Lda.	Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Seismic Services, Unipessoal, Lda.	Seismic Survey Services	Democratic Republic of Timor Leste	60%	60%
TIMOR GAP Pualaca, Unipessoal Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Rarahana Block, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda.^	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda.^	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.^	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.^	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	Not Applicable

* referred as Greater Sunrise Group

^ Incorporated on 19th August, 2024

Associate :

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2024	As at 31st December, 2023
Weststar-GAP Aviation, Lda.	Support Services	Democratic Republic of Timor Leste	45%	45%

2 Summary of material accounting policies

a) Basis of preparation and consolidation

Basis of preparation :

The financial statements of the Company & Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations applicable to companies reporting under IFRS issued by International Accounting Standards Board (IASB) and effective for the year ended 31 December 2024. The accounting policies have been consistently applied to all years presented, except where otherwise indicated.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in US dollars (USD), which is the Company's functional and reporting currency and all values are rounded to the nearest USD (\$), except where otherwise indicated.

Basis of Consolidation :

The consolidated financial statements comprise the financial statements of the Group and its associate as at 31 December, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, transactions, unrealized gains and losses resulting from intra-group transactions, dividends and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Investment in Associate :

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

b) Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- the Company/Group has no right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) (i) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

Revenue from contract fixed service fee is recognized by reference to the stage of completion of the contract as a percentage of actual expenditure incurred on the

Revenues from the production of hydrocarbon properties, in which the group has an interest with other contractors, are recognized based on group's participating interest in the Production Sharing Contract.

Revenues from the sale of petroleum products are recognized at the time when performance obligations are satisfied. Performance obligations are satisfied at a point in time when the control of the goods have passed to the buyer, usually on delivery of the goods.

Revenue from seismic and drilling service are recognised over the time with reference to stage of completion of activity at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

(ii) Other Income
Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

d) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Timor-Leste where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

e) Foreign Currencies

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be the United States Dollars. The financial statements are presented in United States Dollars.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.

f) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Expenditure on the construction, installation and completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including service and unsuccessful development or delineation wells, is capitalized within property, plant and equipment and is depreciated from the commencement of production.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The useful life is determined based on technical estimate and align with the public ruling issued by Ministry of Finance, Republic of Timor Leste, which are as follows:

Asset Class	Useful Life (Years)	Residual Value
Building	20	20%
Leasehold Improvements	7	20%
Machinery & Equipment	10	20%
Furnitures & Fittings	8	NIL
Vehicles	6	20%
Computer Hardware	3	NIL
Computer Software	3	NIL
Office Equipment	4	NIL
Other Intangible Assets	4	NIL

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

g) Lease

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as an lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets i.e. below USD 5,000 per month. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

h) Intangible assets

Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources and are stated at the amount initially recognized, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives other than capitalized exploration and appraisal costs as described below, are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Exploration and Evaluation, Development and Production cost

Geological and geophysical exploration costs are recognized as an expense as incurred. Costs directly associated with acquisition of license/participating rights or an exploration well are initially capitalized as an intangible asset until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If potentially commercial quantities of hydrocarbons are not found, the exploration well costs are written off. If hydrocarbons are found and, subject to further appraisal activity, are likely to be capable of commercial development, the costs continue to be carried as an asset. If it is determined that development will not occur, that is, the efforts are not successful, then the costs are expensed.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. Upon internal approval for development and recognition of proved or sanctioned probable reserves, the relevant expenditure is transferred to property, plant and equipment. If development is not approved and no further activity is expected to occur, then the costs are expensed.

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration or appraisal work in the area, remain capitalized on the balance sheet as long as such work is under way or firmly planned.

i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price as disclosed in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

The other three categories of Subsequent measurement of financial asset are not applicable to any financial asset of the company.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party along with the rights to receive cash flows from the asset have expired.

Impairment of Financial Assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, lease liabilities and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (not applicable at any of the financial instrument of the company)
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

j) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Company estimates of recoverable value of hydrocarbon reserves in line with the principles contained in the Petroleum Resources Management Reporting System (PRMS) framework.

The company assesses at each reporting date, whether any previously recognized impairment loss may be reversed either wholly or partially, if there exists any indication of reversals such as certainty of fiscal & regulatory framework of Greater Sunrise Special Regime, certainty of the agreed development concept approved by Greater Sunrise Special Regime Governance Board, favorable macro-economic factors, rising commodity prices etc. In such a case, the Company formally estimates the asset's recoverable amount and recognizes the assets at recoverable value / reverses the past impairment. There are constraints on the amount of a reversal of an impairment loss that can be recognised. A reversal is limited to the lower of the:

- recoverable amount
- carrying amount of the asset, net of amortisation or depreciation, had no impairment been recognised.

A reversal of an impairment loss for an asset measured at cost is recognised in P/L. In contrast, the reversal of an impairment loss for an asset measured at a revalued amount (such as property, plant and equipment measured at fair value) is recognised as a reversal of a revaluation decrement.

k) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

l) Inventories

Inventories include Traded Goods are valued at the lower of cost and net realisable value.

Cost of inventories include cost of purchase, freight charges and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

m) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

n) **Employee Benefits**

i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) **Other long-term employee benefit obligations**

ii(a) **Defined contribution plan**

Social Security: Contribution towards social security is made to the regulatory authorities, where the group and Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii(b) **Other long term benefits**

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves can be encashed only on discontinuation of service by employee.

Long Term Remuneration Service :

The company has a defined benefit obligation plan. Every employee who has completed five years or more of service is entitled to Long Term Service Remuneration. This is an unfunded plan.

o) **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

p) **Changes in accounting policies and disclosures**

Impact of new International Financial Reporting Standards

Standards, interpretations, and amendments that are effective for the first time in 2024 are:

- ▶ Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- ▶ Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- ▶ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- ▶ Non-current Liabilities with Covenants (Amendments to IAS 1)

These standards, amendments and interpretations do not have a material impact on these financial statements and, therefore, the disclosures have not been made.

q) **Material accounting policy information: Use of judgements, estimates and assumptions**

The preparation of the company/group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of company's, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The areas requiring the most significant judgement and estimation in the preparation of the consolidated financial statements are recoverability of asset carrying values; leases- determination of appropriate discount rate; provisions and contingencies; post-retirement benefits; recognition of deferred tax assets; useful life of property, plant and equipment and impairment of financial assets.

The areas requiring the most significant judgement and estimation in the preparation of the standalone financial statements are leases- determination of appropriate discount rate; provisions and contingencies; post-retirement benefits; recognition of deferred tax assets; useful life of property, plant and equipment and impairment of financial assets.

3 **Impact of new International Financial Reporting Standards- Not yet Adopted**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company/Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company/Group at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company/Group's financial statements.

4 Revenue from Contracts with Customers

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Income from fuel trading business	278,319	21,565,926	278,319	21,565,926
Income from contracts	797,109	-	-	-
Total	1,075,428	21,565,926	278,319	21,565,926

5 Other Income

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Assistance received from Government	27,009,451	26,427,528	17,159,702	19,955,431
Dividend Income from subsidiary	-	-	223,336	-
Interest Income	76,719	31,122	300,779	247,051
Miscellaneous Income	3,683	-	-	-
Total	27,089,853	26,458,650	17,683,817	20,202,482

6 (Increase)/decrease in inventory

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Opening stock of fuel	110,895	113,931	110,895	113,931
Closing stock of fuel	126,453	110,895	126,453	110,895
Total	(15,558)	3,036	(15,558)	3,036

7 Employee Costs

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Wages and salaries	5,648,651	4,602,031	4,866,154	4,204,003
Other long-term employee benefits	84,350	98,995	84,350	75,462
Staff Welfare	71,975	43,746	69,220	40,400
Total	5,804,976	4,744,772	5,019,724	4,319,865

8 Exploration and evaluation costs

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Exploration and evaluation costs	40,715	2,499,549	-	-
Total	40,715	2,499,549	-	-

The following financial information represents the amounts included within the Company relating to activity

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
<u>Exploration and evaluation costs</u>				
Exploration expense for the year	40,715	2,499,549	-	-
Impairment losses	5,016,653	1,189,160	-	-
Intangible assets - exploration and evaluation expenditure	6,898,378	4,167,204	-	-
Capital Advances	320,529	-	-	-
Liabilities	503,711	6,500,540	-	-
Net assets	6,715,196	(2,333,336)	-	-
Cash used in operating activities	2,374,051	166,213	-	-
Cash used in investing activities	11,731,849	1,189,160	-	-

9 Finance Cost

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Interest Expense	36,019,167	34,468,103	-	-
Finance Cost on Lease Liabilities	39,606	32,684	39,606	32,684
Total	36,058,773	34,500,787	39,606	32,684

10 Other Expenses

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Training & Development Expenses	713,736	2,366,353	682,809	2,296,425
Rates & taxes	1,160	-	-	-
Rental Expenses	109,530	133,201	66,571	99,185
Telephone & Internet Expenses	145,663	87,076	145,663	87,076
Travel Expenses	2,048,503	1,316,683	1,870,620	1,053,785
BOD Related Cost	-	33,321	-	6,000
Bank Charges	108,154	202,622	24,327	115,430
Repairs & Maintenance	606,632	553,339	588,272	553,339
Meeting & Conferences	355,178	190,605	341,282	116,909
Subscription Charges	734,463	342,007	685,584	326,050
Provision for Doubtful Debt	-	3,682,147	-	3,682,147
Office Maintenance	386,184	320,012	386,183	319,889
General Overhead Expenses	170,783	62,125	139,748	53,820
Legal and Consultant Expenses	7,852,661	9,683,849	6,714,635	5,795,559
Loss on Sale of Property, plant and equipment	2,469	-	2,469	-
Contractual Fees	23,440	-	-	-
Subsurface Rental Fee	225,081	225,081	-	-
Donation	-	1,000	-	1,000
Total	13,483,637	19,199,421	11,648,163	14,506,614

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11 Property, plant and equipment

Group

Particulars	Tangibles					Intangibles		Right-of-use assets			
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware		Total Tangibles	IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2024	539,463	810,632	1,076,345	547,503	297,629	491,064	1,448,221	5,210,857	2,232,435	2,232,435	3,129,831
Additions	5,967	-	99,000	-	186,600	36,251	205,963	533,781	-	-	3,029,816
Deductions/ adjustments	-	-	235,345	-	-	-	-	235,345	-	-	-
Balance as at 31st December, 2024	545,430	810,632	940,000	547,503	484,229	527,315	1,654,184	5,509,293	2,232,435	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2024	497,148	302,933	364,799	168,060	264,789	446,954	1,105,372	3,150,055	2,102,803	2,102,803	2,705,980
Charge for the year	7,200	57,558	115,300	21,900	46,509	12,359	68,382	329,208	108,768	108,768	575,341
Deductions/ adjustments	-	-	188,276	-	-	-	-	188,276	-	-	-
Balance as at 31st December, 2024	504,348	360,491	291,823	189,960	311,298	459,313	1,173,754	3,290,987	2,211,571	2,211,571	3,281,321
Net Book Value:											
31st December, 2024	41,082	450,141	648,177	357,543	172,931	68,002	480,430	2,218,306	20,864	20,864	2,878,326

Particulars	Tangibles						Intangibles		Right-of-use assets		
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2023	539,463	810,632	1,013,345	547,503	289,036	478,263	1,293,631	4,971,873	2,232,435	2,232,435	3,117,732
Additions	-	-	63,000	-	8,593	12,801	154,590	238,984	-	-	12,099
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2023	539,463	810,632	1,076,345	547,503	297,629	491,064	1,448,221	5,210,857	2,232,435	2,232,435	3,129,831
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2023	497,148	245,375	267,112	146,160	244,462	438,781	934,275	2,773,313	1,970,652	1,970,652	2,149,921
Charge for the year	-	57,558	97,687	21,900	20,327	8,173	171,097	376,742	132,151	132,151	556,059
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2023	497,148	302,933	364,799	168,060	264,789	446,954	1,105,372	3,150,055	2,102,803	2,102,803	2,705,980
Net Book Value:											
31st December, 2023	42,315	507,699	711,546	379,443	32,840	44,110	342,849	2,060,802	129,632	129,632	423,851

For the year ended 31 December, 2024 and 2023, assets arising from leases where the Group is a lessee have been accounted for under IFRS 16. The Group has taken office premises on lease. Initial lease term for the same is 5 years with renewable clause. Refer Note 30.

Depreciation and amortization expense		
Particulars	For the year ended	For the year ended
Depreciation on Tangible Assets	329,208	376,742
Depreciation on Right-of-use assets	575,341	556,059
Amortisation on Intangible Assets	108,768	132,151
Total	1,013,317	1,064,952

TIMOR GAP, E.P.
Notes to Financial Statements as at and for the year ended 31st December, 2024
(Amount in USD)

11 Property, plant and equipment

Company

Particulars	Tangibles						Intangibles		Right-of-use assets#		
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2024	539,463	810,632	978,145	547,503	293,862	481,005	1,425,311	5,075,921	2,232,435	2,232,435	3,129,831
Additions	5,967	-	99,000	-	183,631	35,105	205,473	529,176	-	-	3,029,816
Deductions/ adjustments	-	-	235,345	-	-	-	-	235,345	-	-	-
Balance as at 31st December, 2024	545,430	810,632	841,800	547,503	477,493	516,110	1,630,784	5,369,752	2,232,435	2,232,435	6,159,647
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2024	497,148	302,933	325,747	168,060	259,392	445,115	1,085,820	3,084,215	2,102,803	2,102,803	2,705,980
Charge for the year	7,200	57,558	102,193	21,900	46,385	11,029	67,167	313,432	108,768	108,768	575,341
Deductions/ adjustments	-	-	188,276	-	-	-	-	188,276	-	-	-
Balance as at 31st December, 2024	504,348	360,491	239,664	189,960	305,777	456,144	1,152,987	3,209,371	2,211,571	2,211,571	3,281,321
Net Book Value:											
31st December, 2024	41,082	450,141	602,136	357,543	171,716	59,966	477,797	2,160,381	20,864	20,864	2,878,326

Particulars	Tangibles						Intangibles		Right-of-use assets#		
	Leasehold Improvements	Machinery & Equipment	Motor Vehicles	Buildings	Office Equipment	Fixtures & Fittings	IT Hardware	Total Tangibles		IT Software	Total Intangibles
Gross block											
Opening Balance as at 1st January, 2023	539,463	810,632	915,145	547,503	285,269	476,636	1,270,721	4,845,369	2,232,435	2,232,435	3,117,732
Additions	-	-	63,000	-	8,593	4,369	154,590	230,552	-	-	12,099
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2023	539,463	810,632	978,145	547,503	293,862	481,005	1,425,311	5,075,921	2,232,435	2,232,435	3,129,831
Accumulated depreciation/amortisation/impairment											
Opening Balance as at 1st January, 2023	497,148	245,375	241,154	146,160	239,065	437,793	915,859	2,722,554	1,970,652	1,970,652	2,149,921
Charge for the year	-	57,558	84,593	21,900	20,327	7,322	169,961	361,661	132,151	132,151	556,059
Deductions/ adjustments	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2023	497,148	302,933	325,747	168,060	259,392	445,115	1,085,820	3,084,215	2,102,803	2,102,803	2,705,980
Net Book Value:											
31st December, 2023	42,315	507,699	652,398	379,443	34,470	35,890	339,491	1,991,706	129,632	129,632	423,851

For the year ended 31 December, 2024 and 2023, assets arising from leases where the company is a lessee have been accounted for under IFRS 16. The company has taken office premises on lease. Initial lease term for the same is 5 years with renewable clause. Refer Note 30.

Depreciation and amortization expense

Particulars	For the year ended	For the year ended
Depreciation on Tangible Assets	313,432	361,661
Depreciation on Right-of-use assets	575,341	556,059
Amortisation on Intangible Assets	108,768	132,151
Total	997,541	1,049,871

12 Intangible Assets Under Development

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Exploration and Appraisal Expenditure*				
Cost (Refer Note 34 and Note 38)				
Opening Balance	681,569,484	675,923,483	-	-
Expenditure during the year	7,747,826	5,356,364	-	-
Closing Balance	689,317,310	681,279,847	-	-
Accumulated Impairment				
Opening Balance	677,402,279	675,923,483	-	-
Provided during the year	5,016,653	1,189,160	-	-
Closing Balance	682,418,932	677,112,643	-	-
Carrying Amount	6,898,378	4,167,204	-	-

* For further information refer intangible assets within Note 2.

The above cost includes acquisition cost relating to acquiring of property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration / Development stage; such cost will be transferred to Oil and gas assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project. Refer Note 38.

Impairment Testing and Calculation

The Carrying amount of the intangible assets under development of Subsidiary Companies' are assessed by the management through a third-party valuer to determine whether there is any indication of Impairment. As per IAS 36 - Impairment of Assets, Recoverable amount of an asset is higher of its Fair Value Less Cost of Disposal and its Value in Use. If the Carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognised in the Statement of Profit and Loss.

Impairment losses in relation to Intangible Assets under Development of subsidiary companies' (Greater Sunrise Group) were triggered in financial year 2020 by uncertainty of fiscal and regulatory regime of the Greater Sunrise Special Regime, uncertainty on the Joint Venture Partners (JVs) agreed development concept necessary for commercial development of the Greater Sunrise field, revision of the mid and long-term oil/gases prices, refining margin outlook reflecting the expected effects of the macroeconomic environment and energy market demand and supply fundamentals. As per the third party valuation report, the recoverable value from the asset is negative and hence the entire amount of intangible asset was impaired.

For the Financial Year 2024, the management has reviewed the status of the project by considering both external and internal factors and has observed no significant updates which would result in a change in the recoverable amount of the assets.

Hence, management has not reversed the earlier impairment charge recognised. Further, in the current year capitalisation of USD 5,016,653 (Previous Year: USD 1,189,160) has been impaired and recognised in statement of profit or loss.

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13 Investments

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Investment in subsidiaries, valued at cost				
TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Marine Oil & Gas & Logistic Services, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	3,000	3,000
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	-	-	5,000	5,000
TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Pualaca, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	5,000	5,000
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda.	-	-	5,000	-
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda.	-	-	5,000	-
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda.	-	-	5,000	-
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda.	-	-	5,000	-
Investment in Subsidiaries on Fair Value Accounting*				
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	398,844	398,844
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	703,352	703,352
Investment in associate, valued at cost				
Weststar-GAP Aviation, Lda. ^{#^}	-	-	2,250	2,250
Total	-	-	1,197,446	1,177,446

* The parent company has given loan to TIMOR GAP ONSHORE BLOCK, Unipessoal Lda and TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda (SPV). The loan is 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.

The Parent Company has entered into a Joint Venture Agreement with PT WESTSTAR Aviation Indonesia on 19th September, 2019 for the provision of offshore aviation services to meet the demands of various oil and gas exploration and production companies and any other similar projects mutually agreed upon between the parties. As per the terms of the agreement, the other party has the exclusive rights to manage the operations of the associate company for 10 years from the date of agreement and accordingly management has assessed that the Parent Company holds only significant influence on the said company in accordance with relevant IFRS standards.

[^]Since the Group's share of losses from its associate exceeds its interest in the associate, the Group has discontinued recognising its share of further losses and, therefore, the carrying value of the investment in associate has been provided for in accordance with paragraph 38 of IAS 28.

14 Loans

Non-Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Loans to subsidiaries*	-	-	14,877,637	14,651,772
Less: Impairment on loan	-	-	(268,954)	(268,954)
Total	-	-	14,608,683	14,382,818

* The above loans have been given to subsidiaries and is repayable when they start generating revenue from their respective blocks. The loans do not carry any interest.

Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Loans to subsidiaries*	-	-	3,130,971	3,130,971
Loan to associate*	112,630	-	112,630	-
Less: Impairment on loan	-	-	-	-
Total	112,630	-	3,243,601	3,130,971

* The above loans have been given to subsidiaries and is repayable on demand. The loans do not carry any interest.

Movements in the impairment allowance on loan are as follows:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Opening provision for impairment on loan	-	-	(268,954)	(268,954)
Add: Increase During the year	-	-	-	-
Less: Reversed during the year	-	-	-	-
Closing provision for impairment on loan	-	-	(268,954)	(268,954)

15 Inventory

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Inventory - Fuel	126,453	110,895	126,453	110,895
Total	126,453	110,895	126,453	110,895

16 Trade receivables (at amortised cost)

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Trade receivables	3,776,505	3,749,136	3,720,720	3,693,350
Less: Provision for impairment of Trade Receivables	(3,682,750)	(3,682,750)	(3,682,750)	(3,682,750)
Total	93,755	66,386	37,970	10,600

Movements in the impairment allowance for trade receivables are as follows:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Opening provision for impairment of Trade Receivables	3,682,750	603	3,682,750	603
Add: Increase/(decrease) during the year	-	3,682,147	-	3,682,147
Less: Receivables written off during the year as uncollectible	-	-	-	-
Closing provision for impairment of Trade Receivables	3,682,750	3,682,750	3,682,750	3,682,750

17 Cash and cash equivalents

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Cash in hand	15,013	15,571	5,809	5,770
Cash in Bank	90,108,568	106,037,892	39,705,652	65,679,569
Total	90,123,581	106,053,463	39,711,461	65,685,339

18 Other financial assets

Non-Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Margin Money Deposits	4,001,754	4,000,000	-	-
Total	4,001,754	4,000,000	-	-

Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Bank Deposits	15,088,340	15,022,493	15,088,340	15,022,493
Staff Advances	447,656	135,657	382,932	91,042
Other receivables*	42,760	16,250	26,763,443	10,183,046
Dividend Receivable	-	-	223,336	-
Refundable Deposits - Security Deposits	148,967	176,556	144,702	172,291
Refundable Deposits - Others	203,180	-	203,180	-
Total	15,930,903	15,350,956	42,805,933	25,468,872

*Refer related party disclosures. Other receivables are generally receivable on demand and are non-interest bearing.

19 Other Assets

Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Capital Advances	320,529	-	-	-
Total	320,529	-	-	-

Current

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Prepaid Expenses	508,882	-	504,432	-
Balance with government authorities	1,974	11,501	-	-
Total	510,856	11,501	504,432	-

20 Deferred Tax (Asset) / Liability

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 10%.

The balance comprises temporary differences attributable to:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Deferred tax Liabilities:				
- Net Block of Property, Plant & Equipments	236,847	230,856	236,847	230,856
- Others	12,645	11,090	12,645	11,090
	249,492	241,946	249,492	241,946
Deferred tax Assets:				
- Carried forwards tax losses	-	-	-	-
- Provisions	(103,071)	(104,024)	(103,071)	(104,024)
- Others	1,162	(4,158)	1,162	(4,158)
	(101,909)	(108,182)	(101,909)	(108,182)
Deferred tax (Asset)/Liability	147,583	133,764	147,583	133,764

The Group has not recognised deferred tax assets on losses incurred in current year on prudent basis. These unused tax losses can be carried forward for indefinite period as per current Income Tax laws for set off against future taxable income.

Reconciliation of Income Tax expense and accounting profit multiplied by Company's Tax rate:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Profit Before Tax	(33,476,944)	(37,313,975)	35,590	(214,945)
Enacted Tax Rate in Timor Leste	10.00%	10.00%	10.00%	10.00%
Computed Expected Tax Payable	(3,347,694)	(3,731,397)	3,559	(21,494)
Add: Expenses disallowed under Income Tax Act	85,759	(43,177)	85,759	(43,177)
Add: Difference between tax depreciation and book depreciation	(9,580)	26,991	(10,698)	26,326
Add: Tax on current year losses not recognised	3,271,515	3,747,583	(78,620)	38,345
Income Tax Expense	-	-	-	-

21 Non-Current Borrowings (at amortized cost)

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Loan from Banco Central de Timor Leste (BCTL)*	836,445,105	800,425,938	-	-
Total	836,445,105	800,425,938	-	-

* Loan is taken from Banco Central de Timor-Leste (BCTL) on behalf of Petroleum Fund of Timor Leste for the purpose of acquiring participating interests and rights in the Greater Sunrise oil and gas field as fully explained in Note 34. The loan is unsecured and carrying interest rate of 4.5 % compounded annually. The loan tenure is of 18 years whose first annual repayment is due on 9th April 2028.

22 Non-Current Provisions

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Provision for employee benefits*				
- long-term service benefit	787,052	814,936	787,052	814,936
- compensated absences	211,194	194,971	211,194	194,971
Total	998,246	1,009,907	998,246	1,009,907

* Refer note 36.

23 Trade payables

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Trade payables	2,592,445	4,638,424	2,204,670	1,971,005
Total	2,592,445	4,638,424	2,204,670	1,971,005

Trade payable are generally payable on demand and are non-interest bearing.

24 Other Financial Liabilities

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Payable to employees	73,883	74,715	68,659	58,555
Capital Creditors	503,710	4,167,204	-	-
Payable to Related Party*	2,250	2,250	12,250	7,250
Total	579,843	4,244,169	80,909	65,805

* Refer related party disclosures in Note 37. Other payable are generally payable on demand and are non-interest bearing.

25 Provisions

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Provision for employee benefits				
- long-term service benefit	21,486	21,026	21,486	21,026
- compensated absences	10,978	9,309	10,978	9,309
Provision for Onerous Contract	-	-	-	-
Provision for Income Tax	773	7,258	-	-
Total	33,237	37,593	32,464	30,335

Movements in the Provision for Onerous Contract is follows:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Opening provision for Onerous Contract	-	580,639	-	580,639
Add: Created during the year	-	-	-	-
Less: Written back during the year	-	580,639	-	580,639
Closing provision	-	-	-	-

26 Other Current Liabilities

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Deferred Income (Prepaid Vouchers)	64	64	64	64
Dues payable to Government	1,001,488	313,491	833,619	217,910
Deferred Grant*	112,259,272	121,268,323	77,720,802	86,340,965
Total	113,260,824	121,581,878	78,554,485	86,558,939

* Refer Note 40.

27 Contributed Capital and Retained Earning

Contributed Capital and Retained earnings are as stated in the Statement of Changes of Equity.

28 Contingent Liability

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Claims against the Company/Group not acknowledged as debts	1,383,986	1,297,118	1,383,986	1,297,118
Total	1,383,986	1,297,118	1,383,986	1,297,118

29 Financial Instrument Risk Management

Group

The Group financial assets includes trade and other receivables, investments and cash & cash equivalents. Financial liabilities includes borrowings, lease liabilities, trade and other payables. The Group is exposed to credit risk and liquidity risk.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. As on date, the Group does not expect any loss on account of credit loss.

Liquidity risk is the risk that the Group will not able to meet its obligations. To mitigate the risk the Group has borrowed the fund from the Petroleum fund of Timor Leste with longer moratorium period and expects to generate revenue by then to meet its obligation. The Group also receives support from the government of Timor Leste to fund its operations and is hopeful of continuous support in future also.

Company

The Company's financial assets includes trade receivables, other receivables, loans, investments and cash and cash equivalents. Financial liabilities includes Lease liabilities, trade payables and other payables. The Company is exposed to credit risk and liquidity risk.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company gives loan only to the subsidiaries and other receivable are also due from the subsidiaries. Other Receivables also includes Contract Assets and Advance given to employees. The Company regularly monitors the operations of the subsidiaries to mitigate the risk. As on date, Company does not expect any loss on account credit loss.

Liquidity risk is the risk that the Company will not able to meet its obligations. The Company receives the support from the Government of Timor Leste to fund its operations and is hopeful of continuous support in future also.

The maturity profile of the financial liabilities included in the balance sheet at 31 December, 2024 is shown in the table below:

Group:

Period	Group			
	Trade Paybles	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	2,592,445	645,630	-	579,843
1-5 years	-	2,221,012	235,442,810	-
More than 5 years	-	-	934,561,679	-

Company:

Period	Company			
	Trade Payables	Lease liability	Borrowings	Other Financial Liabilities
Less than 1 year	2,204,670	645,630	-	80,909
1-5 years	-	2,221,012	-	-
More than 5 years	-	-	-	-

* The Cash Outflows on account of repayment of loan from BCTL as disclosed above is as per existing terms and conditions of the loan agreement between the Group and lenders. The loan has been taken specifically for the purpose of acquiring participating interest in the Greater Sunrise Oilfields and the loan repayment start date of 2028 was also agreed upon based on expected production commencement date of Greater Sunrise Oilfields. However, as the expected production commencement date of the Greater Sunrise Oilfields has been delayed, the Group management may consider initiating a discussion with the lender and external stakeholders to restructure the loan.

30 Leases where Group and Company are lessee

(ia) Changes in the carrying value of Right-of-use Assets

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Opening Balance	423,851	967,811	423,851	967,811
Add: Additions/Modifications*	3,029,816	12,099	3,029,816	12,099
Less: Deletion	-	-	-	-
Less: Depreciation	575,341	556,059	575,341	556,059
Closing Balance	2,878,326	423,851	2,878,326	423,851

* includes USD 35,178 towards fair value accounting of Security Deposits

(ib) Changes in the Lease liabilities

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Opening Balance	465,369	1,041,146	465,369	1,041,146
Add: Additions/Modifications	2,994,638	12,099	2,994,638	12,099
Add: Interest Expense	39,606	32,684	39,606	32,684
Less: Lease Payments	632,971	620,560	632,971	620,560
Closing Balance	2,866,642	465,369	2,866,642	465,369

(ii) Break-up of current and non-current lease liabilities

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Current Lease Liabilities	645,630	465,369	645,630	465,369
Non-current Lease Liabilities	2,221,012	-	2,221,012	-
Total	2,866,642	465,369	2,866,642	465,369

(iii) Amounts recognised in Statement of Profit and Loss Account

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Interest on Lease Liabilities	39,606	32,684	39,606	32,684
Low-value leases expensed	109,530	133,201	66,571	99,185

31 Fair Value Hierarchy

i) The following table shows the carrying amounts and fair values of the Group's financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st December, 2024	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	93,755	-	-	93,755	93,755
Cash and cash equivalents	90,123,581	90,123,581	-	-	90,123,581
Investments in Associate Company	-	-	-	-	-
Other financial assets	19,932,657	-	-	19,932,657	19,932,657
Total	110,149,993	90,123,581	-	20,026,412	110,149,993
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	836,445,105	-	-	836,445,105	836,445,105
Lease Liabilities	2,866,642	-	-	2,866,642	2,866,642
Trade payables	2,592,445	-	-	2,592,445	2,592,445
Other financial liabilities	579,843	-	-	579,843	579,843
Total	842,484,035	-	-	842,484,035	842,484,035

31st December, 2023	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	66,386	-	-	66,386	66,386
Cash and cash equivalents	106,053,463	106,053,463	-	-	106,053,463
Investments in Associate Company	-	-	-	-	-
Other financial assets	19,350,956	-	-	19,350,956	19,350,956
Total	125,470,805	106,053,463	-	19,417,342	125,470,805
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	800,425,938	-	-	800,425,938	800,425,938
Lease Liabilities	465,369	-	-	465,369	465,369
Trade payables	4,638,424	-	-	4,638,424	4,638,424
Other financial liabilities	4,244,169	-	-	4,244,169	4,244,169
Total	809,773,900	-	-	809,773,900	809,773,900

ii) The following table shows the carrying amounts and fair values of Company's financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st December, 2024	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	37,970	-	-	37,970	37,970
Cash and cash equivalents	39,711,461	39,711,461	-	-	39,711,461
Loans	17,852,283	-	-	17,852,283	17,852,283
Investments in Associate Company	2,250	-	-	2,250	2,250
Other financial assets	42,805,933	-	-	42,805,933	42,805,933
Total	100,409,897	39,711,461	-	60,698,436	100,409,897
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	-	-	-	-	-
Lease Liabilities	2,866,642	-	-	2,866,642	2,866,642
Trade payables	2,204,670	-	-	2,204,670	2,204,670
Other financial liabilities	80,909	-	-	80,909	80,909
Total	5,152,221	-	-	5,152,221	5,152,221

31st December, 2023	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
a) Measured at amortized cost					
Trade receivables	10,600	-	-	10,600	10,600
Cash and cash equivalents	65,685,339	65,685,339	-	-	65,685,339
Loans	17,513,789	-	-	17,513,789	17,513,789
Investments in Associate Company	2,250	-	-	2,250	2,250
Other financial assets	25,468,872	-	-	25,468,872	25,468,872
Total	108,680,850	65,685,339	-	42,995,511	108,680,850
Financial Liabilities					
a) Measured at amortized cost					
Borrowings	-	-	-	-	-
Lease Liabilities	465,369	-	-	465,369	465,369
Trade payables	1,971,005	-	-	1,971,005	1,971,005
Other financial liabilities	65,805	-	-	65,805	65,805
Total	2,502,179	-	-	2,502,179	2,502,179

Equity investment in subsidiaries included in Note 13 are carried at cost as per IAS 27 "Separate Financial Statement" and hence are not required to be disclosed as per IFRS 7 "Financial Instruments Disclosure". Hence, the same has not been disclosed in the above table.

32 Going Concern Group

The Group is in the business of developing the hydrocarbon reserves, which has long gestation period and marketing the petroleum product. The Group has obtained exploration rights of various onshore and offshore oil fields and has entered into Joint Petroleum sharing contract with various oil and gas companies. The hydrocarbon reserves are in various stages of exploration, appraisal and development of hydrocarbon block. The Group's expenditure primarily consists of Group's share of expenditure in the exploration and evaluation cost, employee cost, consultant costs, staff training and related expenses. The Holding Company and its subsidiaries have incurred losses either during the current year or previous year or both and as on 31 December 2024, the Group's current liabilities have exceeded its current assets by USD 10,213,801. Further on account of recognition of impairment of entire acquisition value of participating interest in Greater Sunrise Oil fields in previous years, the net worth of the Group has been fully eroded. The aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to which the Group may not be able to realize the assets and discharge its liabilities in the normal course of business.

The Management of the Group, basis expected additional government grants to be received and the projected cashflows of the Group, believes that the Group will be able make payment of its liabilities as and when they fall due from the cash flows in next 12 months from the date of signing of the financial statements. Hence, Management is of the view that the Group will be able to continue as a going concern for at least a period of one year from the date of the financial statements. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Company

The Company is in the business of marketing petroleum products and providing managerial and financial support to the Subsidiary Companies. Hence, the Company's expenditure primarily consists of employee cost, consultant costs and staff training and related overhead expenses. The Company has incurred losses during the previous year. The Company has granted unconditional financial support to its subsidiaries and is dependent on government grants to meet its cash flow requirements. The aforesaid conditions, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realize the assets and discharge its liabilities in the normal course of business.

The Management of the Company, basis the expected additional government grants to be received and the projected cashflows of the Company believes that the Company will be able make payment of its liabilities as and when they fall due from the cash flows in next 12 months from the date of signing of the financial statements. Hence, Management is of the view that the Company will be able to continue as a going concern for at least a period of one year from the date of the financial statements. Accordingly, these standalone financial statements have been prepared on a going concern basis.

33 Segment Reporting

The Group is organised into business units based on its products and services and has two reportable segments as below :

- i. Hydrocarbon- Developing hydrocarbon reserves and production of hydrocarbons
- ii. Trading of Fuel

There are no reportable geographical segments since all business is in Timor-Leste.

Particulars	Year ended 31st December, 2024	Year ended 31st December, 2023
1. Segment Revenue (Gross)		
a) Hydrocarbon	797,109	-
b) Trading of Fuel	278,319	21,565,926
Total Segmental Revenue	1,075,428	21,565,926
Add : Un-Allocated Revenue	-	-
Less : Inter-Segmental Revenue	-	-
Total Revenue	1,075,428	21,565,926
2. Other Income		
a) Hydrocarbon	27,089,853	21,451,206
b) Trading of Fuel	-	4,190,541
Total Other Income	27,089,853	25,641,747
Add : Un-Allocated Income	-	816,903
Total Other Income	27,089,853	26,458,650
3. Segment Expenses		
a) Hydrocarbon	24,345,980	23,950,754
b) Trading of Fuel	221,512	25,756,467
Total Expenses	24,567,492	49,707,221
Add : Un-Allocated Expenses	37,072,091	35,565,739
Total Expenses	61,639,583	85,272,960
4. Segment profit / (loss) (before tax and finance cost)		
a) Hydrocarbon	3,540,982	(2,499,548)
b) Trading of Fuel	56,807	-
Total Segment profit / (loss) (before tax and finance cost)	3,597,789	(2,499,548)
Add : Un-allocated Profit & Loss	(37,072,091)	(34,748,836)
Profit/(Loss) before Tax	(33,474,302)	(37,248,384)
5. Segment Assets		
a) Hydrocarbon	26,309,001	23,189,697
b) Trading of Fuel	220,209	177,282
Total Segment Assets	26,529,210	23,366,979
Add : Un-allocated Assets	96,894,349	109,194,935
Total Assets	123,423,559	132,561,914
6. Segment Liabilities		
a) Hydrocarbon	503,711	6,500,540
b) Trading of Fuel	64	64
Total Segment Liabilities	503,775	6,500,604
Add : Un-allocated Liabilities	956,420,150	926,036,438
Total Liabilities	956,923,925	932,537,042

34 Acquisition of participating interest in Greater Sunrise Oil Fields

Few subsidiaries had 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 at a total consideration of \$ 651,677,600. The transaction was completed during the financial year 2019 with effective date of April 16, 2019.

Refer Note 12 for details with respect to impairment.

35 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December, 2024 and 2023.

36 Employee Benefits

The company has a defined benefit obligation plan. Every employee who has completed five years or more of service is entitled to Long Term Service Benefit. This is an unfunded plan.

Details of the Long Term Service Benefit are as follows:

(i) Changes in the present value of Defined Benefit Obligations are as follows :

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Opening Balance	835,962	664,033
Current Service Cost	50,003	48,256
Interest Cost	34,346	27,206
Benefits paid	-	(17,900)
Actuarial (gains)/losses from financial assumptions	(80,032)	-
Actuarial (gains)/losses from demographic assumptions	-	-
Actuarial (gains)/losses from experience assumptions	(31,742)	114,367
Closing Balance	808,537	835,962
Current Liability	21,485	21,026
Non-Current Liability	787,052	814,936

(ii) Changes in the fair value of plan assets

As the company's Long Service Benefit obligation is unfunded, disclosures related to plan assets and its reconciliation to present value of defined benefit obligation are not applicable.

(iii) Expense Recognized in Statement of Profit and Loss

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
a. Current service cost	50,003	48,256
b. Interest cost	34,346	27,206
Benefit Cost (Expense Recognized in Statement of Profit/Loss)	84,349	75,462

(iii) Expense Recognized in Other Comprehensive Income

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Re-Measurement (Gain)/Loss		
- Due to Financial Assumptions	(80,032)	-
- Due to Demographic Assumptions	-	-
- Due to Experience Variance	(31,742)	114,367
Benefit Cost (Expense Recognized in Other Comprehensive income)	(111,774)	114,367

(iv) Actuarial Assumptions

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
a. Discount Rate(per annum) %	4.75%	4.10%
b. Expected Rate for salary increases %	2.00%	2.00%
c. Average expected future service (Remaining working Life) in years	25.17	24.16
d. Withdrawal Rate (Upto 40 years)	3.00%	3.00%
d. Withdrawal Rate (40 years and above)	NIL	NIL

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(v) The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.25 %	780,490	758,855
b) Impact due to decrease of 0.25 %	838,026	817,177
Impact of change in salary increase		
Present value of obligation at the end of the year		
a) Impact due to increase of 0.25 %	838,766	817,853
b) Impact due to decrease of 0.25 %	779,684	758,106
Impact of change in withdrawal rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 50%	808,285	783,374
b) Impact due to decrease of 50%	806,103	789,231
Impact of change in mortality rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 10%	808,670	787,277
b) Impact due to decrease of 10%	808,402	787,250

(vi) Estimated cash flows (undiscounted) in subsequent years

Particulars	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Less than a year	-	-
Between 1-2 years	21,485	21,026
Between 2-5 years	127,416	105,033
Between 6-10 years	275,452	253,080
More than 10 years	1,328,851	1,299,953

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37 Related party disclosures

Information about Subsidiaries

Name	Principal Activities	Place of incorporation	Ownership interest	
			As at 31st December, 2024	As at 31st December, 2023
TIMOR GAP PSC 11-106, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Marine Oil & Gas & Logistic Services, Unipessoal, Lda.	Logistic and Support services	Democratic Republic of Timor Leste	100%	100%
South Horizon Offshore Services, Unipessoal, Lda. (Formerly South Horizon Offshore Services, Lda.)	Support services	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Seismic Services, Lda.	Seismic Survey services	Democratic Republic of Timor Leste	60%	60%
TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.)	Drilling Service	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Chuditch, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Pualaca Block, Unipessoal, Lda.	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP Rarahana Block, Unipessoal, Lda	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	100%
TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda*	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda*	Hydrocarbons Production	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	Not Applicable
TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda*	Hydrocarbons Exploration	Democratic Republic of Timor Leste	100%	Not Applicable

* Incorporated on 19th August, 2024

Related parties under IAS 24 with whom transactions have taken place during the year:

Name	Type	Place of incorporation
Weststar-GAP Aviation, Lda.	Associate	Democratic Republic of Timor Leste

Key Management Personnel (KMP):

Name	Designation
Rui Maria Alves Soares	President & Chief Executive Officer & Chairman (appointed on 15th September, 2023)
Domingos L.S.Maria	Vice President for the Greater Sunrise Development (appointed on 11th October, 2023)
Alexandre Cristovao	Vice President for Infrastructure (appointed on 11th October, 2023)
Aurelia Alves	Vice President for Government Relations and Stakeholders Engagement (appointed on 11th October, 2023)
Vicente Pinto	Director of Downstream Business (appointed on 11th October, 2023)
Luis Martins	Director of Finance and Commercial (appointed on 11th October, 2023)
Tomas Talo	Director of Research, Development and Services (appointed on 11th October, 2023)
Helder Sarmento	Director of Corporate Legal (appointed on 11th October, 2023)
Aleixo Alves	Director of Exploration and Development (appointed on 11th October, 2023)
Ligia Aniceto	Director of Human Resources Development and Administration Support (appointed on 11th October, 2023)
Antonio Jose Loyola de Sousa	President & Chief Executive Officer & Managing Director of Finance Unit (cessation w.e.f. 10th October, 2023)
Jose M.M da Conceicao	Vice President (cessation w.e.f. 10th October, 2023)
Jose da Costa Tilman	Managing Director of Upstream Business Unit (cessation w.e.f. 10th October, 2023)
Francelino Marcos Tome Boavida	Board of Director & Managing Director of Downstream Business Unit (cessation w.e.f. 10th October, 2023)
Francisco Ferreira	Managing Director of Tasi Mane Unit (cessation w.e.f. 10th October, 2023)
Amandio Gusmao Soares	Board of Director (cessation w.e.f. 10th October, 2023)
Gabriel Gaspar Aparicio de Oliveira	Board of Director (cessation w.e.f. 10th October, 2023)
Rui Pereira Magno	Board of Director (cessation w.e.f. 10th October, 2023)

Transactions with related parties

The following transactions occurred with related parties:

Particulars	Group		Company	
	For the year ended 31st December, 2024	For the year ended 31st December, 2023	For the year ended 31st December, 2024	For the year ended 31st December, 2023
Investment on Subsidiaries				
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda	-	-	5,000	-
- TIMOR GAP BAYU-UNDAN 19-13, Unipessoal, Lda	-	-	5,000	-
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda	-	-	5,000	-
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda	-	-	5,000	-
Payment made on behalf of Subsidiaries				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	785,148	9,680
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	99,104	13,989
- TIMOR GAP ONSHORE BLOCK , Unipessoal, Lda.	-	-	6,449,368	39,223
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	1,441,520	6,446
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	2,234,567	1,369,638
- TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	-	-	1,559,043	85,211
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	1,003,928	156,908
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	105,053	106,850
- TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda. (Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.	-	-	59,041	857
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	1,926,635	3,389
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	340,728	87,142
- TIMOR GAP Rarahana Block, Unipessoal, Lda	-	-	244,750	44,553
- South Horizon Offshore Services, Lda.	-	-	16,626	-
- TIMOR GAP Seismic Services, Unipessoal, Lda	-	-	148,891	-
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda	-	-	75,203	-
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda	-	-	47,873	-
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda	-	-	27,206	-
Dividend				
- TIMOR GAP Seismic Services, Unipessoal, Lda			223,336	
Payment made on behalf of Associates				
- Weststar-GAP Aviation, Lda.	26,512	16,250	26,512	16,250
Loan given to Associates				
- Weststar-GAP Aviation, Lda.	112,630	-	112,630	-
Interest Income from Subsidiary				
- TIMOR GAP ONSHORE BLOCK, Unipessoal, Lda.	-	-	76,282	72,979
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	149,583	143,013
Assistance provided to Subsidiaries :				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	-	350,000
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	9,260,460	-
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	-	10,511,573
- TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	-	5,611,778
Payment to KMPs	935,907	580,388	935,907	580,388
Post-employment benefits	-	5,000	-	5,000

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Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	Group		Company	
	As at 31st December, 2024	As at 31st December, 2023	As at 31st December, 2024	As at 31st December, 2023
Other Receivable				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	2,462,659	1,677,511
- TIMOR GAP Marine Oil & Gas & Logistic Services, Unipessoal, Lda.	-	-	5,500	5,500
- South Horizon Offshore Services, Lda.	-	-	48,494	31,869
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	304,981	205,879
- TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	149,301	410
- TIMOR GAP ONSHORE BLOCK , Unipessoal, Lda.	-	-	6,698,480	249,113
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	1,505,256	63,732
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	7,402,411	5,178,646
- TIMOR GAP GREATER SUNRISE RL 2, Unipessoal, Lda.	-	-	2,452,821	893,778
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	1,972,908	968,980
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	688,742	583,688
- TIMOR GAP Drilling & Seismic Services, Unipessoal, Lda.	-	-	-	-
(Formerly TIMOR GAP Drilling & Services, Unipessoal, Lda.	-	-	99,088	40,047
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	2,046,561	119,921
- TIMOR GAP Pualaca Block, Unipessoal, Lda.	-	-	443,897	103,168
- TIMOR GAP Rarahana Block, Unipessoal, Lda.	-	-	289,303	44,553
- TIMOR GAP BAYU-UNDAN 19-12, Unipessoal, Lda	-	-	75,203	-
- TIMOR GAP PSC TL-OT-22-22, Unipessoal, Lda	-	-	47,873	-
- TIMOR GAP PSC TL-SO-22-23, Unipessoal, Lda	-	-	27,206	-
- Weststar-GAP Aviation, Lda.	42,760	16,250	42,760	16,250
Dividend Receivable				
- TIMOR GAP Seismic Services, Unipessoal, Lda.	-	-	223,336	-
Other Financial Liabilities				
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	5,000	5,000
- TIMOR GAP PSC TL-OT-22-23, Unipessoal, Lda	-	-	5,000	-
- Weststar-GAP Aviation, Unipessoal, Lda.	2,250	2,250	2,250	2,250
Loan Given				
- TIMOR GAP OFFSHORE BLOCK, Unipessoal, Lda.	-	-	13,115,637	12,966,054
- TIMOR GAP PSC 11-106, Unipessoal, Lda.	-	-	800,116	800,116
- TIMOR GAP ONSHORE BLOCK , Unipessoal, Lda.	-	-	1,762,000	1,685,717
- TIMOR GAP ONSHORE BLOCK B, Unipessoal, Lda.	-	-	361,201	361,201
- TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda.	-	-	117,265	117,265
- TIMOR GAP Chuditch, Unipessoal, Lda.	-	-	50,000	50,000
- TIMOR GAP GREATER SUNRISE RL, Unipessoal, Lda.	-	-	815,859	815,859
- TIMOR GAP GREATER SUNRISE RL2, Unipessoal, Lda.	-	-	641,028	641,028
- TIMOR GAP GREATER SUNRISE 03-19, Unipessoal, Lda.	-	-	333,196	333,196
- TIMOR GAP GREATER SUNRISE 03-20, Unipessoal, Lda.	-	-	12,307	12,307
- Weststar-GAP Aviation, Lda.	112,630	-	112,630	-

Terms and condition relating to related party transactions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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38 Current Status of Material Projects:**Greater Sunrise Project:**

The Minimum Exploration Work for Greater Sunrise Fields has been completed and the Field Development Plan for the Project is under process. In current year, Greater Sunrise JV partners carried out a Concept Study for development of Greater Sunrise Fields with the help of a third-party consultant. The study evaluated four main development options - Timor-Leste Liquefied Natural Gas (TLNG), Darwin LNG (DLNG), Ichthys LNG and a new LNG facility in Australia. The outcome of the concept study shows that all the options were technically feasible, however, TLNG is commercially the most viable option as it provides the highest economic return not only to SJV but also to the States. It also shows that TLNG option will generate maximum socio-economic impacts and job-creations for Timor-Leste which is in accordance with the requirement of the Maritime Boundary Treaty.

Woodside Energy Limited is the Operator of the PSC. TIMOR GAP, as the major shareholder in the Greater Sunrise Field, along with other JV Partners is progressing on the negotiation of the new Production Sharing Contract, Petroleum Mining Code and associated agreements with the Timor-Leste and Australian Governments which upon finalization will provide the fiscal and regulatory certainty for the development of the Greater Sunrise field.

In 2025, efforts will be dedicated in selecting one single Development concept based on the Concept Study carried out last year. In view of above progress on the project, the production is expected to commence in 2032.

Onshore Block:

In 2017, the respective subsidiary company has signed Timor's GAP's first onshore contract PSC-TL-OT-17-08 in partnership with Timor Resources Pty Ltd, a company incorporated in Australia and affiliate of the NEPEAN Engineering group of Companies. The PSC establish a 50:50 joint venture between TIMOR GAP Onshore Block and its partner Timor Resources, and Timor Resources assuming the operatorship. The PSC is committed with 7-year exploration work program. The onshore Vibrosis Fafulu 2D Seismic acquisition survey was conducted and concluded in 2018/2019. The Fafulu 2D Seismic Interpretation was completed in 2020. After the first exploration well, Feto Kmaus-1 (Karau-1) which was drilled in late 2021, there were two exploration wells drilled in 2022, namely, the second exploration well, Liurai (Kumbili-1), and the third exploration well, Lafaek-1. The drilling activity of second and third exploration well was completed in 2022 and 2023 respectively. An independent third party was engaged by the Operator to do the resource classification of the wells drilled, and the results were made available in September 2022.

In November 2023, Autoridade Nacional do Petróleo (ANP) of Timor Leste announced the results of the wells drilled in PSC TL OT-17-08 as "Technical Discovery".

During the current year 2024, preliminary activities for appraisal drilling campaign has been carried out including entering into rig contracts and is expected to complete the appraisal of wells by 2025. Additionally, there are two new exploration wells Kmaus 2 & Weda's 2 for which appraisal is being planned.

As per the original Joint Operating Agreement ('JOA') between Timor Resources PTY and TIMOR GAP Onshore Block, the participating interest of the company is being free carried by the Operator. Hence, the Company had not incurred and accounted for its share of exploration and appraisal expenses till FY 2022.

In 2023, discussions began with the Operator for payment of TIMOR GAP Onshore Block participating share of expenses as the budgeted limit set forth for the overall project had been breached in the current year and Operator being not able to freely carry TIMOR GAP Onshore Block's share of obligation for exploration and appraisal expenses being incurred in the project.

During the current year in May 2024, all the parties to JOA entered into a Settlement Agreement and amended JOA pursuant to which TIMOR GAP Onshore Block paid USD 4.80 million as a final settlement for its share of participating interest and going forward it is liable to bear 30% of the project expenses with balance 20% of its participating interest being free carried by the Operator.

In accordance with the above agreement, the Management has recognised the relevant expenditures incurred on the project in its financial statements in accordance with its accounting policies.

Onshore Block C:

TIMOR GAP ONSHORE BLOCK C, Unipessoal, Lda. is a wholly owned subsidiary of TIMOR GAP, created to participate in petroleum activities, particularly in the contract area of PSC TL-OT-17-09 (Onshore Block C), which covers an area of 1,291 km². The subsidiary's main objective is to exclusively exercise the rights arising from ownership of a participating interest in the said PSC, including the exploration and production of crude oil and natural gas, as well as the respective sales of these products.

TIMOR GAP, through its wholly owned subsidiary TIMOR GAP ONSHORE BLOCK C, holds a 50% participation interest in the onshore PSC TL-OT-17-09 and the remaining 50% is held by TIMOR RESOURCES, also assuming the role of Operator. The PSC is committed with 7-year exploration work program. Since the signing of the PSC TL-OT-17-09, the operator and Joint Venture have completed several G&G studies and other technical studies or evaluations. In addition to that, in 2019 the operator executed the Fafulu 2D seismic around 100Lkm. In 2022, preparation for drilling of first exploration well was being conducted and drilling activity was planned to begin in 2023. However, there has been no exploration activity carry out on the contract area in 2023 and 2024. The main activities carried out during the year were carried over activities from previous year in relation to discussion with the Ministry Public Works, through the National Directorate for Roads, Bridges and Flood Control (Direção Nacional das Estradas, Pontes e Controlo de Cheias - DNEPCC) regarding the building of Public Road access up to the project site and study of technical review of previous technical data and reports. In 2025, main activities to be carried out is seismic reprocessing and interpretation including integrated interpretation, re-evaluating plays-prospects, volumetric calculation and POS ranking which would support in carrying out exploration drilling activities in upcoming years.

As per the original Joint Operating Agreement ('JOA') between Timor Resources PTY and TIMOR GAP Onshore Block, the participating interest of the company is being free carried by the Operator. Hence, the Company had not incurred and accounted for its share of exploration and appraisal expenses till 2022.

In 2023, discussions began with the Operator for payment of Company's participating share of expenses as the budgeted limit set forth for the overall project had been breached in the current year and Operator being not able to freely carry Company's share of obligation for exploration and appraisal expenses being incurred in the project.

During the current year in May 2024, all the parties to JOA entered into a Settlement Agreement and amended JOA pursuant to which the Company paid USD 1.22 million as a final settlement for the Company's share of participating interest and going forward the Company is liable to bear 30% of the project expenses with balance 20% of participating interest of the Company being free carried by the Operator.

In 2025, the main activities to be carried out are reprocess 140Lkm of 2D Seismic within the contract area incorporating actual data and information from wells recently drilled in onshore Timor-Leste in order to improve seismic reflection and fault planes. This seismic reprocessing is expected to generate better seismic image compared to the processed seismic in 2017 and 2019. Interpret the 140Lkm of newly reprocessed 2D seismic and further integrate with the actual data and information from wells recently drilled as well as magnetic-gravimetric data in order to reassess the subsurface, including re-evaluation of plays-prospect, volumetric calculation, POS re-assessment and POS ranking for further exploration plan. Updated the preparations for the exploration drilling Rusa-1 and evaluation plan, including logging strategies and structural design improvements. Update Rusa-1 drilling comprehensive peer review of the future Extended Well Test (EWT) and Dry hole analysis studies - results and implications. Also, the operator conducts the CRS (Common Risk Segment) studies in the Block C.

In accordance with the above agreement, the Management has recognised the relevant expenditures incurred on the project in its financial statements in accordance with its accounting policies.

Chuditch

TIMOR GAP Chuditch was established in 2019 to represent the company with SundaGas to carry out exploration and production activities in the Chuditch undeveloped gas discovery (PSC TL -SO -19-16). The PSC established a 25:75 joint venture between TIMOR GAP Chuditch at 25% and SundaGas at 75%.

The reprocessed 3D seismic data was completed in 2022 and its evaluation, in tandem with a number of geological and engineering studies, was completed during 2023. On 2 June 2023 and again on 5 December 2023, the ANPM provided two six month extensions to Contract Year Two of the Chuditch PSC that had an expiry date of 18 June 2024. These extensions were granted to provide additional time to complete detailed further technical studies on the Chuditch field and to have sufficient time to prepare for appraisal drilling. The ANPM provided further two six-month extensions till June 2025.

In 2024, the processing and interpretation of seismic data and several detailed geological and geophysical studies have been performed for the appraisal well Chuditch-2. In 2025, the Operator is planning to drill the Chuditch-2 well and confirm the resource and conduct a DST to demonstrate commercial viability of the field. As the Management expects the commercial viability in near future, its share of exploration and appraisal expenses has been capitalised in the current year under Intangibles under development.

As per the original Joint Operating Agreement ('JOA') between SundaGas and the Company, the participating interest of the company is being free carried by the Operator. Hence, the Company had not incurred and accounted for its share of exploration and appraisal expenses till previous year. On 7 February 2024, the Company entered into a Farm-Up Agreement with SundaGas, whereby the Company agreed to 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 Company 40% share is now responsible for 20% of the costs of the Chuditch project and SundaGas would carry the remaining 80% share of the costs of the Chuditch project. Hence, the Company paid approximately USD 1,011,925 to cover its share of prior costs since the signing of the PSC.

- 39 Two subsidiaries, TIMOR GAP Greater Sunrise RL Unipessoal Lda. and TIMOR GAP Greater Sunrise RL2 Unipessoal Lda. ('subsidiaries') own a participating interest in Greater Sunrise project ('the Gas field'), which is located in territorial waters of both Timor Leste and Australia and these subsidiaries are registered as a permanent establishment as per Australian taxation laws. However, a Maritime Boundary Treaty (the 'Treaty') has been signed between the Government of Timor Leste and Government of Australia which states that the taxation laws applicable on the Gas field would be agreed upon as part of the 'Production Sharing Contract' to be entered as per the terms of the Treaty. The two States have agreed in principle that a specific taxation law of Timor-Leste will be created for and applied in the Greater Sunrise Regime Area (GSSRA). As of date, the Production Sharing Contract and the said taxation law have not yet been finalised and accordingly, at present, an uncertainty exists with respect to applicability of Australian taxation laws on the Gas field. Accordingly, these subsidiaries have not deducted any withholding tax under the Australian Tax laws on the interest accrued during the year and in earlier years on loans taken by the subsidiaries from Banco Central de Timor Leste as described in note 21. These subsidiaries have complied with all the taxation laws as per local laws of Timor Leste. Additionally, the management of these subsidiaries have also obtained an independent view from a tax expert on the above matter and based on the views of the tax expert and management's internal assessment, any tax obligation arising from any past event is contingent on future course of action, being the finalisation of the Production Sharing Contract and the specific Timor-Leste taxation law on GSSRA. Accordingly, no adjustments have been made to the financial statements in respect of any withholding tax liability which is uncertain as on date.
- 40 The Board of Directors of the Company has mutually decided to provide financial support as is necessary to the subsidiary companies in order to enable the subsidiary companies to continue as a Going Concern without curtailment of scale of operations and to meet their liabilities as and when they fall due and at least for a period of one year from the date of the financial statements.
- 41 The company has received grants from the Government of Republic of Timor-Leste during the year. However, as the same has not been entirely spent during the year on expenses towards which the grants have been received, the company has deferred it as per the provisions of IAS 20.

42 The previous year figures have been reclassified/regrouped, wherever applicable to make them comparable.

As per our report of even date
Grant Thornton Bharat LLP

For and on behalf of the Board of Directors

Place: Dili, Timor-Leste
Date: 26th June, 2025

President & CEO
Place: Dili, Timor-Leste
Date: 26th June, 2025

Board Member
Place: Dili, Timor-Leste
Date: 26th June, 2025





ANNEX 1

Acronyms

ANP	Autoridade Nacional do Petróleo (National Petroleum Authority)
Bpd	Barrels Per Day
CCS	Carbon Capture and Storage
CSR	Corporate Social Responsibility
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
FEED	Front End Engineering Design
FTG	Full Tensor Gradiometry
GIIP	Gas-Initial-In-Place
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IMS	Integrated Management System
ISO	International Organization for Standardization
JOA	Joint Operating Agreement
JV	Joint Venture
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MSWG	Multi-Stakeholder Working Group
PIIP	Petroleum-Initial-In-Place
PMC	Petroleum Mining Code
Pre-FEED	Pre-Front End Engineering Design
PSC	Production Sharing Contract
QHSE	Quality, Health, Safety and Environment
SAP	System, Application and Product
SJV	Sunrise Joint Venture
SSB	Suai Supply Base
Tcf	Trillion Cubic Feet
TIMOR GAP	Timor Gás e Petróleo, E.P.
TLNG	Timor Liquefied Natural Gas



Level 3, Timor Plaza, Suite 301 -314
Rua Presidente Nicolau Lobato, Comoro
P.O. Box No. 553 - Dili, Timor-Leste

Tel: +(670) 3310 953| Fax: +(670) 3310 952
E-mail: info@timorgap.com

www.timorgap.com