Major redevelopment plan hatched for Timor-Leste's flagship field

Government wants to develop all the remaining gas in the Bayu-Undan field

Russell Searancke, Upstream Norway Correspondent, Oslo 22 May 2025

Authorities in Timor-Leste are plotting the redevelopment of the ageing Bayu-Undan gas condensate field as the starting point for a new offshore gas pipeline that could tap into other fields on its way to the country's south coast.

Timor-Leste's economy has been dominated by Bayu-Undan for many years; it is the country's only producing field and provided the feedstock gas for the Darwin liquefied natural gas project.

LNG production has, however, ended, and only small gas volumes are being produced for the Northern Australian domestic gas market.

The loss of income from Bayu-Undan is felt acutely in Timor-Leste and the government led by Prime Minister, Xanana Gusmao, is desperate to establish meaningful new oil and gas production and revenue.

Alarm bells have been sounded by observers about the country's dwindling petroleum fund, which provides the bulk of the annual budget.

In his speech for the 2025 state budget proposal, Gusmao acknowledged that, in the absence of new oil and gas resources, "the petroleum fund will be depleted within a decade".

"But this should not demoralise us, much less lead to demagogic and irresponsible political statements. On the contrary, it should be a unifying factor, motivating us to work hard in the search for alternative solutions for the people and by the people," he added.

The state's well-publicised dream is to establish its own LNG export facility at Natarbora on the south coast fed by the large Greater Sunrise fields.

That remains the ambition, with the latest thinking by the authorities being that redevelopment of the remaining gas in the Bayu-Undan field could be a starting point for a new 250-kilometre subsea pipeline to Natarbora on the south coast that could also potentially connect to the Chuditch discovery and Sunrise.

To that end, a co-operation agreement was signed earlier this month by the Ministry of Petroleum and Mineral Resources, the national oil company Timor GAP, and the Swiss company StreamTec Solutions for the design of the offshore gas pipeline and the establishment of a public-private partnership company.

The new company will be owned 70% by Timor GAP and 30% by StreamTec, according to StreamTec, and will promote, operate and maintain the pipeline which "will transport natural gas from the Bayu-Undan and nearby fields to Natarbora".

Well-placed sources in the capital Dili confirmed to Upstream the intent is to redevelop Bayu-Undan and to tie-in gas from the Chuditch field for LNG processing onshore Timor-Leste. The pipeline could also serve Greater Sunrise and any other nearby gas discoveries.

The likelihood is that the redevelopment will be led by Timor GAP with the other current Bayu-Undan partners — operator Santos, SK E&S, Inpex, Eni and Jera/Tokyo Gas — able to participate, plus possibly new investors.

It could not be confirmed how much remaining gas is still in the reservoir.

Operator Santos is also progressing a plan to use the Bayu-Undan reservoir as a carbon capture and storage (CCS) project.

Dili-based sources told Upstream the government believes that not enough effort has gone into maximising gas recovery volumes from the field, and that the government's priority is production and not necessarily CCS.

In response to an inquiry from *Upstream*, a spokesperson for Santos did not comment on the Bayu-Undan redevelopment, saying only: "Santos is working with the Timor-Leste authorities to repurpose Bayu-Undan as a carbon capture and storage project."