

## Singapore-based Firm Takes Lead in New Timor Sea Gas Field

**DILI, 08 November 2019 (TATOLI)** – Singapore-based Sunda Gas has signed a production sharing contract with TIMOR GAP and the national regulator, ANPM, to develop a new gas field believed to hold trillions of cubic feet of reserves.

The TL-SO-19-16 field, approximately 357 square kilometres in size, is located in the southern part of the former Joint Petroleum Development Area (JPDA) in the Timor Sea.

CEO of SundaGas, Andy Butler, said he is delighted to have signed the PSC.

“Our first priority is to improve our deep understanding of the significance of the Chuditch Gas Resources, and identify [where] the first well will go. We will do this in parallel with other prospecting [site] that mature, to put one complete drilling portfolio together,” he said.

Sunda Gas will take 75 per cent of the profits under the agreement signed today. The remainder will go to TIMOR GAP Chuditch Unipessoal, Lda, a subsidiary of state-owned TIMOR GAP.

Speaking after the signing of the PSC, National Authority of Petroleum and Minerals (ANPM) President Gualdino da Silva underlined the size of the potential reserves.

“[There’s] around 0.7 TCF (trillion cubic feet) of gas. [But with] structural drilling in the contract area, we can deliver 1.2 or 1.3 TCF [here] alone,” he said.

That’s about as much gas as the country of [Australia uses in an entire year](#). But proving the number, Mr da Silva said, will take years of seismic testing and evaluation.

### A seven-year path to extraction

Gualdino da Silva said, the first stage in the JPC is two years of seismic testing to finalise the study, and re-process the seismic data. That includes a 3D imaging (Pre-Stack Depth Migration) over 800 square kilometres, and along a 2000 km 2D line.

“After that, if things go well, they will drill a well in the third year [looking] for additional gas,” he said.

The second period (years 4-5) includes post-study evaluation of the resources and the drilling for of one exploration well and the Development Scenery plan for Chuditch Discover. And the third and final period (years 6-7) includes geophysical and geological studies and the drilling of a further two exploration wells.

### Running the numbers

ANPM President Gualdino da Silva said Singapore’s United Overseas Bank (UOB) has confirmed it will guarantee finance for the project.

He said in the first year of the contract, Sunda Gas would outlay \$US 1 million, but that would rise to \$15-20 million once exploratory drilling begins in the third year. As junior partner, he said, TIMOR GAP Chuditch is not expected to put in capital until production ramps up.

Following the ratification of the new Maritime Boundary Treaty in August, the old JSCs within the JPDA were terminated, sparked a new era of agreements between local and international firms.

It’s not the first time TIMOR GAP has entered into a JSC with a major player. In 2013, the company [signed a JSC with Japanese energy giant INPEX](#) to exploit a nearby site, through another of its subsidiaries.

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