

Summarized translations of articles in local media, from Timor-Leste Subscriber News Local and International Media Monitoring

Articles on Greater Sunrise

Parliament approves new appraisal to 2005 Petroleum Activities Law

Independente, January 11, 2019 Language source: Tetun

National Parliament (PN) has confirmed its vote of approval to the amendments of 2005 Petroleum Activities Law that President of the Republic Francisco Guterres Lu-Olo vetoed. On December 11, 2018 President Lu-Olo vetoed the proposed changes to the 2005 Law on petroleum activities. On Thursday's reappraisal, Fretilin opposition party members decided to walk out before the voting, saying the amendments of the law violated Timor-Leste's constitution and threatened the fiscal transparency and accountability of the nation. However, the new appraisal of the law was confirmed with 41 votes in favor and it would be sent back to President Lu-Olo for promulgation and he has eight days to promulgate it. PN President Arao Noe said it was PN's role to confirm the proposed changes of any law or statute that President of the Republic vetoed to be sent back for promulgation. "There is no way for President of the Republic to veto the law again because National Parliament has confirmed its vote by an absolute majority of its members," Noe told media outside the House of Representatives after the confirmation vote.

The amendments of the law will allow Timor-Leste and its public company to participate in the Greater Sunrise development project and also change the conditions in which money from the nation's Petroleum Fund can be used to finance the oil and gas development projects. The changes to the law will also allow the Timorese Government to withdraw fund from the nation's petroleum fund to finance the buyouts of Royal Dutch Shell's 26 percent and ConocoPhillips' 30 percent stakes in the Greater Sunrise gas project, for which Timor-Leste government has committed to pay US\$350 million and US\$300 million, respectively. The purchase would help Timor-Leste position itself to push for the development of Greater Sunrise gas field, discovered in 1974 but long delayed due to a protracted maritime dispute between Australia and Timor-Leste that was finally agreed upon in March last year. It would also help the government to push its on-shore gas processing plan. The Sunrise and Troubadour gas and condensate fields, collectively known as the Greater Sunrise fields, are located approximately 150 kilometers southeast of Timor-Leste and 450 kilometers northwest of Darwin in the Northern Territory.

Civil society appreciates Xanana's explanations

Radio Timor-Leste, January 9, 2019 language source: Tetun

Civil society organizations have expressed their appreciations to the Special Representative of the Government for Maritime Boundary Negotiations, Xanana Gusmão's explanations about the Government's policy on buying ConocoPhillips and Shell Energy's shares. Asia Justice and Rights (AJAR) Researcher, Inocencios Xavier said the presentation by Xanana was important to guarantee transparency and accountability. "So far there have been many doubts, the explanation is good for so called transparency and accountability regarding the country's state budget and the shares," he said. Meanwhile, Lao Hamutuk Researcher, Mariano Ferreira said he was concerned about the differences among members of the Parliament regarding Xanana's presentations.

“Not serious”: Xanana says Fretilin not listening over national energy projects

Independente, January 10, 2019

A speech by the Petroleum Fund Consultative Council in National Parliament aimed at clarifying the State’s multimillion-dollar energy project plan was cut short early Tuesday with Xanana Gusmão, Timor-Leste’s Chief oil and gas negotiation, claiming members of the Fretilin opposition party were playing politics with national plans. In November 2018 Timor-Leste’s government announced a \$650 million buyout of Royal Dutch Shell and ConocoPhillips’ holdings in the Greater Sunrise gas project. The deals would give Timor-Leste a majority stake in the oil and gas project, along with remaining partners including Australia’s Woodside Petroleum and Japan’s Osaka Gas. In shutting down his speech Gusmão said that he was disappointed Fretilin members were not more supportive of a key strategic development project. On December 14, the buy-out plans took a setback when the President of the Republic Francisco Guterres Lu-Olo, vetoed a parliament approved decree to modify access to state funds to purchase the stakes.

At the time, Lu-Olo called for a revision to Parliament’s proposal, declaring the veto aimed “to prevent the over-stretching of the Petroleum Fund’s direct investment rules and policies.” Lu-Olo said the decree could “misinterpret or dilute the difference between financial assets and other assets.” The parliamentary approved proposal would have removed a 20 percent cap on state participation in oil projects, allowing Sunrise and other projects to bypass approvals by parliament. Fretilin’s Deputy Chairman Francisco Miranda Branco said party members were concerned Gusmão had not answered their questions, declaring the government’s energy plans as being “confusing.” Addressing parliament immediately after Gusmão had cut short his speech, Branco urged the government to clarify the financial risks of the project. Branco said Fretilin continued to support the government’s vision to create an onshore gas-processing industry that included the construction of a pipeline from the Greater Sunrise gas field to Suai. The energy plans have had bipartisan support, with Gusmão kept in the role by Fretilin Leader who, as Prime Minister in November 2017, said “we firmly maintain our position that the gas pipeline must come to Timor-Leste.” Gusmão’s speech came during the opening day of the President of the Republic’s hearing cycle on the proposed US\$2.132 billion 2019 budget. The cycle will finish on Thursday. According to Francisco Vasconcelos, the President of the Petroleum Fund Consultative Council Julio Crispim Ximenes Belo is concerned about amounts withdrawn from the Petroleum Fund above the Estimated Sustainable Income and investments at national and international levels. In the past, the Council has agreed that it is necessary to invest in oil activities. However, in a statement released Tuesday, it said was “also imperative that in-depth studies be conducted and that the public be aware of the advantages and disadvantages of acquiring shares.”

Today, PN to reappraise the Petroleum Activities Law Changes, Noe says it does not need two thirds votes

Independente, January 10, 2019 Language source: Tetun

The National Parliament (PN) has scheduled to reappraise the proposed changes of Petroleum Activities Law, which vetoed by President of the Republic Francisco Guterres Lu-Olo today (10/01). On December 11, 2018 President Lu-Olo vetoed the amendments of 2005 Law on petroleum activities. The Timorese Government proposed to amend Timor-Leste’s 2005 Petroleum Activities Law to smooth the State and its public company to participate in Greater Sunrise Development since the law bans the nation and its public company to own more than 20% share in a petroleum project. The amendments of the law will also change the conditions in which money from the nation’s Petroleum Fund can be used to finance the purchase of Royal Dutch Shell and ConocoPhillips’ holdings in the Greater Sunrise gas project.

Timor-Leste's government has agreed to buy out ConocoPhillips' 30 percent and Royal Dutch Shell's 26 percent stakes in the Greater Sunrise consortium for US\$350 million and US\$300 million, respectively after signing the purchase deals with the two companies in October and November 2018. PN President Arao Noe said all benches in parliament had agreed to discuss and vote for the new appraisal of the law on Thursday (10/01) in order to send back to President of the Republic for promulgation. "National Parliament is required to do new appraisal to Petroleum Activities Law that President of the Republic vetoed to alter and confirm the proposed changes on the law," Noe told reporters at PN on Wednesday (09/01). Noe said after learning the President's reasons for vetoing the proposed changes to the law, the proponent benches thought the new appraisal did not require two-thirds votes of the active parliament members as written in article 88, point 3. Under the Timor-Leste constitution, article 88, point 1 and 2, in the event of a Presidential veto the law changes can be considered by the National Parliament, which has up to 90 days to confirm it by an absolute majority, then return it back to the President who is mandated to approve it within eight days.

Political uncertainty impedes development of GS and Pipeline to Timor-Leste

Timor Post, January 10, 2019 Language source: Tetun

Professor Political and Social Science of Universidade Nacional Timor Lorosa'e (UNTL), Victor Soares said Timor-Leste's political uncertainty might impede the development of Greater Sunrise (GS) oil and gas fields and its pipeline to Timor-Leste. Victor made the comment amid the setback of Timor-Leste's government plan to buy out ConocoPhillips and Royal Dutch Shell's holding in Greater Sunrise fields after President of the Republic Francisco Guterres Lu-Olo vetoed the Amendments of Petroleum Activities Law last month. Despite the veto, the Timorese government continued pushing for the buyout by putting US\$650 million in 2019 State Budget causing fear that President of the Republic might also veto the 2019 state budget. "If we buyout ConocoPhillips' 30 percent and Shell's 26 percent stakes, we have right to push for Greater Sunrise Development and its pipeline to Timor-Leste, but the current political standoff and the separation of national leaders have impacted on the development of Greater Sunrise and its pipeline," Victor told Timor Post at UNTL campus on Wednesday (09/01). The Sunrise and Troubadour gas fields, together known as Greater Sunrise, were discovered in 1974 and hold around 5.1 trillion cubic feet of gas, according to the project's operator, Australia's Woodside Petroleum.

The development of Greater Sunrise gas field had been long delayed due to a protracted maritime dispute between Australia and Timor-Leste that was finally agreed upon in March 2018 which put major of the fields into Timor-Leste's ownership. Since then Timor-Leste has stepped up its efforts to pipe Greater Sunrise to Timor-Leste to boost its economic development. Victor said Greater Sunrise was national issue, therefore, he called on national leaders to put aside their differences and uphold national interest to bring prosperity to the country.

Xanana threatens to cancel buying ConocoPhillips and Shell's shares

GMN TV, January 8, 2019 language source: Tetun

Special Representative of the Government for Maritime Boundary Negotiations, Xanana Gusmão has threatened to mail ConocoPhillips and Shell Companies, saying the Government will cancel buying the two gas and oil companies' shares following the Fretilin Opposition party launched criticism against him during a debate in the Parliament on Tuesday (8/1). Xanana said the Fretilin Party did not want the Government to buy ConocoPhillips and Shell's shares; therefore he would send a letter to cancel and ask for them to sell it to others. "So, please tell you president to veto the state budget, no need for us to buy the shares. No problem, I will mail ConocoPhillips and Shell to sell their shares to other people," he said.

Ratification of TL and Australia's Maritime Boundary Treaty needs LAP amendment

Timor Post, January 9, 2019 Language source: Tetun

Timor-Leste's Maritime Boundary and Oil and Gas' Chief Negotiator, Xanana Gusmão said to ratify Timor-Leste and Australia's Maritime Boundary Treaty that the two countries signed last year needed the amendment of Timor-Leste's 2005 Petroleum Activities Law (LAP). "We need to amend the Petroleum Activities Law because the law also mentions about Timor Sea treaty which has been annulled last year, therefore, the 2005 law is not fit with the current situation anymore," Xanana said when explaining to parliament members about maritime boundary treaty negotiation and the new permanent maritime boundary treaty to parliament Tuesday (08/01). Timor-Leste and Australia has signed a new permanent maritime boundary treaty on March 6, 2018 in New York, settling a protracted dispute between the two countries over oil and gas reserves in the Timor Sea including Greater Sunrise fields. However, until now the two countries have not yet ratified the treaty to enforce its legality. Timorese Government proposed to amend Timor-Leste's 2005 Petroleum Activities Law to smooth the State of Timor-Leste and its public company to participate in Greater Sunrise Development since the law bans the nation and its public company to own more than 20% share in a petroleum project.

However, on December 11, President Lu-Olo vetoed the proposed change. He gave five reasons to justify the decision to veto the bill, questioning aspects such as the removal of the need for prior approval by the Chamber of Auditors, the retroactivity of the proposed changes and the lack of information and knowledge of parliaments members when they voted for the changes in question. The President's veto affects the agreed purchase of the 30 percent interest owned by ConocoPhillips and 25.56 percent by Royal Dutch Shell in the Greater Sunrise field, for which Timor-Leste government has committed to pay US\$350 million and US\$300 million, respectively. Under the Timor-Leste constitution in the event of a Presidential veto the law changes can be considered by the National Parliament, which has up to 90 days to confirm it by an absolute majority, then return it back to the President who is mandated to approve it within eight days.

Xanana to appear in parliament to explain about ConocoPhillips and Shell's shares buyouts

Timor Post, January 8, 2019 Language source: Tetun

It is scheduled that today (Tuesday, 08/01), Timor-Leste's oil and gas Chief Negotiator Xanana Gusmão will appear in National Parliament (PN) to explain about a political decision to buy out ConocoPhillips and Shell's stakes in Greater Sunrise consortium. PN Deputy President, Angelina Sarmiento said Xanana's presence in parliament was to respond to opposition parties' appeal regarding the new appraisal of Timor-Leste's Petroleum Activities Law Amendment which was vetoed by President of the Republic Francisco Guterres Lu-Olo last year had impeded retroactivity of ConocoPhillips and Shell's stakes buyout. "Therefore tomorrow (today, red), PN has scheduled special plenary session with the government with the presence of Chief Negotiator to explain about the government policy to buy out ConocoPhillips' 30 percent share and Shell's 26% shares in Greater Sunrise gas field," Sarmiento told media at PN on Monday (07/01). Timorese Government proposed to amend Timor-Leste's 2005 Petroleum Activities Law to smooth the State of Timor-Leste and its public company to participate in Greater Sunrise Development since the law bans the nation and its public company to own more than 20% share in a petroleum project. However, on December 11, President Lu-Olo vetoed the proposed change. He gave five reasons to justify the decision to veto the bill, questioning aspects such as the removal of the need for prior approval by the Chamber of Auditors, the retroactivity of the proposed changes and the lack of information and knowledge of parliaments members when they voted for the changes in question. The President's veto affects the agreed purchase of the 30 percent interest owned

by ConocoPhillips and 25.56 percent by Royal Dutch Shell in the Greater Sunrise field, for which Timor-Leste government has committed to pay US\$350 million and US\$300 million, respectively. Under the Timor-Leste constitution in the event of a Presidential veto the law changes can be considered by the National Parliament, which has up to 90 days to confirm it by an absolute majority, then return it back to the President who is mandated to approve it within eight days.