Q1  What is the TSDA and what does it do?
A  The Timor Sea Designated Authority (TSDA) was established pursuant to the Timor Sea Treaty, which was signed by the Governments of Timor-Leste and Australia on 20 May 2002 and entered into force on 2 April 2003.

The TSDA is the organisation responsible for the administration and authorisation of all petroleum-related activities in the Joint Petroleum Development Area. The TSDA represents the interests of both Timor-Leste and Australia.

Q2  Who does the TSDA report to?
A  The TSDA is responsible to a Joint Commission, currently comprised of two representatives nominated by Timor-Leste, and one representative nominated by Australia. The Joint Commission is responsible to the Ministerial Council, which is comprised of an equal number of Ministers from Timor-Leste and Australia.

Q3  How is the TSDA funded?
A  The Timor Sea Treaty provides that the TSDA be financed from fees collected under the Petroleum Mining Code. The fees are determined by taking into consideration whether the Contract Area is in exploration or has a petroleum development, such as Bayu-Undan. For each exploration area a fixed fee is applied. For each development area a formula is used which is based on the size of the petroleum reservoir and the saturation of hydrocarbons.

Q4  What is the JPDA?
A  The Joint Petroleum Development Area (JPDA) is located in the Timor Sea between Timor-Leste and Australia and is an area defined in the Timor Sea Treaty. The centre of the JPDA is approximately 500 kilometres north-west of Darwin and 220 kilometres south-west-east of Suai.

Q5  What share of the revenue does Timor-Leste and Australia receive?
A  Under the Timor Sea Treaty, Timor-Leste receives 90 per cent of the tax and royalty revenues from petroleum production in the JPDA, and Australia receives 10 per cent.

Q6  How many people are employed by the TSDA?
A  There are currently 42 employees working for TSDA of which 31 are from Timor-Leste.

Q7  How many people work in the JPDA and how many are Timor-Leste Nationals?
A  The number of people employed at any one time varies according to the work being undertaken at that particular time. There are currently 72 Timor-Leste nationals working on the Bayu-Undan facilities at any one time, and workers are rotated on shifts. They are offshore employment in operations and maintenance, catering and accommodation, and infield marine services. Moreover, an extra 50 Timor-Leste Nationals were employed on the Bayu-Undan platform during the September 2007 shutdown.

Q8  Who manages employment in the JPDA?
A  Employment in the JPDA is managed by the petroleum companies (Contract Operators), who mainly use the services of subcontractors. The TSDA does not manage employment in the JPDA but it does monitor the levels of employment and activities with regards to Timor-Leste Nationals.

The Contract Operators provide on-the-job training programs for the Timor-Leste Nationals who work in the JPDA.
Q9 **What employment opportunities are there for Timorese in the JPDA?**
A Employment opportunities are provided to Timorese but numbers are limited because the projects require that only a minimum number of people work offshore at any one time. Much of the offshore technology is automated, which means that only a small number of specifically qualified people are required to monitor the equipment. However, a larger number of Timorese are employed in maintenance, and several are employed in the area of transport eg. Helicopter and Support Vessel Services.

Q10 **What is a Production Sharing Contract?**
A A Production Sharing Contract (known as a PSC) is a contract between the TSDA and one or more companies to explore and develop a specific area of the JPDA. The PSC sets out:
- the term of the contract,
- the work program,
- how the companies recover the money they have spent in the area,
- the sharing of profit from petroleum production in the area between the governments and the companies, and
- other terms and conditions (including rights and obligations).

Q11 **How many Production Sharing Contracts are in place?**
A There are currently eight PSCs that have been issued by the TSDA:
- PSC 03-12
- PSC 03-13
- PSC 03-19
- PSC 03-20
- PSC 06-105
- PSC 06-101(A)
- PSC 06-102
- PSC 06-103

Q12 **Who are the Contract Operators in the JPDA?**
A Currently, there are five Contract Operators undertaking work programs in the JPDA. These are:
- ConocoPhillips
- Woodside
- Minza Oil & Gas Limited
- Petronas
- Oilex
- ENI

Q13 **What oil and gas fields are in the JPDA?**
A **Elang/Kakatua/Kakatua North (EKKN) Oil Fields.** The EKKN oil fields comprise three small fields named Elang, Kakatua and Kakatua North. Joint Venture participants in the JPDA 03-12 Production Sharing Contract Area are ConocoPhillips (03-12) Pty Ltd (Operator), ConocoPhillips (Emet) Pty Ltd, ConocoPhillips (Timor Sea) Pty Ltd, INPEX Sahul, Ltd and Santos (JPDA 91-12) Pty Ltd. The fields were discovered in 1994 (Elang & Kakatua) and 1997 (Kakatua North). The EKKN oil fields were put on production from July 1998 to July 2008 through a Floating Production Storage and Offtake Facility (FPSO), called the “Modoc Venture 1” (MV1). The cumulative oil production up to July 2007 was 31.6 million barrels. The fields are being suspended and advertised to companies that are interested in IOR/EOR projects. The estimated remaining reserve is some 620,000 bbls.

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1 These are the short names of the companies.
Bayu-Undan Gas and Condensate Field. The Bayu-Undan Field is a gas and condensate (light oil) field which lies across the common boundary of JPDA 03-12 & JPDA 03-13, and is approximately 500 kilometres north west of Darwin and 250 kilometres south south-east of Suai. Joint Venture participants in 03-12 & 03-13. Joint Venture participants in the JPDA 03-12 Production Sharing Contract Area are ConocoPhillips JPDA Pty Ltd (Operator), ConocoPhillips (03-13) Pty Ltd, Eni JPDA 03-13 Limited and Tokyo Timor Sea Resources Pty Ltd.

Bayu-Undan is about 25 km long and 12 km wide. The field was discovered in 1995, and contains proven recoverable reserves of 4 trillion cubic feet of gas and 500 Million barrels of condensate, and other Liquid Petroleum Gases (LPG) that can be compressed, cooled and sold as propane and butane.

The Bayu-Undan facilities comprise an unmanned Wellhead Platform (WP1) of more than 1,300 tons, linked via sub-sea pipelines to a Drilling and Production Platform (DPP) of more than 14,000 tons, in turn bridge-linked to a Compression, Utilities and Quarters Platform (CUQ) of more than 10,000 tons, and a remote flare tripod. The DPP, CUQ and the two bridges are collectively known as the Central Processing Platforms (CPP). The CPP is linked via sub-sea pipelines to a Floating Storage and Offloading facility (FSO), ‘Liberdade’, which is the first combined condensate / LPG storage vessel built, which at 250 metres long, is the length of nearly three football fields.

Full commercial production commenced in 2004 with production peaking at a combined total of 115,000 barrels of liquids per day (condensate, propane and butane) in November 2007. As at December 2007 a total of 124 Million barrels of condensate and LPG have been produced and sold. Gas export commenced in March 2005 through the Bayu-Undan to Darwin pipeline that carries the gas to the Darwin LNG Plant. The plant liquefies and ships more than three megaton Per year.

Greater Sunrise Gas Field. The Sunrise Gas Field was discovered in 1974. The Greater Sunrise Field occupies 20.1% of the JPDA 03-19 & 03-20 Production Sharing Contracts Areas, and 79.9% outside the JPDA. The Treaty Concerning Maritime Arrangements together with the International Unitisation Agreement have been signed by the governments, which provides for Timor-Leste and Australia to share benefits equally. Joint Venture participants in the JPDA 03-19 Production Sharing Contract Area are Woodside Petroleum (Timor Sea 19) (Operator), Shell Development (PSC 19) Pty Ltd, ConocoPhillips (03-19) Pty Ltd and OG ZOCA (95-19) Pty Ltd. For JPDA 03-20 Production Sharing Contract Area, the participants are Woodside Petroleum (Timor Sea 20) (Operator), Shell Development (PSC 20) Pty Ltd, ConocoPhillips (03-20) Pty Ltd, OG ZOCA (96-20) Pty Ltd. The Greater Sunrise gas fields have conservatively proven reserves of 7.7 trillion cubic feet of gas and 299 million barrels of condensate. Screening studies to shortlist Development options are currently in progress.

Jahal & Kuda Tasi Oil Field. These two small oil fields were discovered in 1996 (Jahal) and in 2001 (Kuda Tasi). The fields are located in the previously JPDA 03-01 Production Sharing Contract Area (now the JPDA 06-105 Area). The Contract Operator is ENI JPDA 06-105 Pty Ltd. Combined recoverable reserves are estimated at more than 10 Million barrels, however development of the fields may depend on additional discoveries in nearby structures to boost reserves. Exploration drilling is currently in progress.

Chuditch Gas Field. The Chuditch field was discovered in 1998 by Shell. This field contains approximately 0.7 trillion cubic feet of gas with significant quantities of carbon dioxide contamination. This field is included in a Contract Area covered by PSC 06-101(A) signed by Minza Oil & Gas on 30 October 2006.
Q14 Which Contract Areas are in the Exploration phase?
A The Contract Areas in the JPDA currently in the Exploration phase are:
- PSC 06-101(A)
- PSC 06-102
- PSC 06-103

Q15 How much money has been paid to Australia and Timor-Leste from JPDA production?
A Over US$1,204m has been paid to Australia and Timor-Leste from the sale of JPDA petroleum since 1999. Of this amount, over US$1,080m has been paid to Timor-Leste. In addition, both countries are entitled to apply their own taxation laws to companies working in the JPDA which also generates many hundreds of millions of dollars in revenue.

To the end of 2005, JPDA Contractors had invested more than US$2 billion in exploration, development and operations.

Q16 Where does Timor-Leste’s share of the money go?
A For Timor-Leste, all payments are made to the Timor-Leste Petroleum Fund as required by the Petroleum Fund Law 2005. Consistent with the concept of transparency, all payments made by the TSDA are published on our website.

Q17 How can Timorese people be sure the money is being used wisely?
A Once the payments are made to the Timor-Leste Government, it is up to the government how those funds are used.

Q18 When will the maritime boundary issues with Australia be settled?
A Maritime boundary issues between Timor-Leste, Indonesia and Australia are settled by the governments, and the TSDA is not a party the negotiations.

Q19 What vacant acreage is available?
A More than 50% of the JPDA acreage is vacant.

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