INFORMATION AND GUIDELINES TO ENTER INTO PSC IN TIMOR-LESTE

BROCHURE CONTAINING INFORMATION REGARDING THE NUMBER OF NEW ONSHORE AND OFFSHORE BLOCKS, TOTAL AREA, BASIC G&G BACKGROUND, QUALIFICATION GUIDELINES, FISCAL SYSTEM AND LIST OF AVAILABLE DATA

PLEASE SCAN

Key Notes Speech of His Excellency, Prime Minister of Timor-Leste, Mr. Taur Matan Ruak

On the occasion of the 1st Timor-Leste Oil & Gas Summit and launching of the Timor-Leste Second Licensing Round

Mr. Taur Matan Ruak
Prime Minister of Timor-Leste

Excellencies, Maun Boot Kayrala Xanana Gusmão, Mr. Jose Ramos Horta, Members of the VIII Constitutional Government, Distinguished Presidents of each Parliamentarian Back Bench (CNRT, Fretilin, PLP, PD, Khunto, Frente Mudança-UDT, and PUDD), Distinguished Members of the National Parliament, Ambassadors and Diplomats, Distinguished delegates, guests and participants, ladies and gentlemen.

It is a great honour and a privilege to preside over the opening ceremony of the first edition of the Timor Leste Oil and Gas Summit, organized by the National Oil and Mineral Authority (Portuguese acronym ANPM), to whom we thank very much for the kindly invitation.

This event represents an important milestone in Timor-Leste's journey to become a preferred business and investment destination in Southeast Asia for petroleum and gas exploration and production, and the high number of attendees to this Summit so testifies.

We are convinced that, in a few years from now, this day will be remembered as a day of determination and responsibility, on which paths to Timor-Leste have been traced, in order to achieve its well-deserved acknowledgment as an important player of the international oil & gas industry.

This First Timor-Leste Oil and Gas Summit is taking place at a pivotal moment for the development, progress and modernity of our country. We have finally been able to reach an agreement with our neighbouring country, Commonwealth of Australia, for the establishment of a permanent maritime boundary between the two nations, this way closing such an important chapter in our history, which lasted for far too long.

The extraordinary efforts put in place by both countries to reach this new Boundary Treaty, and the overall acceptance of the treaty, demonstrates that nations can overcome political hardships to pursuit the best interest of their peoples.

We are now at the beginning of a new era in the relationship between Timor-Leste and the Commonwealth of Australia, which promises and has the potential to generate a better future of welfare for our citizens and to diversify Timor-Leste's economy.

The very promising Greater Sunrise project is set to start in early 2020 and will finally leave the standstill it has been in for many years.

To those of you who have been investing in the exploration and production of our offshore petroleum resources, I want to reassure that your activities may and will continue without any obstacles in the post-transitional period, from the former Joint Petroleum Development Area (the so-called JPDA) to Timor-Leste's exclusive jurisdiction.

Indeed, the Government has recently approved a set of laws aimed at ensuring a smooth and efficient transition, fully respecting and protecting all your rights and legitimate expectations.

Simultaneously, the Government has been undertaking a serious and comprehensive legislative reform aimed at modernizing the existing legal frameworks and bringing it into line with the most sophisticated legal systems in the world, which is key to build a mature legal system based on the Rule of Law and essential to build confidence and provide stability and legal certainty to foreign investments.

This is also the perfect timing to take one step forward.

Our Constitution expressly mandates the State to use natural resources, ensuring a fair and equitable sharing in accordance with the supreme national interest.

Most of you are well-experienced professionals, experts and specialists and are well-aware of the important role that petroleum has played and will continue to play in the development and welfare of our young nation.

Timor-Leste has indeed been blessed with significant petroleum reserves, an important part of which remains untapped.

This Government is fully committed to ensure that our blessing is our source of opportunities and never becomes a curse. However, success in the fulfilment of the constitutional mandate requires the Government to work closely with investors, attracting new companies, initiatives and development partnerships.

Timor-Leste's long term cooperation with international companies such as *ConocoPhillips* and its JVPs on the petroleum operations of the currently producing *Bayu Undan* field at present, and the *EKKN (Elang-Kakatua-Kakatua North) field* in the past, and with Eni S.p.A and its JVPs on the petroleum operations of the *Kitan field*, and with the *Woodside Energy* and its JVPs at present, as well as past and present exploration companies, has set a good ground breakthrough in the development of the petroleum industry in Timor-Leste. This partnership cooperation sets good pathway to new comers in the area that are currently carrying out exploration's operations such as *Timor Resources, Carnarvon*, as well as our *National Petroleum Company*.

Having this in mind, the Government – by means of a Regulatory Decree and an Order of HE the Minister of Petroleum – already approved the allocation of eighteen new blocks to petroleum activities. Seven of those blocks are located *onshore* and eleven are located *offshore*, in the exclusive zone of Timor-Leste.

Public tendering procedures will soon be launched and conducted by our National Authority for Petroleum and Minerals (ANPM) and IN-VR (*INVIAR*), as the regulator for the petroleum sector.

This is a long-awaited licensing round, after more than a decade when Timor Leste conducted its first Licensing round, in 2005/2006, so I invite you all to participate and join Timor-Leste in the construction of a brighter future for its people.

I hope that within these two days event all participants and delegates will maximize your time in establishing more and better contact networks for future business partnerships.

I have no doubts in my mind that our vibrant country may be of great interest to you and to your companies and that, together, we can continue to pave Timor-Leste's path to innovation and prosperity.

I end by thanking to the members of the organizing committee, led by the National Authority for Petroleum and Minerals (ANPM), hoping for a very fruitful and rewarding conference, the first of many that will follow.

Thank you very Much!

May God bless us all!

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The view of Cistro Rei Area, Dili, Timor-Leste

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GEOLOGICAL SYNOPSIS AND LIST OF AVAILABLE DATA

1. INTRODUCTION

Timor Island is located in Southeast Asia. To the west, north and east the island is surrounded by the Indonesian archipelago and bounded by the Timor Sea and Australia to the south. The island is divided into two parts: the western part (West Timor) belongs to Indonesia and the eastern part is the Republic Democratic of Timor-Leste. Timor-Leste territory comprises the eastern part of the main island (Timor), Jaco Island, Atauro Island and the municipality of Oé-cusse; a small enclave in West Timor as shown in Figure 1. The total onshore area of Timor-Leste is approximately 15,007 km^2, and the offshore territory of Timor-Leste is approximately 67,326 km^2.

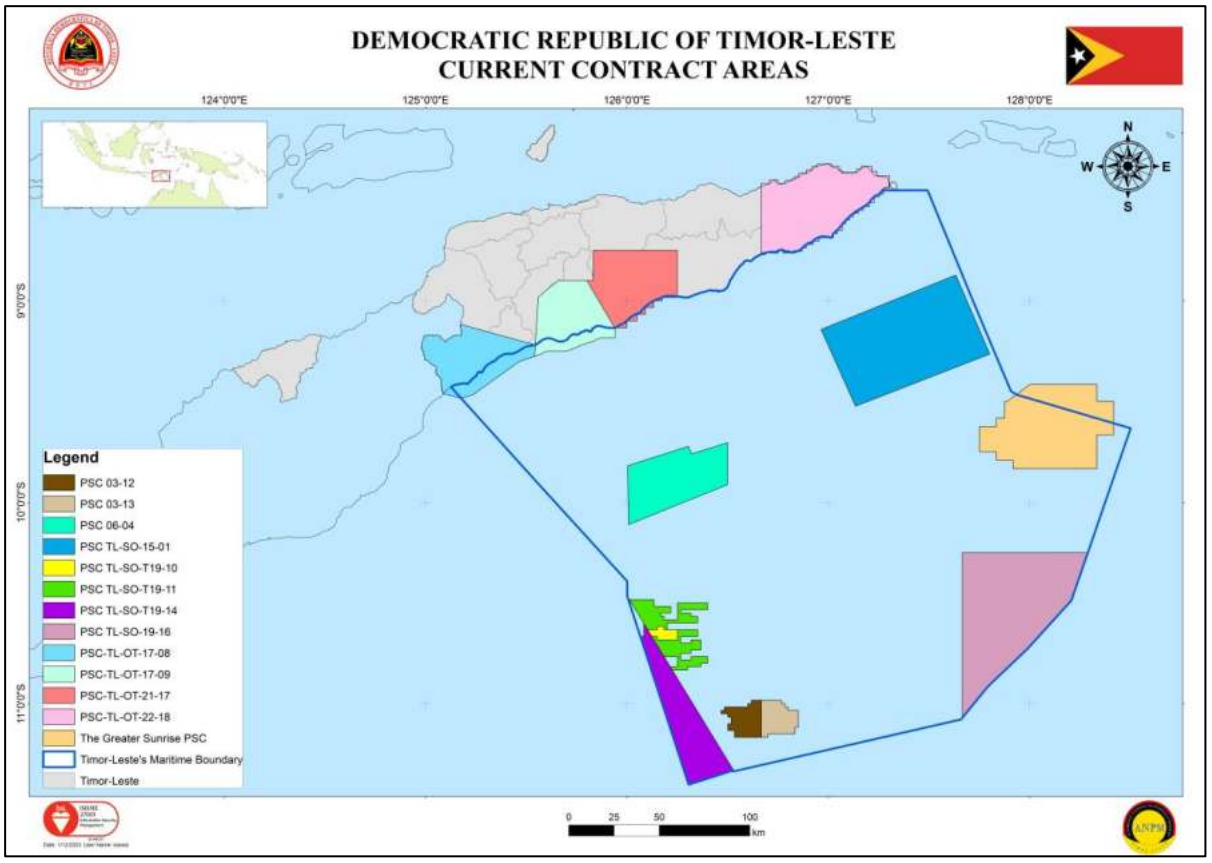

Figure 1. Timor-Leste territory and its active onshore and offshore blocks

Currently within the Timor-Leste territory there are 13 active Production Sharing Contract (PSC) blocks (Figure 1); 4 blocks located onshore and 9 offshore. Around 70% of the onshore and 80% of the offshore areas are presently unlicensed.

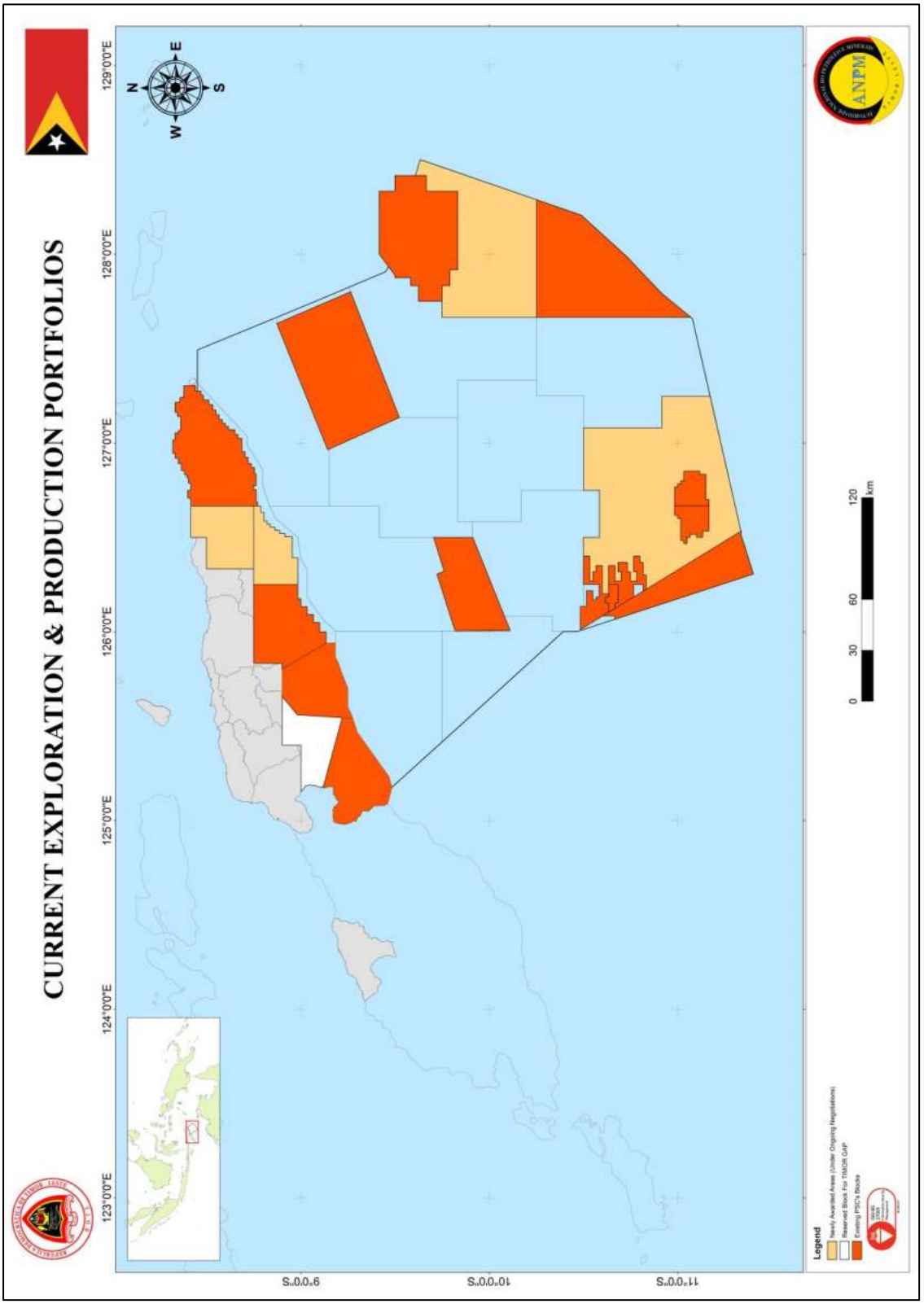

Figure 2. Shows the current Exploration and Production Portfolios including remaining available areas

2. EXPLORATION HISTORY

Oil and gas seeps onshore Timor-Leste have been known and exploited since the 1890's with possibly the earliest well drilled in 1914. Royal Dutch-Shell completed gravity surveys and field work in the late 1940's and in 1957 Timor Oil drilled the Aliambata-1 well, the first of many. Most of these wells drilled on field data and gravity anomalies had hydrocarbon shows or flows.

Offshore Timor-Leste is part of the North Bonaparte Basin, and historically there have been several successful discoveries in the region. The area has undergone several changes in sovereignty from 1970 to as recently as 30 August 2019 with the signing of the New Maritime boundary.

In the 1970's the area was jointly held by Indonesia and Australia, and more recently by the independent nation of Timor-Leste. Since exploration permits were first awarded over the Bonaparte Basin region in the late 1960s and early 1970s, exploration has undergone several phases.

- An early exploration phase culminated in 1969 with the discovery of Petrel gas field in the southern Bonaparte Basin and then in 1974 and 1975 with the discovery of the Troubadour and Sunrise gas pools (respectively) in what is now Timor-Leste offshore territory;
- Following the Indonesian annexation there was a phase during the late 1970's through the 1980's with an imposed moratorium (1976-1991) for the duration of the Timor Gap boundary negotiations between Indonesia and Australia.
- A renewed phase of exploration occurred following the signing of the Timor Gap Treaty in 1989 between Australia and Indonesia and succeeding the establishment of the Zone of Cooperation (ZOC). The Timor Gap Treaty Joint Authority was created at this time to administer the largest portion of the ZOC (designated as Area A - ZOCA). The ZOCA acreage release occurred in 1991 with much of ZOCA awarded under PSC's. The "government profit oil" in the ZOCA area being split 50:50 between Australia and Indonesia.
- This Australia-Indonesian Timor Gap Treaty was later superseded by the signing of the Timor Sea Treaty between Australia and the newly independent nation of Timor-Leste in April 2003; this resulted in the creation of the Joint Petroleum Development Area (JPDA) replacing the ZOCA. Contractual terms for the existing petroleum projects in the JPDA remained in force over the Bayu-Undan, Sunrise-Sunset-Loxton Shoals-Troubadour (now known as the Greater Sunrise area) and Elang-Kakatua-Kakatua North (EKKN) areas.
- On 30 August 2019 the new Maritime Boundary Treaty was signed. This treaty defined and extended the Timor-Leste offshore territory and was also marked by the transfer of the existing PSC's such as Bayu-Undan, Kitan, JPDA 11-106 and others from the JPDA to the new Maritime Boundary Treaty.

The Timor-Leste government had previously organised two licensing rounds over the past 15 years and the outcomes were positive resulting in discoveries and production. The First Licensing round held in 2003 resulted in the initiation of production from the Bayu-Undan Field. In 2006, the Timor-Leste government conducted a second licensing round which led to the discovery of and production from the Kitan Field.

The Timor-Leste government is encouraged by the increased data now available for both the onshore and offshore areas, and consequently has confidence that the 13 blocks available will lead to more discoveries in the Maritime Boundary Treaty area.

3. KEY DISCOVERIES

Elang-Kakatua Complex

The Elang structure is the crestal culmination of the Elang trend which is an east-west oriented structural high, located on the northwest flank of the Flamingo High. Oil in the Elang structure is trapped in the sandstones of the Late Callovian to Early Oxfordian Elang Formation (also known as the Laminaria Formation).

The Kakatua-1 and Kakatua North-1 wells were drilled to the west of the Elang-1 oil discovery. Both wells encountered oil in the Elang Formation and commercial production from the combined EKKN development commenced in 1998 and achieved peak production rates of over 32,500 barrels of oil per day (bopd). The complex produced over 28 million barrels (MMbbls) of oil and is now decommissioned.

Bayu-Undan

The discovery of the Bayu-Undan Field dated back to 1995 with the drilling of Bayu-1; liquids production commenced in 2003. The field is the first gas-condensate pool developed in the Timor Sea area and it has now transitioned through 3 phases of production. The first phase involved a floating offshore production facility (FPSO) to extract the condensate for offload and export via a tanker. The gas was re-injected into the reservoir and the field has been producing approximately 100,000 barrels of condensate per day (bcpd). Presently the field in the third phase comprising gas and liquids production with the gas piped to the Darwin LNG facility and the produced liquids to the FPSO. This phase has been supplemented by recent drilling and continued production of gas and liquids.

Kitan Field

The Kitan Field was discovered in 2008 by the Kitan-1 well in the south-western portion of the JPDA with the original oil-in-place (OOIP) for the Kitan pool reported as 86.9 million stock tank barrels (MMstb). Production commenced in 2011 through a FPSO facility and reached a rate of production of approximately 42,000 bopd. The field was shut-in in 2015.

Other Fields

In addition to the above mentioned discoveries, a number of other oil and gas discoveries have been made in the area, including Kelp Deep, Krill, Kuda Tasi, Jahal, Hingkip, Chuditch, Bluff, Buller and Buffalo.

These developed fields and undeveloped discoveries indicate the area is part of an active petroleum system and points to the potential for more hydrocarbon discoveries.

4. REGIONAL TECTONIC EVOLUTION

Timor Island has undergone various phases of extension and compression predominantly related to the fragmentation of Gondwanaland (Figure 3 a to f).

Major tectonism as far back as the Early Permian and up to the present has had an influence on the conditions required for the development of a petroleum system and the hydrocarbon prospectivity within the Timor-Leste territory.

The structuring and sedimentation associated with these regional-scale tectonic events occurred throughout the northern Bonaparte Basin thus providing similar geological conditions across both the onshore and offshore Timor-Leste. However, since the Middle Miocene the Island of Timor has been situated on the leading edge of the Australian Plate and has been subjected to increasing intensity of oceanic crust subduction to the north (Figure 4). This activity culminated in the development of plate margin back-thrusting across Timor over the past 3 million years.

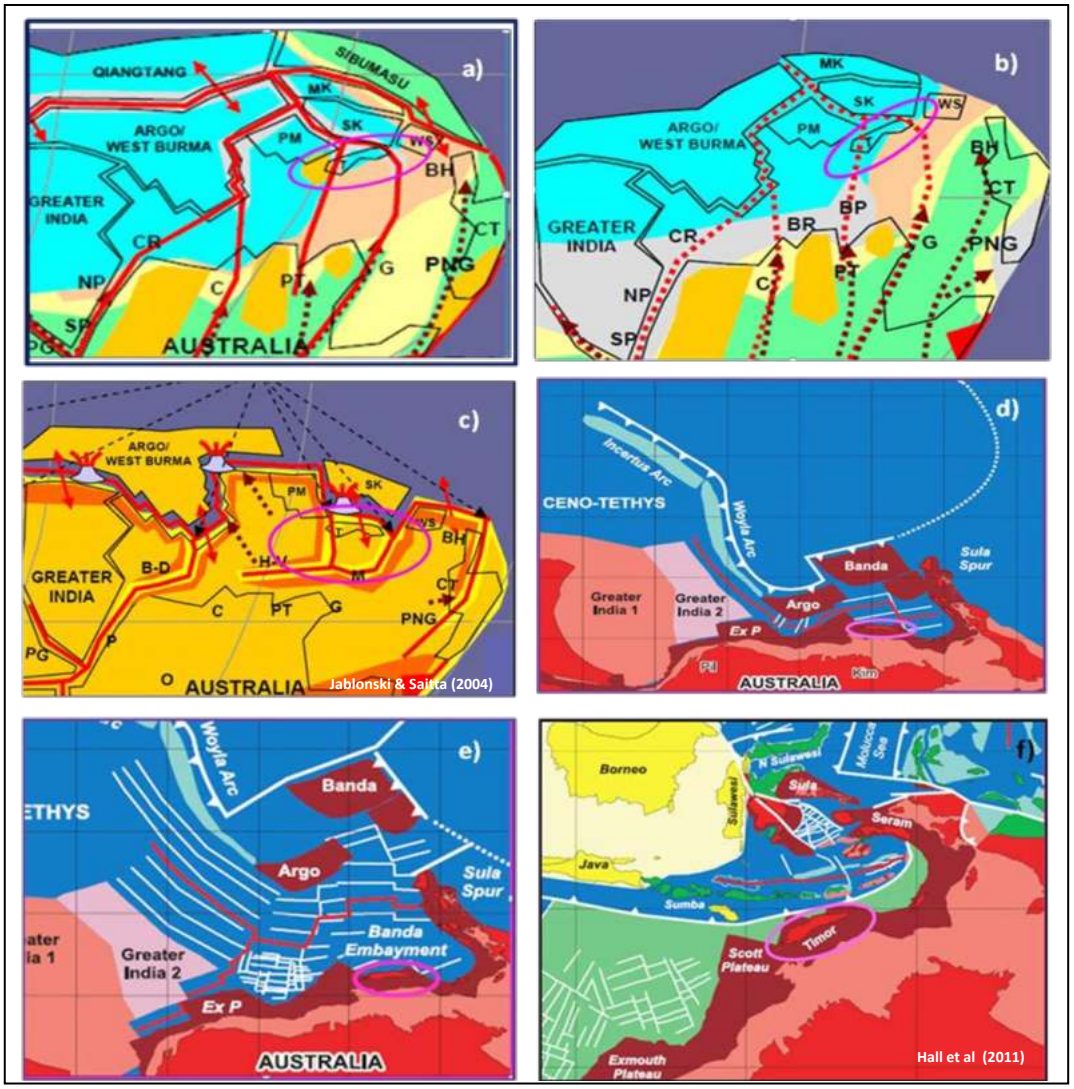

Figure 3. Composite plate reconstructions of the regional geology of Timor Island from the Permian to the Miocene – the magenta ellipses mark the approximate location of Timor Island. a) Early Permian ~275 Ma. Timor Island was part of the Gondwana supercontinent. Timor was dominated by carbonate nearshore and proximal shelf sediments. b) Early Triassic ~245 ma. As Sibumasu and Qiangtang terrains drifted northward subsidence occurred along the northern Gondwana margin; Timor was affected. c) Jurassic ~155 ma. A rift phase commenced as the Argo/West Burma and Sikuleh (SK) terrains separated. d) Late Jurassic (Early Tithonian) ~150 ma. Argo and Banda plates commenced separation. e) Early Cretaceous ~135 ma. Greater India commenced drifting northward; Timor was still part of Gondwana; and f) Late Miocene ~4 ma. Subduction of Jurassic oceanic crust along the proto-Banda Arc ahead of the Australian Plate with back-arc spreading; Figures 3 a to c modified from Jablonski & Saitta (2004) and Figures 3 d to f modified from Hall et al (2011).

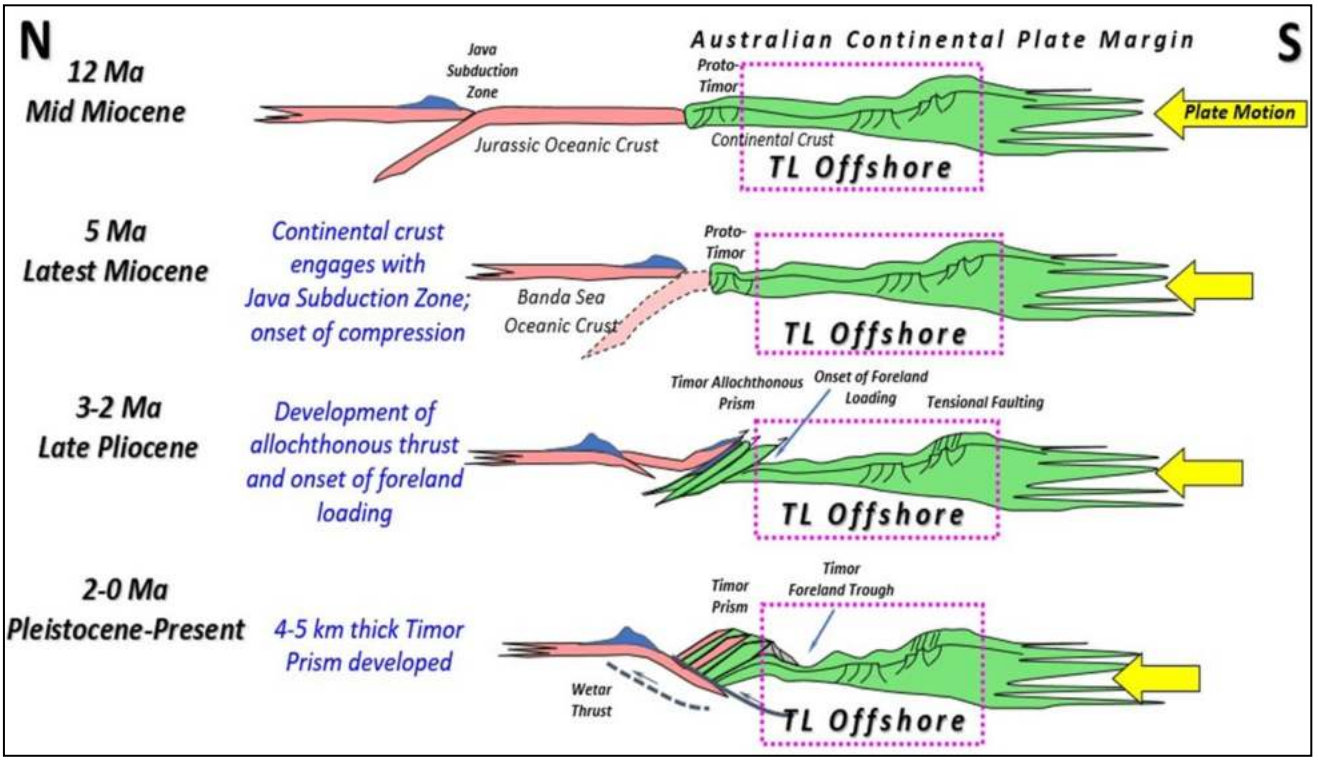

Figure 4. Cartoon of Late Neogene tectonism effects on onshore and offshore Timor-Leste.

As a consequence of the Timor Thrust emplacement, the northern and southern parts of the offshore territory of Timor-Leste have developed as different tectonic regimes. Regional seismic lines depict the northern area dominated by a compressional regime which comprises a thrust and fold belt region overlying a potentially prospective subthrust system, while the southern area is an extensional regime similar to much of the North Bonaparte Basin area (Figure 5)

Major fields, such as Greater Sunrise and Bayu-Undan, and smaller fields and discoveries such as Kitan, EKKN, Kuda Tasi, Jahal, Kelp Deep, Flamingo and Squilla are associated with extensional structures particularly horsts and grabens, as highlighted on the regional seismic interpretation in Figure 5.

Most of the onshore Timor-Leste strata can be correlated to the offshore which is part of Bonaparte Basin.

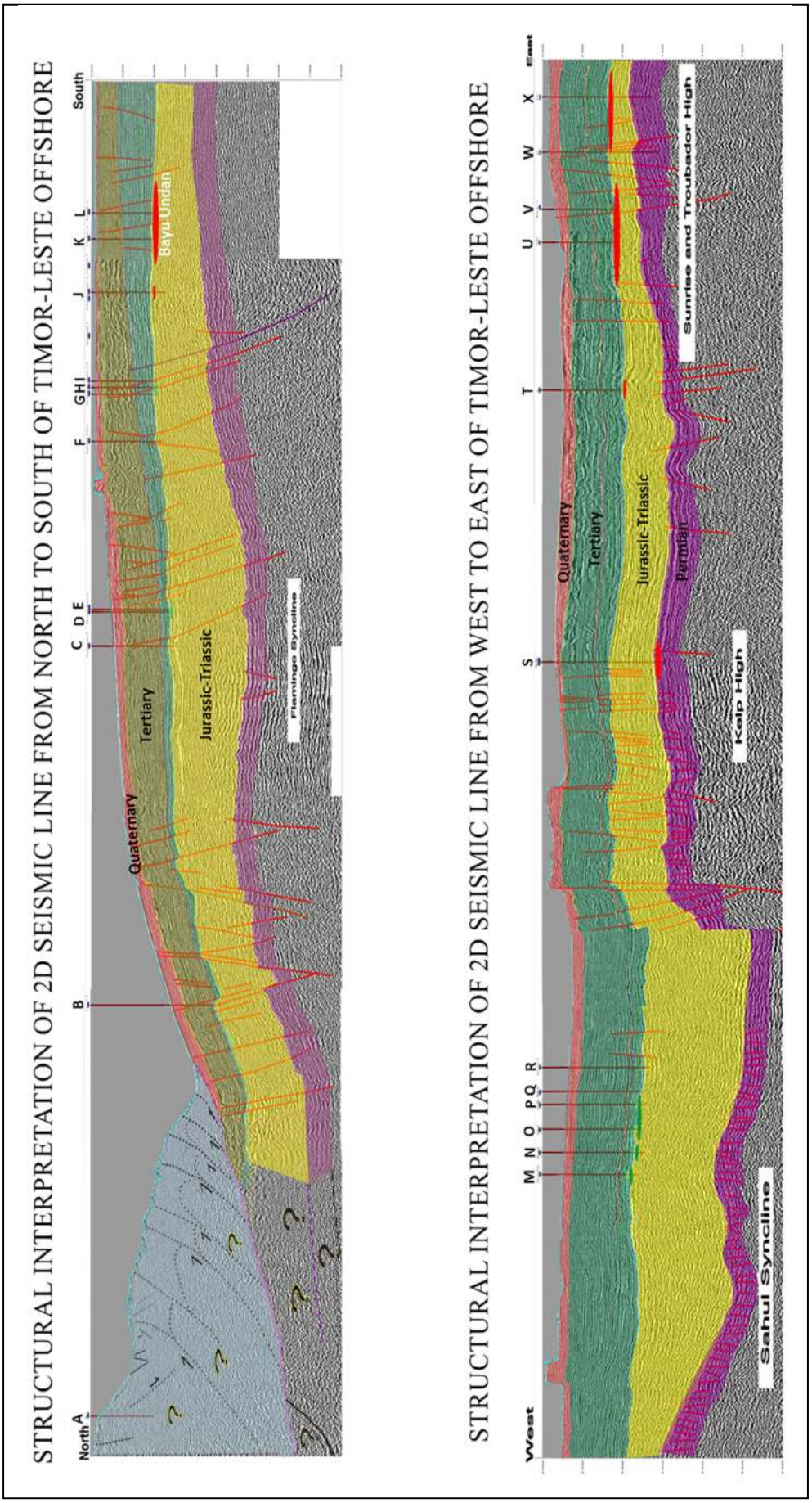

Figure 5. Regional seismic interpretation from (upper) North to South and (lower) West to East. The yellow shading is inferred from Triassic to Jurassic sand packages that are proven to be good-quality of reservoirs. The green and red "tabular" areas indicate oil and gas fields respectively. The source of these hydrocarbons is believed to be Triassic and Jurassic intraformational shales. Wells from north to south are (A) Mola-1, (B) Cova-1, (C) Barnacle-1, (D) Jahal-1, (E) Kuda Tasi-3, (F) Squilla-1ST1, (G) Layang-1, (H) (I) Kakatua-1 &1A, (J) Flamingo-1, (K) Undan-2 and (L) Trulek-2. From West to East: (M) Laminaria-1, (N) Buang-1, (O) Jahal-1, (P) Kuda Tasi-1, (Q) Kuda Tasi-3, (R) Barnacle-1, (S) Kelp Deep-1ST1, (T) Jura-1ST1, (U) Sunset West-1, (V) Sunset-1, (W) Bard-1 and (X) Troubador-1

5. STRATIGRAPHY AND PALAEOGRAPHY OF TIMOR-LESTE TERRITORY

The geology of offshore Timor-Leste is part of the Bonaparte Basin whereas onshore Timor-Leste comprises rock sequences with Australian and some Banda Arc affinities.

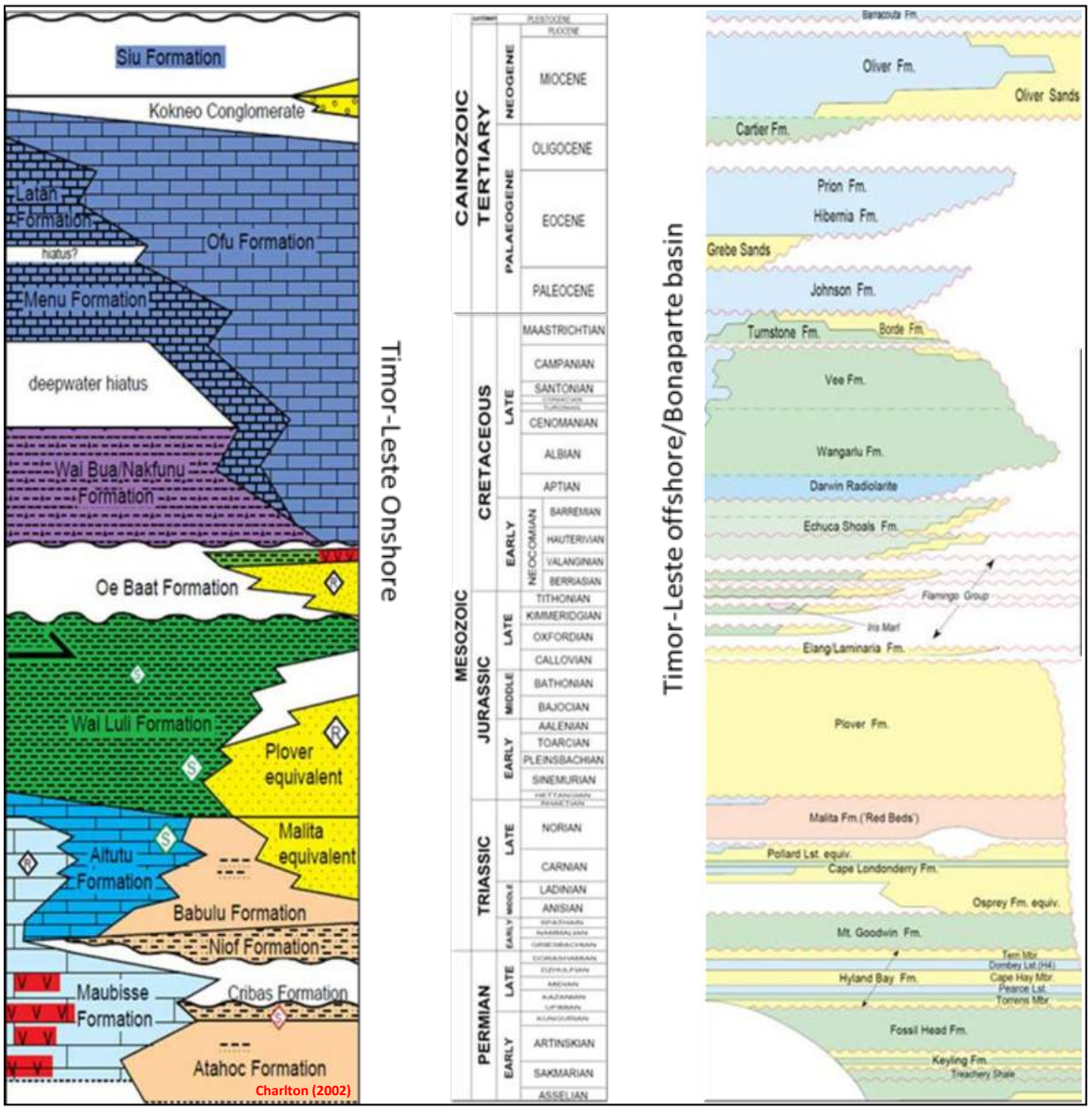

Figure 6. Stratigraphy comparisons for onshore Timor-Leste (Charlton, 2002) and offshore North Bonaparte Basin.

The palaeoenvironments for the Timor-Leste territory from the Late Permian to the Late Jurassic are marked by series of alluvial and deltaic depositional settings that were controlled by the break-up of the Gondwana supercontinent. The stratigraphy offshore can be correlated for the most part with the onshore stratigraphy, especially in the Jurassic and Triassic sequences.

Figure 7 depicts broad palaeoenvironments spanning the Permian to the Jurassic with Figures 7 'd' to 'e' the prime sandstone reservoir intervals for the Plover and Elang formations.

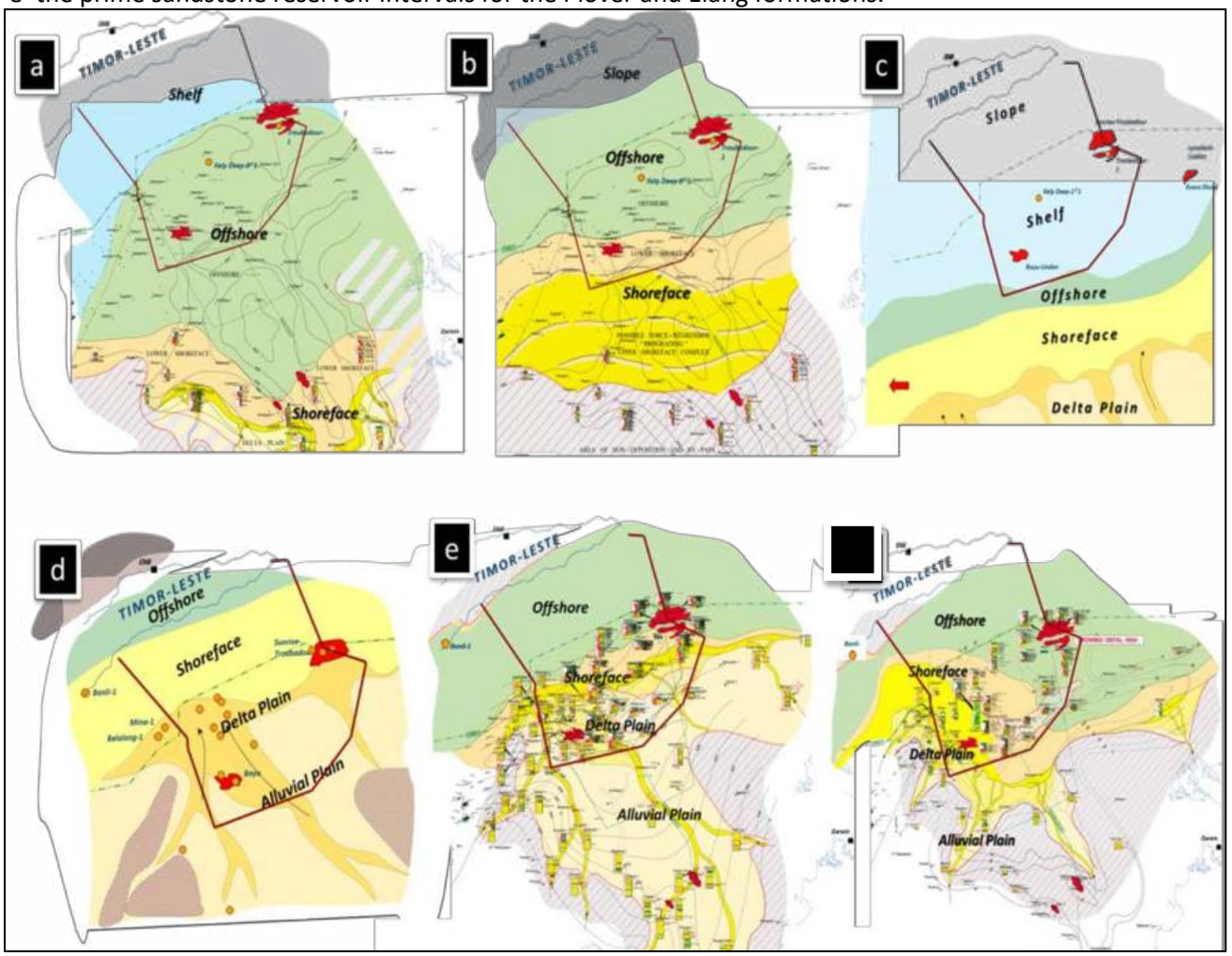

Figure 7. Illustrations 'a to g' are paleoenvironment cartoons from the Permian to the Late Jurassic for the Timor-Leste territory (red outline). These paleoenvironments mark significant changes of lithofacies with sediment supplied from the Australian Craton in the south and generally deposited towards the north in the offshore Timo-Lester. These figures also represent the distribution of reservoir, seal and source rock intervals.

- **(a) Late Permian (Hyland Bay Grp); Timor Island and the offshore territory are inferred to be submerged in shallow waters with marine shelf clastic and carbonate deposition;**
- **(b) Early Triassic (Mt Goodwin Fm); Onshore Timor is inferred to be a slope setting while the offshore was in an offshore and lower shoreface marine setting.**
- **(c) Middle Triassic (Pollard/Challis Lmst): A period of marine transgression with a southward shift in clastic facies and Timor and offshore areas were dominated by marine carbonate and clastic sediments. Potential source rock interval.**
- **(d) Middle Jurassic (Mid Plover Fm): Sequences prograding northward towards Timor potentially depositing reservoir quality sands across both the offshore and onshore Timor areas.**
- **(e) Middle-Jurassic (Uppermost Plover Fm): Predominantly delta plain setting with good quality sandstone reservoirs. Onset of marine transgression.**

- **(f) Late Jurassic (Elang Fm): Regional tectonic subsidence. Marked by progressive marine inundation with good quality shoreface reservoir sandstone deposited in the southwest of the Timor-Leste offshore territory. Elsewhere restricted shallow marine conditions.**

Well correlations in offshore Timor-Leste territory indicate that the sandstone intervals of Elang and Plover formations are extensive and probably have good vertical and lateral connectivity. The average porosity and permeability for these formations range from 5 – 20% and 0.01 – 1000 mD respectively. These formations are the main reservoir intervals for most of the hydrocarbon fields in the offshore area of Timor-Leste. Correlation of the sand bodies from west to east is illustrated in Figure 8.

Onshore Seismic data acquisition by Timor Resources onshore block in 2018/2019

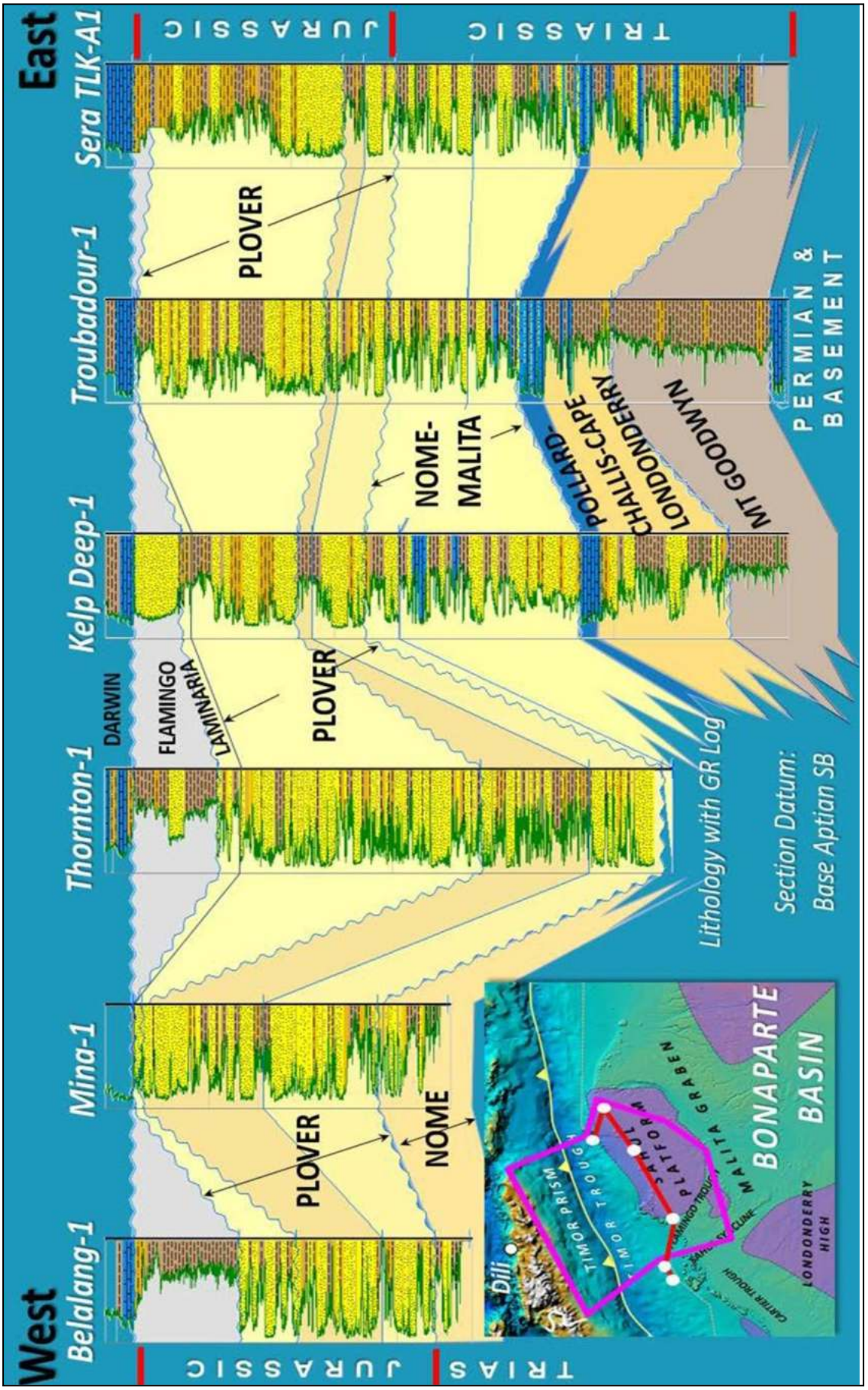

Figure 8. West to east Jurassic and Triassic well sequence correlation. Inset map depicts the location of the line of the section. Datum is Base Aptian sequence boundary (equivalent to the Top Echuca Shoals Formation)

6. PETROLEUM SYSTEM/PETROLEUM POTENTIAL

Onshore

There has been only limited petroleum activity in the onshore territory of Timor-Leste since the 1970's. The few wells drilled during this period have scant available data. However, historically, oil and gas seeps (Figure 9) have been reported and analyses from seeps and earlier wells indicate the oils have favorable characteristics with 25°-37° API gravity and low Sulphur content (<1%). Recent publications related to the surface geology and to inferred petroleum systems have greatly enhanced the hydrocarbon prospectivity of the onshore area. Renewed exploration activity over the past 3 years combined with recent land seismic and airborne surveys have also heightened the exploration potential not only in the Viqueque Basin but also in sub-basins in the northern onshore areas.

Charlton (2002) recognized the principal onshore exploration targets as large, structurally simple inversion anticlines developed beneath the complex shallow-level fold and thrust/mélange terrain but there is also considerable potential within the shallower thrust and fold sequences.

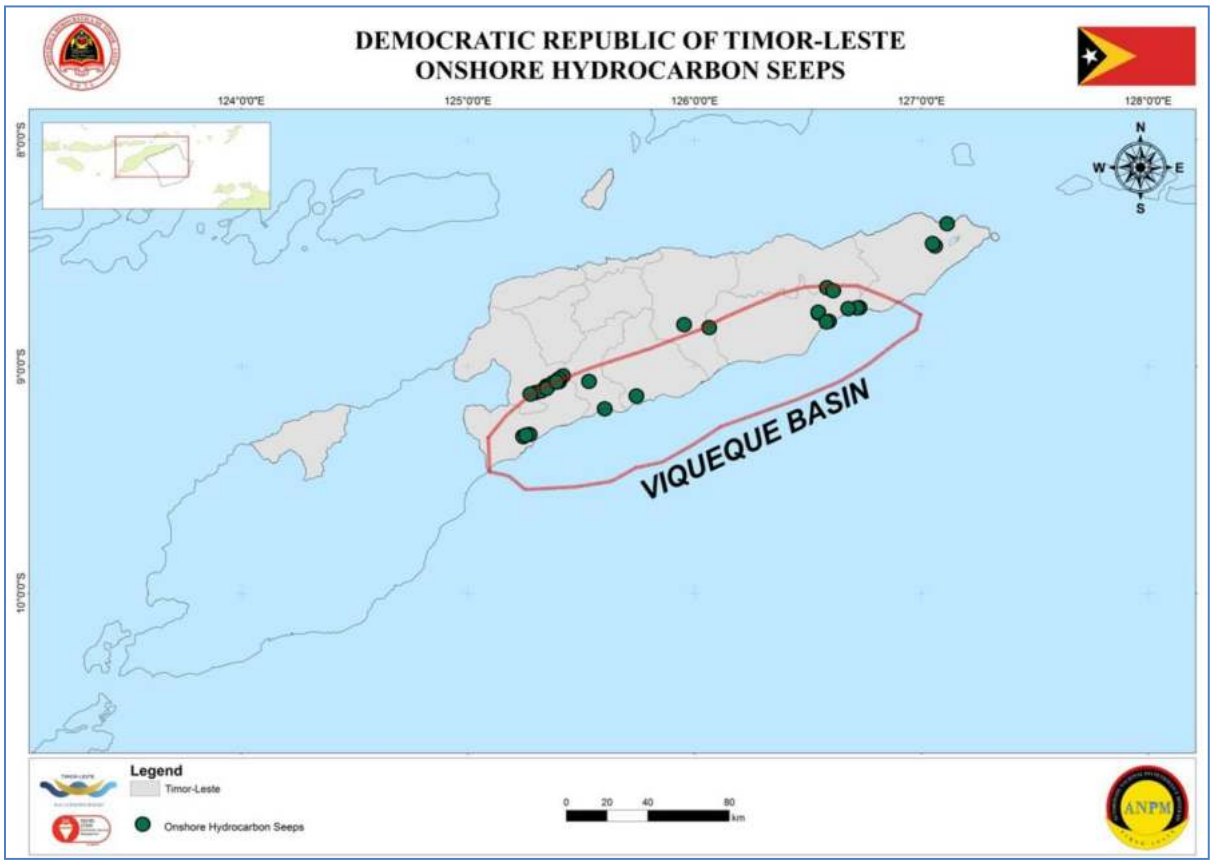

Figure 9. Location of oil and gas seeps within the Viqueque Basin, onshore Timor-Leste

- **Source**

A highly prospective source rock for the onshore area is the Triassic Aitutu Formation. This unit comprises interbedded calcilutites and shales most likely deposited in a restricted shallow marine environment and under anaerobic conditions.

There is well documented evidence and analyses from onshore Timor Island indicating good quality Triassic source rocks with total organic content (TOC) of 1 to 10% (Figure 10) and at least one carbonaceous shale up to 23% TOC in West Timor. These rocks have measured Hydrogen Index (HI) values that would generate a range of likely hydrocarbon by-products when mature. On that note, there are samples with HI's above 300 as these are likely to generate large volumes of liquid hydrocarbons.

Hydrocarbons with similar characteristics have been identified elsewhere in the Banda Arc region, such as in onshore Seram and Buton.

- **Seal**

It is likely that shale units within the Jurassic Wai Luli Formation would provide a quality top seal and intraformational seals for reservoirs in the onshore Timor-Leste area. The Wai Luli shales overlie potential sandstone reservoirs equivalent to the Jurassic Plover Formation and carbonate reservoirs of the Triassic Aitutu Formation (see Figure 6).

- **Reservoir**

The Wai Luli Formation is also recognized as one of the most prospective sandstone reservoirs in onshore Timor-Leste. Like its offshore equivalent – the Plover Formation – the Wai Luli sequence has the potential as a reservoir, intraformational seal and a source rock.

- **Trap**

There is well and seismic evidence to support possible sub-thrust faulted anticline traps similar to those developed in the offshore extensional setting to the south. Although the emplacement of the Timor Thrust terrain may have altered these structures, they are still considered to have hydrocarbon trap potential. The thrust complex is also likely to contain fold and thrust fault traps.

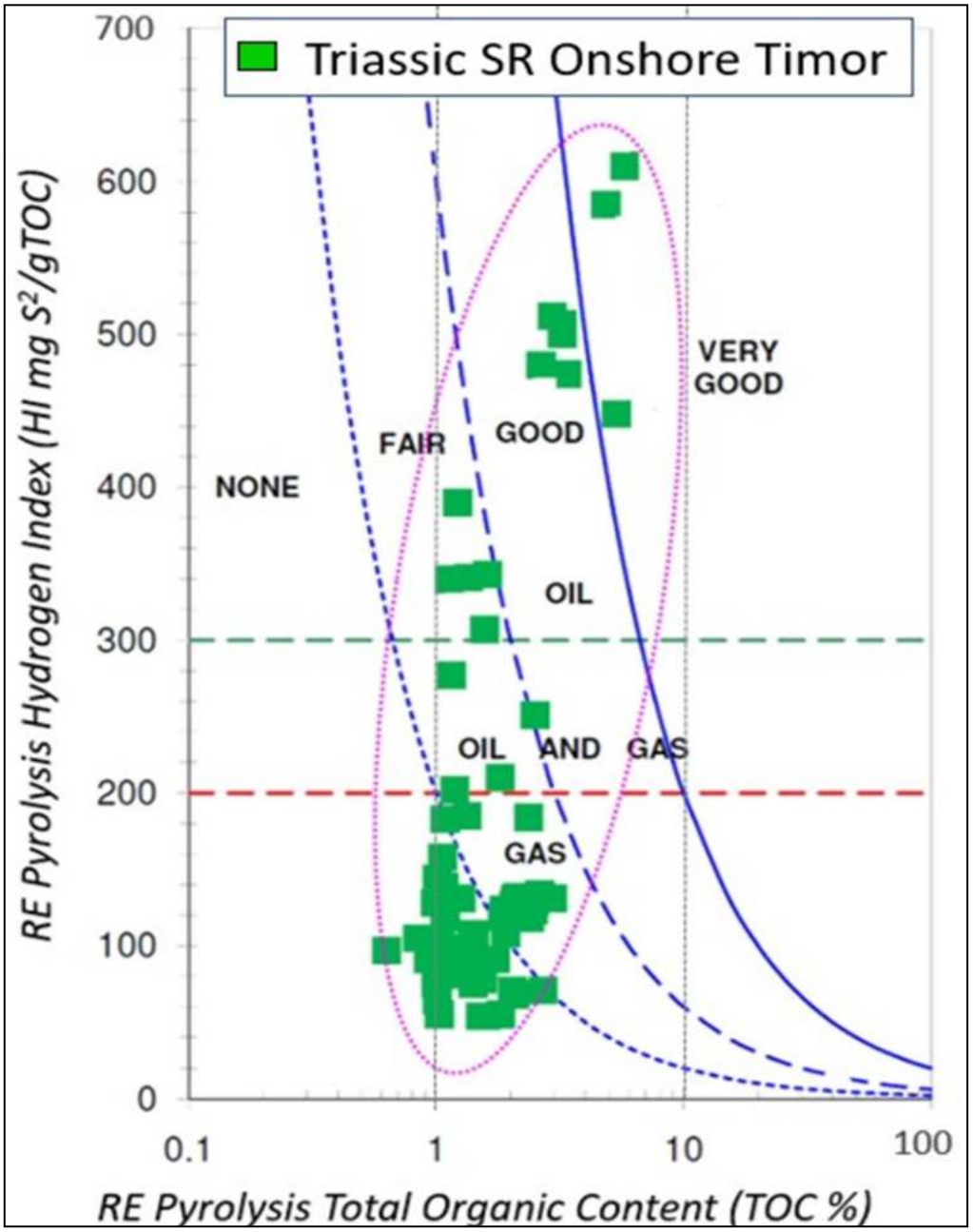

Figure 10. Rock Eval (RE) TOC vs. HI for onshore Triassic field source rock samples (A. Livsey pers. com.)

The Timor Thrust system may also have affected the maturity of source rocks due to the rapid loading and burial of these sediments. One of the direct indicators of an active petroleum system in onshore Timor-Leste is the presence of numerous oil and gas seeps. These seeps as mentioned are present in various locations on the Timor-Leste mainland (see Figures 9 & 11).

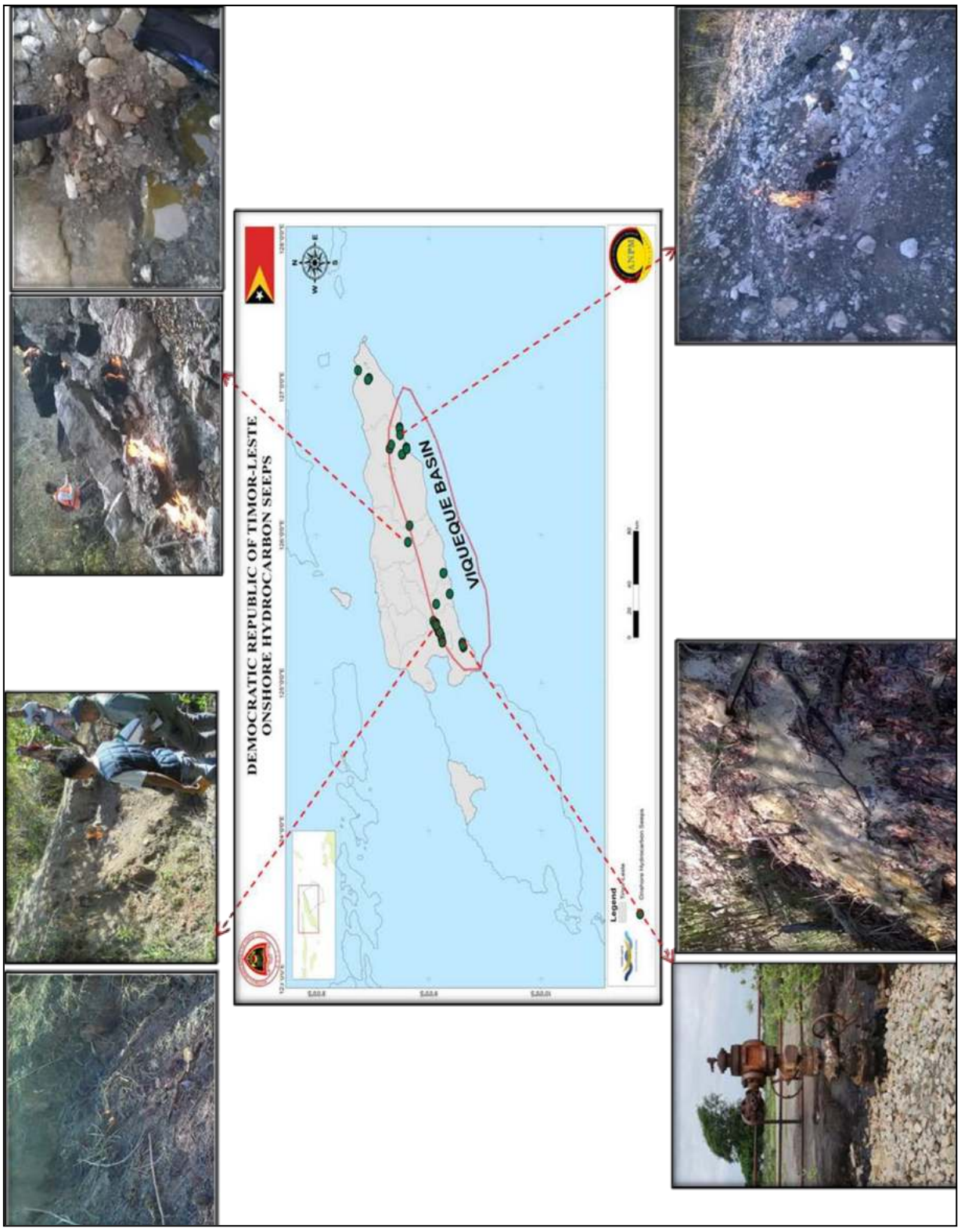

Figure 11. Photographs of Onshore oil and gas seeps

Offshore

The offshore territory of Timor-Leste and surrounds are well known for gas and oil discoveries and numerous hydrocarbons shows and seeps; the area is part of an extensive proven but lightly explored hydrocarbon province.

Much of the Timor Sea stratigraphy in the offshore territory is well established. However, the stratigraphic control of the deeper section is provided by only a few wells, and from onshore Timor outcrops, and from the geology of surrounding basins.

There is at least 5 episodes of structuring that created or enhanced hydrocarbon traps in this region. There is also a number of reservoirs and associated seals and many options of known and inferred source rock units.

- **Source**

Permian to Early Cretaceous sequences are recognized as potential hydrocarbon source rock intervals in the offshore territory of Timor-Leste. The best known are Late Jurassic marine shales within the Elang and Plover formations.

These shales serve as potential mixed oil and gas prone source rocks and are believed to be the source for the Bayu-Undan and Sunrise-Troubadour gas fields and the Laminaria-Corallina, Kitan, Elang and other oil pools. These restricted marine formations not only serve as source rock, they also are reservoirs. Figure 12 illustrates the source rock quality of Plover and Elang formations and the Frigate Shale within the overlying Flamingo Group sequence. In the northern Bonaparte Basin there are measured TOC values in the Sahul Syncline and Flamingo Trough up to 4% and 5% respectively.

Maturity measurements and petroleum systems modelling over much of the offshore territory indicate that these source rocks are mature for hydrocarbon generation and expulsion.

As discussed for the onshore, there is increasing evidence that much of the Triassic petroleum system identified onshore Timor-Leste could be present in the offshore and could also be expelling hydrocarbons.

There are several known and postulated source rocks in the region including intra-Triassic organic shales and carbonates that are of similar facies to the likely source for the recently discovered Dorado oil pools in the Bedout Sub-basin on the North West Shelf to the south.

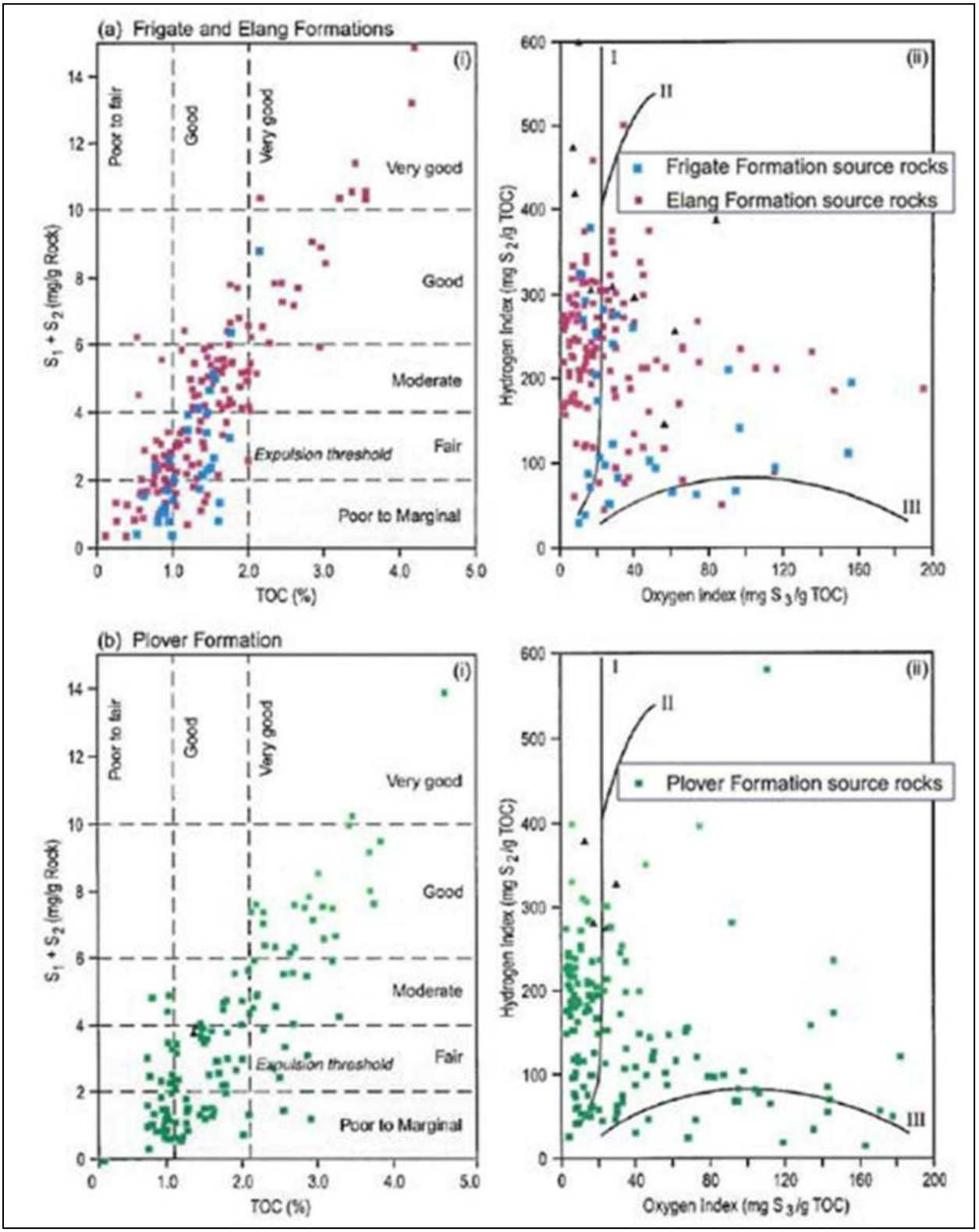

Figure 12. Rock-Eval pyrolysis plots for potential Jurassic source rocks in the Northern Bonaparte Basin: a) Frigate (Flamingo Grp) and Elang sandstones and b) Plover sandstones. Data from: Bayu-1, Corallina-1, Elang-2, -3, Elang West-1, Fohn-1, Kakatua-1, Laminaria-1, Laminaria East-1, Mistral-1, Squilla-1 and Undan-1 (from J.C. Preston and D. S. Edwards 2000)

- **Reservoir**

The Early to Middle Jurassic Plover Formation, the Middle Jurassic Elang Formation and the Late Jurassic to Early Cretaceous Flamingo Group are known as the primary reservoirs in the offshore territory.

The range in porosity for these sandstones is considerable (Figures 13 & 14). This variability is related the primary depositional setting and the depth of burial of the sandstone units.

Figure 13 illustrates that higher energy depositional settings such as channel, delta plain and upper shoreface facies create reservoirs with better porosities and permeabilities. It is well established that the Elang and Plover reservoirs are highly productive due to this reservoir quality and due to the regional connectivity of these sandstone units (see Figure 8).

Porosity generally decreases with depth (Figure 14). This diagenetic process is primarily a function of greater burial leading to increased compaction and increased temperature effects on the sandstone reservoirs. However, in the Timor Sea region including in the Timor-Leste offshore territory it has been demonstrated that reservoirs with porosities between 5% and 10% have a wide range in permeability (less than 1 millidarcy up to several hundred millidarcies).

Even though most of the activities in the offshore territory to date have targeted the Jurassic plays, there are a few wells that have drilled Triassic strata (see Figure 8) and encountered sandstones of potential reservoir quality. There are instances where both Jurassic and Triassic sandstones have improved reservoir quality due reduced overburden and possible diagenetic enhancement.

- **Seal and Trap**

The Early Cretaceous marine flooding of the Australian margin produced several sedimentary intervals of seal quality shales. These units, such as the Flamingo Group, the Echuca Shoals, the Darwin Formation and the Wangarlu Formation are widespread across the offshore territory. Consequently, the top seals and lateral fault seals relying on this sequence of marine shales are likely to be effective.

Intraformational seals created by marine flooding events within the Jurassic and Triassic sequences are also likely to occur.

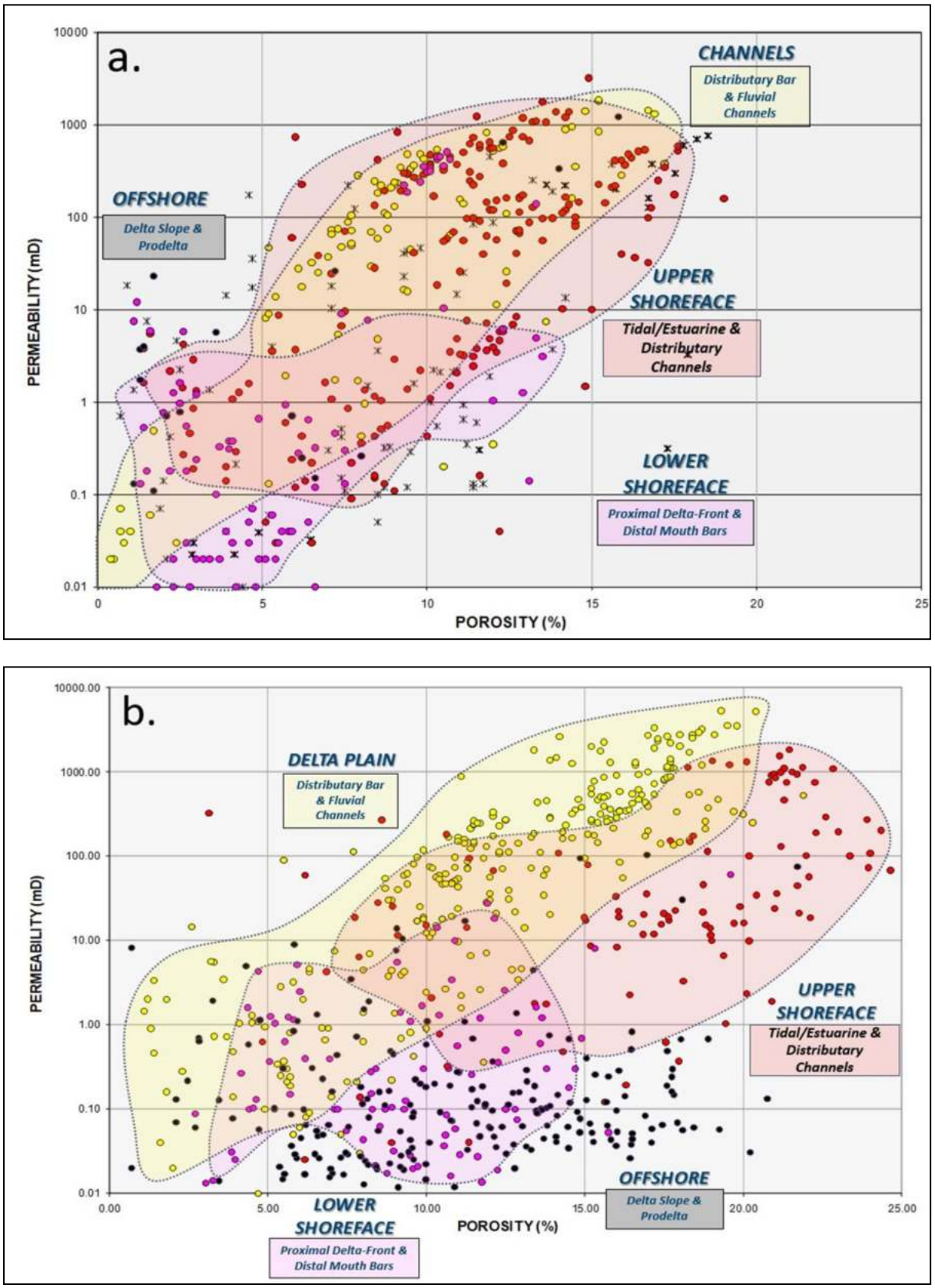

Figure 13. Elang (a) and Plover (b) Formation porosity versus permeability with different facies

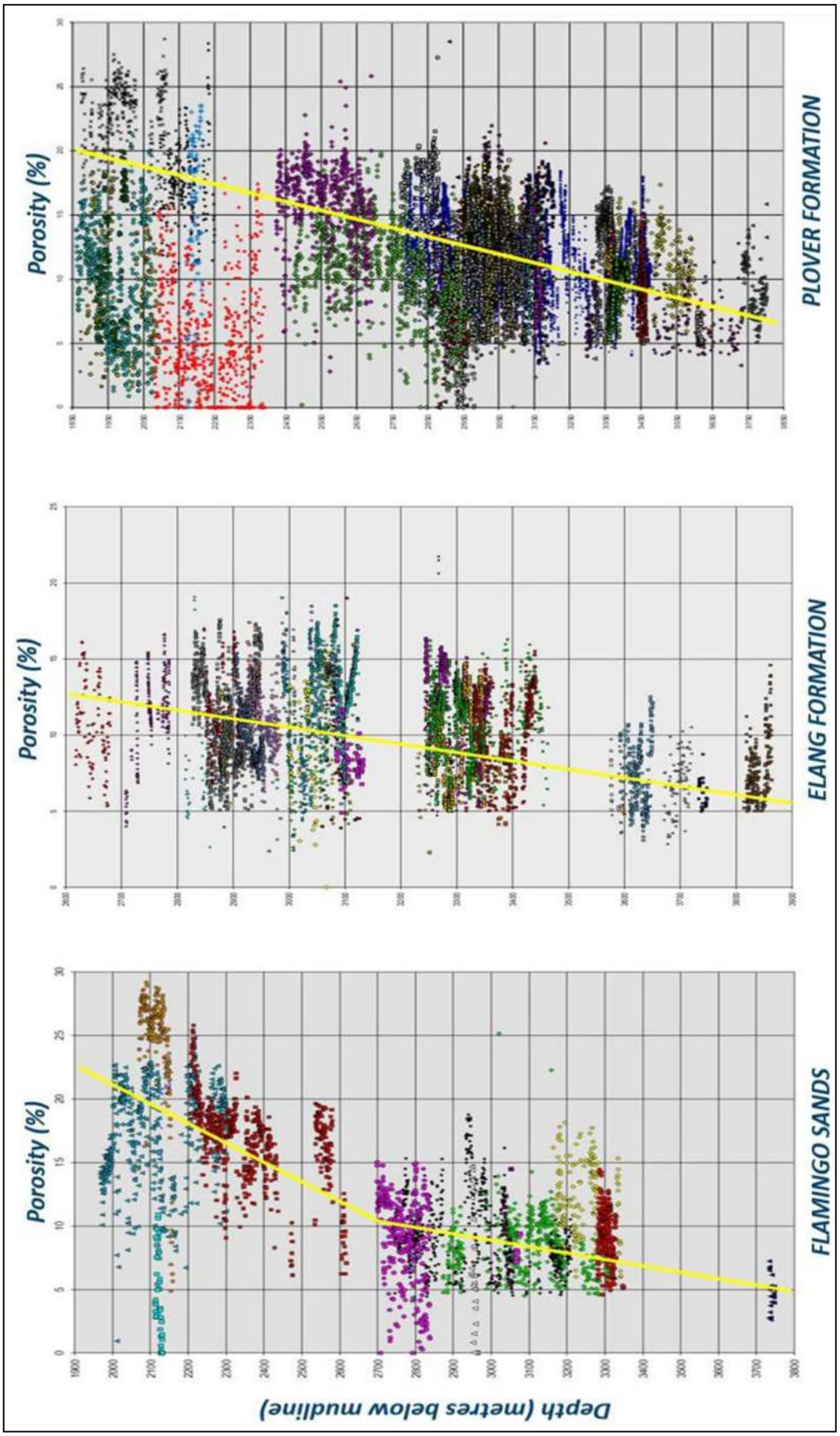

Figure 14. Flamingo, Elang and Plover sandstone reservoir porosity versus depth (m below mudline)

The most common trap types in the offshore territory are simple anticlines, extensional horsts, and rotated fault blocks across the southern platform and in the foreland, and may extend into the subthrust areas to the north. Thrust and fold traps may also occur within the Timor Thrust along the offshore southern margin of the island of Timor.

- **Play Types**

The structural traps of offshore Timor-Leste, especially those within the northern Bonaparte Basin, are typically related to the extensional regime of the basin. Play types are commonly linked with particular structural traps consequently there are many plays associated with horst/fault blocks, rotated fault blocks and four way-dip anticlines. There are also hangingwall buttress traps and potentially stratigraphic traps (Figure 15). Successful play types are dependent on these traps occurring in association with a combination of good top and, or lateral seal and reservoirs that have ready access to mature source rock "kitchens" via fault plane or bedding plane migration routes.

The Timor Thrust remains an unexplored exploration opportunity. There is a strong likelihood for the development of thrust fault and fold closures coupled with reservoirs and seals that are situated over mature subthrust kitchens.

The effective arrangement of these elements is demonstrated by proven discoveries in the region but there is still considerable additional potential opportunities to be realised.

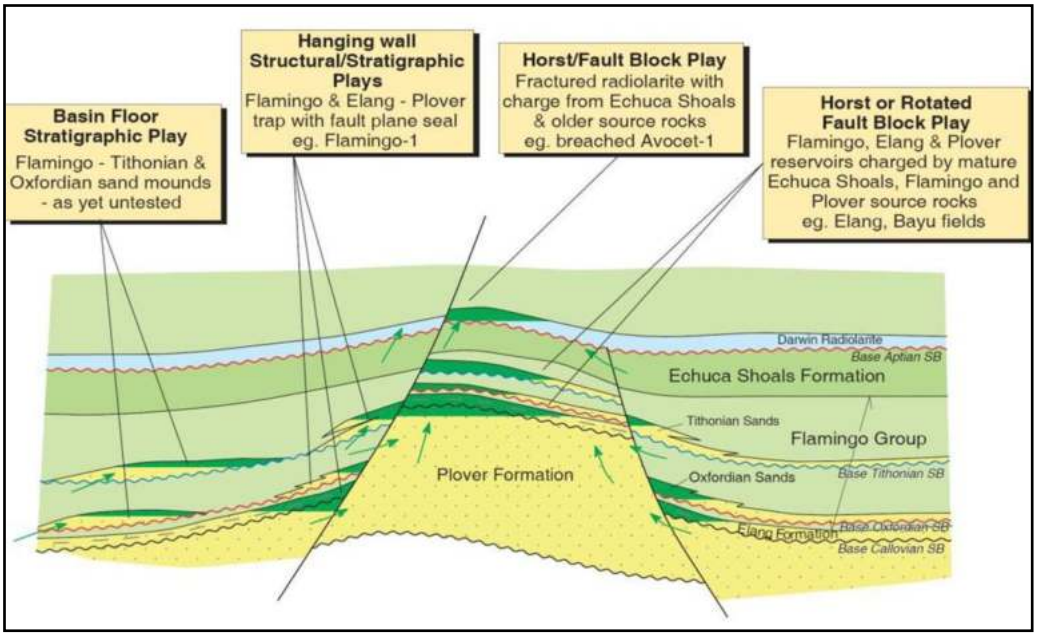

Figure 15. Schematic Play Types for the North Bonaparte Basin particularly Timor-Leste offshore territory

7. LIST OF DATA AND INFORMATION

Onshore

The Timor-Leste government through the Ministry of Planning and Strategic Investment (MPIE) has acquired a regional airborne survey focusing on regional gravity and magnetic - radiometric surveys to better understand the onshore hydrocarbon potential. The regional surveys cover the whole of the onshore Timor-Leste. The detail of the baseline map for each gravity survey follows (Figure 16)

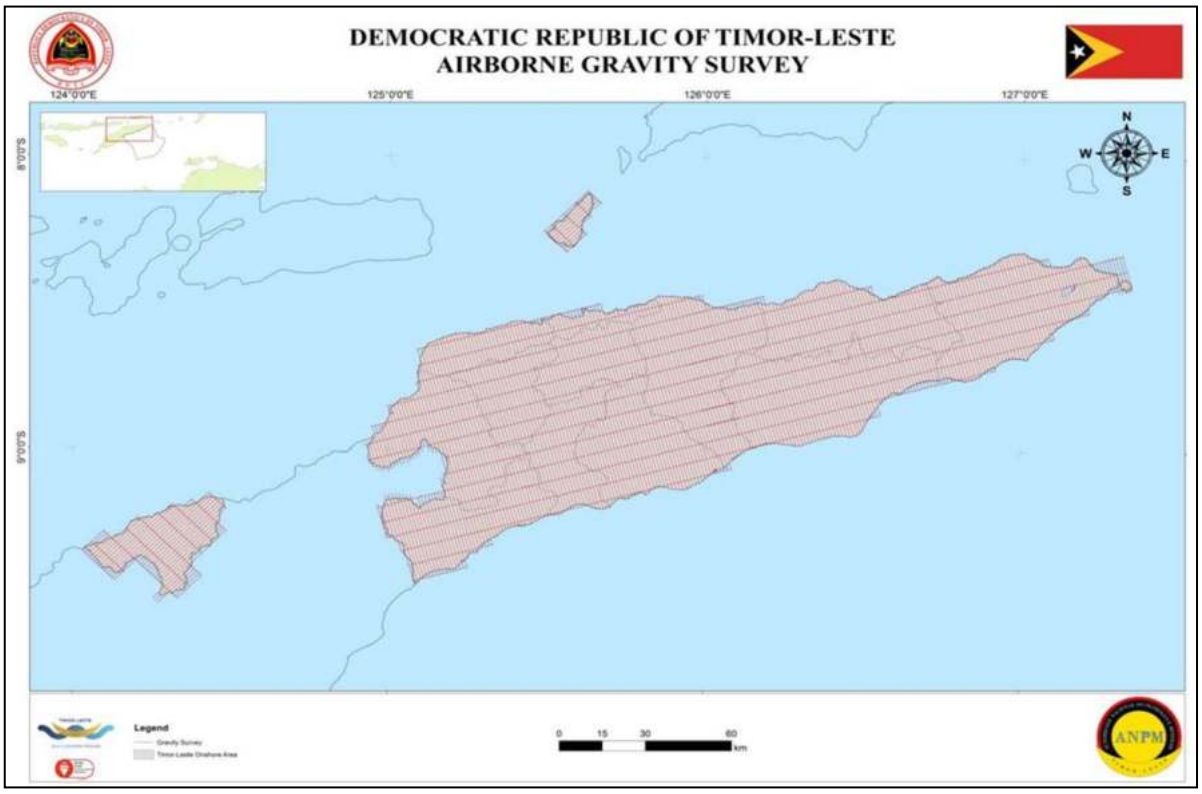

Figure 16. Baseline gravity survey

	Mainland	Oé-cusse	Atauro Island	Offshore
Line spacing	1200m	1200m	1200m	various
Tie line spacing	6000m	6000m	6000m	various
Total km	13,983km	811km	142km	1152km
Nominal terrain clearance	300m	300m	300m	300m
Line Direction	165-345°	165-345°	030-210°	165-345°

Table 2. Survey lines details of baseline gravity

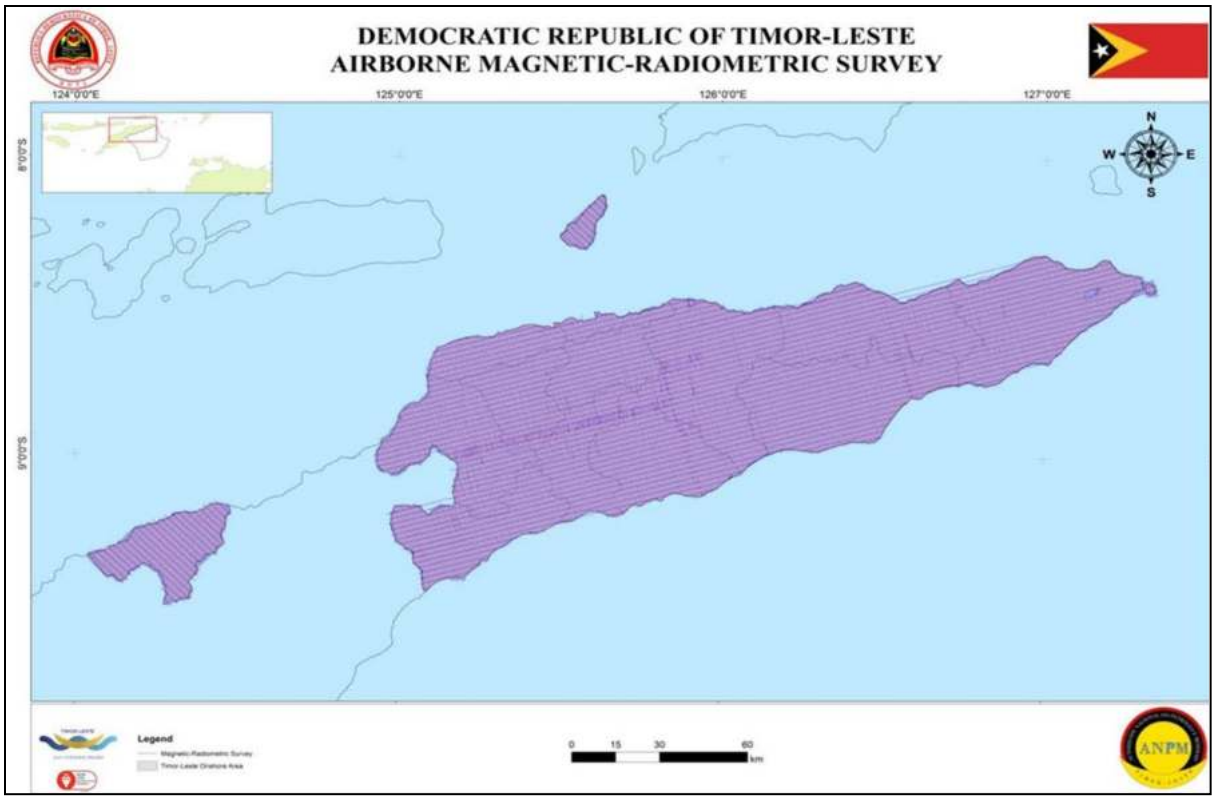

Figure 17. Baseline Magnetic and Radiometric survey map

	Mainland	Oé-cusse	Atauro Island
Line spacing	400m	400m	400m
Tie line spacing	4000m	4000m	4000m
Total km	42,655km	2,257km	386km
Nominal terrain clearance	80m	80m	80m
Line Direction	165-345°	165-345°	030-210°

Table 3. Table of survey line details for Magnetic and Radiometric survey

The hydrocarbon potential of the onshore Territory of Timor-Leste has a long exploration history that has resulted in more than 20 wells drilled in the area. The list of the wells in the onshore territory of Timor-Leste is presented below (Table 4).

Table 4. List of onshore Wells

No.	Well Name	Confidentiality
1	Aliambata-1	Open
2	Betano-1	Open
3	Betano-2	Open
4	Cape Tafara-1	Open
5	Cara-Ulo	Open
6	Cota Taci-1	Open
7	Matai-1	Open
8	Matai-1A	Open
9	Matai-3	Open
10	Matai-4	Open
11	Matai-5	Open
12	Matai_6	Open
13	Mola-1	Open
14	Ossualari-1A	Open
15	Ranuc-1	Open
16	Suai-1	Open
17	Suai-2	Open
18	Suai-Loro-1	Open
19	Suai-Loro-2	Open
20	Tafara-East-1	Open

Offshore

For the offshore territory acreage release bidding round the ANPM has also compiled all the open-file 2D and 3D seismic data and the well data. Figure 18 depicts the available 2D and 3D seismic data in Timor-Leste Territory. The list of the available seismic and well data is presented below (Table 5 and Table 6).

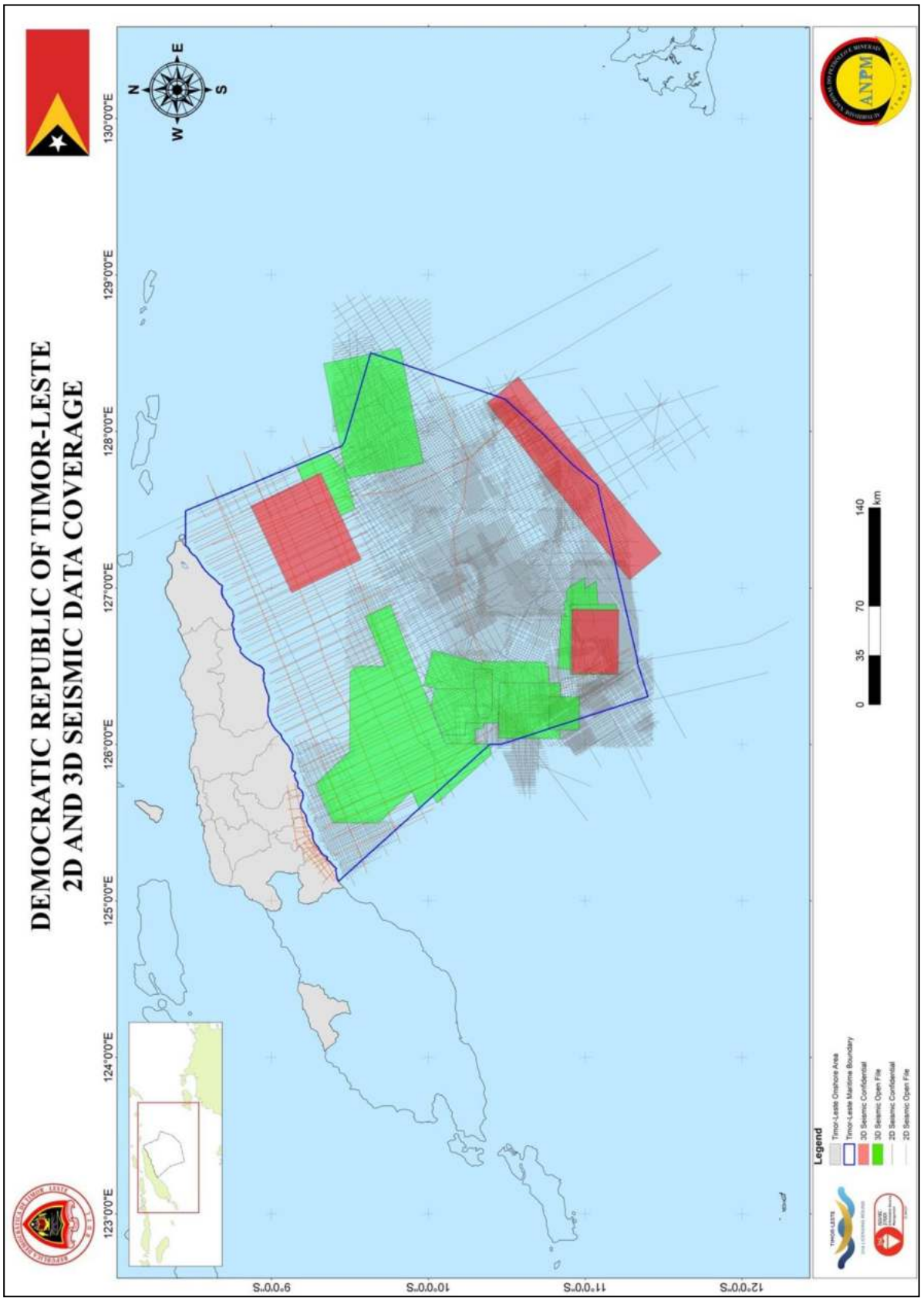

Figure 18. Map of 2D and 3D Seismic data acquired in the area

Table 5. List of Onshore and Offshore 2D and 3D seismic data

No.	Survey ID	Type	Prorietary/Multiclient (?)	Confidentiality (?)
1	Albacora	3D	Proprietary	Open
2	Bazartete	3D	Proprietary	Open
3	Block K 3D	3D	Proprietary	Open
4	Crocodile	3D	Proprietary	Confidential
5	Buller	3D	Proprietary	Open
6	HZ94	3D	Proprietary	Open
7	Bayu	3D	Proprietary	Open
8	Ikan	3D	Proprietary	Open
9	Kyranis	3D	Multi-client	Confidential
10	Lorico	3D	Proprietary	Confidential
11	Maura	3D	Proprietary	Open
12	Mescal	3D	Proprietary	Confidential
13	Orion	3D	Proprietary	Open
14	Thornton	3D	Proprietary	Open
15	Tutuala	3D	Proprietary	Open
16	92	2D	Proprietary	Open
17	95ZA2	2D	Proprietary	Open
18	95ZA7	2D	Proprietary	Open
19	Anita	2D	Proprietary	Open
20	ASB	2D	Proprietary	Open
21	BandaSEIS	2D	Multi-client	Confidential
22	Bicuda	2D	Proprietary	Open
23	Block K 2D	2D	Proprietary	Open
24	C92	2D	Proprietary	Open
25	CP92	2D	Proprietary	Open
26	E92TG10	2D	Proprietary	Open
27	E93TG16	2D	Proprietary	Open
28	E93TG17	2D	Proprietary	Open
29	E94TG10	2D	Proprietary	Open
30	Fafulu	2D	Multi-client	Confidential
31	Geo-streamer	2D	Proprietary	Open
32	H92	2D	Proprietary	Open
33	HB96	2D	Proprietary	Open
34	HZ94	2D	Proprietary	Open
35	HZ96A	2D	Proprietary	Open
36	HZ97A	2D	Proprietary	Open
37	HZA97	2D	Proprietary	Open
38	HZB97	2D	Proprietary	Open
39	HZI92	2D	Proprietary	Open
40	HZI96	2D	Proprietary	Open
41	HZI98	2D	Proprietary	Open

42	JPDA05	2D	Proprietary	Open
43	L-35	2D	Proprietary	Open
44	LM92	2D	Proprietary	Open
45	MH92	2D	Proprietary	Open
46	MM93	2D	Proprietary	Open
47	MS98	2D	Proprietary	Open
48	NC92	2D	Proprietary	Open
49	P93	2D	Proprietary	Open
50	PW91	2D	Proprietary	Open
51	PW92	2D	Proprietary	Open
52	S116	2D	Proprietary	Open
53	SBT94	2D	Proprietary	Confidential
54	SET05	2D	Proprietary	Open
55	Shell-97	2D	Proprietary	Open
56	SJPDA05	2D	Proprietary	Open
57	T97	2D	Proprietary	Open
58	TA89	2D	Proprietary	Open
59	TEA81	2D	Proprietary	Open
60	WestraliaSPAN	2D	Multi-client	Confidential
61	WP92	2D	Proprietary	Open
62	Z-97	2D	Proprietary	Open
63	ZPW92	2D	Proprietary	Open

Table 6. List of Offshore Exploration Well

No.	Well Name	Confidentiality
1	Baleia-1	Open
2	Bard-1	Open
3	Barnacle-1	Open
4	Basilisk-1	Open
5	Bayu-1	Open
6	Bayu-2	Open
7	Bayu-3	Open
8	Bayu-4	Open
9	Bayu-5	Open
10	Bluff-1	Open
11	Bogong-1	Open
12	Buffalo-1	Open
13	Buller-1	Open
14	Capung-1	Open
15	Chuditch -1	Open
16	Cleia-1	Open
17	Coleraine-1	Open
18	Conch-1	Open
19	Cova-1	Open
20	Elang-1	Open
21	Elang-1ST1	Open
22	Elang-2	Open
23	Elang-3	Open
24	Elang-West-1	Open
25	Elang-West-1St1	Open
26	Firebird-1	Open
27	Flamingo-1	Open
28	Fohn-1	Open
29	Hingkip-1	Open
30	Hydra-1	Open
31	Jahal-1	Open
32	Jahal-1ST1	Open
33	Jura-1	Open
34	Jura-1ST1	Open
35	Kakatua-1	Open
36	Kakatua-North-1A	Open
37	Karongo-1	Open
38	Kasareta-1	Open
39	Kelp-1	Open
40	Kelp Deep-1	Open

No.	Well Name	Confidentiality
41	Kelp Deep-ST1	Open
42	Kitan-1	Open
43	Kitan-2	Open
44	Krill-1	Open
45	Kuda Tasi-1	Open
46	Kuda Tasi-2	Open
47	Kuda Tasi-3	Open
48	Kurita-1	Open
49	Kurita-1ST1	Open
50	Layang-1	Open
51	Lolotoe-1	Open
52	Lolotoe-1ST1	Open
53	Lore-1	Open
54	Loxton Shoals-1	Open
55	Makikit-1	Open
56	Mandar-1	Open
57	Minotaur-1	Open
58	Mistral-1	Open
59	Nabarlek-1	Open
60	Naga-1	Open
61	Nancar-1	Open
62	Rambler-1	Open
63	Sandang-1	Open
64	Sera-1	Open
65	Sikatan-1	Open
66	Sikatan-1ST1	Open
67	Squilla-1	Open
68	Sunrise-1	Open
69	Sunrise-2	Open
70	Sunrise-3	Open
71	Sunset-1	Open
72	Sunset West-1	Open
73	Thronton-1	Open
74	Troubador-1	Open
75	Trulek-1	Open
76	Undan-1	Open
77	Undan-2	Open
78	Undan-3	Open
79	Undan-4	Open
80	Walaroo-1	Open
81	Walaroo-1ST1	Open
82	Wowo-Wiwi-1	Open

8. CONTACTS

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www.licensinground.tl

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Hall, R., Cottam, M. A. &Wilson, M. E. J. (2011). 'History and tectonics of the Australia–Asia collision'. (Eds) The SE Asian Gateway Geological Society, London, Special Publications, 355, 75–109.

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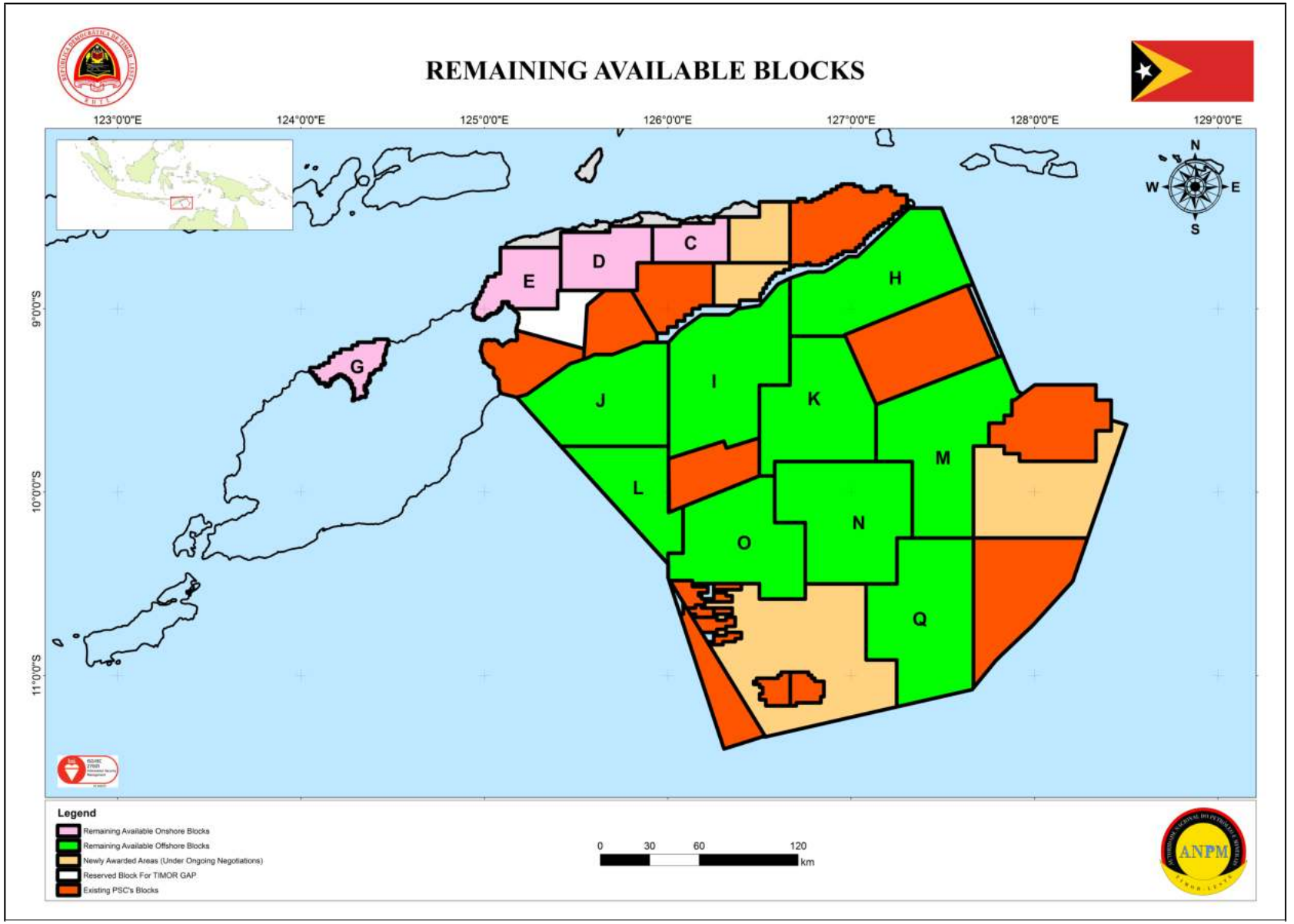
Keep, M., Beck, L. and Bekkers, P. (2005) 'Complex modified thrust system along the southern margin of East Timor; APPEA Journal 2005, Pp 297-310

The statue of Don Boaventura, the symbol of freedom fighters, Manufahi, Timor-Leste

ANNEX I

REMAINING AVAILABLE BLOCKS



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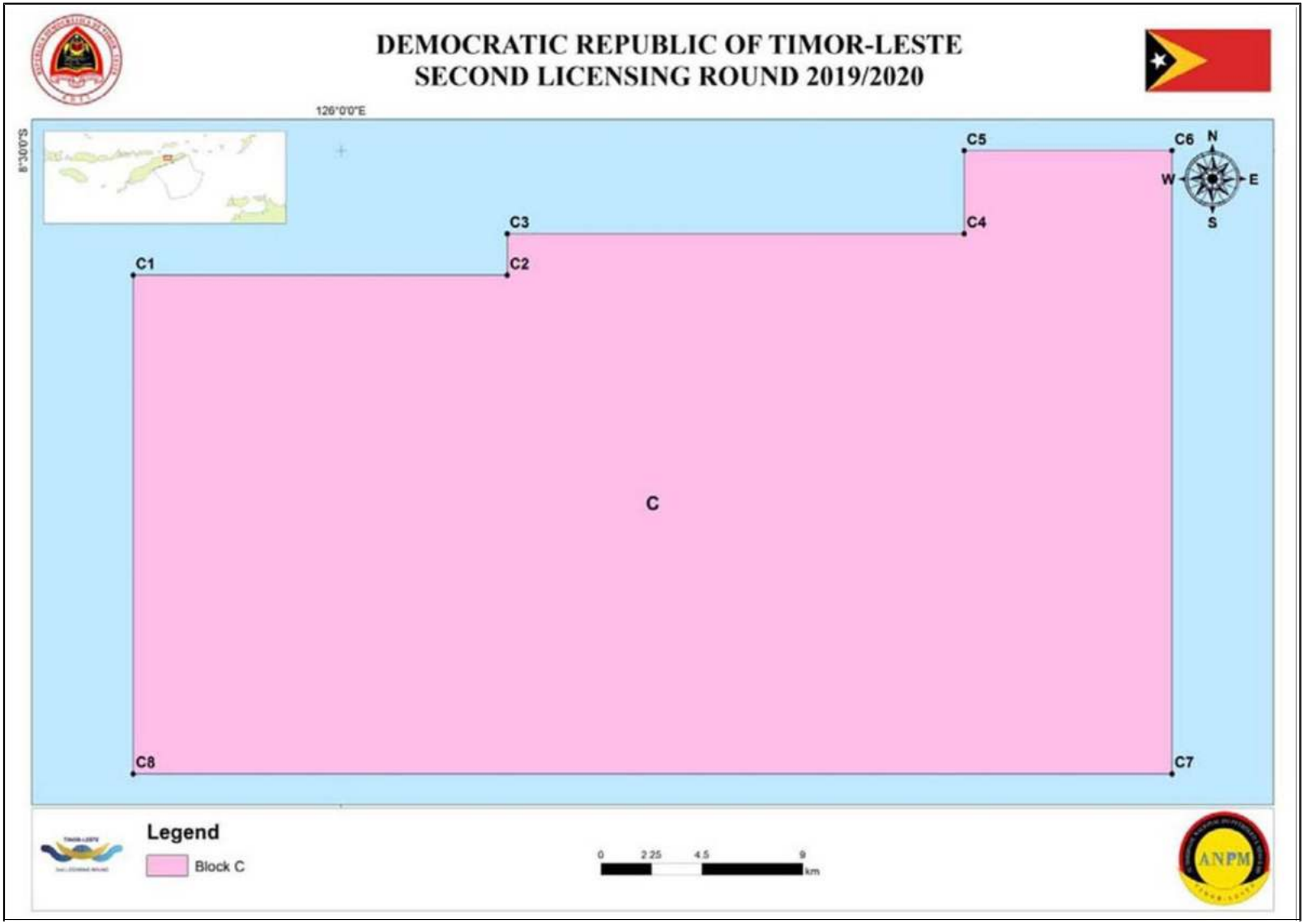
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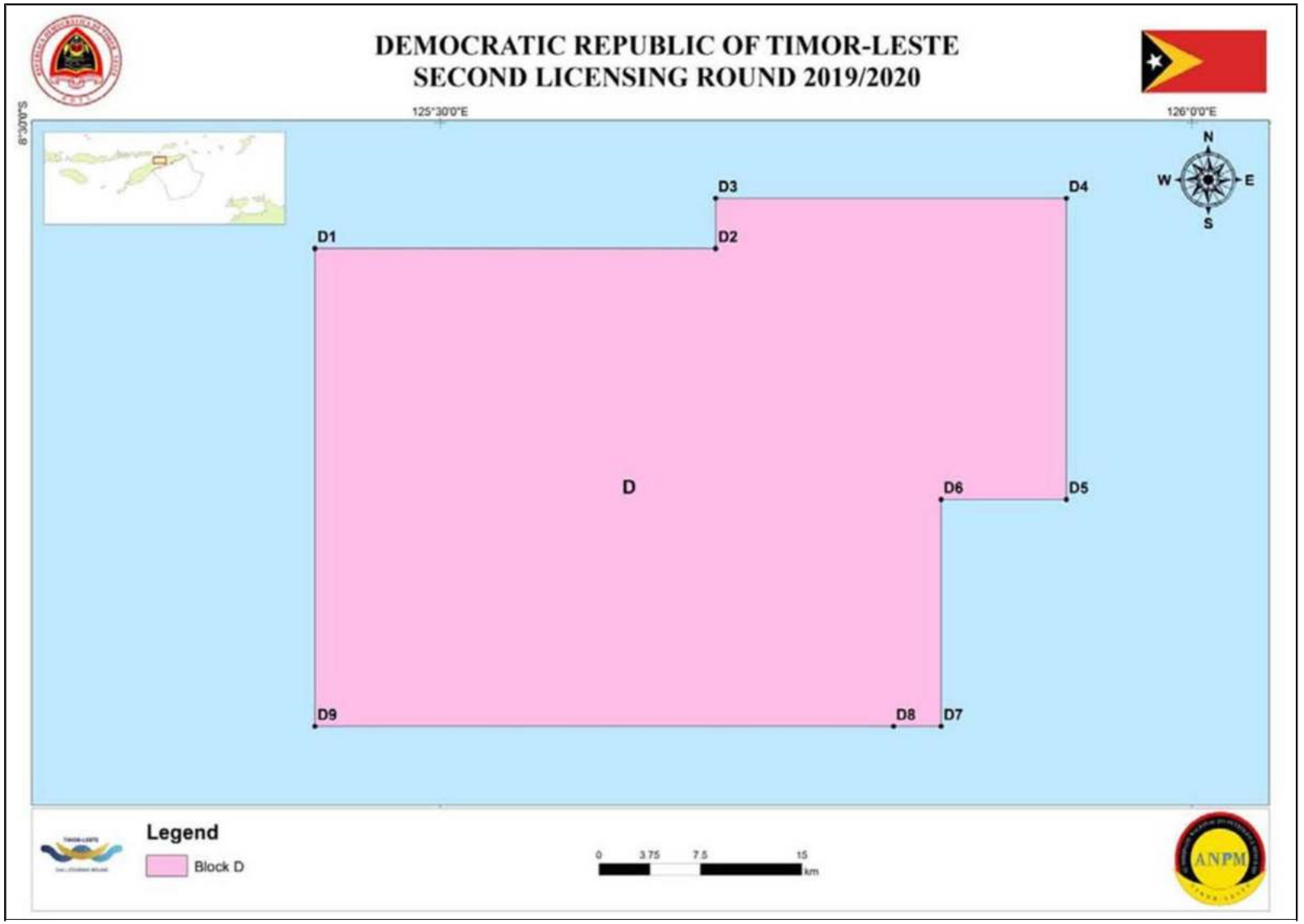
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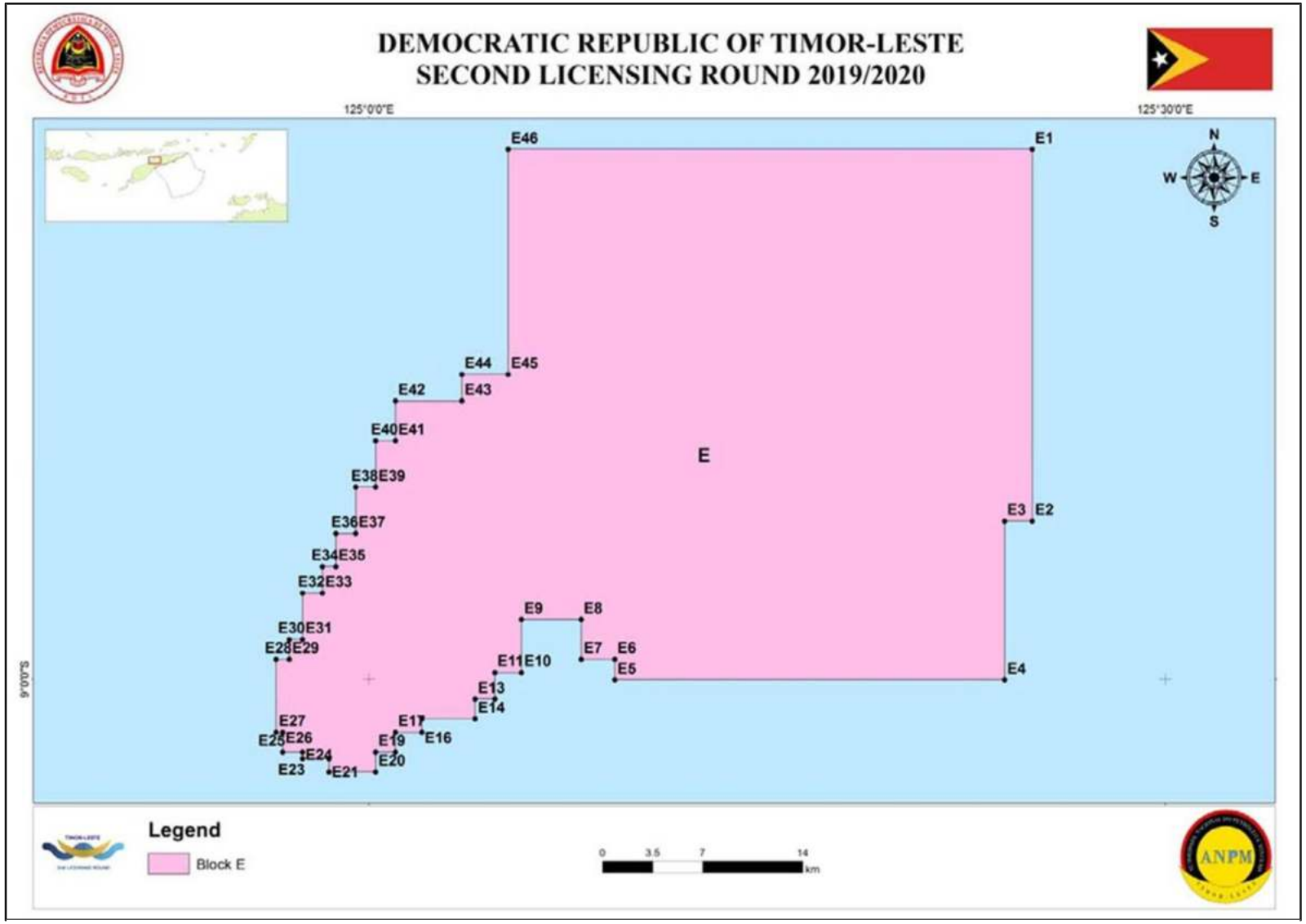
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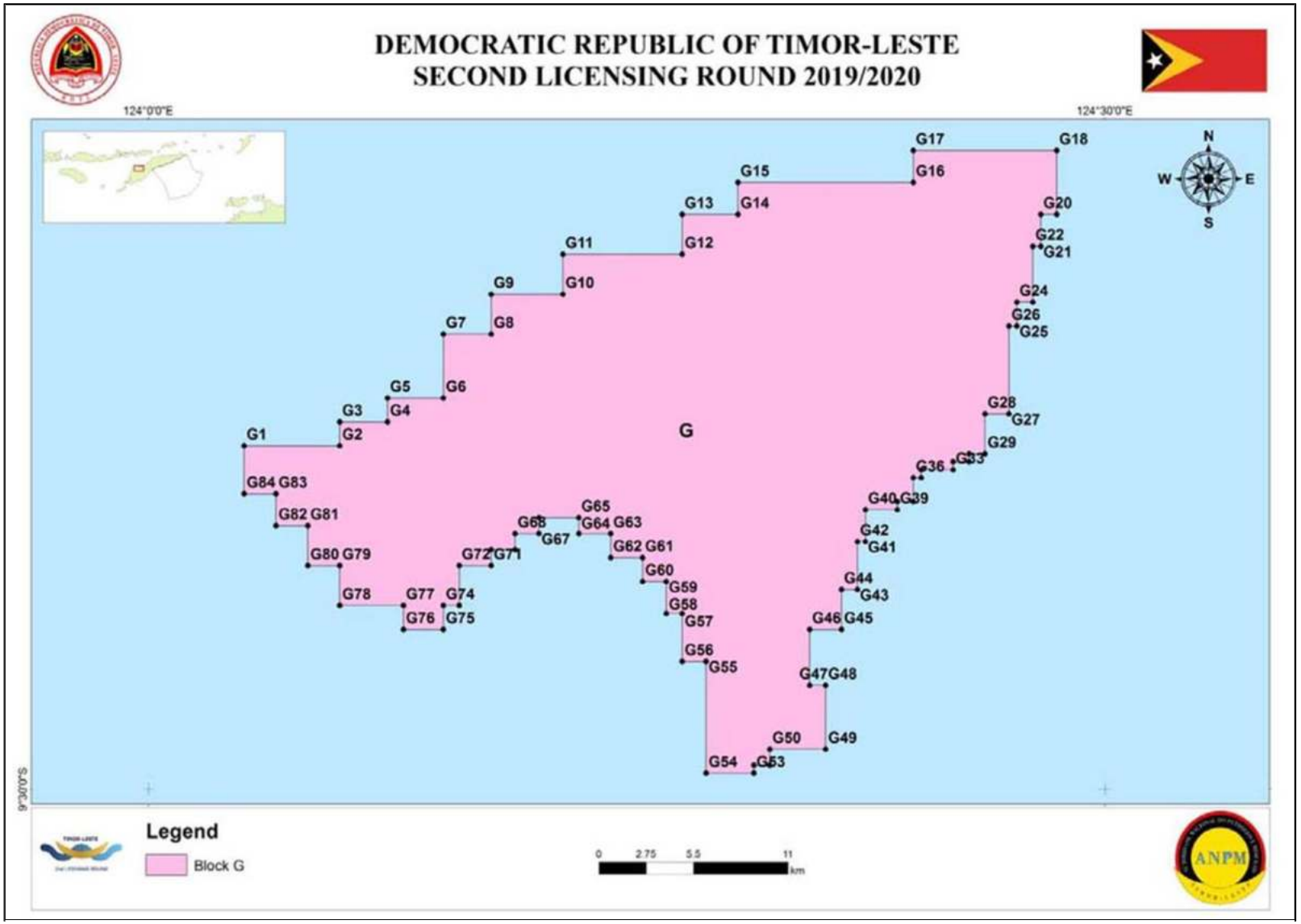
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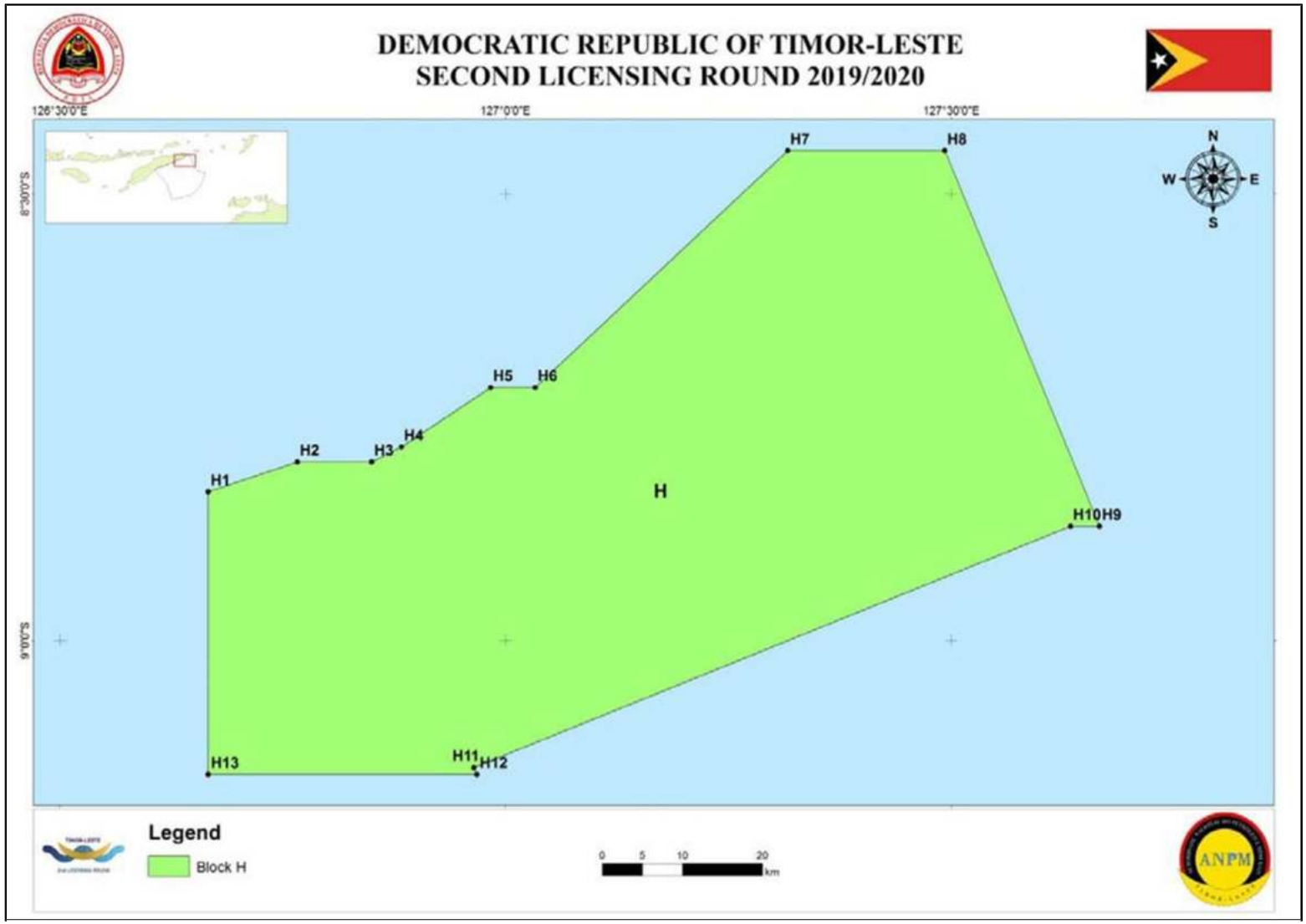
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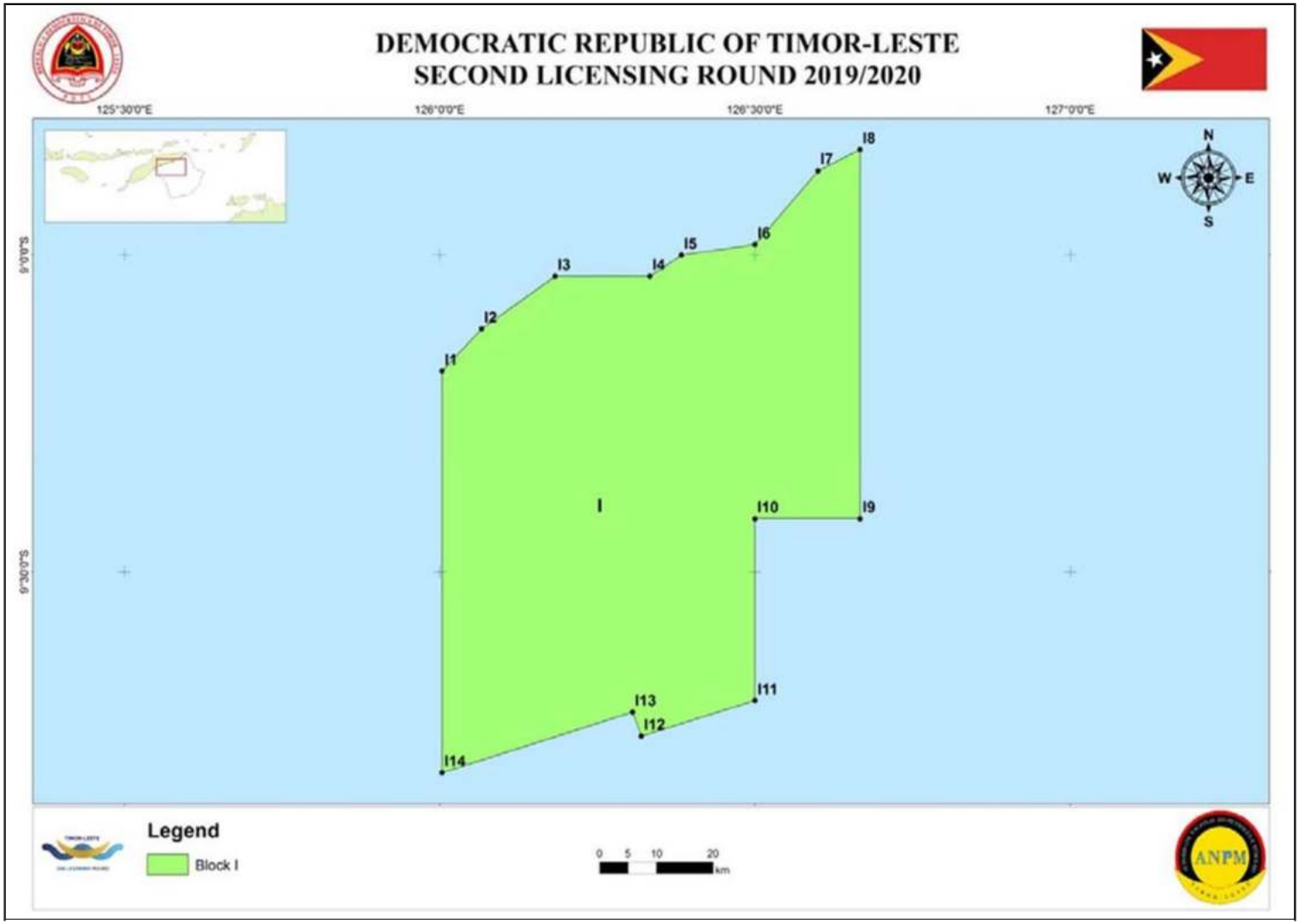
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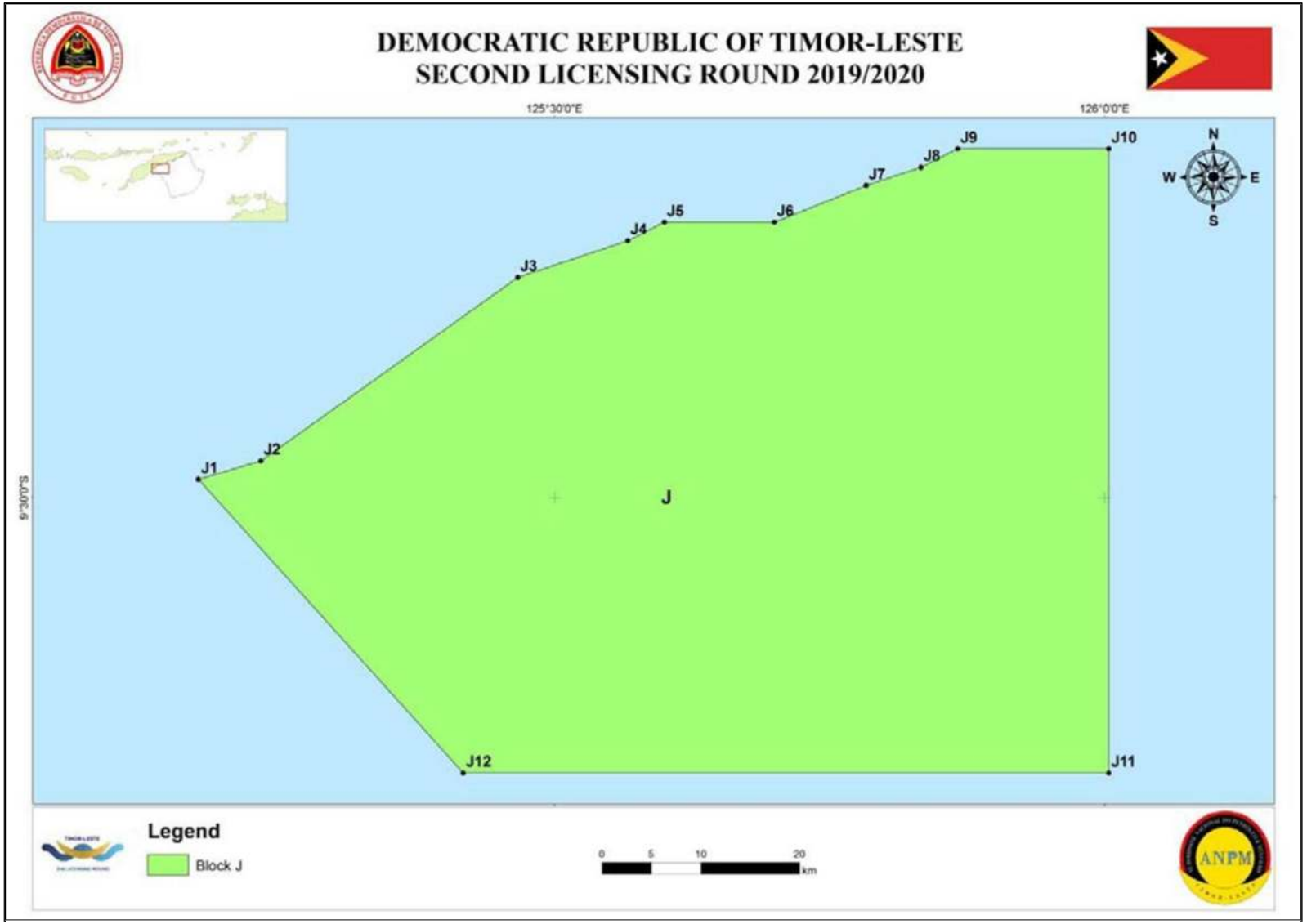
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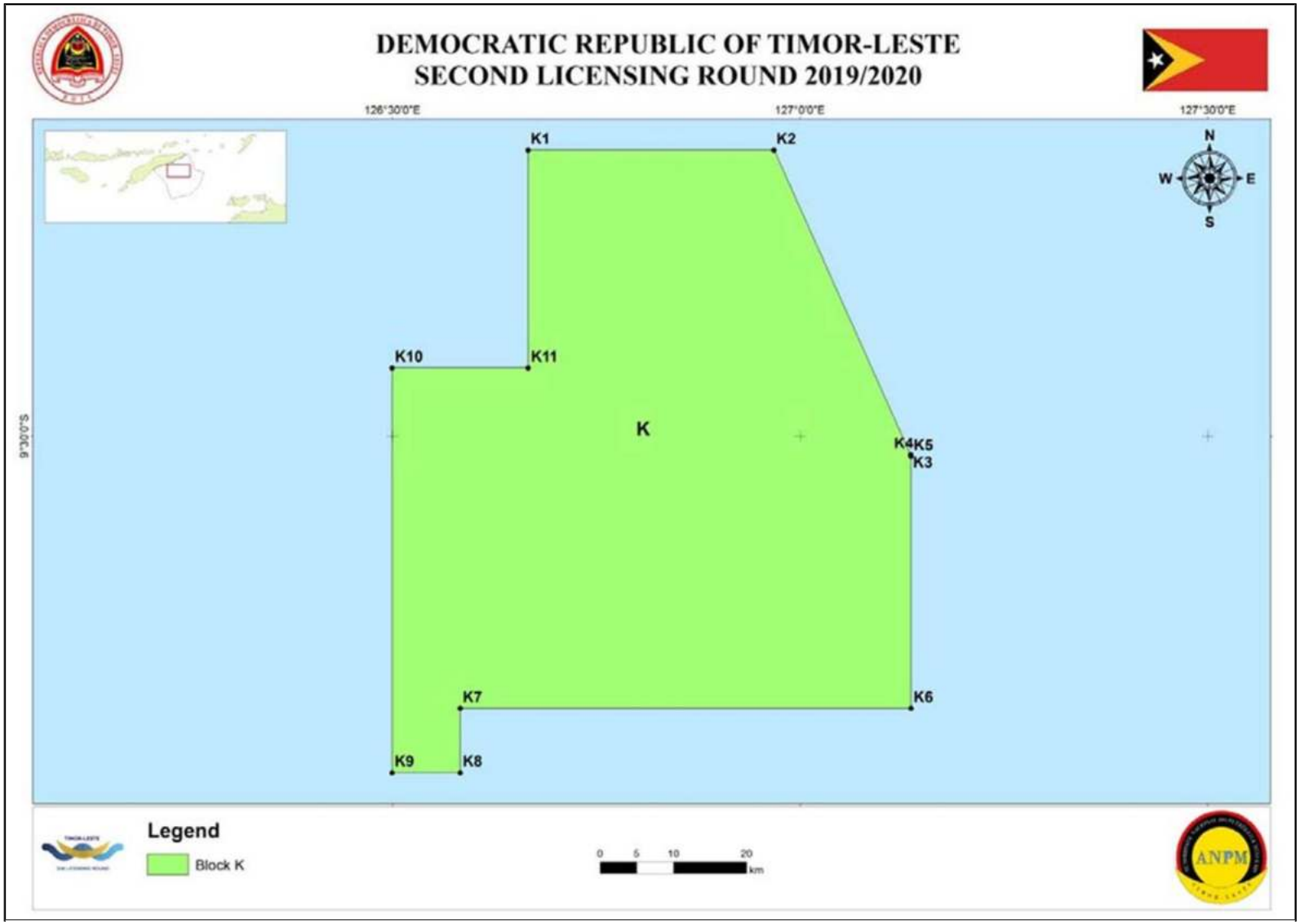
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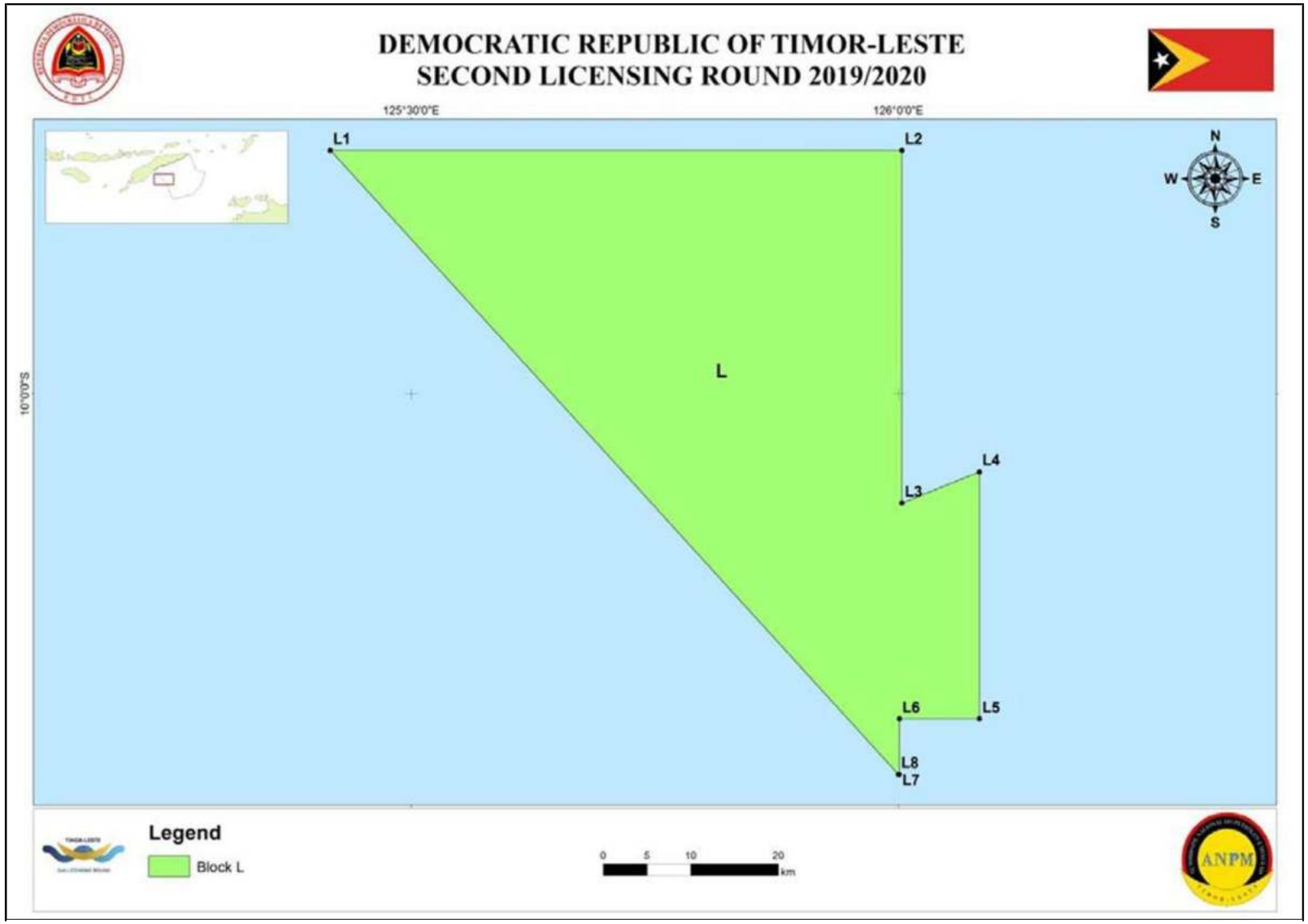
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Block L
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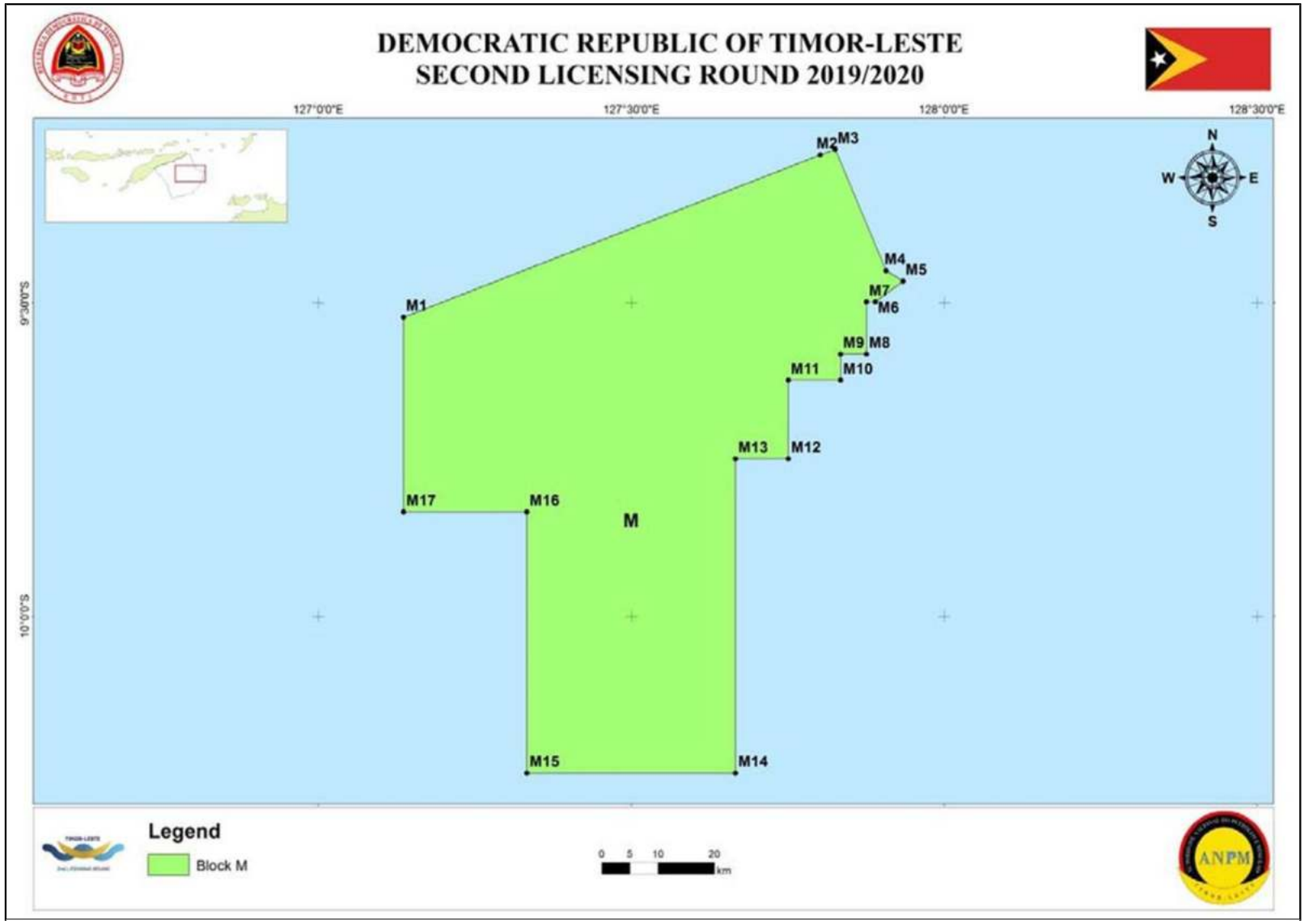
km
ANPM

BLOCK M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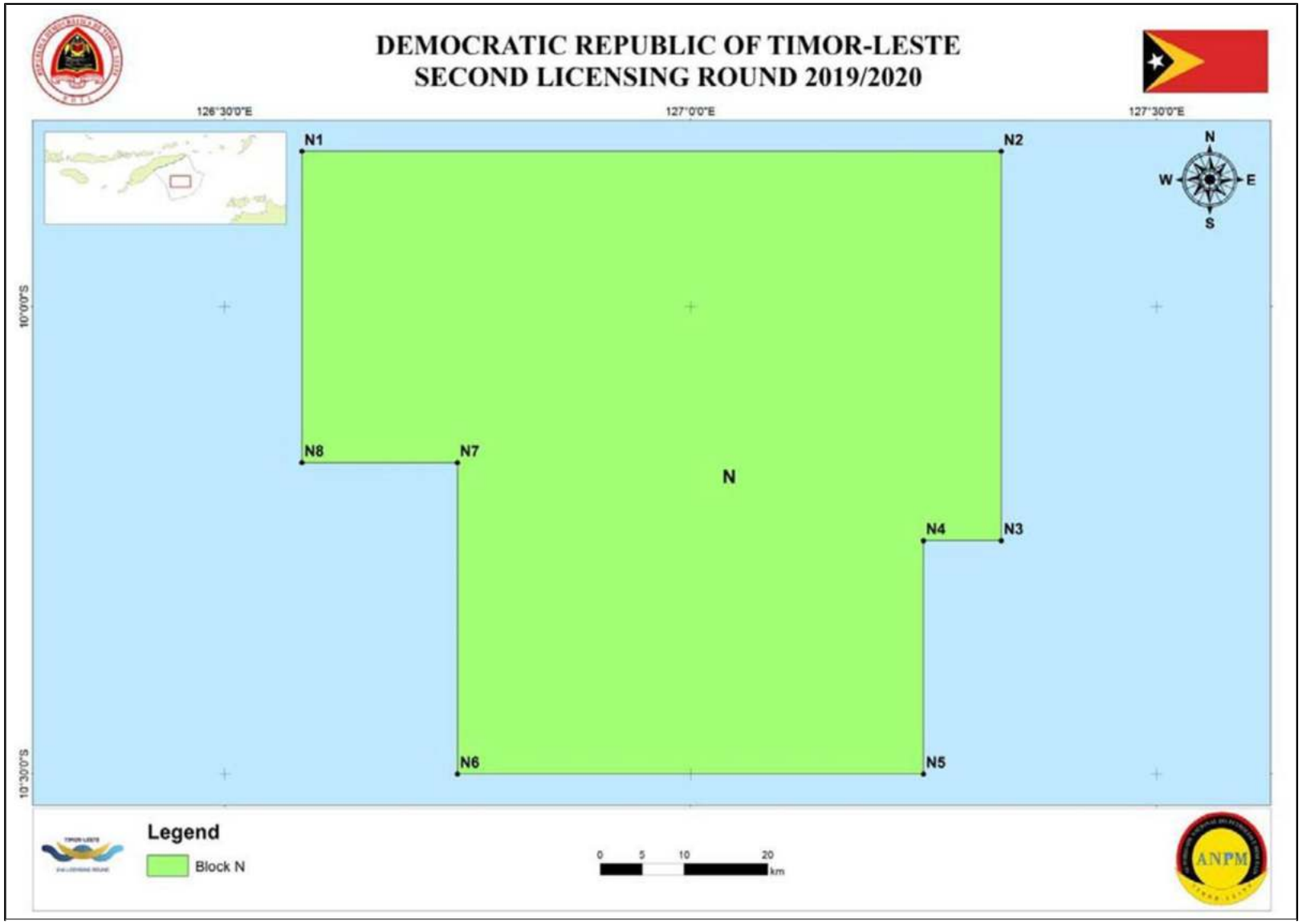
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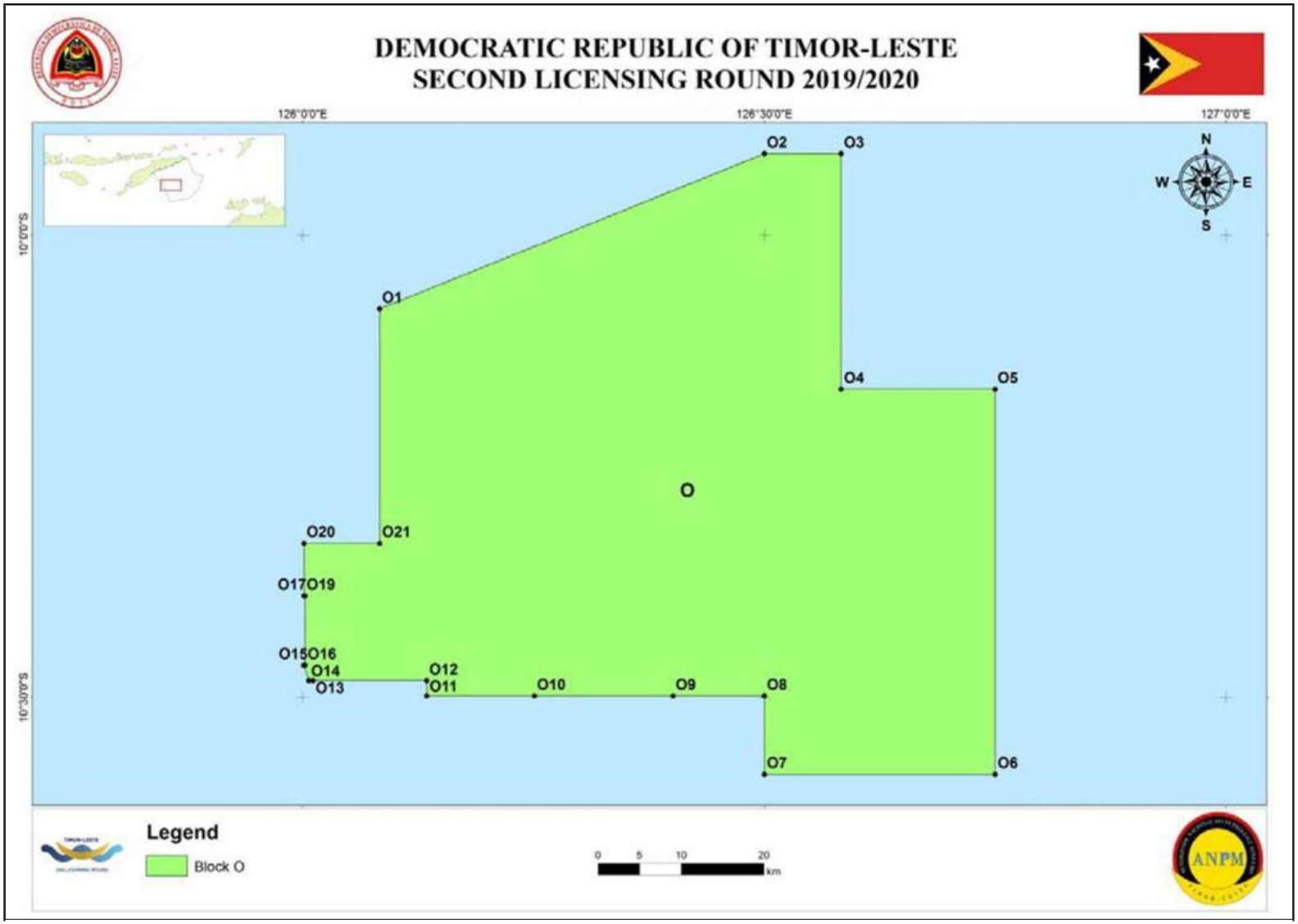
Legend
Block N
0 5 10 20
km
ANPM

BLOCK O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SECOND LICENSING ROUND 2019/2020
126°0'0"E
126°30'0"E
127°0'0"E
10°0'0"S
10°30'0"S
N
W
E
S
O1
O2
O3
O4
O5
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O7
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0 5 10 20
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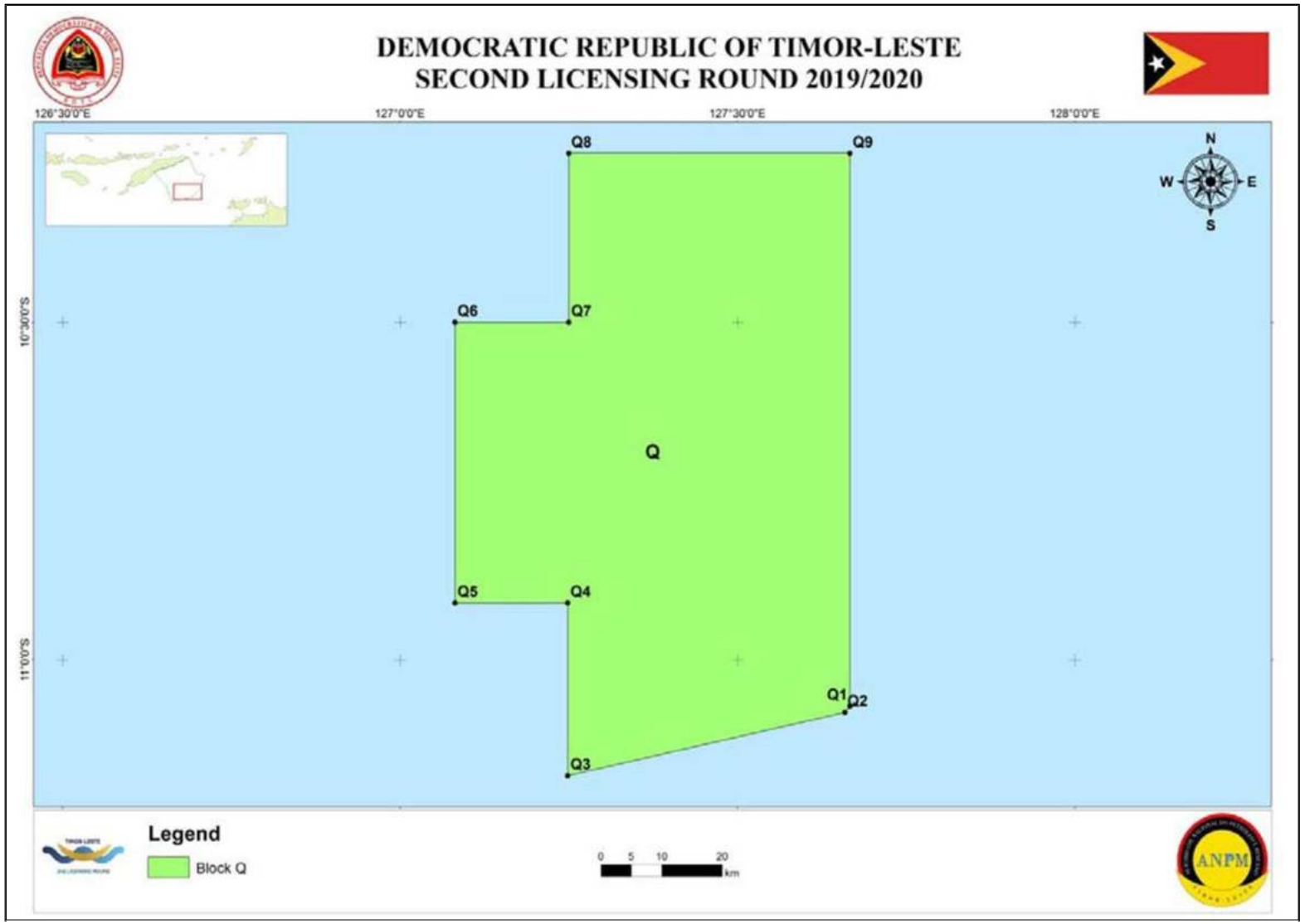
ANPM

BLOCK Q


DEMOCRATIC REPUBLIC OF TIMOR-LESTE
SECOND LICENSING ROUND 2019/2020
126°30'0"E
127°0'0"E
127°30'0"E
128°0'0"E
10°30'0"S
11°0'0"S
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Q9
Q6
Q7
Q
Q5
Q4
Q1
Q2
Q3
Legend
Block Q
0 5 10 20
km
ANPM

View of traditional fishing is being carried out by local fishermen

ANNEX II
TIMOR-LESTE FISCAL TERMS

NO SIGNATURE BONUS		
NO COST RECOVERY LIMIT		
TIMOR-LESTE PETROLEUM FISCAL SYSTEM		
PRODUCTION SHARING CONTRACT (PSC)	**OFFSHORE PSC**	**ONSHORE PSC**
Signature Bonus	**No!!!** Signature Bonus	
Royalty- (Oil and Gas)	Fix 5%	
Cost Recovery Limit	No Limit (100% recovery)	
Cost Recovery	Exploration Costs	Exploration Costs
	Capital Costs	Capital Costs
	Operation Costs	Operation Costs
	Uplift at (11%+LTBR)	Uplift at (9%+LTBR)
Profit Petroleum- (Oil and Gas)	40% State	
	60% Contractor	
State Participation (National oil Company)	Yes, up to 20%- in the PSC	
Domestic Market Obligatio(DMO)	Apply at Market Price	
PETROLEUM TAXATION	**OFFSHORE PSC**	**ONSHORE PSC**
Income Tax	30%	
Supplemental Petroleum Tax (SPT)	22.50%	
Uplift for SPT	16.50%	
GENERAL CONTRACT TERMS		
Exploration Period	**7 Years (3+2+2)**	
Development and Production	**25 Years (Subject to development plan)**	
Decommissioning	**Minimum 24 Months**	

A view of initial regional road constructions from Dili to Suai, Timor-Leste

ANNEX III

PRE-QUALIFICATION GUIDELINES FOR THE AWARD OF PETROLEUM PRODUCTION SHARING CONTRACTS IN TIMOR-LESTE THROUGH THE TIMOR- LESTE SECOND LICENSING ROUND

Preamble

These are issued pursuant to article 10.2 and article 13 of Law No. 13/2005, of the 2nd of September 2005 ("**Petroleum Activities Act**" or "**PAA**" as amended by Law 1/2019, of 18 January 2019), and establish the eligibility criteria for companies wishing to qualify for the award of Production Sharing Contracts (PSC) in Timor-Leste Territory. These guidelines complement Articles 3.2(b) and 26.1 of ANPM Decree-Law, and the Ministry of Petroleum and Minerals Order 2/GMPM/IX/2019, of 30 September 2019, on the Allocation of Areas for Petroleum Exploitation Activities.

The the Autoridade Nacional do Petróleo e Minerais ("*National Authority for Petroleum and Minerals*" –"**ANPM**") after further consultations taking into consideration various consultations, request and recommendations received throughout the roadshows events over the period of October 2019 to March 2020, through its Board of Directors approval has made some amendments to the previously published guidelines in order to facilitate potential contract to enter into the PSC. This revision of the guidelines has taken into consideration the impact of the global pandemic COVID-19 which affected oil industries globally, including in Timor-Leste.

Criteria

1. The companies wishing to enter into Productions Sharing Contracts with ANPM, further to the submission of an application in response to an invitation by public notice, must be previously qualified by the ANPM, in accordance with Article 10.2 of the Petroleum Activities Law, so as to be eligible for such purpose.

2. In order to be qualified for the purposes of 1 above, companies are free to form consortiums, and each of the consortiums must appoint a company as potential operator for the relevant Production Sharing Contract area(s);

3. Companies wishing to enter into PSC as potential either operators or non-operators, must submit proper and certifiable documental evidence of their technical and financial capacity to carry out petroleum operations, their legal standing, and their experience in implementing and complying with high standard health, safety, environment and local content plans, all to the satisfaction of ANPM in accordance to its sole discretion, all to the satisfaction of ANPM in accordance to its sole discretion, based on the following criteria:

3.1 Financial Qualification

3.1.1 The purpose of establishing financial qualification criteria is to allow ANPM to assess the company's financial strength and capacity to finance the ongoing and prospective petroleum operations and any liabilities that may be incurred in relation to the latter.

3.1.2 Companies are required to have a shareholder equity equivalent or in excess of US$ 25,000,000.00 (Twenty-Five Million United States Dollars) to qualify as an offshore potential operator and US$ 8,000,000.00 (Eight Million United States Dollars) to be qualify as an onshore potential operator. The assessment of the composition and sufficiency of the shareholder equity shall be made by ANPM, at its sole discretion.

3.1.3 The evaluation of the applicants' financial capability shall be based on the following documental evidence:

(i) Audited financial statements of the last 3 (three) years so, which must include balance sheets, income statements, statements of retained earnings, cash flow statements, notes to the accounts and Directors' reports;

(ii) For a public listed companies, all statements mentioned in paragraph (i) above must be certified by an independent auditor;

(iii) A duly signed independent auditor's opinion letter in relation to the financial statements mentioned in paragraph (i) above, expressly certifying that the statements accurately reflect the real financial status of the company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules;

(iv) In the case of state-owned companies from countries where the auditing of such company by an independent auditor is not allowed, shall be required a notarized opinion letter issued and signed by a public accountant, certifying that the statements accurately reflect the real financial status of the company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules;

(v) For the independent players that are not public listed, the company provided three years internal companies financial statements which have been compiled and verified by a charter accountant or certified public accountant , and the said financial statement shall be duly signed by CEO of the company and the chartered accountant or certified public accountant.

(vi) An historical credit rating from Standard & Poor's Rating Services

(vi) An historical credit rating from Standard & Poor's Rating Services and/or Moody's Investor Services Inc. ratings of the last 3 years, if available, or, alternatively, documental evidencing the existence of credit lines and credit agreements on behalf of the applicant, and/or any other banking references that the applicant's may deem relevant;

(vii) A description of long-term debt, including major lease obligations, and identification of its major assets which pledged or otherwise encumbrance upon them under financial security arrangements;

(viii) The shall further provide in form of letter of statement cover by further outlining the following:

a) Material contingent liabilities or obligations not reflected in the balance sheets and accompanying notes which may have an impact on the future activities of the company;

b) Details of medium-term plans which may materially alter the financial status of the company;

c) Specific and detailed information on how it intends to finance the work commitments under a Petroleum Contract and letters of support associated with the projected financing, detailing the steps and timing required to secure the necessary funds;

(ix) Any additional information evidencing the financial capacity of the applicant;

3.2 Legal Qualification

3.2.1 In order to secure legal qualification companies must be incorporated as limited liability corporations or entities with limited liability and have a track-record of compliance with principles of good corporate citizenship;

3.2.2 In order to provide the evidences its compliance with the legal qualification requirements for entering to the PSC, the following documents or its legal equivalent must be submitted by the applicant to ANPM for review:

(i) A complete set of notarized certificates attesting the legal standing of the company, which should include express reference to the country of incorporation, address of head office, primary business activity, identification of its duly authorized representatives with powers to bind the company, full details of its ultimate ownership, and, if applicable, track- record of any mergers, demergers and similar transactions in past 3 (three) years;

(ii) Details of any projects and ventures in which the applicant may be engaged, detailing the corresponding commitments in the short, medium and long term, including work programs and/or risks, namely those that may have an impact on company's ability to carry-out any work programs under a potential Production Sharing Contract that may be awarded to it;

(iii) Organizational chart and number of employees, with a breakdown by country and/or region, and within each country and/or region, by category and nationality;

(iv) The name of any partner or shareholder who, directly or indirectly, holding twenty (20) percent or more of the voting rights in the company or otherwise retains control over it; and

(v) Certificates issued by a notary public of the country of incorporation of the company or equivalent official authority confirming its good legal standing before judicial authorities, detailing any claims that may be pending with the judicial courts, arbitral tribunals or similar authorities. The above certificates may be replaced by a statement issued by the company and signed by a company official with legal authority for such attesting that no pending litigation, legal proceedings or other similar circumstances that may lead to a breach of its contractual obligations under a potential future Production Sharing Contract or the bankruptcy of the company;

3.3 Technical Qualification

The qualification of a company from a technical standpoint shall be based on its demonstrated experience in oil and gas exploration and production activities. The criteria for entering to the PSC as non-operator and operator respectively and the documentation to be supplied to evidence its compliance with the criteria is as follows:

3.3.1 Potential Operator

(a) Experiences in Petroleum Operations

Companies wishing to become an operator of a PSC must provide evidence of their relevant experience and expertise in oil and gas exploration and production activities, namely in what respects to work in difficult operating conditions, (onshore and offshore, in shallow to deep waters, with high temperatures and high pressure, and on environmentally sensitive areas. In order to evidence their technical capabilities, the companies are required to submit the following information to ANPM for evaluation:

(1) A technical summary showing company's technical operating capability, including, without limitation, the following information and data:

(i) Company's exploration and production assets in the last 3 - 5 (three to five) years, including a detailed summary of its current ongoing activities;

(ii) Lists of its technical personnel and their technical competencies in the field of oil and gas explorations and productions;

(2) The above technical summary must contain an express representation that the information provided is true and accurate and be signed by a company official with legal authority for such purpose, duly notarized.

(b) Health, Safety and Environment (HSE)

To enter as a potential operator the applicant must provide evidence of having in place proper operational procedures on health, safety and environmental, in accordance to the best international practices in the industry, and submit to ANPM for evaluation the following information and data:

(1) HSE policies;

(2) ISO Certifications or any equivalent certification granted by an internationally recognized and accredited institution; if applicable,

(3) HSE records of the previous 3 - 5 (three to five) years, including, but not limited to, oil spills, site injuries, mechanical/structural failures, environmental impact and remediation efforts;

(4) Prospective plans on HSE certification and practices;

3.3.2 Potential Non-operator

Companies wishing to enter into the PSC as non-operators must submit a technical summary to ANPM with an overview of its primary activities. Any company which may qualify as a non-operator shall only be entitled to form a consortium provided one of its members is a company qualified as potential operator. The company shall provide information of any projected participation in a consortium.

3.4 Local Content Qualification

3.4.1 The purpose of local content is to maximize the level of procurement of local goods and services, hiring and training of local employees and resort to local businesses and financing. Hence, under this section the ANPM is keen to know understand how the applicants' experiences and commitment under local in local content for local content in its current or past projects. In that the companies must produce an evidence or letter of statement briefly outlining the followings:

(i) Track-record in sourcing local goods and services for their operations;

(ii) Existing plans of hiring and training local employees;

(iii) Existing plans for transfer of technology and know-how to local entities;

(iv) Experience in implementing Corporate Social Responsibility (CSR) Plans;

3.4.2 All the above qualification documents shall be prepared in Portuguese or English languages. In the event of the documents are prepared in any languages other than Portuguese or English, the referred documents must be notarized and translated into English language, being the translation certified by a duly qualified translator.

3.4.3. Each pre-qualification application must be submitted, at least, sixty (60) working days prior to the closing date of the relevant bid round.

3.4.4. For the purposes of this qualification, the technical, financial and legal qualification requirements shall prevail, while the local content requirements shall be deemed ancillary for the assessment of the merits of the application.

3.4.5. The Timor-Leste National Oil Company, TIMOR GAP E.P. shall be exempted from the requirements unless it wishes to enter the PSC as a potential operator.

3.4.6. The ANPM may exempt the companies that are currently operating in the Timor-Leste Territory, and or the former Joint Petroleum Development Area (JPDA) and the area of Special Regime.

3.4.7. For purpose of paragraph 8, the relevant company shall submit to the ANPM for consideration a letter of request for the exemptions from qualification processes by further stating that it is still in a good standing both technically and financially to participate in the bidding process during the Timor – Leste Second Licensing Round.

3.4.8. The request letter as stated paragraph 9, shall be accompanied by a Power of Attorney, with nomination of an official focal point representing the company to communicate with the ANPM on any matters related PSC processes.

3.4.9. This is a non-binding document and the qualification of any applicant thereunder cannot be deemed or construed as granting the applicant any guarantee of award of a Production Sharing Contract.

3.4.10. In order to facilitate the applicant to know which are the required documents for qualification assessment needed to be submitted, the applicant may utilize the document checklist form as attached under the schedule 1 of this document.

3.4.11. This qualification is also as the prerequisite for companies wishing to obtain the technical data from the ANPM for the purpose of the technical evaluation.

4.4.12. The qualification of any company may be unilaterally revoked by ANPM in the following circumstances:

a) In case of bankruptcy, dissolution or change of control of the company;
b) At the company's request

SCHEDULE I: DOCUMENTS CHECKLIST FORMS

The Financial documents required:

No.	**Financial documents required**	**Remarks Notes:**	**Yes**	**No**
1	Companies are required to have a shareholder equity equivalent or in excess of US$ 25,000,000.00 (Twenty-Five Million United States Dollars) to qualify as an offshore potential operator and US$ 8,000,000.00 (Eight Million United States Dollars) to be qualify as an onshore potential operator. The assessment of the composition and sufficiency of the shareholder equity shall be made by ANPM, at its sole discretion.	Notes: Minimum shareholder equity required from the potential operators, i. Offshore Operators: shareholder equity equivalent or in excess of US$ 25,000,000.00 (Twenty-Five Million United States Dollars) ii. Onshore Potential Operators: US$ 8,000,000.00 (Eight Million United States Dollars) iii. These two minimum shareholder equity requirement can also replaced by a letter of statement from a parent companies which outlines the total assets or shareholder equity of the parents company is equal to or in excess of the amount stated under point (i) and (ii).		
2	An audited financial statements of the last 3 (three) years so, which must include balance sheets, income statements, statements of retained earnings, cash flow statements, notes to the accounts and Directors' reports);	Notes: 1. For public listed companies the financial statement shall be audited and certified by an independent auditor and duly signed by the independent auditor. 2. In the case of state-owned companies from countries where the auditing of such company by an independent auditor is not allowed, shall be required a notarized opinion letter issued and signed by a public accountant, certifying that the statements accurately reflect the real financial status of the		

		company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules, 3. In case of the an independent non-public listed companies, financial statements which have been complied and reviewed by a charter accountant or certified public accountant, and the said financial statement shall be duly signed by CEO of the company and the chartered accountant or certified public accountant by certifying that the statement has accurately reflected the real financial status of the company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules		
3	An additional letter of statement further outlining points (i-iii) of the remarks notes.	Notes: a submission of an additional letter of statement by outlining the followings: i. Material contingent liabilities or obligations not reflected in the balance sheets and accompanying notes which may have an impact on the future activities of the company; ii. Details of medium-term plans which may materially alter the financial status of the company; iii. Specific and detailed information on how it intends to finance the work commitments under a Petroleum Contract and letters of support associated with the projected financing, detailing the steps and timing required to secure the necessary funds;		
4	List of names of partners or shareholders that holds 20% or more voting rights	Notes: due to the requirement of EITI (for the purpose transparency) it is required that the applicant company should list all the relevant shareholders might have influence or have control over the company for the purpose of the entering into contract with the ANPM		

Legal Documents required.

No.	Legal documents required	Remarks Notes:	Yes	No
1	A complete set of notarized certificates attesting the legal standing of the company	The said attested certificates should include express reference to the country of incorporation, address of head office, primary business activity, identification of its duly authorized representatives with powers to bind the company, full details of its ultimate ownership, and, if applicable, track-record of any mergers, demergers and similar transactions in past 3 (three) years.		
2	A letter of statement detailing any current projects and ventures in which the applicant may be engaged in	Any ongoing projects that commitments in the short, medium and long term, including work programs and/or risks, namely those that may have an impact on company's ability to carry-out any work programs under a potential Production Sharing Contract that may be awarded to it.		
3	Organizational chart and number of employees,	If applicable, it can be breakdown into by country and/or region, and within each country and/or region, by category and nationality.		
4	A letter of statement outlining the name of any partner or shareholder who, directly or indirectly, holding twenty (20) precents or more. (If applicable)	This is a requirement as part of the EITI requirement which require the company to outline or list the name of the shareholders or partners that might hold more than 20 % or more voting rights, or otherwise retain rights over it.		
5	A Letter of statement issued by the company and signed by a company official with legal authority for such attesting that no pending litigation, legal proceedings or other similar circumstances.	A letter statements signed by the official of the company stating that no pending litigation, legal proceedings or other similar circumstances that may lead to a breach of its contractual obligations under a potential future Production Sharing Contract or the bankruptcy of the company;		

Technical document required:

No.	Technical documents required	Remarks Notes:	Yes	No
1	For potential operator, the companies shall provide a technical summary document by showing the company's technical operating capability.	The technical summary shall at least outline the followings: i. Company's exploration and production assets in the last 3 - 5 (three to five) years, including a detailed summary of its current ongoing activities; ii. (Lists of its technical personnel and their technical competencies in the field of oil and gas explorations and productions;		
2	A submission of HSE Policies and Statement (Potential Operator only)	As for the HSE technical document required, the companies is required to provided copy of its HSE policy and the its further HSE statement letter which further outlining the followings: (1) HSE policies; (2) ISO Certifications or any equivalent certification granted by an internationally recognized and accredited institution; if applicable, (3) HSE records of the previous 3 - 5 (three to five) years, including, but not limited to, oil spills, site injuries, mechanical/structural failures, environmental impact and remediation efforts; (4) Prospective plans on HSE certification and practices; (5) Management systems of oil and gas activities.		
3	For a non-operator: A letter statement show evidences to its access to the technical capability or in the future how it will get access to the technical capability.	For companies that is not wishing to be prequalified as an operator, may only submit its document or in form letter statement by outlining how it can access to technical capability or how in the future it can get access to the technical capability.		

Local Content documents required:

No.	**Local Content documents required**	**Remarks Notes:**	**Yes**	**No**
1	A letter of statement outlining applicants' experiences and commitment under local in local content for local content in its current or past projects (as required under point (i) to (iii) of the remark notes,	Notes: the applicant company is required to provide a brief summary outlining the following : (i) Track-record in sourcing local goods and services for their operations; (ii) Existing plans of hiring and training local employees; (iii) Existing plans for transfer of technology and know-how to local entities; (iv) Experience in implementing Corporate Social Responsibility (CSR)Plans, (v) For companies that operate in the environment that has no local content requirement, the applicant shall outline in brief how it can achieve to the local content commitment requirement as outline in (i) to (iii) of this note.		

Timorese Girl Dressed in Traditional Costumes.