



SPOKESPERSON V CONSTITUTIONAL GOVERNMENT



MEDIA RELEASE

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Petroleum Fund now in excess of \$15.7 billion

The quarterly report on Timor-Leste's Petroleum Fund for the period ending 31 March 2014 reports that the balance of the fund reached \$15.7 billion USD. At the beginning of 2013 the Fund was \$11.8 billion and by years end it had grown to \$14.9 billion.

According to the Petroleum Fund Law of 2005 the fund "shall contribute to a wise management of petroleum resources for the benefit of both current and future generations".

Timor-Leste's management of the Fund is internationally recognised for governance and effectiveness, achieving a score of 8 out of 10 for the 2nd Quarter of 2014 in the Transparency Index of the Sovereign Wealth Fund Institute. In the latest report of the Resource Governance Index [2013] Timor-Leste is ranked 8th out of 58 countries in regards to its Reporting Practices and 13th overall. Quarterly and Annual Reports on the Petroleum Fund are available freely at the website of Timor-Leste's Central Bank <http://www.bancocentral.tl>.

To enable higher financial returns whilst limiting exposure to risk, the Petroleum Fund Law was amended in 2011 to allow greater flexibility in a more diverse investment portfolio. The decision to diversify the investment portfolio away from a 90% allocation to US Treasury Bonds has proved to be successful with increased investment income returning to build the fund over the past 3 years.

In 2013 Net Investment Income generated by the fund amounted to \$865 Million.

Spokesperson for the Fifth Constitutional Government, Minister of State Ágio Pereira noted "Timor-Leste's Petroleum Fund is growing well and generating good returns that strengthen its sustainability. Our strategy to use the Petroleum Fund to develop critical sectors to support the economic diversification of our nation is a sound one. The best results will be achieved when all participating in this process to do their part – this includes the Government spending wisely, the private sector completing quality work in a timely fashion and students on scholarships studying well and investing their skills to achieve the development of a healthy, safe and prosperous Timor-Leste." **ENDS**



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