

A large red offshore oil platform stands in the middle of a blue ocean. The platform has a tall, red, conical tower with a small structure on top. It is supported by a complex network of red steel legs. In the background, there are green, hilly mountains under a clear sky. The water is dark blue with white-capped waves.

TIMOR GAP, E.P. Annual Report 2014

Contents

05	President & CEO Message
07	Executive Summary
08	01 About TIMOR GAP
10	Financial Overview
12	Our People
15	Quality, Health, Safety and Environment
16	02 Upstream
17	JPDA PSC 11-106
18	Timor-Leste Onshore Exploration
20	Other Upstream Studies
22	03 Downstream, Services and Subsidiary Companies
23	Projects Underway
26	GAP-MHS
27	TIMOR GAP Oil & Gas Marine and Logistics
28	04 Tasi Mane Project: a National Petroleum Industry
30	Suai Supply Base
32	Suai Airport Upgrade
33	Betano Refinery and Petrochemical complex
35	LNG plant in Beaçõ
37	Highway
38	05 JPDA and Greater Sunrise
40	06 Governance
41	Board of Directors
42	Executive Committee
44	Extractive Industry Transparency Initiative
46	07 Financial Statements
53	Annex – Acronyms

President & CEO Message



It is with great pleasure that I present TIMOR GAP's Annual Report for 2014, which illustrates the projects we have been managing, true to our long term strategy. This Report highlights the company's major achievements for the period, building on the accomplishments of the previous years' activities.

We keep close attention to corporate and professional development, as well as on preparing and consolidating operations for the petroleum sector, with respect to international standards on quality, health, safety and environment protection. TIMOR GAP is also accommodating new personnel following a major recruitment process, through which Our People raised to more than one hundred.

Regarding TIMOR GAP's activities in the very prospective offshore Production Sharing Contract (PSC) JPDA 11-106 in Timor Sea, we are confident that this first participation in exploration will lead to good results. Although the price of oil has declined dramatically since June 2014, with some negative repercussions in the projects and plans of all the companies from this industry, we hope to begin a drilling campaign for the PSC JPDA 11-106 in 2015.

As the state owned company we also feel a lot of enthusiasm with the highly prospective onshore exploration of Timor-Leste and are looking forward to the opening by the National Petroleum Authority (ANP) of the first ever bidding round onshore the country, to be held by the end of 2015.

It is with good expectations that we work on the project of the CPLP consortium and cooperation in the energy area amongst CPLP petroleum companies and respective governments. This cooperation involves some countries with major world reserves on oil and gas, such as Brazil, Angola, Mozambique and Equatorial Guinea.

In what concerns business development through our subsidiary companies, I would like to highlight the creation of our third subsidiary, named TIMOR GAP Oil and Gas Marine & Logistic Services. Our JV Company GAP-MHS Aviation, that supports helicopter services for offshore operations in the Timor Sea, kept expanding its activities in 2014.

TIMOR GAP is entrusted to manage and administer the Tasi Mane mega project, for the development of a national petroleum industry of which this year we progressed on solving several necessary land issues, paving the way for project implementation such as Suai Airport and others.

Timor-Leste is committed to good governance of natural resources and remains a supporter and active promoter of the Extractive Industries Transparency Initiative (EITI). TIMOR GAP, as the state owned company, is proud to contribute since 2012 for the activities of the EITI and the reports therein.

I am deeply thankful to our committed staff, Executive Committee, the Board of Directors and most of all to the Timorese people for their trust on our mission as the national oil company of Timor-Leste, that will in time mark its strong presence in the region and beyond.

A handwritten signature in blue ink, consisting of a stylized 'F' followed by a cursive flourish.

Francisco da Costa Monteiro
President & CEO

Executive Summary

TIMOR GAP is the state owned company of Timor-Leste and started operations in 2012, aiming to conduct business in the exploration and exploitation of the petroleum resources in national territory, both at land and sea.

Timor-Leste has been benefiting from petroleum production in the Timor Sea since 2004. Bayu-Undan and Kitan are currently the main fields offshore, operated by foreign oil companies.

The onshore area of Timor-Leste is still to be explored and is considered highly prospective and “new frontier”.

Below are highlights of main activities in 2014:

Upstream – TIMOR GAP is involved in Timor Sea’s exploration through the PSC JPDA 11-106 and in preparatory works for onshore exploration in Timor-Leste. Other upstream studies include the review of Greater Sunrise resources, Timor LNG upstream development concepts and possible cooperation with Shell. More information on Section 2 of this Report.

Downstream, services and subsidiaries – business development and management of several projects, including the downstream area (retail fuel stations, lifting and marketing of Bayu-Undan condensate, JPDA offshore service tenders, Metinaro petroleum import terminal, undersea telecommunication cable and Hera floating receiving terminal). Other business opportunities and partnerships are managed through the subsidiaries GAP-MHS Aviation Lda and the recently created TIMOR GAP Oil & Gas Marine and Logistics (Section 3).

Tasi Mane Project – encompasses the management and administration of several projects, foreseeing the creation of three industrial clusters in the south coast of Timor-Leste:

1. A supply base in Suai.
2. A refinery and associated petrochemical industry in Betano.
3. A pipeline from the Greater Sunrise field in Timor Sea to Beaco and the building of an LNG Plant to process the natural gas onshore.

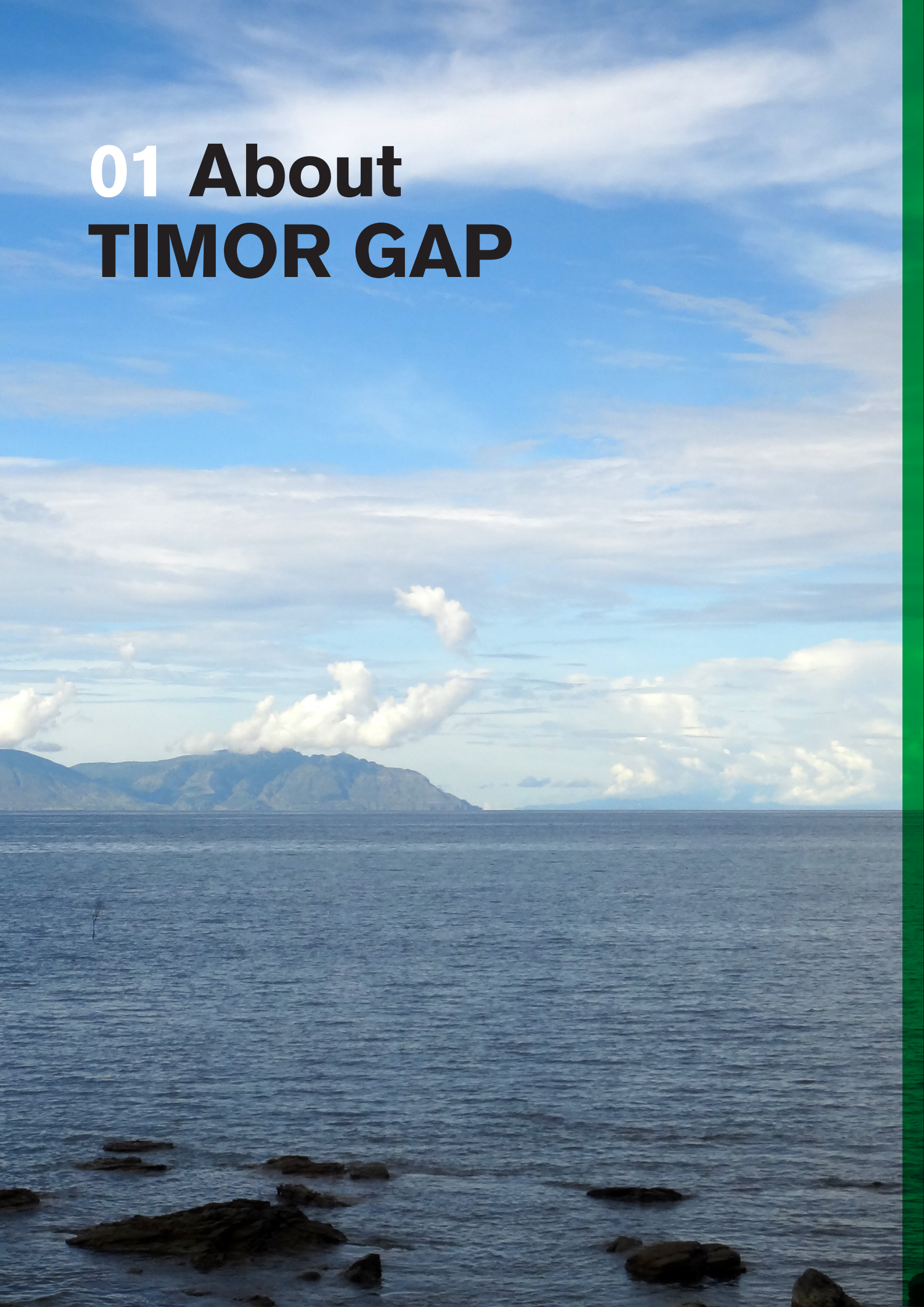
The development of the national petroleum industry also includes complementing infrastructures such as the Suai airport, a highway, as well as discussions on Suai, Betano and Beaco new towns development. A follow up on the Tasi Mane projects and their current status is available on Section 4.

Corporate and professional development – with a focus on training our people (Section 1).

Greater Sunrise – being the national oil company, TIMOR GAP plays a special role in supporting the government’s aim of building a gas pipeline from Greater Sunrise, which include the Sunrise and Troubadour fields located in Timor Sea, to the south coast of Timor-Leste (in Beaco). The building of a LNG plant to process the natural gas onshore is therefore part of our planned business growth.

TIMOR GAP participates in the Joint Commission and Sunrise Commission, for the supervision of petroleum activities in the Timor Sea, alongside Government officials (Section 5).

01 About TIMOR GAP



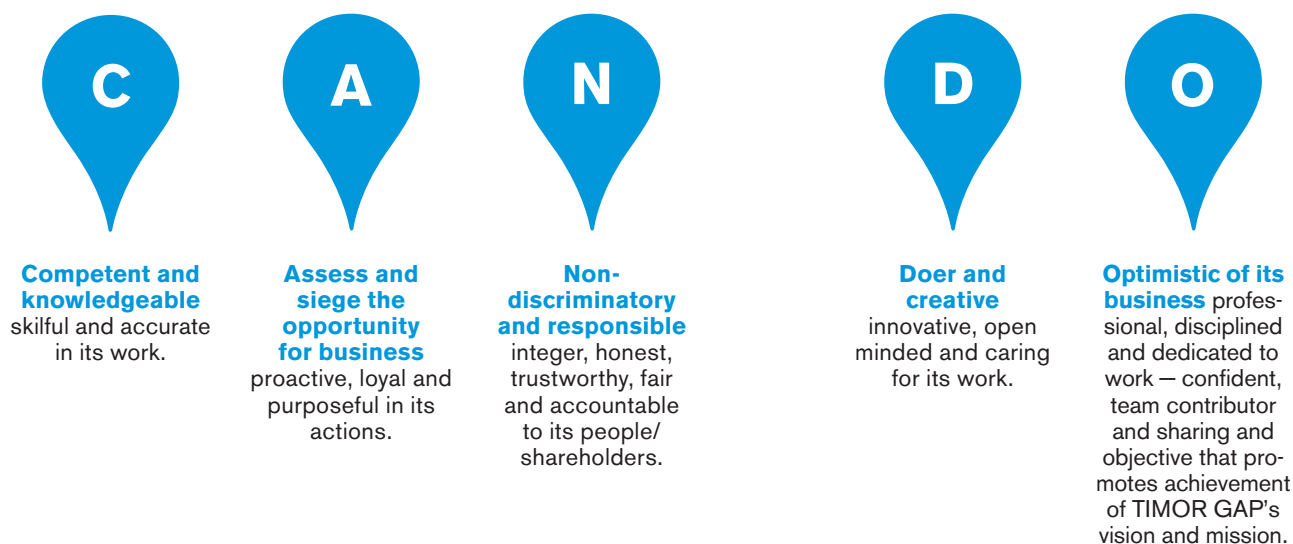
The national oil company of Timor-Leste was created by the Government in 2011 and entrusted with the development of business activities for upstream exploration and production, including services, to be carried out onshore and offshore, within and outside of the national territory. TIMOR GAP was also assigned with the carrying out of downstream business activities, including the storage, refining, processing, distribution and sale of petroleum and its by-products, comprising the petrochemical industry.

TIMOR GAP's Vision is to be an integrated Oil and Gas Company and a partner of choice.

To achieve this vision, we build on strategic partnerships based on trust, mutual benefits and commitment.



TIMOR GAP's corporate values are embedded in the words:



TIMOR GAP comprises five **Business Units**:

The **Corporate Service Unit (CSU)** provides the Company with essential support services and ensures the effective and efficient delivery of corporate operations. It has overall responsibility for the Company's corporate services including all aspects of financial management, human resources management, management of information technology and communication systems, travel and logistics, procurement management and general administration.

The **Business Development Unit (BDU)** finds business opportunities for TIMOR GAP and provides business support to the other Units. This support includes legal issues, database and analysis, identification of business opportunities, as well as quality, health, safety and environment. The BDU also liaises with the government on issues concerning the Company's activities.

The **Exploration & Production, and Supply Base Unit (EP&SBU)** manages and coordinates upstream activities, developing the exploration and production of oil and gas. The EP&SBU is also responsible for the activities related to the building and operating of a petroleum logistic supply base.

The **Refinery and Petroleum Services Unit (R&PSU)** manages and coordinates the refinery project and is in charge of other downstream activities, including petroleum products and distribution in Timor-Leste.

The **Gas Business Unit (GBU)** manages and coordinates all business activities within the field of natural gas, including LNG, LPG and gas pipelines.

Financial Overview

The audited Financial Statements are contained in Section 7 of this Report, and have attached a detailed analysis of the results for 2014, which are for a period of 12 months, with 31 December as financial year end. TIMOR GAP has been using *International Financial Reporting Standards (IFRS)* to ensure a well-recognized framework. The figures shown in this Report are stated in US dollars.

The company received a government grant of \$5,000,000 during the year ended 31 December 2014 (2013 - \$4 million). The second main source of **Income** originated from a dividend of our subsidiary GAP-MHS (\$1,409,400). Other income derived from fixed contract service fees of \$183,431 (2013 - \$223,414). The Gross profit from trading wholesale fuel sales amounted to \$16,000 (2013 - \$36,056). Gross profit from the

Hera oil terminal was \$64,987 (2013 - \$38,661). Fees received on termination of the Hera Oil Terminal Lease Agreement amounted to \$ 140,205.

Expenditure for the five Business Units and the Office of the President & CEO is set out below. Be-

sides general costs related to operational expenses, systems set up, recruitment of new staff and training, salaries and secondments, as well as travel and meetings related to each Unit's projects, the expenditure included:

Office and Units	Remarks on the main expenses incurred during the period
President & CEO Office	Costs for strategic projects. Expenses related to the Board of Directors and Executive Committee meetings. Joint Commission and Sunrise Commission's meetings and negotiations. Consultancies, studies for reserve estimation (Greater Sunrise) and TLNG upstream.
Corporate Service Unit	Expenses for human capital development, investment in ICT, assets, external annual audit fee, consultancy fees and general operational costs.
Business Development Unit	Feasibility studies, consultancies and expenses to support several business projects including Hera receiving terminal, retail fuel stations, lifting and marketing of Bayu-Undan condensate, Metinaro petroleum import terminal, marine services subsidiary, undersea telecommunication cable and Suai airport.
Exploration & Production and Supply Base Unit	Expenses related to the PSC JPDA 11-106 project, Suai supply base project, Timor-Leste Exclusive Area (TLEA) offshore study with Shell, Timor-Leste onshore prospect study and CPLP onshore cooperation program.
Refinery and Petroleum Services Unit	Expenses related to studies for the Betano refinery project and fuel stations network.
Gas Business Unit	Studies for the projects of the marine facility, pipeline from Greater Sunrise gas field to Beaco, LNG plant, as well as regular consultations and meetings with the communities in Beaco.

The main components of the 2014 Financial Year were related to the development and management of several projects, as detailed from Sections 2 to 4.

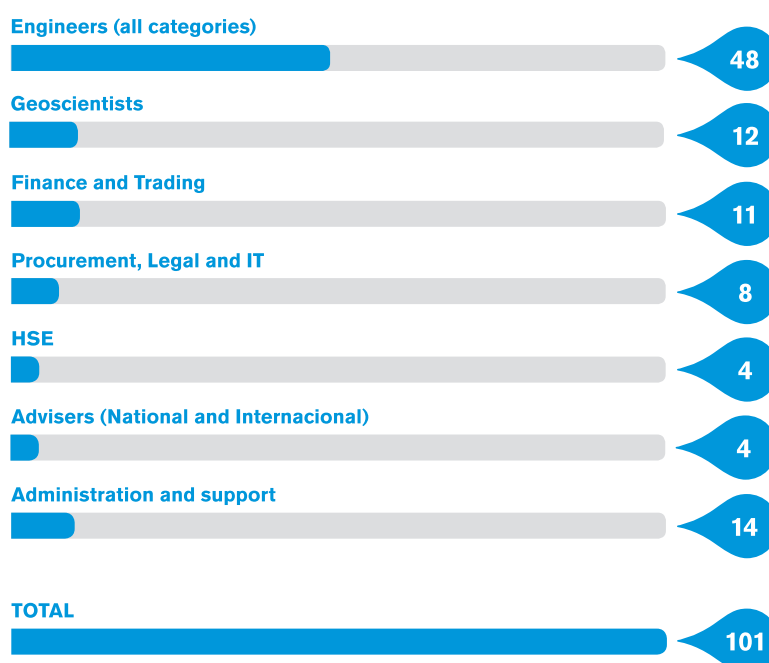
Our People

Corporate and professional development

TIMOR GAP is committed to the enhancement of skills and capabilities of staff, as well as with institutional progress. Capacity development and on-the-job-training are provided through the secondment of employees to international oil and gas companies that partner with us, as well as through cooperation programs, as for example with PTT Thailand or Shell.

In early 2012, TIMOR GAP started operations with 22 people. The numbers have grown since then and following a major recruitment process, the total employees in the company increased to 95. At the end of 2014, there were 101 employees, of which 29 women. We comprise staff in the following categories:

TIMOR GAP's Employees by category



The motivation and dedication of our employees is essential for the progression and success of the Company. TIMOR GAP will strive to provide opportunities through training courses to improve our people's skills, performance and enhance knowledge in their specific areas of expertise, as well as in the overall oil and gas industry.

Similar to previous years, throughout 2014 various training courses were attended by our people both in-house and abroad. There were also secondments to other companies and attendance of workshops and conferences, as described below.

2014 Courses and Training for TIMOR GAP

Our staff had the opportunity to attend the following courses and trainings:

- » Trading training provided by PTT Thailand.
- » Firefighting workshop and practice training organized by Pertamina.
- » First aid and firefighting training provided by ISAT.
- » Health, safety and environment training provided by Phitagoras Global Duta Consultant.
- » "Basic of GIS and application of GIS advance for ArcGIS server system training", provided by Frasta Survey Indonesia.

- » Metocean Survey training provided by Worley Parsons.
- » Training on “The practical use of FIDIC contracts for EPC/turnkey projects”.
- » “Effective leaderships training”, under the Ministry of Petroleum and Mineral Resources (MPRM) office training program funding.
- » Training on database management system development and graphic display with access 2010 and SQL method”.
- » Training of ArcGIS “Building geodatabase v10.2”.
- » Basic behavior safety, HSE management system, conduct safety performance survey (gap analysis), international safety rating system.
- » Hazard identification, hazard operability study, and job hazard analysis approach, management system internal audit, management system overview.
- » Kingdom software training.
- » English and Portuguese classes.



PT Badak LNG Terminal - Indonesia's operator explaining the process to TG staff

Workshops and Conferences 2014

Employees with managerial roles had the opportunity to participate in various workshops and conferences during the period:

- » Geological, technological, biological, environment and legal aspects of deep sea minerals workshop organized by the MPRM.
- » Environment workshops on consultancy and comments to the draft regulation and guidelines of the environment licensing decree law 5/2011, article 42, organized by SEMA and ADB.
- » “Socialization process – environmental impact assessment license” workshop organized by SEMA.
- » “Timor-Leste Exclusive Area (TLEA) regulation” workshop conducted by ANP.
- » “West major maintenance and engineering service tender” workshop provided by Aker Solution Company.
- » “Contribution of state owned companies in extractive governance for national welfare” (Asia Pacific knowledge hub on extractive industries), panel discussion organized by Gadjah Mada University Yogyakarta.
- » “The Indonesia oil and gas partnership program 2014”, organized by the Ministry of Energy and Mineral Resources of Indonesia.
- » CGG- TLEA seismic multi-client survey workshops.
- » Shell integrated workshop (technical, commercial and legal).
- » Guidelines for good governance in emerging oil and gas producers’ workshop with Chatham House.
- » EITI 2012 pre-validation workshop for the 2012 annual report – this was the first time TIMOR GAP was included in the EITI report (with no revenue to declare to the government).
- » TL-EITI ‘Kolokiu’ workshops in Dili Suai-Covalima and Viqueque.
- » SAP implementation workshop.
- » Workshop on Sunrise upstream studies by Worley Parsons.

Secondments and on-the-job-training

Through TIMOR GAP's international business partners, secondments and job placement programs are provided for some employees, as with:

PTT Thailand

Two of TIMOR GAP's chemical engineers, completed in 2014 a placement in PTT Global Chemical Public Company in Thailand, for the refinery project. During a period of two years, they assisted the operations and maintenance in the Star Petroleum Refining facility in Map Ta Phut.

Toyo-Thai and ATT Thailand

Three employees placed at the Bangkok offices of the consultants Toyo-Thai and ATT returned to TIMOR GAP this year. The on-the-job training has been part of TIMOR GAP requirements for its partners and Contractors.

One staff on-the-job training with ATT in Bangkok focused on the orientation and preliminary study on pumping test analysis and MODFLOW modeling.

Shell

One of our staff was in secondment at Shell's office in Kuala Lumpur, Malaysia, for a 4 months program (started in October 2014). The secondment involves technical studies in the TLEA and this is expected to progress into a firm project in 2015.

WorleyParsons

One staff on-the-job-training with WorleyParson in Kuala Lumpur, Malaysia, for the *TLNG Upstream Cost and Weight Estimation Conceptual Study*.

As part of the 8-months metocean and sedimentation survey in Beaco by WorleyParsons, two employees were trained on specific topics related to the metocean and sedimentation surveys (types of instruments used, operations, data downloading and laboratory analyses). This on-the-job training occurred during the field works for approximately a week every month (from March to December 2014).

Study Leave

TIMOR GAP's employees can undergo further studies as a professional development option. The study leave enables them to pursue studies that will improve future contribution to the company.

In 2014, two employees returned to the company after completing studies in the USA: MSc of geosciences – reservoir characterization at Tulsa University, Oklahoma, and MSc of petroleum engineering at the University of Massachusetts.

In addition, 2 staff were awarded scholarships:

- » Master's degree in project management at Queensland University of Technology, Australia under the Australian Awards Scholarship program.
- » Master's degree in project management at George Washington University, Washington DC, USA, under SERN - Fulbright scholarship program.

Corporate Development

The performance management policy for employees, along with the contribution/performance agreement was implemented in TIMOR GAP in 2014. This human resource's policy has purposes such as reviewing employee's work performance and recognizing achievements. It covers objectives and key performance indicators (KPIs) for certain periods, which helps planning staff development needs.

As a relatively new company, TIMOR GAP has been investing heavily in an Information and Communication

Technology (ICT) System and required an enterprise resource planning system that supports all business lines in an integrated way, leveraging the synergies of standardizing processes across the company. We are convinced that the SAP (system, application and product) software will assist TIMOR GAP to respond to changes in the business environment with more effectiveness and grow profitably. In 2014, preparatory works were conducted for implementation of the SAP infrastructure, which will focus on finance, human capital management, sourcing, logistics & procurement, sales & distribution, and financial project management.

TIMOR GAP Retreat 2014

TIMOR GAP's first annual retreat was held from 28 to 30 October 2014 in Maubara and Liquiçá. This was a great opportunity to have all staff meeting, briefing and discussing main goals and activities since creation of the company, as well as the vision for the future. We enhanced team building and revived our "CAN DO" spirit, without forgetting endeavors that reflect corporate social responsibility and included donation and the visit of a school in Nasuta run by 'Veterana Kasian' with the delivery of books and other necessary materials.



Visit and donation to Nasuta kindergarden school



TIMOR GAP first annual retreat, Liquiçá

Quality, Health, Safety and Environment (QHSE)

Our company is committed to the promotion of quality, health, safety and environment (QHSE), as well as social responsibility. These are the values that shape the way TIMOR GAP conducts its business. Furthermore, all of our projects are based on studies that assess potential impacts to the environment and communities that may be affected. Environmental Impact Assessments (EIA) have been carried out by TIMOR GAP and partners such as Worley Parsons, with the objectives to identify, predict, evaluate and mitigate biophysical, social and other relevant potential adverse impacts of our projects, as well as specific measures to avoid them.

SEIA and EIA for Tasi Mane and other projects

An EIA determines changes to the environmental and social parameters, while a strategic environmental impact assessment (SEIA) is a first step in assessing these effects. In what regards the Tasi Mane projects under our portfolio, in 2012 a SEIA was conducted for two of the planned industrial clusters: the refinery and petrochemical complex in Betano, and the Beaço LNG plant. The project of the Suai supply base, which will be the first cluster to be built and that had more detailed information available, produced a comprehensive EIA.

These processes involved stakeholder consultations and “socializasaun” in the several south coast project areas of Tasi Mane, during the past few years and under the guidance of the Ministry of Petroleum and Mineral Resources (MPRM). The objective was to inform people and ensure that the projects were understood by local communities, benefits highlighted and concerns addressed.

In 2013, the environmental license for the Suai industrial cluster was granted by the Secretary of State for Environment (SEMA).

Under cooperation with PTT, TIMOR GAP conducted further studies for the Betano refinery and petrochemical complex, including an EIA and Health Impact Assessment (HIA), which terms of reference were submitted to SEMA in December 2014.

An EIA study for the fuel supply and fuel station development in Suai was also undertaken in 2014, encompassing public consultation with community leaders, environmental authority and other relevant entities as civil society and NGOs. An EIA report will be submitted to SEMA to obtain the necessary licence for this project.

QHSE within our company

Since the beginning of activities, TIMOR GAP has sent employees to attend QHSE trainings abroad and also organized in-house trainings, which reflect our commitment to best quality, health, safety and environment standards.

Our QHSE draft policy and procedures were completed in 2014 and relate to the establishment in the company of an integrated management system (IMS) that respects International Organization for Standardization (ISO) requirements. More specifically, the implementation of ISO 9001:2008 (Quality Management), ISO 14001 (Environment) and OHSAS 18001:2007 (Occupational Health and Safety).

The development of the QHSE management system was commissioned by Phitagoras Global Duta and focused on the IMS manual and in management, environmental, personal safety, process safety and health & hygiene procedures.

02 Upstream

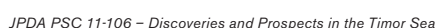


Our first production sharing contract (PSC) was signed in 2013, through the wholly owned subsidiary TIMOR GAP PSC JPDA 11-106, to begin exploration offshore in the Joint Petroleum Development Area (JPDA) of the Timor Sea. In the Joint Venture partnership, TIMOR GAP has a share of 24%, which is a good starting point considering experience levels as a young national oil company and as well a symbolic number, marking the number of years of Timor-Leste's struggle for independence. ENI, the operator of this Contract, has a share of 40.53% and INPEX, the third JV partner, 35.47%. The joint operating agreement was signed on October 2013.

Initial prospect mapping is ongoing, including review of the existing sub-commercial discoveries within the PSC. A minimum of two exploration wells will be drilled to fulfil the minimum work program commitment and appraisal wells will be planned subsequently.

TIMOR GAP technical team prudently evaluates the work of the operator and in parallel, carries out independent technical studies to evaluate the prospectivity of the PSC area. All technical evaluation is periodically reviewed by the management and it also provides opportunity for the team to improve their technical capabilities.

TIMOR GAP and ENI are in discussions regarding staff secondment and training, as part of the local content commitment under the PSC.



Timor-Leste Onshore Exploration

A geological assessment to define potential exploration targets onshore Timor-Leste was carried out in 2013 between TIMOR GAP and the University of Western Australia (UWA). The assessment included field mapping and photo geological interpretation, combined with the interpretation of previous onshore drilling results and a literature review. Our geologists also conducted preliminary geological surveys in several districts of the country.

Building on these achievements, the first trip to the Fatoro river area was completed in 2014.



A.



B.

Outcrops of Babulu formation in the Fotoro River.
 A. Interbedded laminated grey shale and fine quartz sandstone in the river bed.
 B. Bedding of the Babulu formation at NW of the river bank.



A.



B.



C.

Features of folds and faulted fold:
 A. A minor anticline formed at Babulu shale and sandstone.
 B. Occurrence of recumbent Z fold at Babulu Formation.
 C. Existence of a chevron fold at Aitutu Limestone near Salasa village.



Gas seeps in the Fotoro River



Gas seeps in Aisaleuk, Covalima district

The current focus is on the following activities:

- » Identification and mapping of the Babulu and Aitutu formations;
- » Preparing type log sections;
- » Documenting facies, lithology and depositional environment;
- » Compiling petroleum prospectivity report;
- » Training and capacity building in field geology.

A report on the geological mapping trip was presented in December 2014. A comprehensive petroleum prospectivity report aimed to be compiled in 2015 upon completion of further field mapping studies.

CPLP consortium for onshore exploration

Timor-Leste has a program for cooperation in the petroleum area with countries from the intergovernmental organization Community of Portuguese Speaking Countries (Comunidade dos Países de Língua Portuguesa, CPLP). Following instructions from the government, TIMOR GAP in coordination with the National Petroleum Authority (Autoridade Nacional do Petróleo, ANP), presented to the several national oil companies of CPLP a proposal for the establishment of a consortium onshore Timor-Leste.

Contacts and discussions are being held both at company and governmental levels, to pursue the implementation of this cooperation program in the energy area, which is also one of the initiatives of Timor-Leste's biennial Presidency of CPLP (2014-2016). The objective of the CPLP consortium project is the signing of the first production sharing contract onshore Timor-Leste, in a joint venture composed by CPLP companies, involving some petroleum producing countries with major reserves of oil and gas, such as Brazil, Angola, Mozambique or Equatorial Guinea.



TIMOR GAP and SONANGOL delegation at Pouzada Maubesi, on the way to Suai, Covalima.



The delegation visited Matai oil seeps in Matai River, Suco Matai, Subdistrict Maucatar, District Covalima.

Other Upstream Studies

Greater Sunrise Reserve Study

The Sunrise Commission, which was established by Timor-Leste and Australia to consult on issues related to the exploration and exploitation of petroleum in the area of the Greater Sunrise field, ordered for a reserve estimate study in 2012. TIMOR GAP, on behalf of Timor-Leste's government, has been managing this study that has the main objective of an independent estimation of the Greater Sunrise reserves through third party consultants.

TIMOR GAP Exploration & Production team continued to carry out technical studies to ascertain the Greater Sunrise reserve. The independent study is expected to be completed by mid-2015.

Greater Sunrise Upstream review

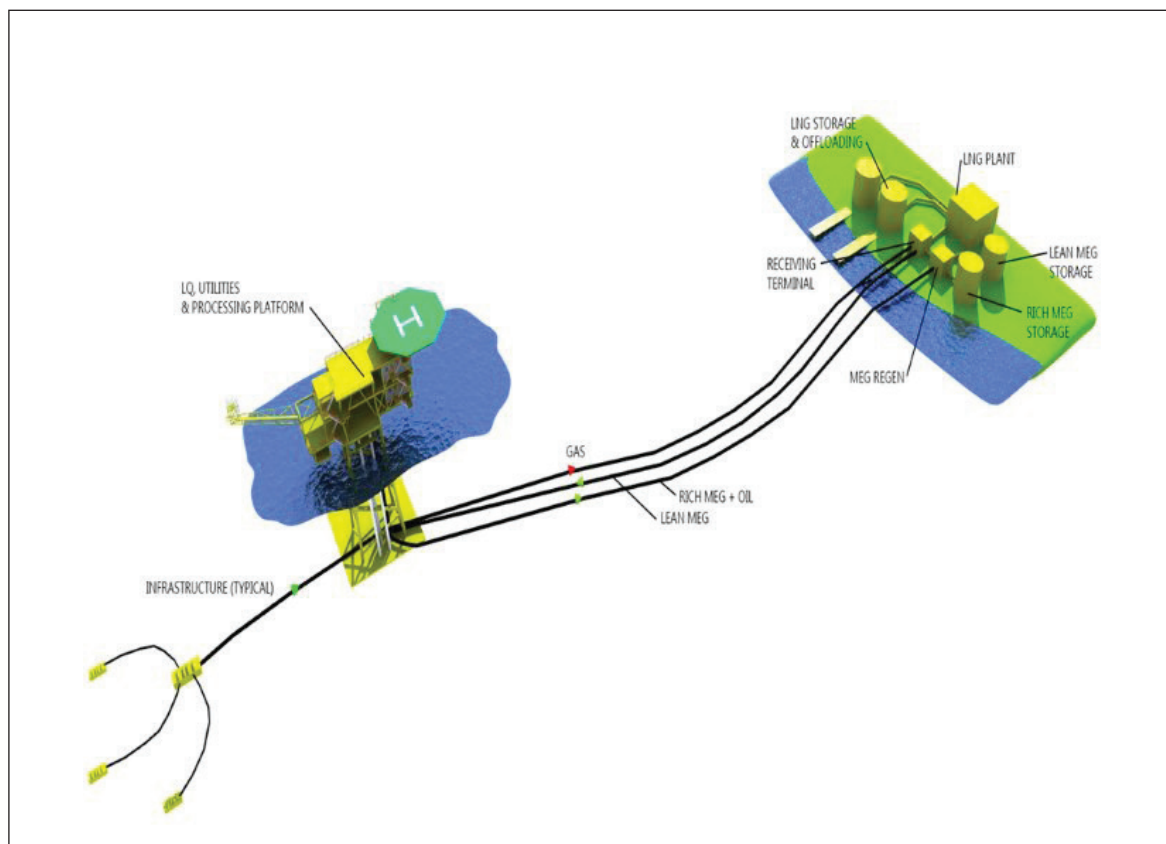
A study for the review and validation of the Greater Sunrise fields upstream development concept was commissioned in 2013 and early 2014, with the objective to

provide an independent cost estimate for the upstream production facilities associated with the Greater Sunrise upstream concepts.

The study assesses alternative upstream development for Greater Sunrise and intends to provide a comparative costing of the options. The study indicated three options for the Greater Sunrise field upstream development:

- » Option 1: FPSO (Floating Production, Storage and Offloading).
- » Option 2: Fixed platform (CPP = Central Processing Platform) + FSO (Floating, Storage and Offloading).
- » Option 3: A single fully Integrated CPP.

Option 3 is basically a modification of option 2 by relocating production units such as Mono Ethylene Glycol (MEG) and its storage, condensate stabilization, storage & offloading, and produced water disposal and treatment to onshore Timor-Leste.



TLNG upstream facility for Greater Sunrise - Fixed Platform Option 3 with production units such as Mono Ethylene Glycol (MEG) and its storage, condensate stabilization, storage & offloading, and produced water disposal and treatment to onshore Timor-Leste.

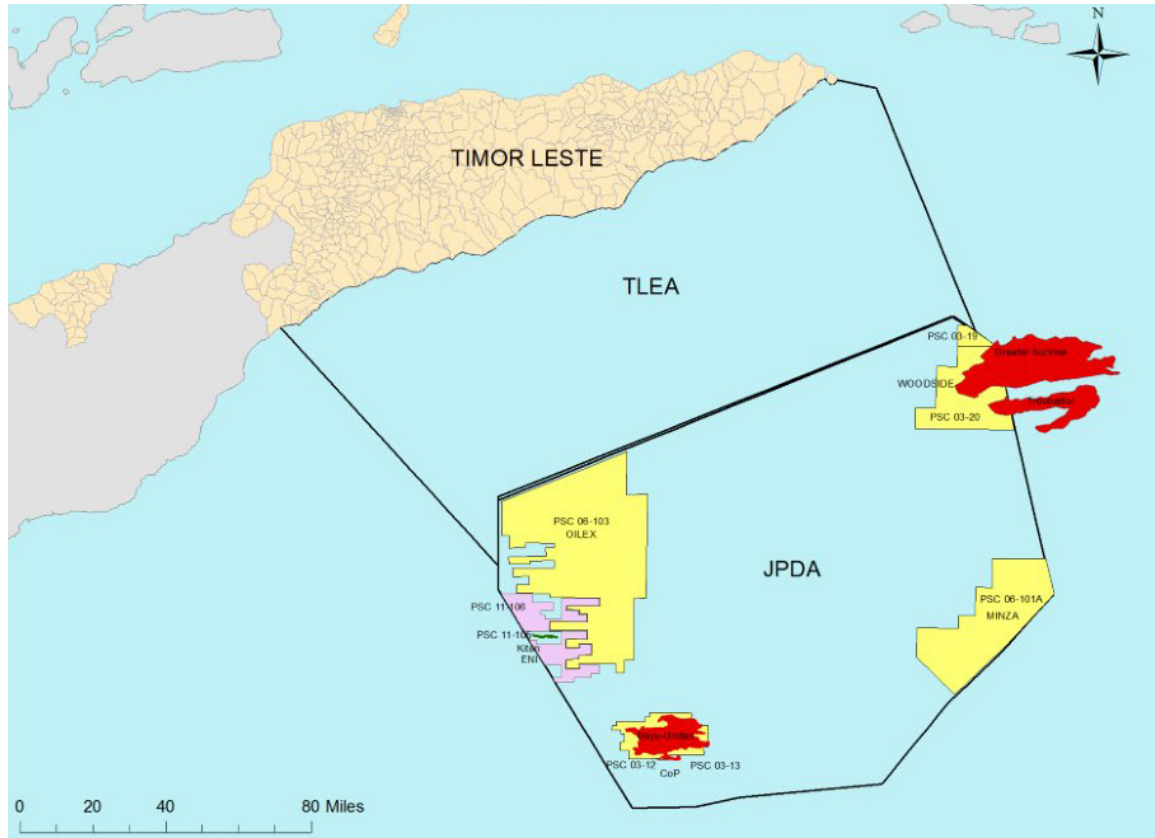
The conclusions of the study demonstrate that the Integrated CPP option is potentially the best technical improvement to option 2 and represents the lowest upstream development cost compared to the other two options.

Developing the Greater Sunrise field via the TLNG scenario brings a magnitude of benefits linked to the number of onshore production facilities. The Integrated CPP option can also provide the maximum socio-economic impact to Timor-Leste such as direct plant work-force, training and employment creation, besides TLNG related community, medical, and infrastructure facilities.

It is expected that this socio-economic impact may catalyze other local investment, economic activities and development, e.g. tourism, business and manufacturing.

Cooperation with Shell

A workshop with TIMOR GAP and Shell was held in 2013, envisioning possibilities of cooperation for studies in Timor-Leste's Exclusive Area (TLEA). This was followed by communications that resulted on Shell agreeing to host TIMOR GAP's staff for secondments. As part of the secondment, our staff was involved in evaluating the TLEA area utilizing newly acquired broadband seismic data. Discussions regarding joint exploration opportunities in the TLEA are taking place between Shell and TIMOR GAP and are expected to be finalized in 2015.



Map showing Timor-Leste Exclusive Area (TLEA), and the Joint Petroleum Development Area (JPDA) in Timor Sea



03 Downstream, Services and Subsidiary Companies

Projects Underway

Apart from the mega Tasi Mane project (Section 4), during 2014 TIMOR GAP proceeded with the management of the following other projects and studies:

- » Retail fuel stations
- » Lifting and marketing of Bayu-Undan condensate
- » JPDA offshore service tenders
- » Metinaro petroleum import terminal
- » Undersea telecommunication cable
- » Hera floating receiving terminal

Retail fuel stations

TIMOR GAP is planning to set up a network of retail fuel stations across the country, for which Pertamina is a possible partner. The network is planned to begin with the opening of three fuel stations in Suai, Oecusse and Baucau. The economic model for this project has been completed.

The EIA study for the retail fuel station in Suai was conducted in 2014 and included public consultation, collecting soil samples of the site, topographical survey and collecting information about hazards and cultural aspects of the site. TIMOR GAP submitted a request to SEMA for the environmental license in December 2014.



Design of TIMOR GAP fuel station in Suai

Lifting and marketing of Bayu-Undan condensate

TIMOR GAP has a joint trading agreement with PTT Public Company for the lifting and marketing of the condensate equity share of the Government of Timor-Leste from the Bayu-Undan and Kitan fields. Timor-Leste is entitled to a combined total lifting volume of $\pm 6,750,000$ - $10,000,000$ barrels per annum (bpa) (2013) from these contract areas and we intend to market and sell our respective share of crude oil.

Petroleum activities in the Joint Petroleum Development Area (JPDA) in the Timor Sea, where Bayu-Undan is located, are managed daily by National Petroleum Authority (ANP) and overseen by a Joint Commission, composed by Commissioners from Timor-Leste and Australia.

A condensate lifting working group (WG) was established, consisting of representatives from both governments, the company ConocoPhillips on behalf of the Bayu-Undan Joint Venture partners, and the ANP of Timor-Leste as chair.

This WG assesses legal and commercial documents that relate to Bayu-Undan, in order to prepare a lifting recommendation to the Commissioners to allow Timor-Leste's condensate lifting. In 2014, several meetings were held on this behalf.

Timor-Leste presented a proposal to introduce a new article (7.12) into the existing Production Sharing Contract (PSC) as solution to address lifting issues. Timor-Leste also presented a draft framework agreement outside the PSC as an alternative solution to allow Timor-Leste lifting right.

The WG is seeking for a creative solution to allow Timor-Leste lifting to take place within a timeline of 2015.

JPDA offshore service tenders

TIMOR GAP has been participating on several offshore services tenders for the JPDA area, regarding the Bayu-Undan and Kitan petroleum fields in Timor Sea. In 2014, TIMOR GAP and a consortium partner participated in a tender for the Bayu-Undan project through the submission of several expressions of interest (EOI).

TIMOR GAP also supported Aker Solutions Australia bid for Bayu-Undan engineering services, in the development of Timor-Leste's local content plan and engineer for future secondment program in Australia.

In addition, TIMOR GAP's consortium for the service tenders submitted other EOIs for the Kitan project, particularly ENI JPDA 11-106 and 06-105, which provisions were the supply of vessel and logistics services to support production operations. Our consortium was audited by ENI as part of the tender pre-qualification process.

During the first quarter of 2014, TIMOR GAP supported SDV-Timor-Leste's bid for the Bluewater Glas Dowl FPSO vessel tender, which contract was awarded. The trading resulted in some revenue for the company.

In December 2014, TIMOR GAP as supporting partner to COSL (China Oilfield Services Limited) submitted an EOI to provide semi-submersible drilling and jack-up drilling for phase 3 development of Bayu-Undan field. A pre-qualification to prospective tender is expected to be issued in 2015.

Metinaro petroleum import terminal

TIMOR GAP plans to develop a petroleum import terminal at Metinaro bay, located 30 km east of Dili, on the northern coast of Timor-Leste.

There are two development options for the petroleum import terminal project in Metinaro:

- » Option 1 provides for a 3 months national security stockpile of gasoline and diesel.
- » Option 2 is a possible future expansion of the first option, which extends the petroleum import terminal into a trading hub for gasoline, diesel and potentially LPG and other products.

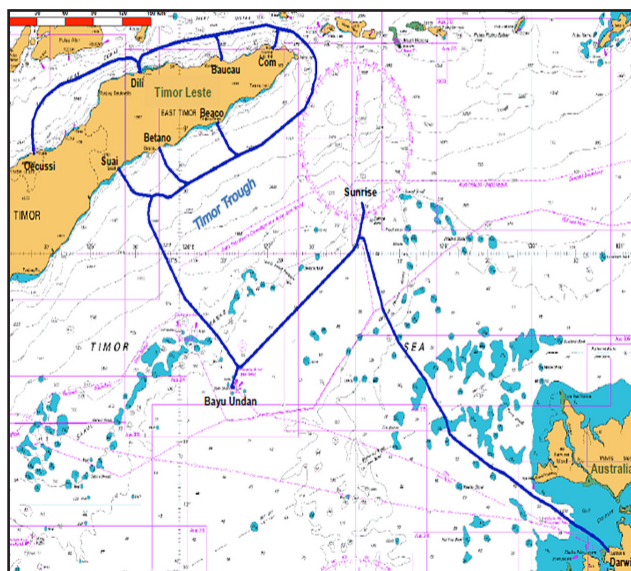
TIMOR GAP finalized a feasibility study in 2014 and in a way for the development of the FEED phase and final investment decision.

Undersea Telecommunication Cable

The project for the undersea telecommunication cable intends to provide for fast telecommunication, by using fiber optic connecting potential platforms in the Joint Petroleum Development Area (JPDA) with the fiber optic system in Australia. The study ensures that Timor-Leste can be connected as an extension from the lines reaching the platforms. When connected, the three petroleum hubs in the south coast (Suai, Betano and Beaco) as well as the rest of Timor-Leste's territory will have access to high speed internet connectivity.



Project for the petroleum import terminal in Metinaro



Route of the undersea telecommunication cable

The underwater cable route and feasibility study for the submarine fiber optic cable system was carried out, addressing the impact of environmental and anthropogenic factors on the cable route, as well as engineering, installation and maintenance aspects. In 2014 TIMOR GAP reported to and communicated with relevant government entities, as for example the Ministry of Transports and Telecommunications, to implement this project.

Hera floating receiving terminal

TIMOR GAP had a project for a floating receiving terminal to secure petroleum products for the national demand. In 2013, TIMOR GAP and Isar Multi Guna (IMG) set up a conventional buoy mooring with floating hose facilities to enable a direct delivery of fuel to the Hera power plant and the first fuel cargo was delivered to EDTL in June 2013. However in 2014 TIMOR GAP concluded the project was no longer viable due to the government plan for the construction of a permanent jetty on site and hence in discussions with IMG decided the venture was terminated.

Subsidiary Companies

TIMOR GAP has three subsidiary companies, to conduct specific business activities in partnership in the petroleum sector and related services:

- » GAP-MHS Aviation Lda, that provides support for helicopter services for offshore operations (created in 2012).
- » TIMOR GAP PSC 11-106 Unipessoal Lda, to participate in the petroleum exploration and production of a block in the JPDA (also created in 2012). More information on this subsidiary available in Section 2 of this Report.
- » TIMOR GAP Oil & Gas Marine and Logistics, created in 2014. This third subsidiary provides marine support services.

Subsidiaries which are majority owned by us as the national oil company are subject to directives and strategic planning, and common corporate rules providing technical, administrative, accounting, financial or legal guidance. Members of our Executive Committee are allowed to participate in the management of these subsidiaries and affiliates.

The Consolidated Financial Statements of TIMOR GAP and its subsidiaries and associates can be seen in Section 7 and 8.

GAP-MHS Aviation

GAP-MHS Aviation Lda is owned by TIMOR GAP (60%) and MHS Aviation (TL) Lda (40%), which is a subsidiary of Malaysian Helicopter Services (MHS) Aviation Berhad, a company specialized in oil and gas aviation support operations.

GAP-MHS Aviation concentrates in offshore petroleum aviation support operations in the Timor Sea. It plans to include general aviation activities in the future, including commercial flights, medical evacuation and tourism flights.



Pilots of the subsidiary GAP-MHS Aviation



Visit of HE the Prime Minister Xanana Gusmão and of the Minister of Petroleum and Mineral Resources, Alfredo Pires, to the hangar of GAP-MHS in Dili

As in 2013, during 2014 GAP-MHS operated regular helicopter flights supporting petroleum activities for the Kitan field: three flights per week for the client Blue-water and a daily flight for ENI (excluding weekends) during the drilling campaign.

GAP-MHS Aviation has currently 59 employees, from which 65% are local staff and 35% international.

Throughout the year, further training and courses on aviation industry were conducted, in a practice consistent with knowledge and technology transfer to local entities and in line with the local content aspirations. Highlights:

- » Three local pilots finished in 2014 their course at Asia Pacific Flight Training Sdn Bhd in Malaysia.
- » Two engineers are currently in the Malaysian Institute of Aviation Technology (MIAT), Kuala Lumpur, attending an engineering course.
- » Safety training provided.
- » English courses.

TIMOR GAP Oil & Gas Marine and Logistics

In 2014, TIMOR GAP created a wholly owned subsidiary TIMOR GAP Oil & Gas Marine and Logistics to provide general services for the marine industry and to render logistic and support services to the petroleum industry operating in the Timor Sea, Timor-Leste and elsewhere. The subsidiary is expected to not only manage but eventually own and operate supply vessels, tug boats, and general marine services required in the petroleum industry.

04 Tasi Mane Project: a National Petroleum Industry



The Tasi Mane project is envisioned in the Government's Strategic Development Plan 2011-2030, which identifies the petroleum sector as a basis for our nation's sustainable development.

Tasi Mane comprises the development of a national petroleum industry that will provide direct economic benefits from Timor-Leste's natural resources, including job creation in the oil sector as well as in related services and supporting businesses. In addition Tasi Mane project will create multiplier effects in the economy, thus assisting the raise of living standards of the people.

TIMOR GAP was mandated by the Government to manage and administer the Tasi Mane project. The Company will support the creation of industries and the development of the necessary human resources to operate efficiently the petroleum sector. Tasi Mane is a multi-phase integrated project composed by three industrial clusters, to be built from Suai in the district of Covalima to Beço, district of Viqueque, including:

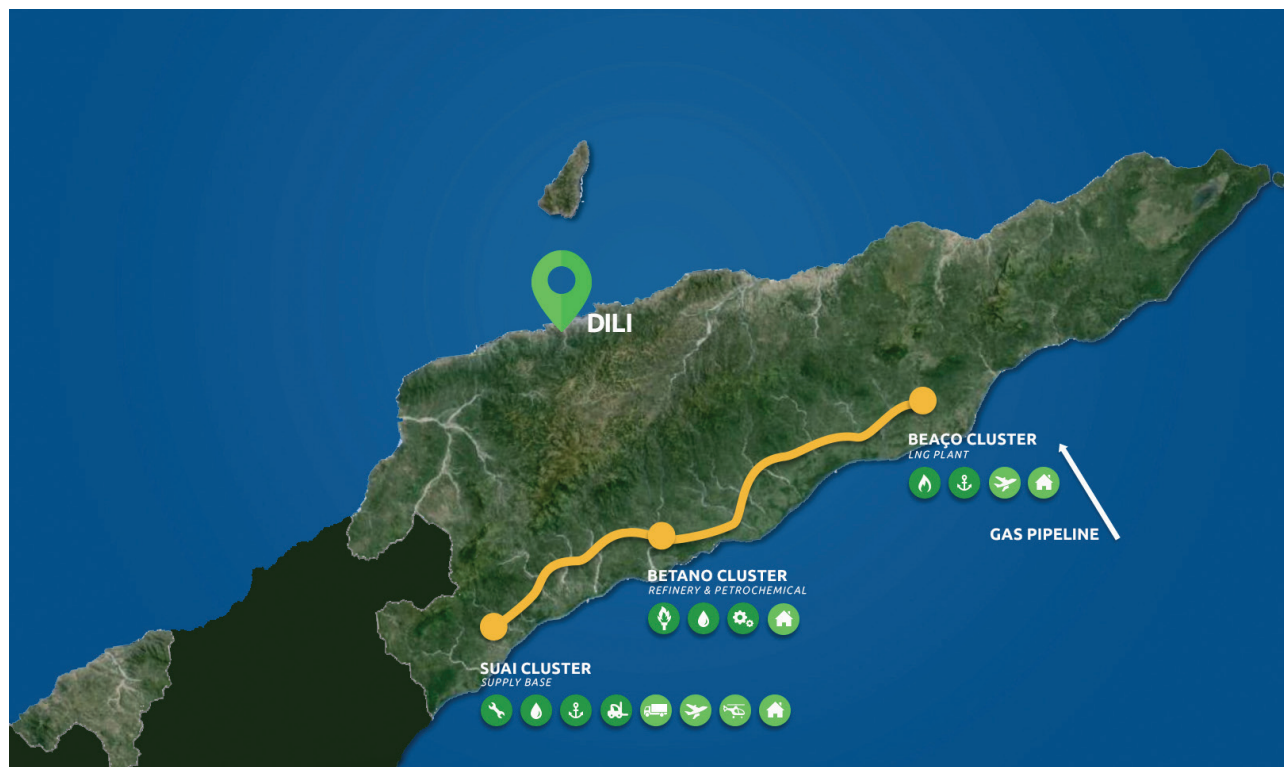
- » The Suai Supply Base
- » The Betano Refinery and Petrochemical Industry
- » The Beço LNG Plant

For each site there are additional facilities planned, such as:

- » New towns to accommodate the workforce and relocate local residents
- » The upgrade of two existing airstrips, in Suai and Viqueque
- » A highway connecting project locations along the south coast (Suai-Betano-Beço)

The Government of Timor-Leste, as the proponent of the Tasi Mane integrated project, will finance some of these projects, such as the basic infrastructures, e.g. Suai supply base and airport.

It is expected that the existence of this basic infrastructures will stimulate and provide incentive for commercial investment in the other Tasi Mane projects that will transform the current status of the petroleum sector in Timor-Leste as solely extractive and allow it to evolve to a more diversified and industrialized petroleum sector. This will include the development of a refinery and associated petrochemical complex in Betano and of the LNG plant in Beço.



Localization of the Tasi Mane projects, on the south coast of Timor-Leste

Suai Supply Base

The first stage for the implementation of the Tasi Mane Project is the building of a logistics marine supply base in Suai, situated in Camanasa, district of Covalima. The supply base will support all petroleum activities in Timor-Leste's Exclusive and Joint Petroleum Development Areas (TLEA and JPDA) and its vicinity, as well as industrial logistics' services.

It will also be an entry point for the materials requested to build the other two planned industrial clusters on the south coast, in Betano (refinery and petrochemical complex) and Beaço (LNG plant).

The front-end engineering and design (FEED) of the supply base was concluded in 2010 and encompasses:

- » **Land facilities** - port buildings, warehouses, fuel tank farm, water storage tanks, waste management system, parking areas, recreational and community facilities, and others.
- » **Marine facilities** - three jetty structures (main jetty, barge jetty, passenger jetty) and a shore connected rock breakwater to provide shelter from the waves, creating a safe operational harbor.

It is also planned that the Suai industrial cluster will include:

- » The upgrading of the Suai airport facilities and standards.
- » A housing complex in Camanasa and Labarai ("Nova Suai").

Furthermore, other non-oil industries, such as commercial fisheries, are expected to be incorporated to the area.

The environmental impact assessment (EIA) for the Suai supply base (SSB) was conducted in 2012 and TIMOR GAP prepared public consultations ("socializasaun") on the project. The **Environmental License** was granted in 2013 and the **construction plan** was then approved by the Council of Ministers.

Suai Supply Base procurement process

In November 2013, the National Procurement Commission (NPC), responsible for the tender process until approval of the contract by Court of Auditors ("Tribunal de Contas"), concluded that 5 companies were pre-qualified to bid for the Suai supply base project. During 2014:

- » The bidding documents were issued by NPC to the pre-qualified bidders on February.
- » Pre-bid site visit to Suai and meeting at NPC office in Dili were held on March.



Pre-bid site visit to the SSB project site in Camanasa, Suai on March 2014.

Bid opened and closed on August, with 3 companies submitting proposals:

- » Afcons Infrastructure Ltd (India)
- » BAM-VanOord-Wika Consortium (Netherlands – Indonesia)
- » Hyundai (HDEC-HEC) Consortium (Korea)



Bid proposal submission and opening at NPC with the presence of the bidders representatives.

TIMOR GAP monitored the process and assisted NPC and the project consultant Eastlog throughout this tender process, including the responses to bidders' clarifications, bid evaluation and approval for the winner.

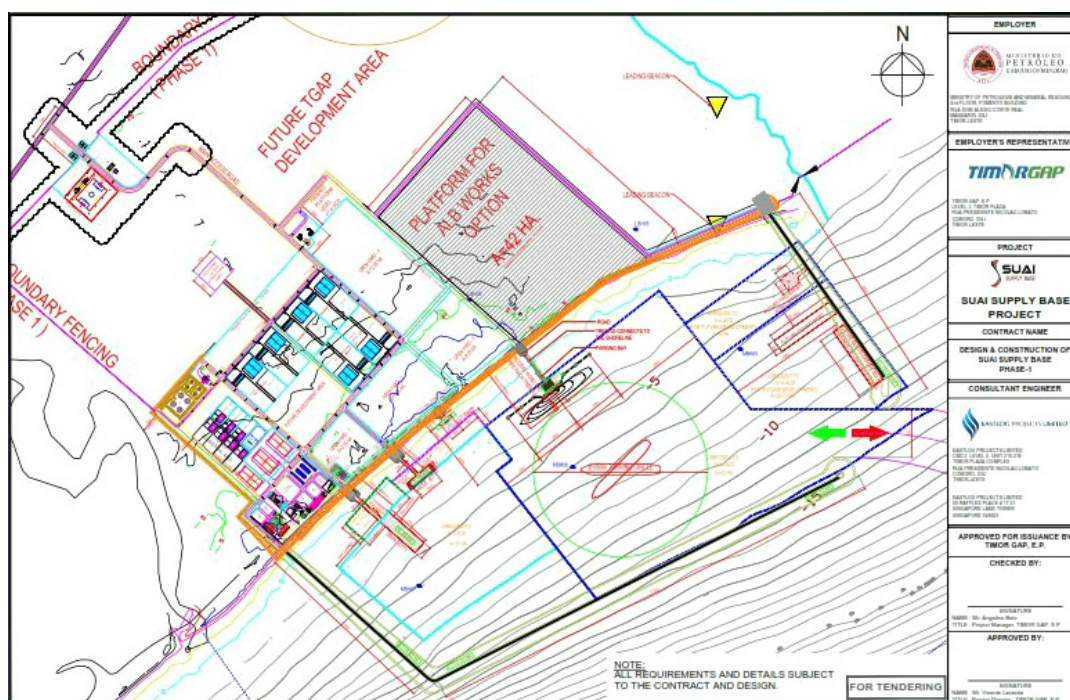
- » The technical bid evaluation results report was submitted to NPC on November 2014.
- » NPC was expected to submit the final results to the Council of Ministers for approval.

Land issues

TIMOR GAP participated in the land title identification process of the Suai project area, which was executed with an inter-ministerial working group (EKI). The first stage of the program for **compensation** of land and properties was accomplished in 2014, after the **land** (1,113 hectares) was handed-over by the community to the Government, for use of the Suai industrial cluster. It is expected that the local community will receive a 10% share from the profits originated by the management of the supply base, through the creation of a commercial company.

In November 2014, inter-ministerial meetings and a field trip were conducted by TIMOR GAP, for the consultation of the draft formal agreements on direct and indirect compensation as well as data verification. It was also for the signing of agreements for the first stage of compensation (construction site area), which consist of 147 parcels of land and 32 of livestock & fisheries, in a total area of 148 hectares.

The Decree-Law on "Temporary Transfer Ownership Rights" was promulgated by the President of the Republic in November and published in the Government gazette (Jornal da República) in December 2014.



SSB revised master plan. With additional liquid jetty and requires dredging to -14m ACD

Suai Supply Base revised master plan

The readjustment of the layout for the supply base marine facilities was carried out in 2013 to integrate the marine facilities previously planned for the Betano refinery cluster. TIMOR GAP and Eastlog, the project consultant, finalized the SSB revised master plan proposal and the scope changes (additional scope – liquid jetty and dredging) were approved by the National Development Agency (Agência de Desenvolvimento Nacional, ADN).

The revised plan was presented to the Council of Ministers, which approved the Resolution No. 19/2014 for the SSB rescheduled masterplan on July.

The **construction** of the SSB is planned to begin in 2015, with completion expected 36 months after.

Another highlight of 2014 is the beginning of a partnership with the company Sang Tai Hoo for planning and developing the industrial state adjacent to the Suai supply base and Nova Suai.

Suai Airport Upgrade

The Suai airport is located between Matai and Holbelis, Covalima district, at a distance of 202 km from Dili and 15 Km from Suai town. This district airport will be upgraded to provide for expanded passenger and freight services for the petroleum industry. The airport runway will be expanded (1,500m), a new terminal building and a hangar shelter for helicopters will be built.

The airport project is based on International Civil Aviation Organization (ICAO) standards and the rehabilitation has the main purpose of allowing safe operations of light aeroplanes and helicopters to support petroleum activities and supply base operations. The new airport will mainly benefit the companies working on oil and gas platforms, the Tasi Mane project, and communities living in the south coast. The upgrade will also contribute to social and economic development and will offer new job opportunities.

TIMOR GAP along with an interministerial team, finalized in 2013 the database for verification of the land and properties identified for the airport project. The contract for the construction was then awarded to the Indonesian company PT Waskita Karya, Tbk.

2014

Through a Cooperation Protocol between MPRM and MTC, MPRM became responsible for community liaison, land title clearance and development of a new resettlement area, while the MTC is responsible for the construction and supervision of the airport.

Land and Properties issues

TIMOR GAP participated in the land and properties title identification process of the project area, executed with an inter-ministerial working group (EKI). The program for compensation of land and properties progressed in 2013, in which EKI identified a total of 122 hectares of land, with 43 hectares belonging to the government, 79 hectares to the community and 133 houses to be relocated by the government.



The master plan design for the new resettlement area in Suai

In addition, the government identified 7 hectares of land to be dedicated to the building of a new resettlement area, which “master plan design” was completed in the beginning of 2014.

In November 2014, inter-ministerial meetings and a field trip was conducted by TIMOR GAP, for the consultation of the draft formal agreement on compensation, data verification and for the signing of agreements which consist of 255 agreements for land and properties, as well as 106 for livestock.



The master plan for the new resettlement area for the airport project in Suai

Betano Refinery and Petrochemical complex

A petroleum refinery and petrochemical complex are planned as the second industrial cluster of the Tasi Mane project, to be located in Betano (Manufahi district, 70 km south from Dili), with the objective of processing petroleum from the fields offshore and onshore Timor-Leste. Currently, the main field producing in Timor Sea is Bayu-Undan, while the development of other fields, as Greater Sunrise, will take place in the future.

The refinery cluster in Betano will be established through a commercial venture, with a crucial role for TIMOR GAP. It is also planned that the development of this cluster will be supported by the construction of a new city, Nova Betano.

The refinery complex facilities are projected to enable the production of fuels (diesel, gasoline, jet-fuel, LPG, naphtha), fertilizers, pesticides and other petrochemical products that are currently imported. An initial phase will establish a relatively **small size refinery** (condensate splitter plant) with a capacity of 30,000 barrels per day (bpd), with capacity to progressively increase to 100,000 bpd.

The main objective of this project is to capture more added value on Timor-Leste's condensate or light crude oil, although currently national feedstock for the refinery is not secured.

The stakeholder consultation for the Betano refinery project was led by then Secretary of State for Natural Resources (SERN) with TIMOR GAP's participation and a Strategic Environmental Impact Assessment (SEIA) was completed in 2012.

The refinery project was executed as a co-project between TIMOR GAP and PTT from Thailand, which conducted a feasibility study and master plan for the venture. In 2013, the consultant Toyo-Thai was engaged for the marine facility and refinery FEED. Under the cooperation with PTT, TIMOR GAP conducted several studies for the refinery and petrochemical complex, which involved:

- » FEED studies
- » Topographic survey and soil investigation
- » Land development study
- » EIA and Health Impact Assessment (HIA) (project ToR submitted to SEMA in December 2014)
- » Market survey (final report submitted in 2014)

A feasibility study report started being prepared in 2014 to support the creation of a JV company to implement the project.



Master plan for the refinery and petrochemical complex in Betano

Investment appraisal for the project

A Final Investment Decision (FID) for the Betano Refinery is still to be taken. Besides the partnership with PTT on the refinery project, TIMOR GAP may also search for other potential investors to be involved.

Regarding feedstock for the refinery, the project is expecting condensate production from Bayu-Undan field and in the future, from Greater Sunrise and other fields in the Timor Sea and onshore.

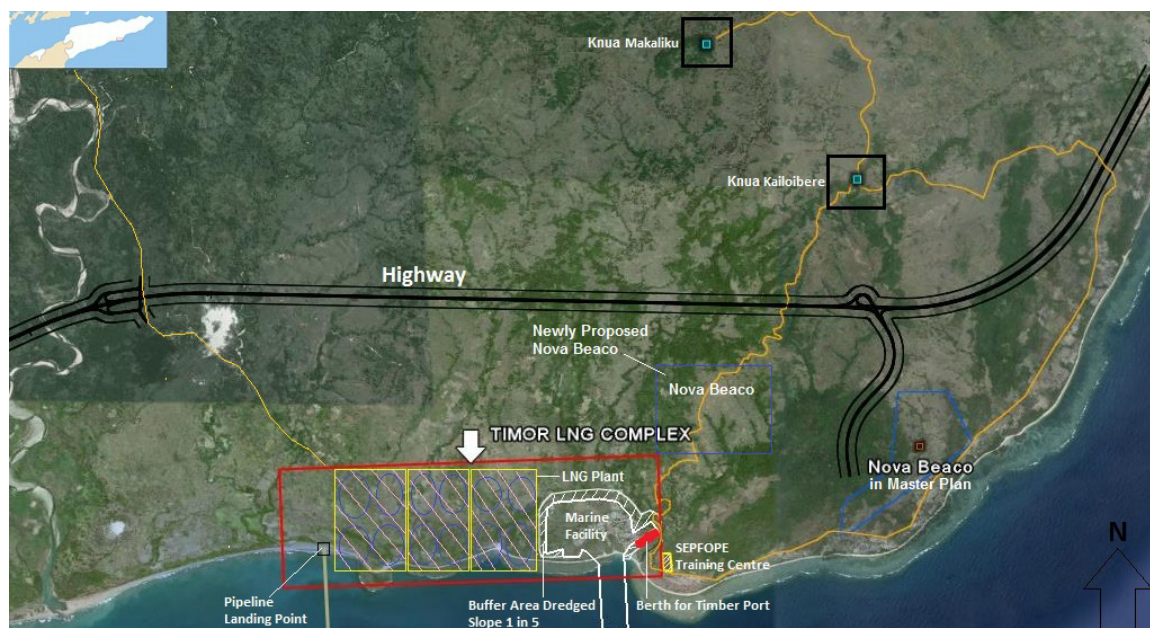
The studies for the refinery project will continue in 2015. The EIA study for the refinery is planned to be completed in 2015. In addition to this, we also plan to begin the process of land title identification for the refinery site in Betano.



Meeting on land development for the project area of the Betano refinery



Ground water and water supply study for the Betano refinery project, September 2014



Layout of the Timor LNG Complex, Beaco industrial cluster

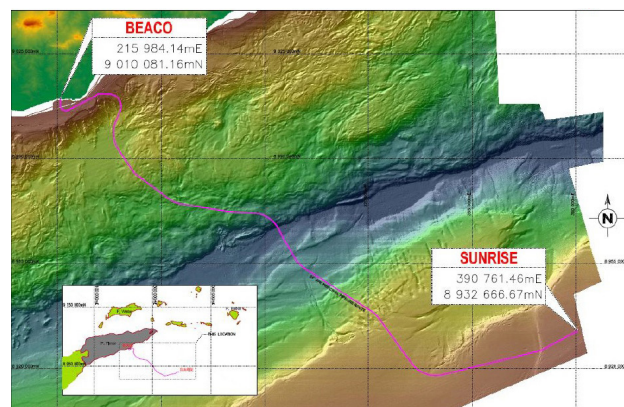
LNG Plant in Beaco

The government of Timor-Leste aims to develop the gas from Greater Sunrise field through the building of a subsea pipeline to onshore Timor-Leste, and with the establishment of an LNG plant to process the gas in south coast Beaco, Viqueque (100 km from Dili). The Beaco industrial cluster project comprises:

- » Gas pipeline
- » LNG Plant
- » Marine facility
- » Nova Viqueque and Nova Beaco towns
- » Upgrade of the Viqueque airstrip

Gas Pipeline

The gas pipeline to transport natural gas from Greater Sunrise to Beaco has been well-studied from Feasibility Study to Pre-FEED and FEED. In order to meet the requirements of FEED, a specialized survey called 'Detailed Marine Survey – DMS' was commissioned. All studies have been completed by 2013 which results showed that building a 24-inch pipeline to transport natural gas from Greater Sunrise to Beaco is not only technically feasible but also commercially viable.



Final route of Greater Sunrise – Beaco pipeline

Moreover, potential contractors for both pipe-mills and pipe-lay confirmed having the capabilities to deliver the Greater Sunrise to Beaco pipeline project competitively in regards to the specifications requested.

The results of these studies have been fundamentals for Timor-Leste in various discussions with its stakeholders. Throughout 2014, TIMOR GAP presented these results to government and private stakeholders, including a presentation to Woodside and its JV partners in December.

LNG Plant

Once it is landed onshore, the gas will be treated in the conditions required in the liquefaction process. Gas treatment, liquefaction and product storage are grouped in the LNG plant project. The LNG plant will provide gas processing facilities onshore, in support of the petroleum exploration in Timor Sea, maximizing added value from the petroleum resources. While most of the gas landed in Beaçó will be processed for exports as LNG and LPG, a relatively small percentage of it can be set aside to power Timor-Leste's power plants which are currently running on diesel. Using natural gas to fire electricity generators will give immediate benefits in two folds, not only it is cheaper than diesel but also environmentally friendlier because natural gas emits the lowest carbon dioxide (CO₂) of all hydrocarbon family.

The pre-feasibility study and conceptual study for the LNG Plant were completed in 2010. The findings of the studies indicated that an LNG plant with a capacity of 5 MTPA is viable, with possible expansions of up to 20 MTPA in the future. In 2014, TIMOR GAP supported the Government's National Procurement Commission (CNA) in the procurement process for a consultant to carry out the LNG Plant Pre-FEED study. These included development of technical scope of works and provided technical clarifications during the bidding period and contract negotiations as required. The negotiation was aimed to be completed in early 2015 and commenced immediately with the studies which will be under TIMOR GAP's oversight until the project is fully delivered.

Marine Facility

Marine facility is a specially designed port dedicated for LNG. The port will be composed of material off-loading facilities and product loading facilities. While the former is mostly for unloading materials required during the project constructions, the latter is to be equipped with product loading arms and berthing for LPG and LNG tankers with typical length overall at the order of 300-meters or higher.

Studies for the marine facility have been commissioned all the way to the level of FEED. An onshore basin design port was completed in 2013 by engineering consultant HR Wallingford. A capital expenditure (CAPEX) estimates to the level of FEED for the onshore basin port was developed to the level of $\pm 10\%$ accuracy.



Marine facility for the TLNG project

In order to have a better understanding of the frequency of port maintenance, for instance maintenance dredging to meet the required water depth of -14m LAT inside the turning basin and -17m LAT at the approaching channel, a sedimentation survey campaign was commissioned throughout 2014. WorleyParsons collected and analyzed meteorology, oceanography and sedimentation samples from Beaçó and Viqueque areas. These included recording water level rise/drop at Viqueque Cuha River and Beaçó River. The data collected from the survey will be used to estimate the quantity of sedimentations in the Beaçó Marine Facility and hence better define the operational expenditure (OPEX) estimates.

New Towns – Nova Beaçó and Nova Viqueque

In February 2014, the community of Beaçó signed a declaration that was delivered to the Prime Minister, H.E. Mr. Kay Rala Xanana Gusmão, stating that they were prepared to hand over their land to the government for the purpose of LNG project in Beaçó. At the request of the Prime Minister and MPRM, a community relocation task force team was established, composed by TIMOR GAP, Ministry of Public Works (MOP) and National Development Agency (AND). The task force was mainly to follow-up with the community's request for a road access to their abandoned old villages – Knua Kailoibere and Knua Makaliku. The team visited the two 'Knuas' and underwent plans for the villages to be developed in the future in conjunction with Nova Beaçó development. The road access to the Knuas has been opened.



New towns development projects

In July 2014, TIMOR GAP and the MPRM organized a short comparative study in Suai for representatives of the Beaco community which were taken to Suai, where they observed the progresses at the airport and supply base projects, as well as language and professional skills training provided by SOLS.

Highway

To support the development of the Tasi Mane Project, it is planned that a road along the south coast, connecting the three industrial clusters from Suai to Beaco, will be built in stages according to logistic and economic necessities. In 2012, TIMOR GAP initiated the project's "socializasaun" amongst local communities and the environmental impact assessment (EIA) and social impact assessment (SIA) were undertaken.

The projected highway has a distance of 151.66 km and is split into four sections:

- 1) Suai – Fatucaí /Mola;
- 2) Fatucaí/Mola – Betano;
- 3) Betano – Clacuc;
- 4) Clacuc – Beaco.

The design speed is 100km/h for flat areas (and 60 km/h for mountain area), with as estimated travel time from Suai to Beaco of around 2 hours.

In 2013, several activities were conducted by an inter-ministerial team with TIMOR GAP participation, including "socializasaun", procurement and preparation for the supervision of the highway's construction.

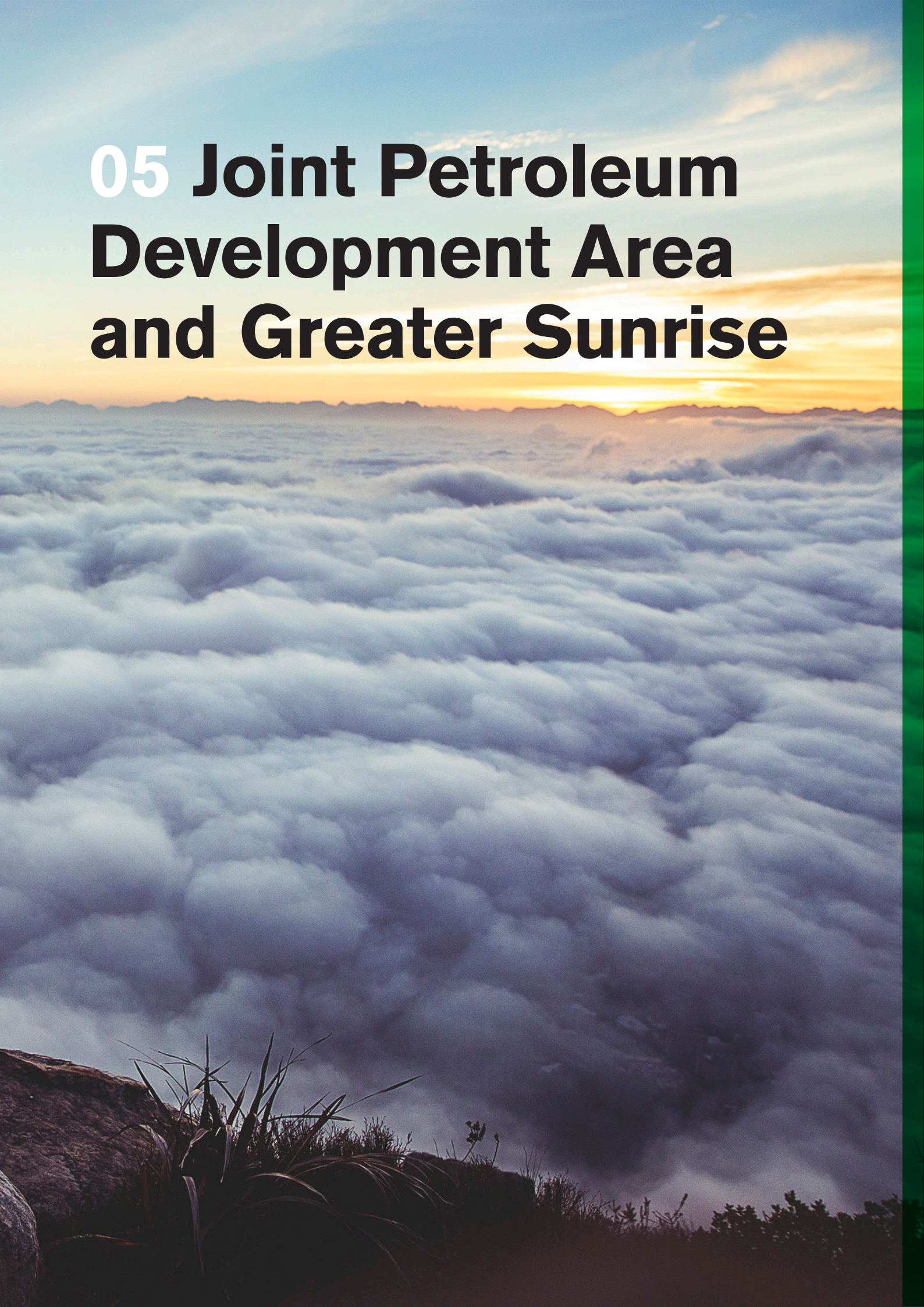
In 2014 the tendering processes for construction of the highway and its supervision were completed.

However, due to no allocated budget for the highway for 2014, the process was submitted to the Council of Ministers for approval, which decided that COVEC – China Railway would be contacted for the phase one of the highway project.



Design of the highway, from Suai to Beaco

05 Joint Petroleum Development Area and Greater Sunrise



Besides developing petroleum activities and managing the projects mentioned in previous sections related to Tasi Mane, TIMOR GAP as the national oil company supports the Government's goal to build a gas pipeline from Greater Sunrise field to Beaço on the south coast of Timor-Leste, as well as to build a LNG plant to process the natural gas onshore.

The Sunrise and Troubadour gas and condensate fields, collectively known as the Greater Sunrise fields, are located in the Timor Sea, 140 km south-east of Timor-Leste and 450 km north-west Australia. They were discovered in 1974.

Our company provides advice and participates in the Joint Commission and Sunrise Commission, along with Government officials from Timor-Leste, the National Petroleum Authority (ANP) and Australia.

Joint Commission

The **Timor Sea Treaty** was signed with Australia on the first day of Timor-Leste's independence, 20th May 2002. Article 6 (c) of the Timor Sea Treaty provides for the establishment of a **Joint Commission** to create policies and regulations regarding petroleum activities in the Joint Petroleum Development Area (JPDA), which is jointly administered by Timor-Leste and Australia, and to oversee the work of the Designated Authority (ANP).

The Joint Commission consists of two Commissioners appointed by Timor-Leste and one Commissioner by Australia and each of them may be represented by their nominated alternate. The Commission should meet regularly on a quarterly basis and the meetings may be requested by each Commissioner or the ANP.

The President & CEO of TIMOR GAP, Mr. Francisco da Costa Monteiro, is one of the Timor Sea Treaty Joint Commission members. Mr. António de Sousa, Vice-President is the other Timor-Leste's JPDA Commissioner. The alternate Commissioners are Mr. Vicente Lacerda and Mr. Domingos Lequisiga who are Executive Committee members and Unit Directors at the company.

The following Joint Commission meetings were held in 2014:

- » 39th JCM on 6th March 2014 in Sydney
- » 40th JCM on 14th August 2014 in Dili
- » 41th JCM on 25th November in Canberra

Similar to last year, Timor-Leste emphasized commission meetings had no prejudice to the Certain Maritime Arrangements in Timor Sea (CMATS) arbitration.

Sunrise Commission

The Sunrise International Unitisation Agreement (IUA) was signed in March 2003 between Timor-Leste and Australia, and relates to the Unitisation of the Sunrise and Troubadour fields. The Sunrise IUA was to enable the exploitation of these two petroleum and gas fields located in the Timor Sea, known collectively as Greater Sunrise.

The IUA agreement came into force on February in 2007 and article 9 provides for the establishment of a Sunrise Commission to facilitate the implementation of the agreement and consult on issues related to the exploration and exploitation of petroleum in the unit area.

These are main features related to the Sunrise International Unitisation Agreement:

- » The IUA highlights that the Commission shall facilitate coordination between the regulatory authorities to promote development of the Sunrise field
- » The Sunrise Commission may review and make recommendations to the Regulatory Authorities (ANP) with regard to a Development Plan;
- » The Sunrise Commission may resolve disputes referred to it by the Regulatory Authorities.

Whereas the Joint Commission is composed by two Commissioners from Timor-Leste and one Commissioner from Australia, the Sunrise Commission is composed by one Commissioner from Timor-Leste and two Commissioners from Australia.

The President & CEO of TIMOR GAP, Mr. Francisco Monteiro, represents Timor-Leste in the Sunrise Commission, and Mr. António de Sousa (Vice-President) is the alternate Commissioner.

Meetings in 2014:

- » The 15th Sunrise Commission meeting was held in 26 November 2014 in Canberra
- » Negotiation meetings with Woodside took place in October, November and December 2014

Similar to 2013, due to the CMATS arbitration process, no major meetings were held nor were relevant decisions taken in what regards Sunrise.

06 Governance



Board of Directors

The Board of Directors (BOD) is the highest body in TIMOR GAP, responsible for defining directions, policies and management. The President of the BOD was appointed by the Government body responsible for the petroleum sector, with the approval of the Council of Ministers. All the Board members were nominated in October 2011, short after the establishment of the company.

- » The President of the Board and Chief Executive Officer (CEO) is Mr. Francisco Monteiro.
- » In September 2014, another Member of the Board was nominated as Vice-President: Mr. António de Sousa.
- » The other Board Members are Ms. Norberta Soares da Costa and Mr. Dino Gandara.

Some of the main responsibilities of the BOD are:

- » To define the direction of TIMOR GAP's business and approve strategies, multiannual plans, budgets, as well as the participation in petroleum operations, related projects, PSCs and to incorporate subsidiaries;
- » To define general policies (commercial, financial, investment, environmental, human resources);
- » To appoint and supervise the Executive Committee.

Summary of important decisions taken in BOD meetings during 2014:

24th February 2014

- » Approval of Resolution for the Setting-up of a Subsidiary Company – TIMOR GAP Marine and Logistic, Ltd.
- » Approval of Resolution to appoint the Board Members and Chairman for the Subsidiary Company.
- » Approval of Resolution for Possible Board Members to Become Vice-President and Executive Directors of TIMOR GAP.
- » Approval of Resolution to Endorse the Staff Remuneration Package Based on Competency Levels.

30th May 2014

- » Approval of the Performance Management Policy and Procedures for Employees.

12th and 28th August 2014

- » Approval of the Consolidated Company Group's Annual Report and Financial Statements for the Fifteenth Month Ended December 2012.
- » Approval of the Consolidated Company Group's Annual Report and Financial Statements for the year of 2013.

22nd September 2014

- » Endorsement of the Agreement on Joint Cooperation in relation to the Development of Fuel Stations in Suai – Timor-Leste.
- » Endorsement of the Fuel Sale and Purchase Agreement between PT Pertamina (Persero) and TIMOR GAP.

6th October 2014

- » Approval of the New Organizational Structure of the Company, including a Vice-President's position and two new Director Positions: Finance Director (to oversee all financial operations, project finance management) and Quality, Health and Safety Environment (QHSE) Director (to oversee all QHSE operations).

20th November 2014

- » Appointment of the two new Directors Mr. Henrique Monteiro (Finance) and Mr. Rony da Costa (QHSE).

17th December 2014

- » 2015 budget preparation.

Executive Committee

The Executive Committee (EC) is our corporate body that exercises daily management according to the goals and strategies of the Board of Directors. The EC is headed by the CEO who is also the President of the Board. The other members are the Vice-President and the five Executive Directors of our business units:

President & CEO
Mr. Francisco da Costa Monteiro

Vice-President
Mr. António de Sousa

Director of Corporate Service Unit
Ms. Jacinta Paula Bernardo

Director of Business Development Unit
Mr. Luís Martins

Director of Exploration & Production and Supply Base Unit
Mr. Vicente Lacerda

Director of Refinery and Petroleum Services Unit
Mr. Vicente Pinto

Director of Gas Business Unit
Mr. Domingos Lequi Siga

The members of the Board of Directors and Executive Committee are briefly presented in the section below.

President & CEO
Mr. Francisco da Costa Monteiro



Mr. Francisco Monteiro graduated in 2003 with a Master of Science (MSc) in Geology from Auckland University, New Zealand and was a PhD candidate in Petroleum Geology at the Australian School of Petroleum, University of Adelaide. Mr. Monteiro has more than a decade of work experience in the fields of geology, minerals, oil & gas, policy advocacy, as well as management and administration in the areas of petroleum and mineral resources. He is the President & CEO of TIMOR GAP, since establishment in 2011. Mr. Monteiro is also Timor-Leste's Commissioner for the JPDA since 2007 and Greater Sunrise Commissioner from 2008. In 2012, he was appointed by the Prime-Minister as a member of the Investment Advisory Board of the Petroleum Fund.

Vice-President – Drilling and Technology, New Ventures
Mr. António de Sousa



Mr. António de Sousa graduated in 1998 with a BSc in Mining Engineering, from ITB, Bandung, Indonesia, Specialization in Rock Mechanics and in 2007 with an MSc of Petroleum Engineering, from NTNU, Trondheim, Norway, with Specialization in Reservoir Engineering/Simulation. Mr. António de Sousa has more than a decade experience in the field of oil & gas and specialization skills in reservoir engineering/simulation, geomechanics, management, politics and advocacy. He held a position as Reservoir/Simulation Engineer, in North Sea Non Operated Assets, Subsurface Department, Premier Oil Plc, Aberdeen in Scotland, UK. Mr. Sousa is also one of the Timor-Leste's Commissioners for the JPDA since 2007 and Timor-Leste's Greater Sunrise Commissioner since 2008. He was nominated Vice-President of TIMOR GAP in September 2014.

Member of the Board
Ms. Norberta Soares da Costa



Ms. Norberta Costa graduated from University of Coimbra, Portugal, with major in Geology in 2008. She has six years of experience in the areas of minerals, oil and gas, policy advocacy, management and administration in the fields of petroleum and mineral resources. Currently Ms. Costa is the Director General for Corporate Service of the Ministry of Finance in Timor-Leste.

Member of the Board
Mr. Dino Gandara



Mr. Dino Gandara graduated from Trinity College Dublin, Ireland with major in Geology in 2004. He has worked in minerals and oil & gas geology for more than 9 years. Returning to Timor-Leste in 2008, he undertook geological field mapping of onshore hydrocarbon prospects with Dr. Tim Charlton from 2009 until early 2013, identifying 17 onshore prospects hydrocarbon in the last 3 years. Mr. Gandara was the Country Manager for the gas exploration company Minza Ltd (operating a Block in the Timor Sea). Duties also included supporting seismic acquisition, environmental monitoring, drilling planning, advising on commercial contracts and liaising with the Regulator, the National Petroleum Authority (ANP), and other stakeholders.

Director, Corporate Service Unit
Ms. Jacinta Bernardo



Ms. Jacinta Bernardo graduated from Monash University, Melbourne, Australia with a degree in Business and Commerce, double major in Human Resources Management and Management, minor in Tourism Management. Ms. Bernardo worked for more than ten years with international development agencies such as the World Bank, International Organization for Migration (IOM), Australian Embassy and Oxfam International. She is Director of Corporate Service at TIMOR GAP since May 2012. She has experience in the areas of project management, financial and procurement management, human resources management and general administration.

Director, Business Development Unit
Mr. Luís Martins



Mr. Luís Martins gained his BSc in Industrial Engineering from Winaya Mukti University and an MSc in Energy and Environmental Management and Economics from Scuola Enrico Mattei – ENI University, in Milan, Italy. Mr. Martins has over 5 years' experience in both technical and management skills within the oil and gas sector under the Secretariat of State for Natural Resources (SERN) of Timor-Leste. Prior to joining SERN, he held managerial position at the UN Agency as well as other inter-

national organizations in the country. Currently he is the Director of BDU, which main responsibilities are to search and seize opportunities for the development of petroleum related industries and services.

Director, Exploration & Production and Supply Base Unit
Mr. Vicente Lacerda



Mr. Vicente Lacerda graduated in 2008 with an MSc in Petroleum Geosciences, specialization in Petroleum Geophysics from The Norwegian University of Science and Technology, Trondheim. Mr. Lacerda has 16 years of experience in the oil & gas industry in both technical and management skills. He started his career in 1998 as Officer- Geologist at the Regional Department of Mines and Energy in Timor-Leste, Dili. He is Director of EP&SBU at TIMOR GAP.

Director, Refinery & Petroleum Services Unit
Mr. Vicente da Costa Pinto



Mr. Vicente Pinto graduated in 2010 with a MSc in Engineering in Oil & Gas Management from Asian Institute of Technology (AIT) Bangkok, Thailand. Mr. Pinto has more than a decade work experience as a public servant in administration and management in the area of petroleum and mineral resources. He is Director for R&PSU since October 2011.

Director, Gas Business Unit
Mr. Domingos Lequi Siga Maria



Mr. Domingos Lequi Siga received in 2006 a BSc in Natural Resources & Environmental Management from University of Hawaii at Manoa, Honolulu, USA. In 2008-2009, he was awarded a Fulbright Scholarship to pursue his MSc in Energy Management from New York Institute of Technology. Mr. Lequi Siga has over 6-years of experience in both technical and managerial skills within the oil and gas sector under the Secretariat of State for Natural Resources (SERN) of Timor-Leste. Currently he is the Director of GBU, whose main responsibilities are to manage and coordinate all business activities within the field of natural gas including LNG, LPG and gas pipelines.

Extractive Industries Transparency Initiative (EITI)

TL-EITI

Timor-Leste
Extractive
Industries
Transparency
Initiative

Timor-Leste is committed to full transparency in accounting for income resulting from its petroleum resources, which have been the greatest source of State budget revenue. Our commitment to transparency is demonstrated through the adherence to the Extractive Industry Transparency Initiative (EITI), which is a global coalition of governments, companies, and civil society, to improve accountable management of revenues from natural resources. More openness on how a country manages its natural resources, such as oil, gas, metals and minerals, helps to ensure that they can benefit all citizens. Timor-Leste was admitted in 2008 as a candidate to implement the EITI and became in 2010 an **EITI Compliant Country**, meaning that it meets all requirements in the EITI Standard.

The **EITI Standard** ensures full disclosure of taxes and other payments made by oil, gas and mining companies to governments. These payments are disclosed in an annual **EITI Report**, which allows citizens to see how much their government is receiving from their country's natural resources. Timor-Leste produces annual EITI Reports that disclose revenues from the extraction of its natural resources: companies disclose what they have paid in taxes and other payments and the government discloses what it has received.

Over the next few decades, Timor-Leste is expected to continue accumulating substantial revenues from oil and gas production. Until now, production has mostly come from the Joint Petroleum Development Area (JPDA) in the Timor Sea, in particular from the Bayu-Undan and Kitan fields. Further onshore and offshore activity is projected, namely in Timor-Leste

Exclusive Area (TLEA). The government adopted a legal framework for petroleum production, taxation, and revenue management that is considered international best practice.

Law on Petroleum Activities

The **Law No. 13/2005 on Petroleum Activities** indicates that pursuant to international law, Timor-Leste has sovereign rights for the exploration, exploitation and management of its natural resources, including petroleum. The country is entitled to all petroleum resources existing in the subsoil of its territory, both onshore and offshore. One of the objectives of the Law is to ensure stability and transparency in regulating the development of petroleum resources. Therefore, the Law is complemented with transparency requirements.

Petroleum Fund

Our Petroleum Fund was created through the **Petroleum Fund Law No. 9/2005**, with the intention to contribute to the wise and sustainable management of the petroleum resources for the benefit of the people and future generations. The Petroleum Fund contributes to sound fiscal policy and is to be integrated into the State Budget. It requires prudent management and is operated in an open and transparent way, within the constitutional and legal framework.

The **Central Bank of Timor-Leste** administers the Petroleum Fund and the Ministry of Finance is responsible for the overall management and investment strategy. The President & CEO of TIMOR GAP, Mr. Francisco da Costa Monteiro, is a member of the **Fund's Investment Advisory Board**.

EITI in Timor-Leste

Timor-Leste is proud to be the first country in Southeast Asia and the third in the world to achieve the status of **EITI Compliant Country**. Timor-Leste's government also invited civil society and industry to nominate representatives to form a **multi-stakeholder group** (MSG) in 2007. The then Secretary of State for Natural Resources, currently Minister of Petroleum and Mineral Resources (MPRM), H.E. Mr. Alfredo Pires, was designated focal point of the EITI process in Timor-Leste and chairs the MSG. He is also one of the EITI International Board Members.

The petroleum revenue management department of the Ministry of Finance provides advice on transparency and accountability in accordance with the EITI

and participates along with TIMOR GAP as the **state owned enterprise** in the national working group on the EITI. In June 2012, six months after the start of operations, we became one of the few national oil companies in the world supporting the EITI.

The MSG holds monthly meetings, bringing together representatives from the government (MPRM, ANP, Central Bank of Timor-Leste, Ministry of Finance), petroleum industry including TIMOR GAP as the national oil company and international oil companies, civil society and international organizations.

The MSG has as objectives to develop the EITI plan of activities, monitor progresses, share ideas, discuss, evaluate and also accompanies the overall EITI decision making. This is to ensure that the **implementation of the EITI in Timor-Leste is achievable** and in line with international standard requirements.

The MSG created the **TL-EITI Secretariat** office, which has been functioning since 2008 and is under the MPRM. The Secretariat supports the activities of the MSG, and organizes trainings, workshops and seminars. It ensures that the TL-EITI reports are publicly available and comprehensible.

Participation of TIMOR GAP in EITI events in Timor-Leste in 2014:

- » 26-27 June: the TL-EITI Secretariat organized a workshop on “Knowledge and information sharing to media, relating to natural resources policy & management and changes on the EITI Standard”

TIMOR GAP presented the company, the “Tasi Mane” projects and the EITI requirement 3.6, which obliges the EITI Report to include information on the state owned enterprises and its subsidiaries, regarding taxation regime, funds transfers, disclosures on expenditures and others.

- » 25 September: TIMOR GAP as a member of the MSG met with TL- EITI Secretariat and the new EITI-TL Auditor. A main subject addressed was the necessary documents to produce the annual EITI Timor-Leste Report.
- » 8-9 October: TL-EITI workshop in Suai, with TIMOR GAP participation.
- » November: we participated in TL-EITI workshop in Viqueque, to increase knowledge on transparency in the extractive sector, for the local community. The project of the LNG Plan in Beaço was presented.
- » 15 December: TIMOR GAP received a delegation from Myanmar Alliance for Transparency and Accountability, since Myanmar is a candidate to EITI and is looking for the collaboration of TL-EITI multi-stakeholder group.



Participation of TIMOR GAP in EITI workshops

07 Financial Statements



Consolidated statement of comprehensive income

For the period ending 31 December

		Group		Company	
		2014	2013	2014	2013
	Note	\$	\$	\$	\$
Revenue from government grant	5	5,000,000	4,000,000	5,000,000	4,000,000
Fixed contract service fees	5	183,431	223,414	183,431	223,414
Marine Oil Terminal fees	5	140,205	—	140,205	—
Gross profit on sale of fuel	5	16,000	36,056	16,000	36,056
Gross profit on lease of marine oil terminal	5	64,987	38,661	64,987	38,661
		5,404,623	4,298,131	5,404,623	4,298,131
Expenses					
Project expenses		(2,056,452)	(1,862,479)	(2,056,452)	(1,862,479)
Depreciation and amortisation expense	7&8	(485,193)	(377,627)	(485,193)	(377,627)
Employee costs		(1,966,208)	(1,513,856)	(1,966,208)	(1,513,856)
Impairment of loan account	17	—	—	(268,954)	—
Other expenses		(2,663,505)	(2,530,358)	(2,448,784)	(2,475,580)
Total expenses		(7,171,358)	(6,284,320)	(7,225,591)	(6,229,541)
Operating loss		(1,766,735)	(1,986,189)	(1,820,968)	(1,931,410)
Dividend received from associate		—	—	1,409,400	—
Share of profit of associate	10	854,719	1,085,986	—	—
Loss before tax		(912,017)	(900,203)	(411,568)	(1,931,410)
Income tax expense	6	—	—	—	—
Loss for the period		(912,017)	(900,203)	(411,568)	(1,931,410)
Other comprehensive income		—	—	—	—
Total comprehensive loss		(912,017)	(900,203)	(411,568)	(1,931,410)
Total comprehensive loss attributable to:					
Controlling interest		(912,017)	(900,203)	—	—

Consolidated statement of Financial Position As at 31 December

		Group		Company	
		2014	2013	2014	2013
	Note	\$	\$	\$	\$
Assets					
Non-current assets					
Property, plant and equipment	7	988,205	949,405	988,205	949,405
Intangible assets	8	649,708	170,134	649,708	170,134
Investment in subsidiaries	9	—	—	10,000	5,000
Investment in associates	10	1,158,002	1,712,683	3,000	3,000
		2,795,915	2,832,222	1,650,913	1,127,539
Current assets					
Trade and other receivables	11	661,539	1,621,827	661,539	1,676,171
Cash and cash equivalents	12	581,935	1,913,375	577,482	1,908,810
Total current assets		1,243,473	3,535,202	1,239,020	3,584,981
Total assets		4,039,388	6,367,424	2,889,934	4,712,520
Equity and liabilities					
Equity					
Contributed equity	13	2,500,000	2,500,000	2,500,000	2,500,000
Accumulated losses		(2,440,548)	(1,528,532)	(3,595,003)	(3,183,436)
Total equity		59,452	971,468	(1,095,003)	(683,436)
Current liabilities					
Trade and other payables	14	2,483,048	976,896	2,488,049	976,896
Unearned fixed contract service fees and project advances	16	1,496,888	4,419,060	1,496,888	4,419,060
Total current liabilities		3,979,936	5,395,956	3,984,937	5,395,956
Total equity and liabilities		4,039,388	6,367,424	2,889,934	4,712,520

Consolidated Cash Flow Statement For the year ended 31 December

	Note	Group		Company	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash flows from operating activities					
Operating loss		(1,766,735)	(1,986,189)	(1,820,968)	(1,931,410)
Adjustments for:					
Depreciation		416,473	325,164	416,473	325,164
Amortisation		68,720	52,463	68,720	52,463
		(1,281,543)	(1,608,561)	(1,335,775)	(1,553,782)
Decrease/(increase) in trade receivables	11	960,289	(444,760)	1,014,633	(499,104)
Increase in trade and other payables		1,506,154	231,465	1,511,154	231,465
Cash generated from operations		1,184,900	(1,821,856)	1,190,011	(1,821,421)
Income tax paid		—	(168,000)	—	(168,000)
Net cash from operating activities		1,184,899.53	(1,989,856)	1,190,011	(1,989,421)
Cash flows from investing activities					
Purchase of property, plant and equipment	7	(455,273)	(193,762)	(455,273)	(193,762)
Purchase of intangible assets	8	(548,294)	(58,325)	(548,294)	(58,325)
Investment in subsidiary	9	—	—	(5,000)	—
Dividend from associate		1,409,400	—	1,409,400	—
Net cash used in investing activities		405,833	(252,087)	400,833	(252,087)
Cash flows from financing activities					
Increase / (decrease) in project advances		(2,922,172)	1,188,317	(2,922,172)	1,188,317
Net cash used in financing activities		(2,922,172)	1,188,317	(2,922,172)	1,188,317
Net increase in cash and cash equivalents		(1,331,440)	(1,053,626)	(1,331,328)	(1,053,191)
Cash & cash equivalents at start of the year		1,913,375	2,967,001	1,908,810	2,962,001
Cash & cash equivalents at end of the year		581,935	1,913,375	577,482	1,908,810

Consolidated statement of changes in Equity

For the period ended 31 December

	Note	Group		Company	
		2014	2013	2014	2013
		\$	\$	\$	\$
Transactions with owners of the company					
Contributed Capital					
– 1 December 2011		2,000,000	2,000,000	2,000,000	2,000,000
– 23 February 2012		500,000	500,000	500,000	500,000
		2,500,000	2,500,000	2,500,000	2,500,000
Consolidated loss and comprehensive loss attributable to equity holders of the parent:					
At the beginning of the period		(1,528,532)	(628,329)	(3,183,436)	(1,252,026)
For the period		(912,017)	(900,203)	(411,568)	(1,931,410)
At the end of the period		(2,440,548)	(1,528,532)	(3,595,003)	(3,183,436)
Non-controlling interest		—	—		
Total equity at 31 December 2014		59,452	971,468	(1,095,003)	(683,436)

ACRONYMS

ANP	Autoridade Nacional do Petróleo (National Petroleum Authority)
ADB	Asian Development Bank
ADN	Agência de Desenvolvimento Nacional (National Development Agency)
BDU	Business Development Unit
Bpd	Barrels Per Day
CEO	Chief Executive Officer
CNA	Comissão Nacional de Aproveitamento (National Procurement Commission).
CMATS	Certain Maritime Arrangements in Timor Sea
CPLP	Comunidade dos Países de Língua Portuguesa (Communities of Portuguese Speaking Countries)
CPP	Central Processing Platform
CSU	Corporate Service Unit
DMS	Detailed Marine Survey
EDTL	Electricidade de Timor-Leste (Electricity of Timor-Leste)
EIA	Environmental Impact Assessment
EP	Empresa Pública (Public Company)
EITI	Extractive Industries Transparency Initiative
EKI	Ekpa Konjunta Interministerial (Inter-ministerial Team)
E&P	Exploration and Production
FEED	Front End Engineering Design
FPSO	Floating Production, Storage and Offloading
GBU	Gas Business Unit
HSE	Health, Safety and Environment
ICAO	International Civil Aviation Organization
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
JPDA	Joint Petroleum Development Area
JV	Joint Venture
kbbl	thousand barrels (of oil)
LAT	Lowest Astronomical Tide
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
METOCEAN	Meteorological and Oceanographic
MMbbls	Millions of Barrels
MOP	Ministério das Obras Públicas (Ministry of Public Works)
MOU	Memorandum of Understanding
MPRM	Ministério do Petróleo e Recursos Minerais (Ministry of Petroleum and Mineral Resources)
MTC	Ministério dos Transportes e Comunicações (Ministry of Transport and Communications)
MTPA	Million Tons Per Annum
NOC	National Oil Company
NGO	Non-Governmental Organization
PSC	Production Sharing Contract
QHSE	Quality, Health, Safety and Environment
R&PSU	Refinery and Petroleum Services Unit
SAP	System, Application and Product
SEIA	Strategic Environmental Impact Assessment
SEMA	Secretaria de Estado do Meio Ambiente (Secretary of State for the Environment)
SERN	Secretaria de Estado dos Recursos Naturais (Secretary of State for Natural Resources)
SSB	Suai Supply Base
TLEA	Timor-Leste Exclusive Area
TLNG	Timor LNG