



MEDIA RELEASE

Issued jointly by Shell Australia and the Government of Timor-Leste

Date: 21 Nov 2018

Shell Australia and the Government of Timor-Leste agree on terms for sale of interest in Greater Sunrise fields

Bali, INDONESIA – Shell Australia and the Government of Timor-Leste have entered into a Sales and Purchase Agreement (SPA) for the sale of Shell's 26.56 percent interest in the Greater Sunrise fields.

Timor-Leste's Special Representative Mr. Xanana Gusmão stated that "Timor-Leste appreciates Shell's willingness to sell its interests in the Greater Sunrise project". Mr. Gusmão recalled that, in his address at the "World Energy Forum of the Atlantic Council" in Abu Dhabi earlier this year, he stressed that multinational companies have to assume their responsibilities towards small countries as part of their social license to operate. "Shell's attitude throughout the negotiations shows that it is ready to consider not only its commercial interests but also the interests of small nations."

The Special Representative further commended the open and honest discussions between the Parties' delegations, and clarified that "Timor-Leste sees Shell as a good partner and friend, and far from ending the relationship between the two Parties this transaction instead reaffirms our commitment for the future."

EVP for Shell Australia, Zoe Yujnovich said the transaction, valued at US\$300 million, will allow the Timor-Leste Government and joint venture partners to pursue their aspirations for the Greater Sunrise development.

"We respect the Timor-Leste Government's determination to develop the Sunrise fields through an onshore LNG facility on its south coast. Although we formed different views about the optimal development scenario, we understand the priorities of the Timor-Leste Government and wish it well in pursuing its aspirations to develop this important resource for the nation.

"This sale aligns with our global strategy to reshape Shell into a simpler and more resilient company. Our Australian portfolio remains strong as operator of both the QGC onshore natural gas project, Prelude FLNG and significant positions in the Gorgon and North West Shelf LNG projects," Ms Yujnovich said.

The Timor-Leste Government's purchase of Shell's interest is conditional on receiving funding approval from the Timor-Leste Council of Ministers and National Parliament, as well as regulatory approvals and partner pre-emption rights.

The sale transaction comprises Shell's permits NT/RL2 and NT/RL4 within Australia waters and PSC 03-19 and PSC 03-20 within Timor-Leste waters and associated governance agreements.

The Sunrise and Troubadour gas and condensate fields, collectively known as the Greater Sunrise fields, are located approximately 150 kilometres south east of Timor-Leste and 450 kilometres north west of Darwin in the Northern Territory.

The Government of Timor-Leste was advised by PricewaterhouseCoopers (PwC) and Miranda & Associados.

ENDS