The Secretary of State for the Council of Ministers and Official Spokesperson for the Government of Timor-Leste Ágio Pereira

Timor-Leste has active regulators in the petroleum sector

The appropriate regulatory processes are underway with two companies seeking to begin exploratory drilling campaigns for oil and gas in the Timor-Leste Exclusive Area (TLEA). Eni S.p.A. has submitted documents including an Environmental Impact Assesment and Evironmental Mangement Plan for "Cova 1", a well in block C (S06-03) and has plans for further test drillings in that area. Reliance Exploration and Production dmcc is making applications for drilling in block K (S06-06). The companies can only proceed after approvals from the National Petroleum Authority (ANP) and the National Directorate for the Environment (DNMA), with the DNMA assessing the credentials of the Environmental Documents and the ANP across all other requirements to ensure the safe exploration and extraction of the sovereign resources of Timor-Leste.

Two recent oil spill disasters, the largest ever recorded that took place at Macondo in the Gulf of Mexico and the Montara spill close to Timor-Leste revealed the danger of regulators taking an inactive role. The Production Sharing Contracts issued both within the JPDA and the TLEA are underpinned by the involvement of an active regulator in the form of the ANP. It is precisely this active regulatory role that has slowed agreement with Woodside regarding the Greater Sunrise field. Woodside and the Joint Venture Partners have now indicated their plans to present to the ANP the three separate development concepts as required within the terms of the production sharing contracts. Although it has taken some time for Woodside to comply, the ANP has remained firm in requiring operators to comply with all established mechanisms for the best practice management of Timor-Leste's petroleum sector.

Deepwater drilling, utilized over the past twenty years and currently used across hundreds of projects around the world, is a technique required for the recovery of the petroleum assets of Timor-Leste and for the significant economic benefits; contributing to the development of the nation and investment in current and future generations. The ANP is aware of the associated risks of deepwater drilling and is committed to holding companies to the highest standards of safety. It is this determination to minimize risk that has led the ANP and the Government of Timor Leste to voice concerns about the Floating LNG development plan for Greater Sunrise proposed by Woodside. Whilst deepwater drilling has occurred over decades with associated risks that can be predicted and mitigated, the Floating LNG technolgy is new and untested.

The Government notes the recent statement of Goldman Sachs and Partners Australia that "Woodside will need a Diplomat CEO after Don Voelte departs". Diplomacy has been missing in the interactions over Greater Sunrise with documentation as far back as the Joint Standing Committee on Treaties (Report 49 article 4.21, 2002) noting that unilateral decisions had been made by Woodside to exploit the resources of Greater Sunrise including a development preference for floating LNG, without an expectation that Timor-Leste eight years later, would be ably represented by an active petroleum regulator in the sector on behalf of the people of Timor-Leste.

Secretary of State Pereira noted "Signs are promising that Woodside and the JV partners are working towards more comprehensive compliance required within the conditions of their contracts. At the same time we are excited to see the beginnings of what we hope will be significant projects in our exclusive zone, the TLEA. Across the TLEA, the JDPA, and the Greater Sunrise project, the ANP will continue to actively regulate the sector to ensure properly managed resource exploration and extraction on behalf of the people of the nation."**ENDS**

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