

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



April 27, 2011
Díli, Timor-Leste

Northern Territory Government confirms economic advantages of onshore processing

This week the Chief Minister of the Northern Territory, Paul Henderson, supported Timor-Leste's claims of the economic benefits flowing from onshore processing with statements made on April 26. Henderson noted the Territory's oil and gas supply industry could be worth hundreds of millions of dollars within a decade, perhaps ten or twenty times the current estimated intake of \$150 million per annum. Henderson has for a number of years emphatically repeated the merits of the "hugely important" benefits that to date have flowed principally from the LNG piped to Darwin from the Bayu-Undan gas field in the Timor Sea, part of the Joint Petroleum Development Area (JPDA) shared between Timor-Leste and Australia. Henderson also took the opportunity to express his disappointment that the Australian regional field Prelude was slated for Floating LNG which would result in a loss of jobs to the economy.

Timor-Leste's own supply base is underway in the Suai district on the south coast and is the first project of a number to be rolled out as a part of the LNG based development clusters in Suai, Betano and Beaco. The supply base is dedicated to supporting oil and gas industries in the Timor Sea in both Timor-Leste's Exclusive Zone and the JPDA and will include amongst other key features; a seaport, a container park, a warehouse logistics area, administration buildings, oil office buildings, pipe racks, a fuel storage area, heavy metal works and an offshore drilling heliport. The Suai base will support the Greater Sunrise project and others and is anticipated to be equally, if not more economically beneficial to Timor-Leste, as Bayu-Undan was and continues to be to Darwin.

The onshore piping of gas from the Bayu-Undan field some 500kms to Darwin has already had an enormous economic impact on the Northern Territory economy since 2005; however, Timor-Leste's model stands to be a more innovative regional fusion with its geographical inclusion in the Indonesian Archipelago and with the nations' South Coast ripe for substantial development as a close regional outlet.

As the treaties co-signed by the Australian Government and Timor-Leste advocate the "shared benefits" of resources in the JPDA, Timor-Leste is preparing and developing its projects on the South Coast so the Timorese people will now benefit from on shore activities; with a focus on ensuring employment opportunities, development of industries and services and promoting training and scholarship. Core infrastructure works are underway to contribute to sustainable long-term economic development around the petroleum sector to contribute to poverty alleviation and eradication.

In 2010 Timor-Leste was only the third country in the world to achieve full compliance status with the world's benchmark body on transparency in the management of petroleum revenue, the Extractive Industries Transparency Initiative (EITI). In August, Timor-Leste will be holding the EITI's Regional Conference. Timor-Leste has encouraged its close neighbor Australia to also join the ranks of EITI compliant countries to ensure best practice principles and oil field practice are conducted throughout the region.**ENDS**

Ágio Pereira +670 723 0011
E-mail:
agio.pereira@cdm.gov.tl
or
govtlmedia@gmail.com
Website:
www.timor-leste.gov.tl

M
E
D
I
A

R
E
L
E
A
S
E