



IV CONSTITUTIONAL GOVERNMENT SECRETARIAT OF STATE OF THE COUNCIL OF MINISTERS

PRESS RELEASE

Council of Ministers Extraordinary Meeting from March 26, 2012

The Council of Ministers extraordinarily met this Monday, March 26, 2012, in the Council of Ministers Meeting Room, at the Government Palace, in Dili and approved:

1. Resolution of Government which approves the Settlement Agreement between the State of Timor-Leste and Timor Telecom

This Settlement Agreement between the State of Timor-Leste and Timor Telecom ends the Concession Agreement signed in July 2002 between the two parties, which is to be effective until 2017.

This Settlement Agreement, approved by the Council of Ministers, establishes a single legal framework regarding the transfer to Timor Telecom of network assets, grants certain rights to lease and use of land owned by the State and specifically regulates certain telecommunication activities to be pursued by Timor Telecom according to the telecommunications sector reform, as outlined in the Timor-Leste National Telecommunications Policy and in the Decree-Law that Liberalizes Telecommunications. The Government is free from having to make any payment in terms of compensation in cash, to Timor Telecom, but Timor Telecom will, in turn, keep its telecommunications assets.

This is a balanced Agreement and limiting risks to both sides, offering the State with the opportunity to benefit from profits through fiscal and shareholder growth

This Settlement Agreement will be signed on March 27, 2012 in the Council of Minister's meeting room, at 8:30 a.m.