



MEDIA RELEASE

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U.S District Court clears Timor Sea Designated Authority of Claims brought by Oceanic Exploration

The Timor Sea Designated Authority (TSDA) is delighted to announce that all claims filed against the TSDA by Oceanic Exploration have been dismissed.

Among the claims raised by Oceanic Exploration on June 2004, were allegations that the TSDA award of Production Sharing Contracts to ConocoPhillips and its joint venture partners was invalid due to bribery, coercion or fraud. Such allegations were vigorously denied by the TSDA.

On 21 September 2006, the TSDA received a Court Order from the *United States District Court for the District Court of Columbia* dismissing claims made by *Oceanic Exploration* and its subsidiary *PetroTimor* against the TSDA.

Judge Emmet G. Sullivan in his decision wrote:

“This Court is precluded from instructing the governments of both East Timor and Australia that they should disrupt a decade of economic investment and development in their own valuable natural resources, and instead afford companies, like plaintiffs Oceanic, an opportunity to compete or bid for concession rights. Accordingly, the act of state doctrine bars this Court from adjudicating any of the plaintiffs’ claims against the TSDA.”

“I am extremely pleased with the outcome. The Governments of Timor-Leste and Australia ratified the Timor Sea Treaty which gave rise to the Production Sharing Contracts awarded to the ConocoPhillips consortium. It was not, as Oceanic Exploration allege, the bribery of a foreign government office and the TSDA in order to obtain a commercial contract”, said Niny Borges, the Acting Executive Director of the TSDA.

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