PUBLIC NOTICE – TIMOR SEA TREATY

Section 19 – Petroleum Mining Code - Summary Details of Production Sharing Contract for the Joint Petroleum Development Area

Parties

On 13 April 2013 Production Sharing Contract JPDA 11-106 ('PSC 11-106') was entered into between the **Autoridade Nacional do Petroléo** (ANP), Timor-Leste as the Designated Authority established under the Timor Sea Treaty and **Eni JPDA 11-106 B.V**, **INPEX Offshore Timor-Leste, LTD**; and **TIMOR GAP PSC 11-106, Unipessoal, Limitada** (collectively 'the Contractor').

Participating Interest of Joint Ventures Partners

ENI JPDA 11-106 B.V	**40.53%**
INPEX Offshore Timor-Leste, LTD	**35.47%**
TIMOR GAP PSC 11-106, Unipessoal, Limitada	**24%**

Effective Date of the PSC

The effective date of the PSC is on 23 October 2013

Exploration Period

Exploration period is divided into three contract years. The Contractor is required to fully relinquish the contract area at the end of the third contract year and only retain those declared for the development and future production in event that a commercial discovery is made.

Minimum work obligations are provided in the contract for each exploration years. These are as follows:

Contract Years 1-2
The Contractor has to undertake to drill two (2) firm exploration wells and Two (2) contingent or appraisal wells that may be drillable in Years 1, 2 or 3

Contract Years 3
The Contractor has to undertake to evaluate the exploration well results.

Production Period

In the event of a commercial discovery is made by the Contractor the ANP is required to declare a development area over the relevant parts of the contract area. Within 12 months of the declaration of a development area, the Contractor is required to submit a development plan outlining its proposals for the development of the field. Relinquishment of a development area occurs after production from the development area ceasing permanently or for a continuous period of twelve (12) months or a period of 25 years from the approval of the development plan.

Cost Recovery and Production Sharing

The first 5 percent "Royalty" revenue out of production is entitled by the ANP. The Contractor will recover its exploration, development and operating expenditures, including uplift on such expenditures, and Past Costs, from the remaining 95 percent of production.

Any production remaining after cost recovery is shared on the basis that the Contractor receives 60 percent and the ANP 40 percent of petroleum proceeds.

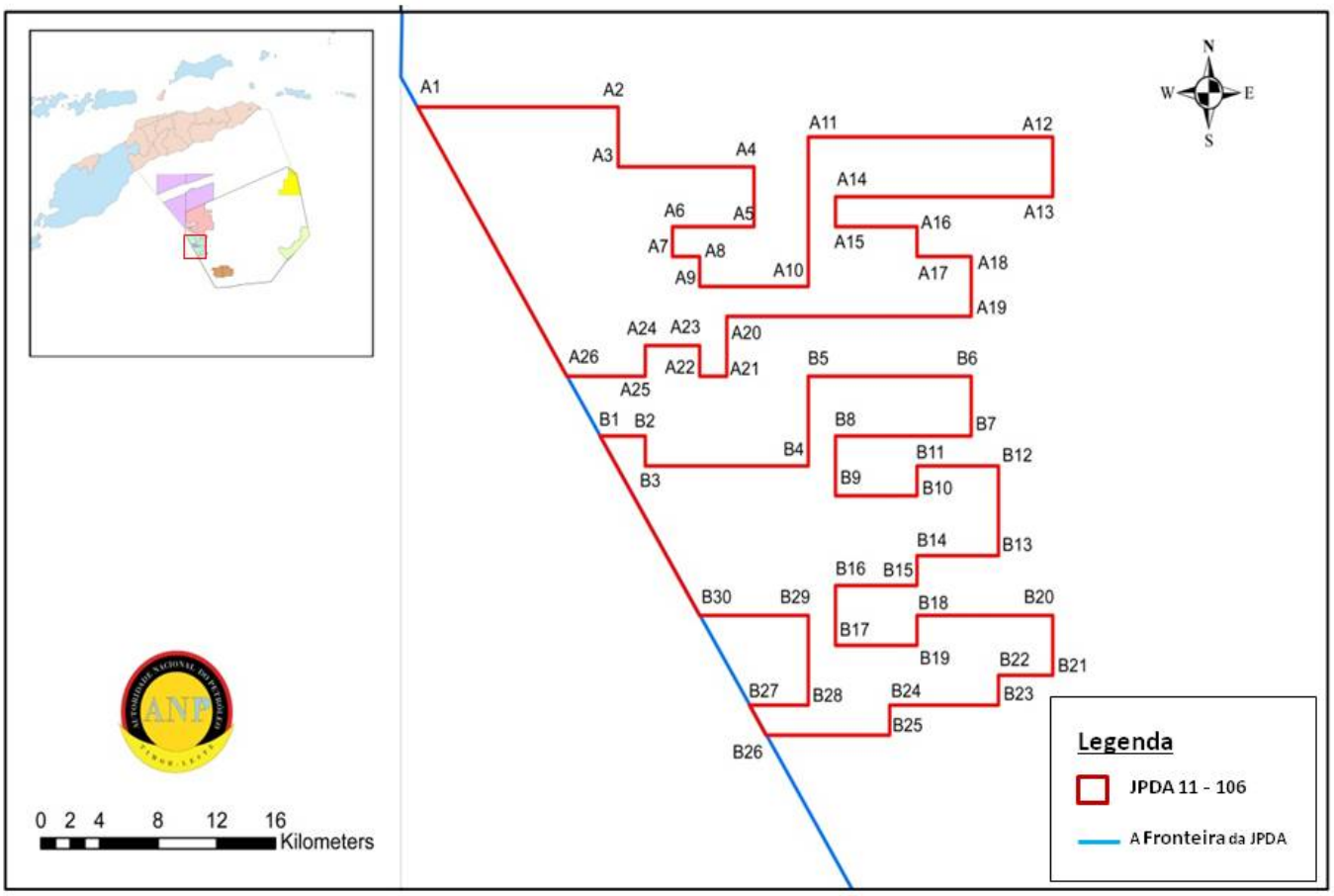
The sales revenue derived from the share of production that the ANP is entitled to, is shared, as between Timor-Leste and Australia, 90 percent and 10 percent respectively.

Local Content

The Contractor will establish a head operations office in Timor-Leste and as part of Local Content Proposal the Contractor commits to contribute at least USD 1,9 Million to the establishment of petroleum infrastructure in Timor-Leste and provide six months of Dili-based training in English, IT, HSE and Petroleum Geosciences and Engineering to Ten (10) qualified Timorese graduates, secondment to Five (5) qualified Timorese graduates during the Exploration period and additional Secondment to Five (5) qualified Timorese graduates in the event that one or more contingent wells are drilled.

The Contractor will maximise the use of Timor-Leste goods and services, which will be sourced through tender processes. Preference will be given to suppliers where price, delivery time and quality being offered are competitive and meet the minimum technical and commercial requirements set at the outset of the tender process.

Dispute Resolution

If disputes arise between the parties to PSC JPDA 11-106, and in the event such a dispute cannot be resolved by negotiation, arbitration will be conducted in accordance with the rules of the International Chamber of Commerce. The place of arbitration is Singapore and the applicable laws will be the laws of England.

A mapa da Area de Contrato - JPDA 11-106