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LATEST ANNOUNCEMENT

16 Jul 2015 - JPDA 06-103 Joint Venture

**OILEX LTD**

# Joint Petroleum Development Area

The contract area JPDA 06-103, covering an area of 1,870 km<sup>2</sup> is located in the Flamingo Trough portion of the Northern Bonaparte Basin, Timor Sea



View the  
Project Map

## PROJECT INFORMATION

### BACKGROUND

The contract area JPDA 06-103, covering an area of 1,870 km<sup>2</sup> is located in the Flamingo Trough portion of the Northern Bonaparte Basin, to the east of the Laminaria, Corallina and Kuda Tasi oil fields and to the north of the Kakatua and Elang oil fields and the giant Bayu-Undan gas condensate field.

In November 2006, Oilex (JPDA 06-103) Ltd (Operator) and the Joint Venture parties entered into a Production Sharing Contract ("PSC") with the Designated Authority for JPDA 06-103 and the PSC was signed in January 2007 (effective date 15 January 2007).

In January 2011 the ANP approved the JPDA 06-103 Joint Venture's proposal to vary the PSC work programme. Under the approved variation the decision to drill the fourth commitment well on the JPDA 06-103 PSC will be at the discretion of the Operator if the third well is unsuccessful. The ANP has also agreed that the PSC may be relinquished if the Operator and the Joint Venture parties decide not to proceed with any further exploration after the third well.

### CURRENT STATUS

In January 2013 the Autoridade Nacional do Petróleo ("ANP") advised that the current contract period for the JPDA 06-103 Production Sharing Contract ("PSC") had been extended to 15 January 2014, on the condition that the Joint Venture secured a letter of intent or a contract for a drilling rig by 15 June 2013. A Letter of Intent to Award a Contract ("LOI") for a drilling rig was lodged with the ANP by 15 June 2013. The LOI was dependent on security of tenure being resolved.



Recent developments outside the control and influence of the Joint Venture Participants

include the existence of separate unilateral rights to terminate the Certain Maritime Arrangements in the Timor Sea Treaty ("CMATS") arising in favour of both the Government of Timor Lesté and the Government of Australia, and the initiation of formal arbitration proceedings by the Timor Lesté Government against the Government of Australia to have the CMATS declared void ab initio, thereby affecting Security of Tenure. This has led to the Joint Venture Participants submitting to the ANP in July 2013, a request to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim. This request will require the consent of the Timor Sea Designated Authority. Further extension of PSC suspension to 15 January 2015 has been granted while awaiting outcome of termination in good standing application.

The Company currently has 10% equity.

