

# Eni JPDA 06-105



## Eni JPDA 06-105 Pty Ltd

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10 March 2008

Mr Gualdino da Silva  
Executive Director  
Timor Sea Designated Authority  
No. 5 Avenida de Portugal, Farol  
[PO Box 113]  
Dili Timor-Leste

Dear Sir

### **JPDA 06-105 – Contracts for Kitan-1 and Kitan-2 drilling operations**

I refer to the recent discussions between Eni and TSDA on the issue of Kitan-1 and Kitan-2 drilling operation contracts.

Further to those discussions, details of all contracts (“Contracts”) entered into by Eni for the Kitan-1 drilling and testing and the Kitan-2 drilling operations are attached.

We note that Article 10 of the PSC for JPDA 06-105 sets out certain contracting requirements which apply to all goods and services procured for Petroleum Operations.

We advise that although the vast majority of Contracts were competitively tendered, we have been unable to comply with remaining contracting requirements in Article 10 for the following reasons:

- Eni tendered for the drilling rig and drilling and associated services in late 2006 and 2007 prior to acquiring the JPDA 06-105 interest (the attached spreadsheet provides more detailed reasons in this regard for each Contract); and
- There was insufficient time to tender for the services between the time Eni acquired the JPDA 06-105 interest in September 2007 and the drilling of Kitan-1 in early January 2008.

Accordingly, Eni respectfully requests a waiver of the contracting requirements in Articles 10.1, 10.2 and 10.3 of the PSC for the Contracts.

Should you require further information, please contact Grant Ellis.

Yours sincerely,

**Alessandro Trombetti**  
Exploration Manager