

La'o Hamutuk

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La'o Hamutuk appreciates Government's intention to cancel the Pelican Paradise project¹

La'o Hamutuk appreciates the announcement by the Government of Timor-Leste to cancel the Pelican Paradise project. This decision comes in a context where the project has not progressed proportional to its initial scale and promise, while at the same time raising concerns about sustainability, corruption, violations of community rights, transparency and financial risk.

La'o Hamutuk considers this decision important to protect Timor-Leste's long-term interests, maintain institutional integrity and strengthen accountability in managing foreign investment. We encourage the Government to continue to strengthen rigorous prevention to protect Timor-Leste's people and interests.

Since this project started in 2009, there were many problematic signs, but the proponent and the Government ignored them. In September 2009, the owner of the project, Singaporean Edward Ong, tried to scam more than a billion dollars from Timor-Leste's Petroleum Fund, through a company called "Asian Champ Investment".² Six months later, workers discovered nine corpses (probably victims from Indonesia's occupation) at the project site. However, Ong planned to open a golf course by 2012.³ In 2014, the environmental authority informed La'o Hamutuk that the project was cancelled, although it already had received an environmental license.⁴ Timor-Leste should learn from this experience, and not trust investors or projects with indicators of bad faith.

Pelican Paradise restarted in 2018, when the Government approved a Special Investment Agreement (SIA) proposal of approximately \$310 million. In 2019, the project increased to approximately \$700 million in the areas of Tasi-Tolu and Tibar with an area of 558 hectares, with the aim of developing a tourist complex with a five star hotel, golf course and other infrastructure. In 2021, through Government Resolution 133/2021, the State of Timor-Leste approved the project and the SIA, showing continuing institutional responsibility to the investor.⁵ However, during the following years, project implementation did not show

¹ Iha lingua Tetum: <https://www.laohamutuk.org/econ/corruption/pelican/260402LH%20Komunikadu%20kona-ba%20Governu%20kansela%20projetu%20Pelican%20ParadiseTe.pdf>

² <https://www.laohamutuk.org/Oil/PetFund/ACI/10AsianChampInvestment.htm>

³ https://golfnewsstoriesonline.com/news/all/golf_news/east_timor_to_be_home_for_new_golf_resort.html

⁴ <https://laohamutuk.blogspot.com/2014/05/environmental-licensing-who-needs-it.html>

⁵ https://www.mj.gov.tl/jornal/public/docs/2021/serie_1/SERIE_I_No_50_A.pdf or https://www.laohamutuk.org/econ/corruption/pelican/211215JRGovRes113PelicanParadisePt_Optimized.pdf

significant progress; they only continued to renew its environmental license.⁶ Audit Report 1/2024 by Timor-Leste's Chamber of Accounts identified problems with rent exemptions granted to Pelican Paradise.⁷

Pelican Paradise invested in education by launching an international school in Dili, known as Pelican Grammar School, which opened in January 2024. In 2025, the company asked the State to deposit about \$180 million. Finally, on 23 March 2026 the Government announced its intention to cancel the project, although the company rejects this, referring to parts of the contractual obligation not being fulfilled.

Timor-Leste's experience shows a recurrent pattern of promised investments that raise concerns about good faith, corruption, feasibility, transparency and credibility. This shows the need to strengthen the external investment management system. Structural problems include inadequate "due diligence," great promises but limited implementation, lack of contract transparency, and ineffective institutional coordination.

Foreign investment is important, but we need to be certain that Timor-Leste continues to have a stable system, clarity and accountability. Unclear or unsustainable projects can affect the confidence of serious investors and increase the risk of international legal disputes.

La'o Hamutuk recommends that Timor-Leste continue to strengthen public investment management through strict verification, proof of independent financial capacity and contractual transparency. This strategy will help protect public resources, reduce risks and increase confidence in sustainable investments.

La'o Hamutuk will continue to support efforts to promote international transparency, accountability and good practice to ensure that foreign investment is contributing to sustainable development and benefits for the people of Timor-Leste.

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⁶ <https://www.laohamutuk.org/Env/18EnvRegistry.htm#Pelican>

⁷ https://www.tribunais.tl/wp-content/uploads/2024/12/Relatorio_Auditoria_Receitas_MJ_final.pdf or https://www.laohamutuk.org/econ/corruption/pelican/Relatorio_Auditoria_Receitas_MJ_final_Optimized.pdf