TIMOR-LESTE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (TL-EITI)

INDEPENDENT RECONCILIATION REPORT FOR THE YEAR 2012

June 2015

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LIST OF ABBREVIATIONS	
APT	Additional Profit Tax
BOE	Barrel of Oil Equivalent
BPA	Banking and Payments Authority
CBTL	Central Bank of Timor-Leste
EITI	Extractive Industries Transparency Initiative
ESI	Estimated Sustainable Income
ETRS	East Timor Revenue Services
FTP	First Tranche Petroleum
GDP	Gross Domestic Product
GDS	General Directorate of Statistics
Govt	Government
IA	Independent Administrator
IFAC	International Federation of Accountants
IPMC	Interim Petroleum Mining Code
ISRS	International Standards on Related Services
IUA	International Unitisation Agreement
JC	Joint Commission
JPDA	Joint Petroleum Development Area
LNG	Liquefied Natural Gas
MOU	Memorandum of Understanding
MPRM	Ministry of Petroleum and Mineral Resources
MSG	Multi-Stakeholder Working Group
NDPMR	National Directorate Petroleum and Minerals Revenue
NPA	National Petroleum Authority
O&G	Oil & Gas
PF	Petroleum Fund
PMC	Petroleum Mining Code
PSC	Production Sharing Contract
RDTL	Democratic Republic of Timor-Leste
SERN	Secretary of State for Natural Resources
SOE	State-Owned Enterprise
SPT	Supplemental Petroleum Tax
TCF	Trillion Cubic Feet
TDA	Taxes and Duties Act
TLEA	Timor-Leste Exclusive Area
TOR	Terms of Reference
TSDA	Timor Sea Designated Authority
TST	Timor Sea Treaty

LIST OF ABBREVIATIONS	
UNTAET	United Nation Transition Administration in East Timor
VAT	Value Added Tax
WHT	Withholding Tax
ZOCA	Zone Cooperation Area

Message

The TL EITI 2012 Report is Timor Leste's first attempt to produce its EITI report according to the new EITI standard.

It comes with an outlook of the country's economy, it introduces some figures regarding Timor Leste's sand and gravel mining industry. Timor Leste's SOE, Timor Gap, is introduced for the first time in this report. The Companies' local content and social responsibility efforts are also detailed in this report.

This report was also marked by differences within the MSG which required intense discussions causing significant delays in the process of producing this report.

As a means to overcome some of the concerns by members of the MSG, Confidentiality Agreements (CA) were required to be signed between the Reconciler and the companies. These CA may need the attention of the EITI International Board to ensure that the nature of these CA are not circumventing the requirements of the new standard.

Congratulations to all who participated in producing Timor Leste's 5th EITI Report.

Alfredo Pires

Alfredo Pires

Minister of Petroleum and Mineral Resources

1. INTRODUCTION

1.1. Background

The Democratic Republic of Timor-Leste (RDTL) Extractive Industries Transparency Initiative Reconciliation exercise covering the period from 1 January to 31 December 2012, was carried out by Moore Stephens in accordance with our Service Contract dated 18 September 2014 and as approved by the Multi-Stakeholder Working Group (MSG).

It is the fourth Reconciliation Report since RDTL became an EITI compliant country on 1 July 2010. To date four (4) annual EITI Reports have been published covering the period from 1 January 2008 until 31 December 2011. A summary of the reports is shown below:

Year Covered	Date of signature	Sectors Covered	Government Revenues (USD million)	Company Payments (USD million)	Number of Companies Reporting	Reconciler
2008	October 2009	Oil & Gas	2,510	2,510	16	Deloitte
2009	February 2011	Oil & Gas	1,764	1,764	17	Deloitte
2010	December 2012	Oil & Gas	2,150	2,150	20	Moore Stephens LLP
2011	December 2012	Oil & Gas	3,453	3,453	20	Moore Stephens LLP

Timeline

The MSG should undertake the validation process no later than 1 October 2015. The following table summarises the timeline of the EITI in RDTL:

Year	Detail
2003	Government of RDTL announces Commitment to EITI.
2004	Production begins at Bayu Undan oil well.
2005	Petroleum Fund of RDTL established by Law n°9-2005.
2006	Government invites formation of EITI Working Group.
2007	First meeting of EITI Working Group.
2008	ANP established by Law n°2-2008.
2008	EITI Secretariat established.
2008	RDTL becomes Candidate country.
2009	2008 EITI Report published.
2009	EITI Guidelines finalised by EITI Working Group.
2010	RDTL Designated Compliant country.
2011	2009 EITI Report published.
2012	2010 EITI Report published.
2012	2011 EITI Report published.
Oct. 2015	Deadline for next Validation.

1.2. Objective of the assignment

The assignment consisted of a detailed reconciliation of the payments made and declared by the extractive sector (hereafter referred to as “Companies”) with the revenue data provided by various entities and Entities of the Government of RDTL (hereafter referred to as “Government Entities”).

The overall objective of the reconciliation exercise was to help the Government of RDTL, and other relevant stakeholders, to determine the contribution that the extractive sector is making to the country’s economy and social development, and this to improve transparency and responsibility in the extractive resources sector.

1.3. Nature and extent of our work

The Reconciliation was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures performed were those set out in the Terms of Reference (TOR) annexed to the Service Contract referenced RFP/01/MPRM-2014 and approved by the MSG.

We set out our findings in this report and associated appendices. The reconciliation procedures carried out were not designed to constitute an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result we do not express any assurance on the transactions beyond the explicit statements set out in this report. Had we performed additional procedures other matters might have come to our attention that would have been reported.

The report provides a brief background, scope and objectives, our methodology and approach to the reconciliation process. It then provides details of our findings, recommendations for improvement and the way forward for the reconciliation process.

Our report incorporates information received up to and including 29 January 2015 relating to the year ended 31 December 2012. Any information received after this date is not included in our report. Confirmations which did not affect data or reconciliations that were received subsequently, have been included.

2. EXECUTIVE SUMMARY

2.1. Limitations to the reconciliation exercise

The work to be undertaken is set out in the TOR for the engagement. It includes obtaining contextual information from Government Entities. However, during our work we were unable to obtain the following information related to the extractive sector in RDTL:

- Lack of data with regards to employment in the extractive industry in absolute terms and as a percentage of total employment;
- Lack of data with regards to Oil & Gas production by commodity; and
- Lack of data with regards to projected production of Oil & Gas.

However, and except for the effects of the matters described above, we can reasonably conclude that our Report duly covers all other aspects of the EITI Standard.

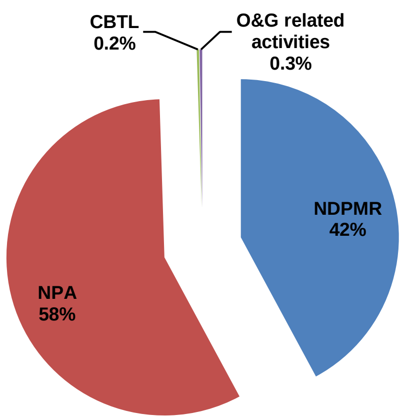
2.2. Revenue generated from extractive sector

RDTL revenues generated from the Extractive Sector increased by **USD 330 Million** or **10%,** from **USD 3,254 Million** in 2011 to **USD 3,583 Million in 2012**.

The table below shows the split by type between 2011 and 2012:

Revenues generated from Extractive Sector	2012	2011	Variance	
	USD Million	USD Million	USD Million	%
National Directorate Petroleum and Minerals Revenue (NDPMR)	1,600	1,320	280	21%
National Petroleum Authority (NPA)	2,181	2,125	56	3%
Central Bank of Timor-Leste (CBTL)	9	8	1	13%
Revenues generated from Oil & Gas extractive activities	**3,790**	**3,453**	**337**	**10%**
Revenues generated from Oil & Gas related activities (non extractive)	10	13	(3)	-23%
Revenues generated from Oil & Gas Sector	**3,800**	**3,466**	**334**	**10%**
Revenues generated from Mining Sector	0.04	0.03	0.01	47%
Revenues generated from Extractive Sector	**3,800**	**3,466**	**334**	**10%**
Part of the revenue allocated to Australia[1]	(217)	(213)	(5)	2%
Part of the revenue allocated to RDTL	**3,583**	**3,254**	**330**	**10%**

This variance is mainly explained by the increase of payments received by NDPMR during 2012 **(+USD 280 Million)** especially through additional taxes[2] which increased by **USD 214 Million**. We noted that the structure of the Extractive sector's Revenues is nearly the same as that of 2011. The diagram below shows the split of Extractive Sector Revenues received during 2012:



[1] According to the Timor Sea Treaty (TST) governing the Joint Petroleum Development Area (JPDA), Australia shall have title to 10% of petroleum produced in JPDA. Please refer to section 4.1.2.
[2] The additional taxes include other tax assessments and penalties.

2.3. Oil & Gas Production Data

Oil and Gas produced have increased by **5,609,892 barrels** or **8.1%** between 2011 and 2012. The table below summarises the Oil & Gas production during 2011 and 2012 split by field[1]:

Field	2012	2011	Variance	
	Barrel (BOE)	Barrel (BOE)	Barrel (BOE)	%
Bayu Undan	60,866,794	65,954,265	(5,087,471)	-7.7%
Kitan	13,600,218	2,919,088	10,681,130	365.9%
Total	**74,467,012**	**68,873,353**	**5,593,659**	**8.1%**

The total production increased between 2011 and 2012 thanks to Kitan field which started production on 11 October 2011. We noted a decrease in Bayu Undan production, largely attributable to a planned maintenance outage in 2012.

Production "In Kind"

Unlike other countries, production allocated to host country can be In-Kind, RDTL entitlement to production sold is in Dollar terms.

Value of production

Value of Production in barrel of equivalent is determined based on the average realised price in 2012 against the total volume produced for the relevant financial year.

It is important to note that value of production is a rough estimate derived from total production multiplied by average price, it provides an indicative value only. The actual revenues collected is presented in Section 2.2 of this report.

NPA has published in its website Lafaek Database that contains information in relation to Bayu-Undan and Kitan field production, contracts, etc. This information is publicly accessible.

2.4. Completeness and accuracy of data

- A schedule of payments made to Government Entities, broken down by company was used as the basis for our reconciliation. All payments have been selected and approved by the MSG were included in the reconciliation.
- The list of the extractive companies selected by the MSG for the 2012 reconciliation exercise included 20 Oil and Gas companies.
- 17 Oil and Gas companies included in the reconciliation scope have retuned their reporting templates. They are listed as follows:

Oil and Gas companies	
Woodside Petroleum	Oilex Ltd
Eni JPDA 03-13 Ltd	ConocoPhillips (Timor Sea) Pty Ltd
Eni JPDA 06-105 Pty Ltd	ConocoPhillips (03-12) Pty Ltd
Eni Timor Leste S.p.A.	ConocoPhillips (03-13) Pty Ltd
Talisman Resources (JPDA 06-105) Pty Ltd	ConocoPhillips (03-19) Pty Ltd
Tokyo Timor Sea Resources	ConocoPhillips (Emet) Pty Ltd
Inpex Sahul Ltd	ConocoPhillips JPDA Pty Ltd
Inpex Timor Sea Ltd	AusAid
Santos JPDA (91-12) Pty Ltd	

[1] Source: NPA.

- 3 Oil and Gas companies included in the reconciliation scope have not returned their reporting templates. They are listed as follows:

Oil and Gas companies	
Reliance Exploration & Production	Minza Oil and Gas Ltd
Japan Energy Corporation	

- All Government Entities included in the reconciliation scope have returned their reporting templates.
- On this basis, we can reasonably conclude that this Report duly covers all significant payments made, in 2012, by the extractive companies to the revenues of RDTL.

2.5. Payment Reconciliation

- The net difference between the payments declared by Oil and Gas companies and Government Entities, at the beginning of the reconciliation amounted to **USD (20,130,037)** or **0.53%** of the total amount declared by the Government, which is detailed as follows:

Amounts in USD

	Oil and Gas companies	Government Entities	Difference	%
Total payments declared	**3,766,808,872**	**3,786,938,909**	**(20,130,037)**	**-0.532%**

- At the end of our reconciliation, the remaining net differences amounted to **USD (235,365)** or **0.001%** of the total payments declared by the Government. This difference relates to reporting templates not submitted by extractive companies.

Amounts in USD

	Oil and Gas companies	Government Entities	Difference	%
Total payments declared	**3,789,307,910**	**3,789,543,275**	**(235,365)**	**-0.001%**

- After adjustment, the net difference of **USD (235,365)** represents the aggregate of the positive differences amounting to **USD 3,201** and the negative differences of **USD (238,566)** which are detailed in Section 6.4 of this report.
- Details of adjustments made to the reporting entities' initial amounts and the unresolved residual differences are presented in Sections 6.3 of this report.
- We present in the tables below a summary of the unreconciled differences by company after the reconciliation work:

Amounts in USD

Company	Oil and Gas companies	Government Entities	Difference
Minza Oil and Gas Ltd	-	176,842	(176,842)
Japan Energy Corporation	-	33,865	(33,865)
Reliance Exploration & Production	-	26,577	(26,577)
Non material differences relating to others companies	3,789,307,910	3,789,305,991	1,918
Total payments	**3,789,307,910**	**3,789,543,275**	**(235,365)**

The unreconciled differences is mainly due to companies that failed to submit their reporting template despite several reminders.

- We present in the table below a summary of the unreconciled differences by payment and by Government Entity after the reconciliation work:

Amounts in USD

Revenue stream	Oil and Gas companies	Government Entities	Difference
National Directorate Petroleum and Minerals Revenue (NDPMR)	**1,599,985,963**	**1,600,142,732**	**(156,768)**
Income Tax	781,512,843	753,993,293	27,519,550
Value Added Tax (VAT)	17,951,684	17,998,392	(46,708)
Withholding Taxes	29,730,955	18,379,423	11,351,532
Additional Profit Tax (APT)	535,106,585	535,106,225	360
Other taxes (Employee wages)	8,576,007	8,598,322	(22,315)
Additional Taxes	227,107,888	266,067,076	(38,959,188)
National Petroleum Authority (NPA)	**2,180,687,547**	**2,180,766,143**	**(78,597)**
FTP Royalty : Oil / Gas & Profit Oil / Gas	2,174,667,172	2,174,665,768	1,403
JPDA - Development Fee	4,897,750	4,897,750	-
JPDA - Contract Service Fee	880,000	960,000	(80,000)
TLEA - License / Surface Rental Fee	242,625	242,625	-
Central Bank of Timor-Leste (CBTL)	**8,634,400**	**8,634,400**	**-**
Pipeline fee (AusAid)	8,634,400	8,634,400	-
Total Basic payments	**3,789,307,910**	**3,789,543,275**	**(235,365)**

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24 June 2015

3. APPROACH AND METHODOLOGY

Prior to requesting data for the 2012 reconciliation process, we carried out a review of the scope of the EITI Report approved by MSG. We also prepared written instructions explaining how to complete and submit the reporting templates.

3.1. Opening meeting

Our assignment started on 22 September 2014 by an opening meeting with the RDTL-EITI Secretariat during which we were able to:

- discuss the objectives of the assignment;
- request all documents and information required for the scoping work;
- schedule all interviews to be conducted with key people of Government Entities and extractive companies.

3.2. Inception Phase

In accordance with our terms of reference, we carried out a preliminary analysis of the EITI reporting process to ensure that the scope was been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report. Our work included a review of the following:

- materiality threshold for receipts and payments;
- taxes and revenues to be covered;
- companies and Government Entities required to report; and
- assurances to be provided by reporting entities to ensure credibility of the data made available to us.

3.2.1. Meetings with Authorities and Companies

We conducted interviews with key officials of Government Entities and companies. During these meetings, we explained that this phase would involve understanding and documenting the size of RDTL Extractive industries, established practices and tax system and the payment flows within the extractive industry as well as the identification of all extractive companies and Government Entities involved.

In addition, we were able to identify the various taxes paid by the extractive companies, the nature of the information available within the various administrations and procedures implemented. Administrations and public entities contacted in this regard are as follows:

Organisation	Name	Function
RDTL-EITI Secretariat	Elda Guterres da Silva	National Coordinator
	Trifonio Flor Sarmento	Outreach Officer
	Ana Paula de Araujo	Assistant Administration
	Sonia do Rosario Boavida	Administration Officer
Ministry Petroleum and Mineral Resources (MPMR)	Alfredo Pires	Minister of Petroleum and Mineral Resources
	Elga Anita Torrezao Pereira	Director National of Mineral
National Petroleum Authority (NPA)	Emanuel Angelo Lay	Commercial Director
	Oscar Sanches Faria	Senior Officer - Finance & Fiscal Assurance
National Directorate Petroleum and Minerals Revenue (NDPMR)	Agostinho Gregorio Ramos	Senior staff and Head of Compliance Department
	Filipe Nery Bernardo	Petroleum Fund Analysis
Central Bank of Timor-Leste (CBTL)	Fernando da Silva Carvalho	Chief Accountant
General Directorate of Statistics (GDS)	Paulina Rita Cruz Viegas	National Director of Economic and Social Statistics

We also held meeting with major operating companies in the Oil and Gas sector in RDTL and discussed on the type of payments made to the Government and the procedures implemented for preparation of tax declarations and collecting tax receipts. We also reviewed the problems encountered during the reconciliation work during previous years in order to ensure that the information requested in the reporting template would be available.

Companies visited during our inception phase are as follows:

Organisation	Name	Function
Woodside	Antonio Campos dos Santos	Country Representative and Community Relations Advisor
Eni	Angelina Baptista Branco	Country Representative
TIMOR-GAP	Luis Martins	Director of Business & Development
	Jacinta Paula Bernardo	Director of Corporate Service
	Francisco Alegria	Public Relation Advisor to the President & CEO

3.2.2. Data collection and analysis

Following interviews held with the entities referred to above, we obtained data which formed the basis of our preliminary analysis for the extractive sector in RDTL.

In order to understand and document the size of RDTL extractive sector, the tax systems and the payment flows, we collected relevant documents and gained an understanding of the following:

- the legislation applicable to the extractive sector;
- the structure of the extractive sector in RDTL, define its size and main stakeholders;
- statistics and financial indicators of the extractive sector in terms of production and contribution in RDTL's revenue performance;
- all changes which occurred during the reconciliation period with regards to legislation, new contracts or agreements that could impact the extractive sector; and
- the main conclusions and issues raised in the previous reconciliation reports.

In order to identify all payment flows as well as relevant entities in the extractive sector, we carried out the following:

- collection of all receipts made by the State from companies operating in the extractive sector;
- reconciliation of data collected from a sample of extractive companies with those provided by Government Entities;
- checking the list of companies included in the reconciliation scope of previous years to ensure comparability between all fiscal years;
- consolidation of revenues collected by Government Entities by type of flow and by company; and
- calculation of the impact of the consolidation results on the materiality analysis.

3.3. Reconciliation process

3.3.1. Data Gathering

A Reporting Template was prepared and approved by the MSG was sent to extractive companies and Government Entities to report all required data. This reporting template was sent by the Independent Reconciler electronically to the stakeholders. The companies and Government Entities were required to report directly to the reconciler, to whom they were also requested to direct any questions on the reporting template.

3.3.2. Data compilation and resolution of differences

The process of compiling data and resolving or justifying differences was carried out during November and December 2014. In carrying out the reconciliation, we performed the following procedures:

- figures reported by Oil and Gas companies were compared item-by-item to figures reported by Government Entities. As a result, all differences identified have been listed item-by-item in relation to each Government Agency and extractive company;
- where data reported by Oil and Gas companies agreed with the data reported by Government Entities, the Government figures were considered to be confirmed and no further action was undertaken; and
- the Government Entities and the Companies were asked to provide supporting documents and/or confirmation for any adjustments to the information provided on the original data collection templates.

In cases where we were unable to resolve differences, we asked additional supporting documentation evidencing the payments declared. In certain cases, these differences remained unresolved, which we have summarised in Section 6.4 of this report.

3.4. Reliability and credibility of EITI data

In order to comply with EITI standard and to ensure the reliability and credibility of data submitted:

- companies and Government Entities were requested to send their reporting templates signed by a Senior Official attesting that the reporting template is complete and based on accurate records; and
- all revenues declared by Government Entities were checked with different audit reports produced in relation to the Oil Sector in RDTL.

On this basis, we can reasonably conclude that this Report includes reliable and credible information about the revenues generated by the extractive sector in Timor-Leste.

3.5. Basis of reporting

The reconciliation has been carried out on a cash basis. Accordingly, payments made prior to 1 January 2012 have been excluded. The same applies to payments made after 31 December 2012.

4. OVERVIEW OF THE EXTRACTIVE SECTOR IN RDTL

4.1. Oil and Gas sector

4.1.1. Background and profile of the Oil and Gas sector in RDTL

The RDTL officially obtained its independence on 20 May 2002. RDTL's independence resulted from the August 1999 UN-sponsored referendum. Prior to 2002, the administration of RDTL was taken over by the UN through the United Nation Transition Administration in Timor-Leste (UNTAET). During the transition period, UNTAET represented RDTL's government to renegotiate the sharing of petroleum resources of the Joint Petroleum Development Area (JPDA).

In 2003, RDTL and Australia established Timor Sea Treaty (TST) that provides the framework for all petroleum exploration and development in JPDA. TST provides that upstream taxation revenue from petroleum production in JPDA is split between Timor-Leste and Australia on a 90/10 basis.

TST created the Joint Commission (JC) to establish policies and regulations for petroleum activities in JPDA, together with the creation of the Timor Sea Designated Authority (TSDA). It was then replaced by the Zone Cooperation Area (ZOCA) under the Timor Gap period.

TSDA was headed by an Executive Director to administer the petroleum activities in JPDA. The Joint Commission comprises a minimum of one Australian representative and two Timorese representatives.

The National Petroleum Authority (NPA) was established by Decree n°20/2008. This public institute manages all petroleum explorations and exploitations in both jurisdictions namely JPDA and TLEA (Timor-Leste Exclusive Area).

4.1.2. Legal context

RDTL Oil and Gas sector consists of two (2) different jurisdictions with relevant legal framework: TLEA and JPDA.

The table below summarises the legal framework for each jurisdiction:

Jurisdiction	TLEA	JPDA
Overview	TLEA refers to the Territory of RDTL as defined by the Petroleum Act (Law No.13/2005) of RDTL. This Law provides that the petroleum operations in the territorial sea, together with its exclusive economic zone and continental shelf where, by international law, RDTL has sovereign rights for the purposes of exploring for and exploiting its Petroleum but excluding any onshore area.	The TST between the Governments of RDTL and Australia in 2002 established the JPDA in the Timor Sea. Under the Treaty RDTL and Australia jointly control, manage and facilitate the exploration and exploitation of the petroleum resources in the JPDA for the benefits of the people of RDTL and Australia.
Main legal framework for petroleum operations	1. Petroleum Activities Law (Law N°13/2005) 2. National Petroleum Authority (NPA) (Decree-Law N°2/2008) 3. Public Tendering in Respect of Petroleum Contracts Award (Decree-Law N°7/2005)	1. TST 2. Interim Petroleum Mining Code (IPMC) 3. Petroleum Mining Code (PMC) 4. Interim Regulations issued under Article 37 of the Interim Petroleum Mining Code 5. Interim Directions issued under Article 37 of the Interim Petroleum Mining Code 6. Interim Administrative Guidelines for the JPDA 7. Greater Sunrise - International Unitisation Agreement 8. Greater Sunrise - Memorandum of Understanding
Existing Production Sharing Contracts (PSCs)	TLEA PSC S-06-03 (Contract Area C) / TLEA PSC S-06-04 (Contract Area D) / TLEA PSC S-06-05 (Contract Area E)	JPDA PSC 06-101 A / JPDA PSC 06-103 / JPDA PSC 06-105 / JPDA PSC 11-106 / JPDA PSC 03-12 / JPDA PSC 03-13 JPDA PSC 03-19 / JPDA PSC 03-20

National Petroleum Authority (NPA) (Decree N°2/2008)[1]

Considering that petroleum resources owned by RDTL are a strategic component of its economy, and have potentially high economic value, if these resources are managed properly, they will generate significant revenues and direct benefits to the economy of the country. The RDTL Government created NPA in order to establish and supervise compliance with the enacted rules and regulations covering the exploration, development, production, transportation and distribution of petroleum and natural gas resources.

NPA is a public institute vested with administrative and financial autonomy, a budget and property rights of its own, that abides by the regulatory framework regulating the financial administration of autonomous self-financed institutions. NPA's objective is to act as the regulatory authority for petroleum and gas and related products industry, in accordance with the provisions of the Petroleum Activities Law, PMC and TST.

NPA has been preparing offshore technical regulation for TLEA area to ensure proper guideline on Health Safety and Environment and Safe operation. On the Downstream sector, NPA also finalised Downstream Decree Law, Regulation related to downstream business.

Most activities regarding drilling had been carried out in 2010 and 2011. In 2012, no significant exploration was carried by operators in both jurisdictions. Operators in both areas of jurisdiction were mostly concentrated on 3D seismic, Geological and Geophysical studies.

NPA Lafaeak Database has been publically accessible since 2008 which contains information on contract, coordinates of license area, duration of license including production data on weekly update. For contract disclosure purpose, NPA website is publicly accessible.

Public Tendering in Respect of Petroleum Contracts Award in TLEA

Decree N°7/2005 establishes the general procedures for conducting public tenders in respect of the award of contract areas and entering into petroleum contracts. The table below summarises the main provisions of the Decree-Law on Public Tendering in Respect of Petroleum Contracts Award:

Reference	Main provisions / Details
Article 3 Petroleum contract	1. Petroleum contracts to be entered into with selected companies and/or groups of companies shall take the form of Production Sharing Contracts. (PSC)
Article 4 Bidding	1. The companies and/or groups of companies shall be selected on the basis of submitted bids.
Article 6 Advertising by public notice	1. The launch of a public tender in respect of petroleum contract awards shall be advertised by a provisional public notice, to be published in the Official Gazette, and in the media as the Minister of Natural Resources, Minerals and Energy Policy deems it appropriate, no later than 15 days before the launch of such a tender. 2. The final and definitive notice, which shall also be published in the Official Gazette, and in the media as MPRM[2] deems it appropriate, shall be published no later than 45 days before the deadline for submitting bids.
Article 8 Assessment Committee	1. The assessment of submitted bids shall be made by an Assessment Committee ("the Committee") consisting of an odd number of members, not fewer than 5 and not more than 9. 2. Committee members are appointed by MPRM and include the Director of Petroleum, Gas and Energy. 3. Committee decisions are made in a plenary session by a majority vote, with a two-thirds quorum requirement.
Article 12 Notification and publication	1. The results of the assessment of bids are notified to the bidders within 3 business days of the date of approval of the report. 2. The decision approving the report, a brief note on the results of the assessment of bids and a substantial summary of the report shall be published in the Official Gazette, and in the media as MPRM deems it appropriate, within 10 business days of the date of approval.

[1] Source: Decree-Law n°2/2008 related to NPA.

[2] Previously Known as Minister of Natural Resources, Minerals and Energy Policy (MNRMEP)

Reference	Main provisions / Details
Article 13 Challenge	1. Bidders for a given a contract area may file a claim against the approval decision regarding that contract area with MPRM, and the right to do so must be exercised within 10 business days of the date of the publication. 2. The claim shall be filed in writing, together with an indication of the grounds therefor. 3. All other bidders for the contract area shall be notified of the contents of the claim in order that they may, if they so wish, make a pronouncement within 5 business days of receiving the notice. 4. A decision regarding the claim shall be made within 10 business days of the date of expiry of the deadline mentioned in sub-article 13.3, with an indication of the grounds therefor and covering any claims and/or allegations that may have been made by other bidders. 5. The decision referred to in sub-article 13.4, and the grounds therefor, are published in the Official Gazette, and in the media as the MPRM deems it appropriate, within 15 business days of the date the decision is made.

Timor Sea Treaty (TST) governing the Joint Petroleum Development Area (JPDA)

TST was signed on 20 May 2002 and established the JPDA. RDTL and Australia shall jointly control, manage and facilitate the exploration, development and exploitation of the petroleum resources of JPDA for the benefit of the people of RDTL and Australia. The table below summarises the main articles related to TST:

Reference	Main provisions / Details
Article 4: Sharing of petroleum production	RDTL and Australia shall have title to all petroleum produced in JPDA of which **90%** shall belong to Timor-Leste and **10%** shall belong to Australia.
Article 22: Duration of the Treaty	TST shall be in force until there is permanent seabed delimitation between RDTL and Australia or for **50**[1] years from the date of its entry into force, whichever is sooner. This Treaty may be renewed by agreement between RDTL and Australia.

Interim Petroleum Mining Code (Interim PMC)

The Interim PMC regulates petroleum activities in JPDA. Despite the fact that the PMC was established, the Interim PMC continues to regulate the following PSCs:

PSC	Operator	Expiry Date[2]
03-12	ConocoPhillips	06/02/2022
03-13	ConocoPhillips	17/12/2021
03-19	Woodside Petroleum	03/10/2026
03-20	Woodside Petroleum	15/11/2026

The table below summarises the main articles related to the interim PMC:

Reference	Main provisions / Details
Article 4 Rights conferred by contract	PSC shall also specify within 30 days after the end of each calendar year, adjustments and cash settlements between the contractor and the Designated Authority shall be made on the basis of the actual quantities, amounts and prices involved, in order to ensure that the Designated Authority receives the correct share of petroleum production for each calendar year.
Article 17 Approval to produce petroleum	The contract operator shall not construct any production structures without the approval of the Designated Authority. The Designated Authority shall not unreasonably withhold approvals.
Article 18 Approval to construct pipeline	The contract operator shall not construct a pipeline for the purpose of conveying petroleum within or from JPDA without the approval of the Joint Commission (JC), nor shall the contract operator operate or remove that pipeline without the approval of the JC.
Article 32 Prospecting approval	The Designated Authority may issue a prospecting approval to any person to carry out petroleum exploration activities in blocks not in contract areas. The prospecting approval shall specify those conditions to which the person shall be subject. The conditions of a prospecting approval shall not include any preference for or rights to enter into a contract over those blocks. All data reports resulting from such activities shall be submitted to the Designated Authority for its own free use.
Article 41 Auditing of contractor's books and accounts	The contractor's books and accounts shall be subject to audit by the Designated Authority, which shall be conducted annually. The Designated Authority may issue regulations and directions with respect to the auditing of books and accounts.

[1] This duration was initially for 30 years. However it was extended to 50 years by the Certain Maritime Arrangements in the Timor Sea (CMATS), Article 3.

[2] Source: Interim Petroleum Mining Code, Article 7.

Reference	Main provisions / Details
Article 48 Termination of contracts	Where the contractor has not complied with the provisions of this PMC, the regulations and directions issued by the Designated Authority, or the terms of the contract, the Designated Authority may recommend to the JC that the contract be terminated. The Designated Authority shall give 30 days' written notice to the contractor of the Designated Authority's intention to recommend termination of the contract.

Petroleum Mining Code (PMC)

PMC was adopted in accordance with Article 7(a) of TST to govern the exploration, development and exploitation of Petroleum within JPDA, as well as the export of Petroleum from JPDA. PMC repealed the Interim PMC which continues to apply only in relation to PSC referred to above.

The contracts awarding process is similar to that provided by the Interim PMC but with the changes cited below:

- the applicant's proposals must be in respect of Health, Safety and the Environment ; and
- the applicant's proposals must be in respect of Training and Employment, and Local Goods and Services.

Otherwise, PMC does not give figures for fees contrary to the Interim PMC.

Greater Sunrise - International Unitisation Agreement (IUA)

The Greater Sunrise IUA regulates petroleum activities in the Unit Area and Unit Reservoirs[1]: Sunrise and Troubadour deposits, collectively known as Greater Sunrise).

The table below summarises the main articles related to the Greater Sunrise IUA:

Reference	Main provisions / Details
Article 7 Apportionment of Unit Petroleum	Production of Petroleum from the Unit Reservoirs shall be apportioned between JPDA and Australia according to the Apportionment Ratio **20.1 / 79.9**, with **20.1** respectively.
Article 4 Application of Laws	(a) TST shall be deemed to apply to petroleum activities within JPDA and petroleum activities attributed to JPDA pursuant to the Apportionment Ratio; (b) Australian legislation shall be deemed to apply to petroleum activities attributed to Australia pursuant to the Apportionment Ratio.
Article 11 Taxation Applying in relation to Unit Property	For the purposes of company taxation, resource taxation, cost recovery and production sharing in relation to Unit Property: (a) receipts and expenditures for that part of production attributed to JPDA in accordance with the Apportionment Ratio shall be taxed in accordance with arrangements specified in the Timor Sea Treaty and elsewhere in the IUA; (b) receipts and expenditure for that part of production attributed to Australia in accordance with the Apportionment Ratio shall be taxed in accordance with Australia's domestic taxation arrangements.
Article 12 Development Plan	Production of petroleum shall not commence until a Development Plan for the effective exploitation of the Unit Reservoirs, which has been submitted by the Unit Operator and contains a programme and plans agreed in accordance with Joint Ventures' Agreements, has been approved by the Regulatory Authorities. The Unit Operator shall submit copies of the Development Plan to the Regulatory Authorities for approval.

Greater Sunrise - Memorandum of Understanding (MOU)

The Greater Sunrise MOU sets the fees value relating to the Unitisation of the Greater Sunrise which the Government of Australia will transfer to the Government of RDTL. These fees are set out in the table below[2]:

Fee Due Date	Fee in USD	Note	Frequency	Comment
At the beginning of installation of	1,000,000	In freely disposable United States	Per annum	The transfer of this sum will commence in the year in which installation of facilities in the Unit Area for the

[1] Unit Area and Unit Reservoirs mean the area described in Annex I of the Greater Sunrise - International Unitisation Agreement (IUA).

[2] As per NPA, no revenues were received from the Australian government until now

Fee Due Date	Fee in USD	Note	Frequency	Comment
facilities in the Unit Area		currency free of exchange and service charges.		purposes of production begins or five years before production from the Unit Area is scheduled under the Development Plan. This transfer continues each year thereafter, up to and including the year in which production from the Unit Area begins.
At the beginning of production in the Unit Area	10,000,000	In freely disposable United States currency free of exchange and service charges.	Per annum	The transfer of this sum will commence in the calendar year in which production from the Unit Area begins, and continue each year thereafter up to but not including the calendar year in which production from the Unit Area ceases.

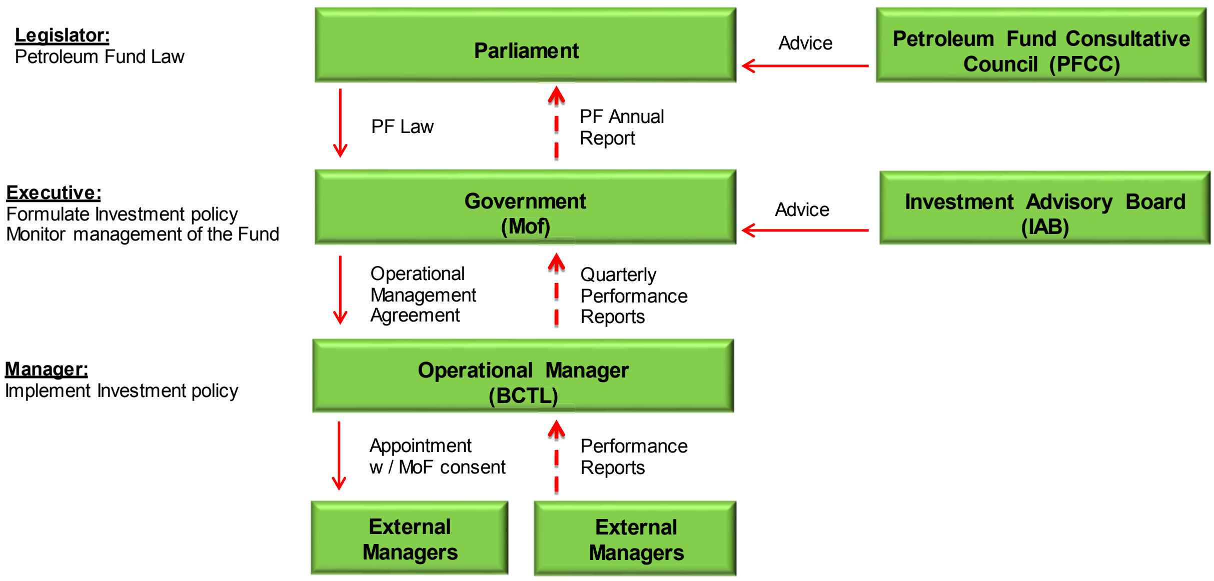
Petroleum Fund (PF)

The PF was established in 2005 in the context of RDTL's Constitution through its Article 139 related to natural resources. The Petroleum Fund shall contribute to wise management of petroleum resources for the benefit of both current and future generations. It shall be a tool that contributes to sound fiscal policy, where appropriate consideration and weight is given to the long-term interests of Timor-Leste's citizens[1].

The table below summarises the main articles related to the PF Law:

Reference	Main provisions / Detail
Article 6 Petroleum Fund Receipts	Receipts of the PF are as follows: a. Gross Revenue, including Tax Revenue of RDTL from any petroleum operations, including prospection or exploration for, and development and exploitation, transportation, sale or export of petroleum, and other activities relating thereto. b. Any amount received by RDTL from the Designated Authority pursuant to the Treaty. c. Any amount received by RDTL from the Investment of Petroleum Fund Receipts. Any amount received by RDTL from direct or indirect participation of RDTL in Petroleum operations. e. Any amount received by RDTL relating directly to petroleum resources not covered in § a and b above.
Article 7 Transfers	The total amount transferred from the PF for a fiscal year shall not exceed the appropriation amount approved by Parliament for the Fiscal Year. The Estimated Sustainable Income (ESI) for a fiscal year is the maximum amount that can be appropriated from the PF in that fiscal year. **ESI = Petroleum wealth * 3%**

The PF governance structure is presented as follows[2]:



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[1] Source: Law n°9/2005 of 3 August 2005 related to Petroleum Fund.
[2] Source: Petroleum Fund Annual Report, 2013.

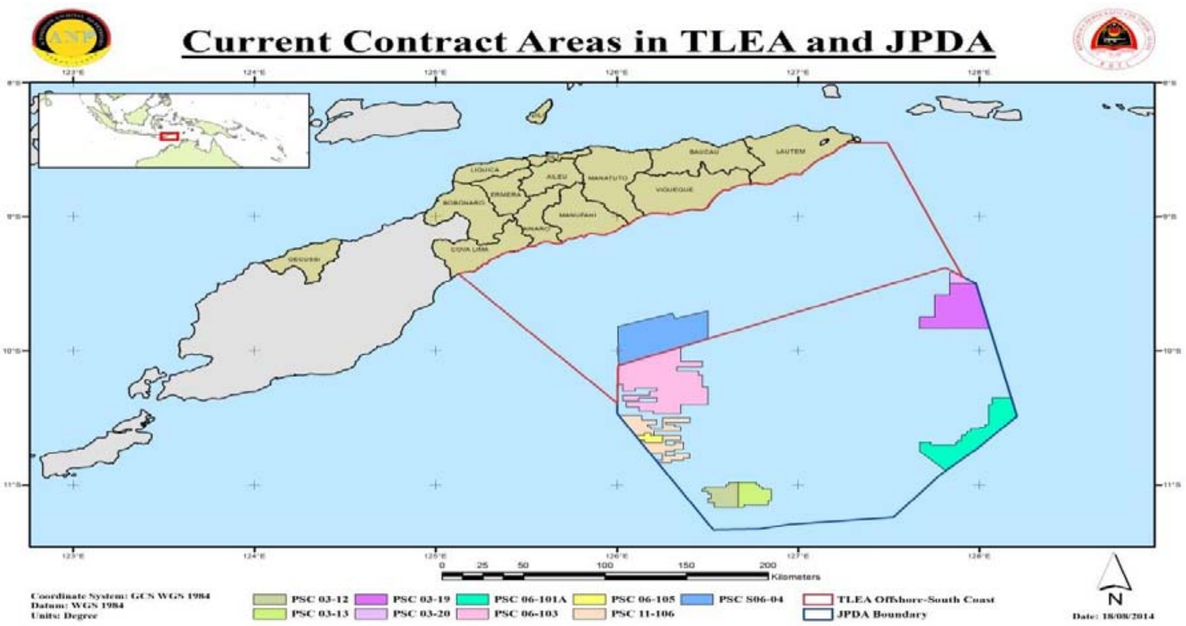
4.1.3. Production

At the end of 2012, there were two (2) production fields in JPDA, whilst at TLEA, there has yet to be any commercial discovery.

The table below summarises the two production fields' characteristics:

N°	Field	Operator	Joint Venture with
1	Bayu-Undan	ConocoPhillips	ENI / Santos / INPEX / Tokyo Timor Sea Resources Pty
2	Kitan	Eni	INPEX Timor Sea Ltd / Talisman Resources Pty Ltd

The map below shows the contract areas in TLEA and JPDA at the end of 2012:



4.1.4. Contribution of the Oil and Gas sector to RDTL's economy

RDTL's GDP is reliant on revenues from Oil and Gas. The table below summarises the variance of RDTL's GDP split by sector:

GDP data[1]	2012		2011		Variance	
	USD Million	%	USD Million	%	USD Million	%
Oil sector GDP	4,309	77%	4,604	80%	(295)	(6%)
Non-oil sector GDP	1,270	23%	1,123	20%	147	13%
Total GDP	**5,579**	**100%**	**5,727**	**100%**	**(148)**	**(3%)**

Oil and Gas revenues have surged since 2005 through major projects in the JPDA which RDTL shares with Australia. The RDTL Government sets up a special PF in 2005 to facilitate the sustainable use of its revenues over the long term.

[1] Timor-Leste's National Accounts 2000-2012, Statistics and Analysis. Figures in Current prices.

Exports / Imports

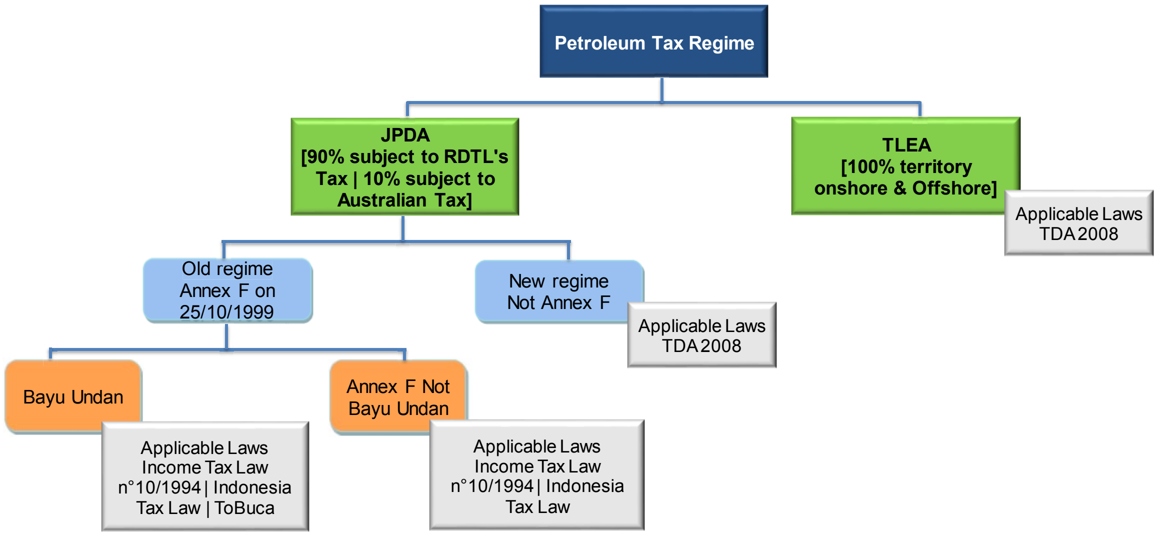
The table below summarises the exports and imports variance by sector:

Exports / Imports data[1]	2012		2011		Variance	
	USD Million	%	USD Million	%	USD Million	%
Oil sector Exports	5,035	97%	5,176	98%	(141)	(3%)
Non-oil sector Exports	64	1%	34	1%	30	88%
Total Exports of goods	**5,099**	**98%**	**5,210**	**99%**	**(111)**	**(2%)**
Total Exports of services	89	2%	73	1%	16	22%
Total Exports	**5,188**	**100%**	**5,283**	**100%**	**(95)**	**(2%)**
Oil sector Imports	162	7%	128	6%	34	27%
Non-oil sector Imports	640	26%	316	15%	324	103%
Total Imports of goods	**802**	**33%**	**444**	**21%**	**358**	**81%**
Total Imports of services	1,598	67%	1,629	79%	(31)	(2%)
Total Imports	**2,400**	**100%**	**2,073**	**100%**	**327**	**16%**
Trade balance	**2,788**		**3,210**		**(422)**	**(13.1%)**

As per the figures above, Oil-sector exports represent 99% of goods exports. The Exports and Imports' structure was nearly the same between 2011 and 2012.

4.1.5. Taxation

Petroleum tax regime is dependent of the jurisdiction area as presented below[2]:



[1] Source: Timor-Leste's National Accounts 2000-2012, Statistics and Analysis. Data in Current prices.
[2] Source: NDPMR.

JPDA - Old regime Annex F on 25/10/1999

Taxes are summarised as follows:

Tax	Rate
Individual income tax (Employee or subcontractor)	Progressive rate (10%, 15% and 30%) Annual RDTL tax due : 90% | Monthly withholding tax due : (1/12)
Non Resident Wages tax	20% on Gross Income
Corporate tax rate	30%
Withholding tax	Tax rate depend on the services provided for petroleum activities
Value Added Tax	30% (Applied to the first tier or operator)

JPDA - New regime Not Annex F (Kitan & Others fields) & TLEA

The table below summarises the main articles related to (Tax and Duties Act) TDA Chapter IX - Special provisions for Oil and Gas Taxation:

Reference	Main provisions / Detail
Part III Indirect Taxes/ Section 71 Indirect Taxes	The rate of service tax on the provision of designated services to a Contractor in relation to petroleum operations other than in JPDA is 12%. The rate of sales tax on an import of goods by a Contractor in relation to petroleum operations other than in JPDA is 6%. The rate of import duty on import of goods by a Contractor in relation to petroleum operations other than in JPDA is 6%.
Part IV Income Tax/ Section 72 Rate of Tax	The rate of corporate tax applicable to a Contractor for a tax year is 30%. The rates of wage income tax for employees of a Contractor are: (a) if the employee is a resident natural person and has provided the employer with the employee's tax identification number or is treated by paragraph 4 as having provided the employer with the employee's tax identification number: *Monthly taxable wages up to USD 550 : 10%* *Monthly taxable wages Above USD 550 : USD55 + 30% of the amount of wages above USD550* (b) if the employee is a non-resident natural person, 20% of the taxable wages received by the employee; (c) in any other case, 30% of the taxable wages received by the employee.
Section 81 Withholding Tax	A Contractor or Subcontractor paying an amount of Timor-Leste source services income to a person (other than as an employee) for services acquired for Petroleum Operations shall withhold tax from the payment at the rate of 6% of the gross amount paid.
Part V Supplemental Petroleum Tax / Section 83 Imposition of Supplemental Petroleum Tax (SPT)	A Contractor who has a positive amount of accumulated net receipts for Petroleum Operations for a tax year is liable to pay Supplemental Petroleum Tax (SPT) for that year. SPT payable by a Contractor for a tax year is calculated according to the following formula: **[A x 22.5% / (1-30%)]** **A** is the accumulated net receipts of the Contractor for Petroleum Operations for the year. SPT imposed on a Contractor for a tax year is in addition to the income tax imposed on the taxable income of the Contractor for the year. SPT paid by a Contractor is deductible in calculating the taxable income of the Contractor in the tax year in which the tax was paid.

4.1.6. TIMOR GAP, E.P. (State-Owned Enterprise)

TIMOR GAP, E.P., a State-Owned Enterprise (SOE), was created with a Decree-Law n°31/2011, dated on 27 July 2011. Its operations commenced in January 2012. Its main objective is to act on behalf of the State in conducting business within the Petroleum and Gas sector. Its activities vary from Onshore to Offshore and National to International. One of the current portfolios of TIMOR GAP, E.P. is to assist the Government of Timor-Leste in achieving the implementation of the Tasi Mane Project - Suai Supply Base, Betano Refinery, Beaco LNG Plant and Highway linking the three centers.

TIMOR GAP, E.P. establishes special purpose companies to participate in petroleum operations as stipulated in the Petroleum Act 2005.

During 2012, no payments were made by TIMOR GAP, E.P. and its subsidiaries to the RDTL's Government.

During April 2013, it created TIMOR GAP PSC 11-106, Unipessoal. The latter signed a Production Sharing Contract with joint venture partners ENI JPDA 11-106 B.V. (Operator) and INPEX Offshore Timor-Leste, Ltd[1].

4.1.7. Distribution of revenues from the extractive industries

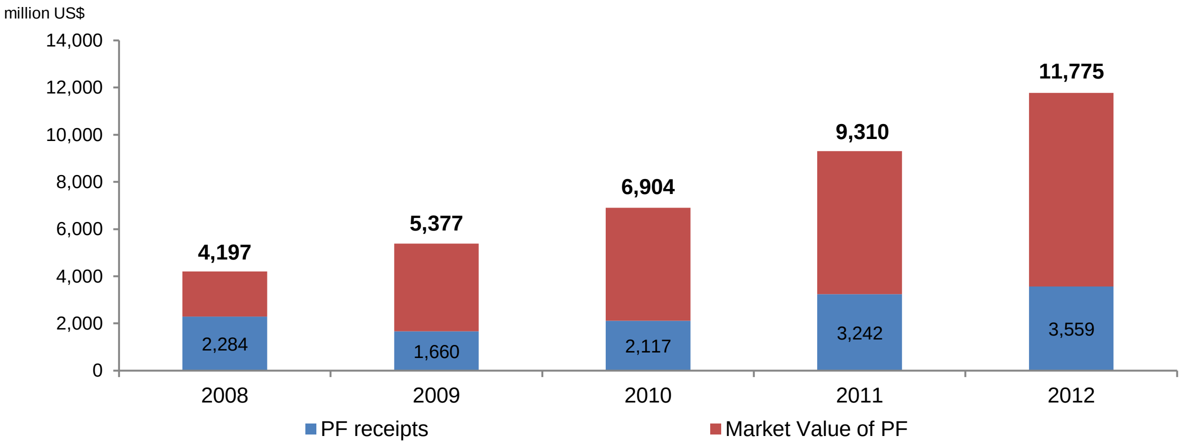
According to the Petroleum Law, the total amount transferred from the PF for a fiscal year shall not exceed the appropriation amount approved by Parliament for the Fiscal Year. The Estimated Sustainable Income (ESI) for a fiscal year is the maximum amount that can be appropriated from the PF in that fiscal year.

During 2012, USD 1,495 Million was transferred to the state budget. The table below summarises the evolution of the Petroleum Fund's Market Value over the last five years[2]:

Amounts in USD Million

Period	2008	2009	2010	2011	2012
Market Value of the PF at the Beginning	**2,086**	**4,197**	**5,377**	**6,904**	**9,310**
Total Petroleum Fund Receipts	*2,284*	*1,660*	*2,117*	*3,242*	*3,559*
Budget transfer	(396)	(512)	(811)	(1,055)	(1,495)
Refunds of taxation	-	-	-	(2)	-
Investment return	223	31	221	221	401
Market Value of the PF at the End	**4,197**	**5,376**	**6,904**	**9,310**	**11,775**
Changes in value	*2,111*	*1,180*	*1,527*	*2,406*	*2,465*
Changes in %	*101%*	*28%*	*28%*	*35%*	*26%*

The diagram below depicts the increase in market value of the PF over the last five years:



4.1.8. Beneficial ownership

Most of the Contractor in JPDA and TLEA are subsidiaries of publicly listed of its incorporated companies in Australia Stock Exchange. During the financial year that EITI report covered, there has been no change in the beneficial ownership of respective companies.

Contractor in JPDA and TLEA	Publicly Listed
Woodside Timor Sea Petroleum	Australia Stock Exchange
Eni JPDA 06-105 / Eni JPDA 11-106 / Eni TLEA S06-03, S06-04	Milan Stock Exchange
Oilex 06-103	Australia Stock Exchange

[1] Source: TIMOR GAP, E.P's Website.
[2] Source: Independent Auditor's Reports to the Ministry of Finance, in respect of the Petroleum Fund Annual Financial Report for the years 2008-2012.

4.2. Mining Sector

4.2.1. Background and profile of the mining sector in RDTL

The initial draft of Mining Code started in April 2011, continue until 2012 public consultation throughout the districts in RDTL's Territory.

The mining sector is not significant to date in RDTL. During 2012, nine mining companies operated through twelve licenses, mainly in Gravel and Sand.

The total receipts from mining companies amounted approximately to USD 42,000 as detailed in Annex 7 of this report. This represents less than 0.001% of the revenue collected from Oil and Gas companies.

4.2.2. Legal context

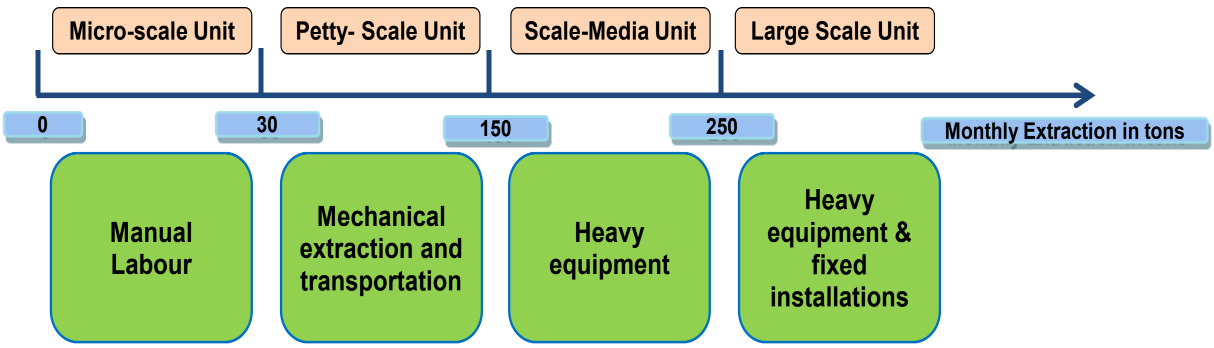
The mining sector is regulated by Ministerial Diploma N°1/2008 dated 30 July 2008 which provides specific rules on licensing of extractive activities (mining and quarrying) of mineral masses.

License validity for mining sector is one year and subject to renewal with no stringent requirement on technical and financial review of the license holders. The existing mining licenses were awarded for middle scale activities, no bidding round was carried out.

The table below shows the different type of minerals according to Article 4 of this Ministerial Diploma:

Minerals extracted for later use in construction	Rocks
Sand – Grit – Sandstone – Andesine – Basalt – Diorite - Gabbro	Limestone - Marble

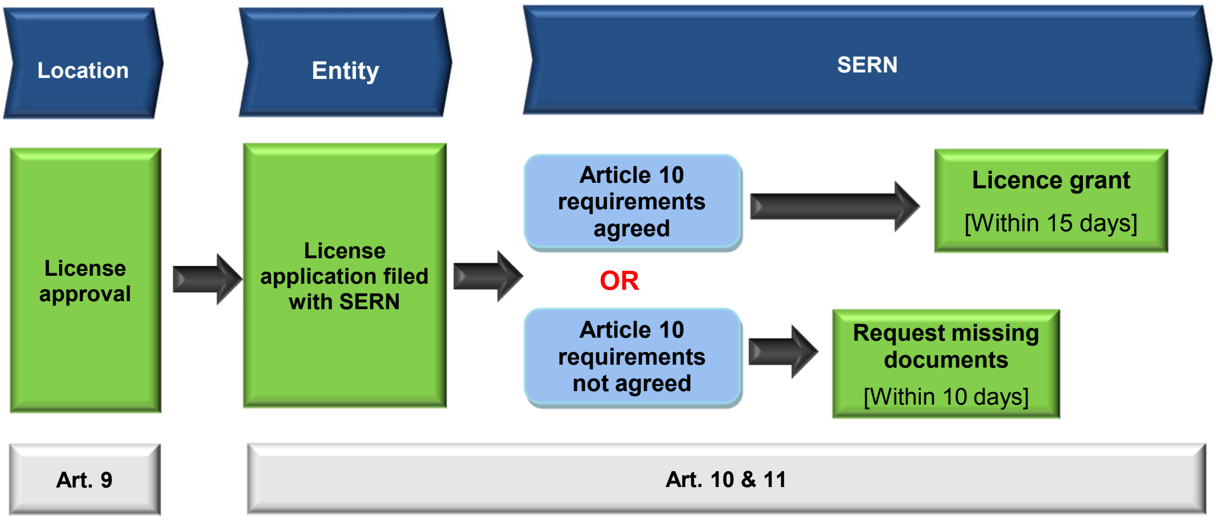
The diagram below shows the four (4) mining categories activities according to Article 7 of this Ministerial Diploma:



4.2.3. Licensing

The mining sector is regulated by Ministerial Diploma N°1/2008 dated 30 July 2008, which provides the licensing process which differs depending on the size of the mining unit.

The schema below describes the licensing process for Medium-Scale Units:



4.2.4. Taxation

Mining companies have to pay two fees as summarised in the table below:

Reference	Receipt	Middle-Scale Unit	Large-Scale Unit
Article 8	Fee per tons in USD	Sand and Grit : 1.5 Limestone : 2 Marble: 10	A fixed value calculated by tonne, based on the production/total amount extracted pursuant to those same values-tonnes.
Article 19	Cost of License in USD	100	1,000

5. RECONCILIATION SCOPE

Our work included a preliminary analysis of the EITI reporting process to ensure that the scope has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report. We also consulted with Government Entities in order to collect relevant information on the size of the extractive sector in RDTL and its contribution to the economy and to Government revenues.

We have taken into account all available information presented to us during our fieldwork, including subsequent comments and information received from the RDTL's EITI MSG.

5.1. Selection of reconciliation scope

The reconciliation scope of the flows to be considered for extractive companies and Government Entities to be selected for the purpose of this report was defined by the RDTL's EITI MSG. In addition the Reporting Template to be used by the reporting entities for declaring payments were also prepared and approved by MSG.

We present in the sections below the reconciliation scope used for the preparation of the 2012 RDTL's EITI Report.

5.2. Extractive companies involved in the EITI reconciliation

5.2.1. Oil & Gas Sector

The extractive companies and Government Entities involved in the EITI reconciliation was fixed by the TOR issued in June 2014 (section 5). Accordingly, twenty (20) extractive companies and three (3) Government Entities were selected for the 2012 reconciliation exercise.

The companies are listed in the table below:

1	AusAid[1]	11	Inpex Sahul Ltd
2	ConocoPhillips (Timor Sea) Pty Ltd	12	Inpex Timor Sea Ltd
3	ConocoPhillips (03-12) Pty Ltd	13	Japan Energy Corporation
4	ConocoPhillips (03-13) Pty Ltd	14	Minza Oil and Gas Ltd
5	ConocoPhillips (03-19) Pty Ltd	15	Oilex Ltd
6	ConocoPhillips (Emet) Pty Ltd	16	Petronas[2]
7	ConocoPhillips JPDA Pty Ltd	17	Santos JPDA (91-12) Pty Ltd
8	Eni JPDA 03-13 Ltd	18	Talisman Resources (JPDA 06-105) Pty Ltd
9	Eni JPDA 06-105 Pty Ltd	19	Tokyo Timor Sea Resources
10	Eni Timor Leste S.p.A.	20	Woodside Petroleum

5.2.2. Mining sector

The mining sector in Timor-Leste includes only medium-scale operations specialised in sand and gravel. Mining companies pay royalties and fees to the National Directorate of Minerals at the beginning of the contract. Government receipts from the mining sector are not material compared to the total revenues of the extractive sector (0.001%). As a result, mining companies were excluded from the reconciliation exercise.

[1] AusAid is a non-governmental organization (NGO) which pay per annum pipeline fee payment
[2] For Petronas, no payment was reported by NDPMR neither NPA. It was replaced by Reliance Exploration & Production

5.3. Taxes and revenues covered

According to information made available to us by NPA, NDPMR and CBTL all payment streams relating to the oil and gas taxes were included in the reconciliation scope. Accordingly, sixteen (16) payment flows were selected for the 2012 reconciliation exercise. These payments are listed in the table below:

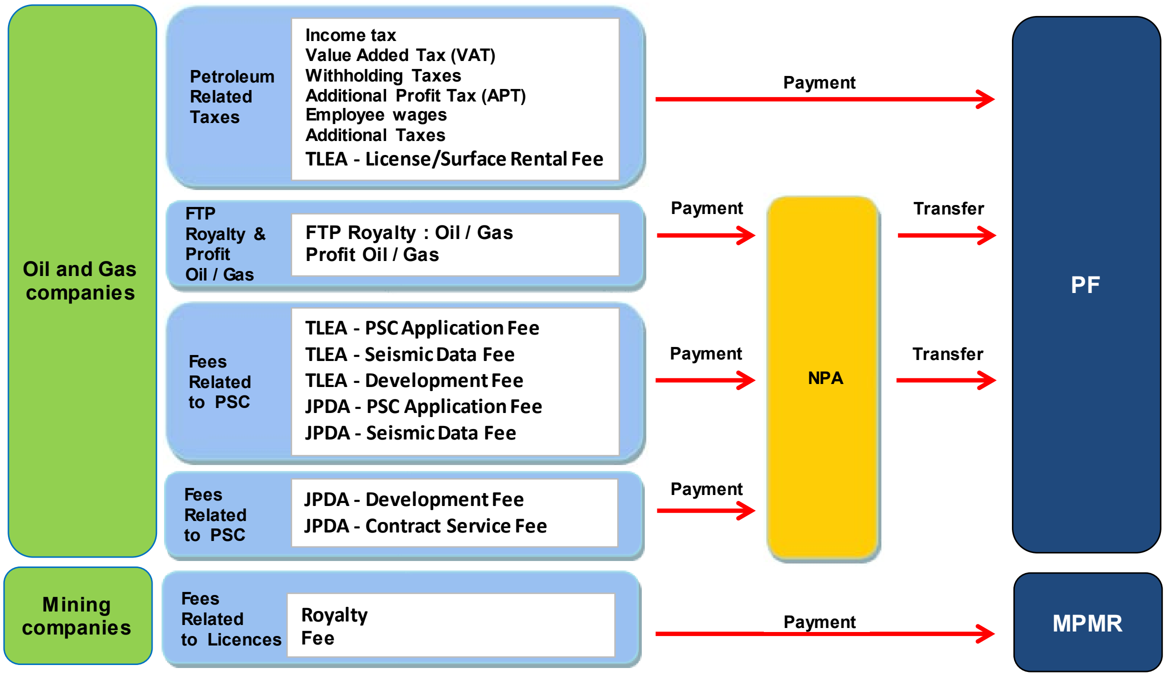
No.	Revenue stream	Description
National Directorate Petroleum and Minerals Revenue (NDPMR)		
1	Income tax	Tax on taxable income of tax payer for each tax year. Taxable income is calculated as the assessable gross income derived by the taxpayer in the tax year less deductions allowed under the present Regulation for expenses incurred to derive gross income.
2	Additional Profits Tax/ Supplemental Profit Tax	Additional income tax payable by a Contractor that has a positive amount of accumulated net receipts derived from the Bayu Undan Project for a tax year defined in the Taxation of Bayu Undan Contractors Act (Timor-Leste 2003).
3	Branch Profits Tax	Tax applicable to foreign subsidiary companies at 15% after income tax. This tax is conceptually similar to dividend tax.
4	VAT	Tax on Goods and Services and Sales tax on Luxury Goods.
5	Withholding Tax (WHT)	This is a tax where any person or company making certain payments is required to deduct from such payments and remit to the East-Timor Revenue Services (ETRS). The payments that attract WHT include management and consultancy fees, commissions, rent dividends and payments to non-resident contractors.
6	Wages Tax	Tax on the wages of employees.
7	Additional taxes	Penalties or interests on late payment of the State's share of Royalties and Profits on oil/gas. Tax assessment.
National Petroleum Authority (NPA)		
8	FTP - Gas	A production payment made pursuant to a PSC between the RDTL Government and a Company relating to sales of Oil and Gas.
9	Profit oil & gas payments	A production payment made pursuant to a PSC between the RDTL Government and a Company relating to profit on sale of Oil and Gas.
10	JPDA - PSC Application Fee	Fee to be lodged with application for a PSC.
11	JPDA - Seismic Data Fee	Fee payable to NPA when a company acquires seismic data in JPDA.
12	JPDA - Development Fee	Applies when a commercial discovery is declared by the contractor. Fees based on the size of the discovery of the oil and gas reserve.
13	JPDA - Contract Service Fee	Surface fee.
14	TLEA - PSC Application Fee	Fee payable when a company applies to compete in licensing round.
15	TLEA - Seismic Data Fee	Fee payable to NPA when a company acquires seismic data in TLEA.
Central Bank of Timor-Leste (CBTL)		
16	TLEA - License Fee/Surface Fee	A fee levied in connection with a licence. A licence is an arrangement between an extractive Company and the Government regarding specific geographical or geological areas and mineral operations relating thereto. A licence is also used to define a permit, an acreage position, a contract area, a lease or a block.

5.4. Government Entities

Based on the proposed list of extractive companies and payment streams, the Government Entities which were involved in the reconciliation exercise ended 31 December 2012 are detailed as follows:

Central Entities	
1	National Directorate Petroleum and Minerals Revenue (NDPMR)
2	National Petroleum Authority (NPA)
3	Central Bank of Timor-Leste (CBTL)

5.5. Flow chart of payment flows for the extractive sector



6. RECONCILIATION RESULTS

We present below detailed results of our reconciliation exercise, as well as differences noted between amounts paid by extractive companies and amounts received by Government Entities. We have highlighted the amounts initially reported and the adjustments made following our reconciliation work, as well as the final amounts and unreconciled differences.

6.1. Reconciliation by extractive Company

The table below summarises the differences between the payments reported by Oil and Gas companies and revenues received by Government Entities.

Amounts in USD

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Company	Govt	Difference	Company	Govt	Difference	Company	Govt	Difference
1	Eni Timor Leste S.p.A.	321,129	380,066	(58,937)	-	(57,941)	57,941	321,129	322,125	(996)
2	Eni JPDA 06-105 Pty Ltd	197,756,396	197,632,739	123,657	15,404	137,941	(122,537)	197,771,800	197,770,680	1,120
3	Eni JPDA 03-13 Ltd	330,295,869	329,712,170	583,699	-	583,649	(583,649)	330,295,869	330,295,819	50
4	Woodside Petroleum	641,060	25,588,342	(24,947,282)	24,947,282	-	24,947,282	25,588,342	25,588,342	-
5	Inpex Sahul Ltd	334,801,648	334,225,955	575,693	-	574,228	(574,228)	334,801,648	334,800,183	1,465
6	Santos JPDA (91-12) Pty Ltd	329,519,832	329,519,266	566	-	-	-	329,519,832	329,519,266	566
7	Talisman Resources (06-105) Pty Ltd	118,074,098	119,093,364	(1,019,266)	1,019,240	-	1,019,240	119,093,338	119,093,364	(26)
8	Oilex Ltd	120,985	120,985	-	-	-	-	120,985	120,985	-
9	Minza Oil and Gas Ltd	-	176,842	(176,842)	-	-	-	-	176,842	(176,842)
10	Tokyo Timor Sea Resources	278,989,438	278,990,068	(630)	452,384	451,939	445	279,441,822	279,442,007	(185)
11	ConocoPhillips (03-12) Pty Ltd	1,091,294,504	1,086,486,707	4,807,797	(3,893,322)	914,550	(4,807,872)	1,087,401,182	1,087,401,257	(75)
12	ConocoPhillips (03-13) Pty Ltd	167,085,048	167,085,048	-	-	-	-	167,085,048	167,085,048	-
13	ConocoPhillips (Timor Sea) Pty Ltd	245,689,131	245,689,131	-	-	-	-	245,689,131	245,689,131	-
14	ConocoPhillips (Emet) Pty Ltd	29,064,362	29,022,412	41,950	(41,950)	-	(41,950)	29,022,412	29,022,412	-
15	ConocoPhillips JPDA Pty Ltd	477,202,516	477,202,516	-	-	-	-	477,202,516	477,202,516	-
16	ConocoPhillips (03-19) Pty Ltd	3,028	3,028	-	-	-	-	3,028	3,028	-
17	Japan Energy Corporation	-	33,865	(33,865)	-	-	-	-	33,865	(33,865)
18	Inpex Timor Sea Ltd	157,315,428	157,315,428	-	-	-	-	157,315,428	157,315,428	-
19	AusAid	8,634,400	8,634,400	-	-	-	-	8,634,400	8,634,400	-
20	Reliance Exploration & Production	-	26,577	(26,577)	-	-	-	-	26,577	(26,577)
	Total	**3,766,808,872**	**3,786,938,909**	**(20,130,037)**	**22,499,038**	**2,604,366**	**19,894,672**	**3,789,307,910**	**3,789,543,275**	**(235,365)**

6.2. Reconciliation by revenue stream

The table below shows the total payments reported by Oil and Gas companies and Government Entities:

Amounts in USD

N°	Description of payment	Templates originally lodged			Adjustments			Final amounts		
		Company	Govt	Difference	Company	Govt	Difference	Company	Govt	Difference
NDPMR		**1,577,938,864**	**1,600,142,732**	**(22,203,868)**	**22,047,099**	**-**	**22,047,099**	**1,599,985,963**	**1,600,142,732**	**(156,768)**
1	Income Tax	803,356,868	755,180,065	48,176,803	(21,844,025)	(1,186,772)	(20,657,253)	781,512,843	753,993,293	27,519,550
2	Value Added Tax (VAT)	17,951,684	17,998,392	(46,708)	-	-	-	17,951,684	17,998,392	(46,708)
3	Withholding Taxes	38,121,000	18,379,423	19,741,577	(8,390,045)	-	(8,390,045)	29,730,955	18,379,423	11,351,532
4	Additional Profit Tax (APT)	535,106,585	533,919,453	1,187,132	-	1,186,772	(1,186,772)	535,106,585	535,106,225	360
5	Other taxes (Employee wages)	13,226,078	8,598,322	4,627,756	(4,650,071)	-	(4,650,071)	8,576,007	8,598,322	(22,315)
6	Additional Taxes	170,176,648	266,067,076	(95,890,428)	56,931,240	-	56,931,240	227,107,888	266,067,076	(38,959,188)
NPA		**2,180,235,608**	**2,178,161,777**	**2,073,830**	**451,939**	**2,604,366**	**(2,152,427)**	**2,180,687,547**	**2,180,766,143**	**(78,597)**
7	FTP Royalty : Oil / Gas & Profit Oil / Gas	2,174,215,233	2,173,055,952	1,159,280	451,939	1,609,816	(1,157,877)	2,174,667,172	2,174,665,768	1,403
8	JPDA - Development Fee	4,897,750	3,983,200	914,550	-	914,550	(914,550)	4,897,750	4,897,750	-
9	JPDA - Contract Service Fee	880,000	880,000	-	-	80,000	(80,000)	880,000	960,000	(80,000)
10	TLEA - License / Surface Rental Fee	242,625	242,625	-	-	-	-	242,625	242,625	-
CBTL		**8,634,400**	**8,634,400**	**-**	**-**	**-**	**-**	**8,634,400**	**8,634,400**	**-**
11	Pipeline fee (AusAid)	8,634,400	8,634,400	-	-	-	-	8,634,400	8,634,400	-
	Total Basic payments	**3,766,808,872**	**3,786,938,909**	**(20,130,037)**	**22,499,038**	**2,604,366**	**19,894,672**	**3,789,307,910**	**3,789,543,275**	**(235,365)**

6.3. Adjustments

6.3.1. Oil and Gas companies' adjustments

The adjustments were carried out on the basis of confirmations from Oil and Gas companies and Government Entities and were supported by adequate evidence wherever deemed appropriate. The adjustments are detailed as follows:

Amounts in USD

Adjustments to Oil and Gas companies payments	Total
Tax paid not reported (a)	26,418,461
Tax amount incorrectly reported (b)	(3,919,423)
Total added/deducted to amounts originally reported	**22,499,038**

The detail of these adjustments by company is detailed in the table below:

Amounts in USD

Company	Tax paid not reported (a)	Tax amount incorrectly reported (b)	Total
Eni JPDA 06-105 Pty Ltd	-	15,404	**15,404**
Woodside Petroleum	24,947,282	-	**24,947,282**
Talisman Resources (JPDA 06-105) Pty Ltd	1,019,240	-	**1,019,240**
Tokyo Timor Sea Resources	451,939	445	**452,384**
ConocoPhillips (03-12) Pty Ltd	-	(3,893,322)	**(3,893,322)**
ConocoPhillips (Emet) Pty Ltd	-	(41,950)	**(41,950)**
Total adjustments	**26,418,461**	**(3,919,423)**	**22,499,038**

Details of these adjustments are set out in the table below:

Amounts in USD

Revenue stream	Tax paid not reported (a)	Tax amount incorrectly reported (b)	Tax incorrectly classified (c)	Total
NDPMR	**25,966,522**	**(3,919,423)**	**-**	**22,047,099**
Income Tax	169,271	-	(22,013,296)	(21,844,025)
Withholding Taxes	-	1,487,583	(9,877,628)	(8,390,045)
Other taxes (Employee wages)	-	(4,684,596)	34,525	(4,650,071)
Additional Taxes	25,797,251	(722,410)	31,856,399	56,931,240
National Petroleum Authority (NPA)	**451,939**	**-**	**-**	**451,939**
Profit Oil / Gas	451,939	-	-	451,939
Total adjustments	**26,418,461**	**(3,919,423)**	**-**	**22,499,038**

(a) Tax paid not reported

These are payment flows paid by Oil and Gas companies but which were not included in their reporting templates. After having received and examined details of payments sent by Oil and Gas companies we noted that the amounts originally recorded in the reporting templates were incorrect. The table below summarises the three adjustments made:

Amounts in USD

Company	Revenue stream	Total	Detail
Talisman Resources (06-105) Pty Ltd	Additional Taxes	849,969	Additional Taxes paid not reported.
	Income Tax	169,271	Income Tax paid not reported.
Tokyo Timor Sea Resources	Profit Oil / Gas	451,939	Profit oil interests paid not reported.
Woodside Petroleum	Additional Taxes	24,947,282	Tax liability relating to the year ended 31 December 2007, paid on 29 May 2012 not reported.
Total		**26,418,461**	

(b) Tax amount incorrectly reported

These amounts were incorrectly reported in the templates due to arithmetic errors or mistakes between payment details and the reporting template.

(c) Tax incorrectly classified

These amounts were incorrectly classified in the templates. The reclassifications were mainly made from Income and Withholding Taxes to Additional Taxes. The table below summarises the adjustments made:

Amounts in USD

Company	Income Tax	Withholding Taxes	Other taxes (Employee wages)	Additional Taxes	Total
Eni JPDA 03-13 Ltd	(16,584,225)	(7,586,177)	-	24,170,402	-
Oilex Ltd	-	(34,525)	34,525	-	-
Inpex Sahul Ltd	(5,429,071)	(2,256,926)	-	7,685,997	-
Total	**(22,013,296)**	**(9,877,628)**	**34,525**	**31,856,399**	**-**

6.3.2. Government Entities' adjustments

The adjustments were carried out on the basis of confirmations received from Oil and Gas companies or from Government Entities. These adjustments are detailed as follows:

Amounts in USD

Adjustments to Government revenues	Total
Tax received not reported (a)	2,604,366
Total added to amounts originally reported	**2,604,366**

Detailed adjustments by company are presented in the table below:

Amounts in USD

Company	Tax received not reported (a)	Tax incorrectly classified	Total
Eni Timor Leste S.p.A.	-	(57,941)	(57,941)
Eni JPDA 06-105 Pty Ltd	80,000	57,941	137,941
Eni JPDA 03-13 Ltd	583,649	-	583,649
Inpex Sahul Ltd	574,228	-	574,228
Tokyo Timor Sea Resources	451,939	-	451,939
ConocoPhillips (03-12) Pty Ltd	914,550		914,550
Total	**2,604,366**	**-**	**2,604,366**

The detail of these adjustments by payment is presented in the table below:

Amounts in USD

Revenue stream	Tax received not reported (a)	Tax incorrectly classified	Total
NDPMR	**-**	**-**	**-**
Income Tax	-	(1,186,772)	(1,186,772)
Additional Profit Tax (APT)	-	1,186,772	1,186,772
National Petroleum Authority (NPA)	**1,689,817**	**-**	**1,689,817**
Profit Oil / Gas	1,609,816	-	1,609,816
JPDA - Development Fee	914,550	-	914,550
JPDA - Contract Service Fee	80,000	-	80,000
Total	**2,604,366**	**-**	**2,604,366**

(a) Tax received not reported

These are revenue flows received from Oil and Gas companies but which were not included in NPA's reporting templates. The table below summarises the adjustments made:

Amounts in USD

Company	Revenue stream	Amount	Detail
Eni JPDA 03-13 Ltd	Profit Oil / Gas	583,649	Profit oil interests
Inpex Sahul Ltd	Profit Oil / Gas	574,228	Profit oil interests
Tokyo Timor Sea Resources	Profit Oil / Gas	451,939	Profit oil interests
Eni JPDA 06-105 Pty Ltd	JPDA - Contract Service Fee	80,000	JPDA - Contract Service Fee
ConocoPhillips (03-12) Pty Ltd	JPDA - Development Fee	914,550	JPDA - Development Fee
Total		**2,604,366**	

6.4. Unreconciled differences

Following our adjustments, the total unreconciled residual differences on payments amounted to **USD (235,365)** representing **0.006%** of total payments reported by Government Entities.

This is the sum of positive differences of **USD 3,201** and negative differences amounting to **USD (238,566).** These unreconciled differences can be analysed as follows:

Amounts in USD

	Total
Reporting template not submitted by the extractive company (a)	(237,284)
Not material difference < USD 10,000	1,919
Total differences	**(235,365)**

(a) Reporting template not submitted by extractive companies

This final unreconciled difference relates to 3 companies that failed to submit their reporting template despite several reminders. These companies are listed as follows:

Amounts in USD

Company	Total payments
Minza Oil and Gas Ltd	176,842
Japan Energy Corporation	33,865
Reliance Exploration & Production	26,577
Total	**237,284**

7. REPORTED DATA

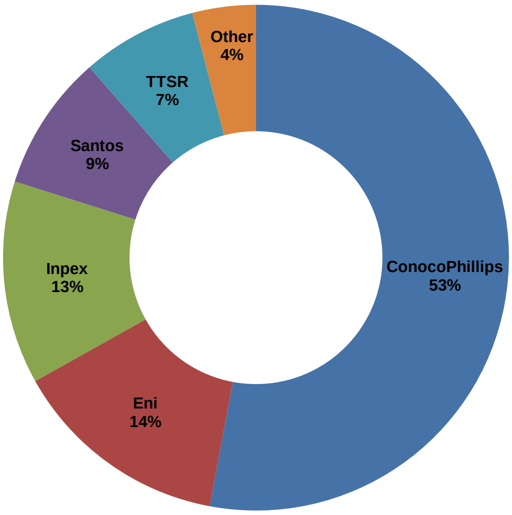
7.1. Analysis of Government revenues

7.1.1. Analyses of payments by companies' contribution

The analysis of Government revenues by companies' contribution indicates that the top 5 companies contributed approximately 96% of the total Government revenues during 2012 and ConocoPhillips accounts for almost 53% of the country's Oil and Gas revenues for the same period.

The table and the diagram below summarise the Top 5 Companies' 2012 Revenues:

Company	Government revenues USD	% of total revenues
ConocoPhillips (6 entities)	2,006,403,393	53%
ENI (3 entities)	528,388,624	14%
Inpex (2 entities)	492,115,611	13%
Santos	329,519,266	9%
Tokyo Timor Sea Resources	279,442,007	7%
Other companies (7 companies)	153,674,374	4%
Total Oil & Gas sector	**3,789,543,275**	**100%**

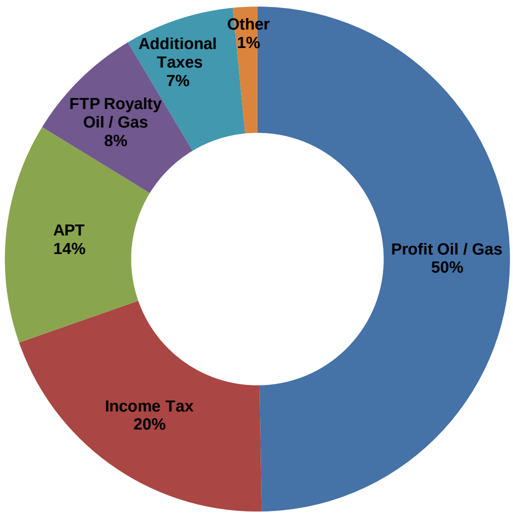


7.1.2. Analyses of payments by flow contribution

The analysis of the payments by flow contribution shows that the Top 5 Taxes contributed towards 99% of the total Government Oil & Gas revenues. We also note that Profit on Oil & Gas accounts nearly the half of total government revenues.

The table and the diagram below summarise the Top 5 Revenues streams during 2012:

Revenue stream	Government revenues USD	% of total revenues
Profit Oil / Gas	1,884,174,060	50%
Income Tax	753,993,293	20%
Additional Profit Tax (APT)	535,106,225	14%
FTP Royalty - Oil / Gas	290,491,708	8%
Additional Taxes	266,067,076	7%
Others (7 revenues streams)	59,710,912	1%
Total Oil & Gas sector	**3,789,543,725**	**100%**



7.2. Corporate social Responsibility

The companies were requested to report social payments made during 2012. We set out in the tables below the amounts as reported by the Oil and Gas companies which have sent us their reporting templates:

Local Content - Recoverable Expenditure:

Company	Amounts in USD
Eni Timor Leste S.p.A.	87,153
Eni JPDA 06-105 Pty Ltd	2,029,878
ConocoPhillips (03-12) Pty Ltd	8,212,000
Total	**10,329,031**

Corporate Initiative (CSR) - Non Recoverable Expenditure:

Company	Amounts in USD
ConocoPhillips (03-12) Pty Ltd	524,000
Total	**524,000**

8. RECOMMENDATIONS

Recommendations of previous years' Reports were not implemented. We present in the section below additional measures to be implemented in order to improve the EITI process in RDTL.

Follow-up of previous years' Reports is presented in section 8.2 further below.

8.1. Lessons learned from the 2012 reconciliation

8.1.1. Lack of EITI law

We noted that although RDTL's EITI reports have been reconciled for 4 years, the legal framework defining the roles and responsibilities of stakeholders in the EITI process has yet to be created.

We recommend the enactment of an EITI law as soon as possible. This law will provide a better understanding of the EITI process by all stakeholders and ensure that the reconciliation process is successful.

8.1.2. Limitations of the reporting template

The reporting template used for the data collection was prepared and approved by MSG. Although our terms of reference foresee that the Independent Administrator should provide advice to MSG on the reporting template, we were informed not to make any changes to the format set. The reporting template has several limitations as follows:

- it foresees only the declaration of annual figures from reporting entities. No schedules were included to set out the amounts in detail: by date and by payment. Details of payments are necessary documents for the reconciliation work. It would have been more efficient and would have saved a lot of time if all reporting entities were requested to send details of their payments along with their reporting templates;
- munch of the information foreseen in the EITI Standard was not requested in the reporting template from extractive companies such as exports, beneficial ownership, audit of financial statements and employment statistics.

MSG should improve the reporting template format in future in order to make the reporting process more efficient with regards to the work to be carried out by the Independent reconciler. In addition the reporting template should be more comprehensive and elaborate in order to include all requirements foreseen in the EITI standard.

8.1.3. Timing of the reconciliation work

The reconciliation work started at the end of September 2014 which is considered late, in view of the publication deadline set for 31 December 2014. The schedule for the reconciliation work was tight and did not provide adequate time for reporting entities to prepare the requested data. As a result, several extractive companies failed to submit their reporting template on time and to date only 17 of the 20 companies actually submitted a template.

We recommend that the timing of future reconciliation exercises are planned better and scheduled in the middle of the year. This would more likely improve cooperation from reporting entities as they will have enough time to devote to the EITI cause. At the same time, this would also allow the Reconcilers more time to chase defaulting companies in a bid to reduce the unreconciled differences to minimal amounts.

8.1.4. Delays in the preparation of the EITI Report due to confidentiality arrangements

The TOR for the preparation of the EITI Report states that the Independent Administrator must enter into a Confidentiality Agreement with a reporting entity if required by that reporting entity. Any Confidentiality Agreements will need to be on the terms and in the format specified by the reporting entity.

Our Independent Administrator contract with the MPMR for the reconciliation foresees confidentiality provisions nevertheless some companies requested separate agreements to be signed on their terms as permitted in the TOR. This situation has led to considerable delays in receiving information from companies which requested a confidentiality deed to be signed before submitting their reporting templates. In addition, these companies requested that draft and final report must be approved by them before its submission to the MSG. This led to the preparation of several versions of the report in order to avoid disclosure of information between reporting entities and consequently led to additional delays in submitting the final document to the MSG. Furthermore, we believe that this further agreements and procedures act as an impediment to the goals of transparency aimed for by EITI.

We recommend for future exercises that the confidentiality clauses in the contract between The Independent Administrator and the MPMR are reviewed with a view to establishing that this will be the only confidentiality clauses entered into the Independent Administrator. The confidentiality clauses should be discussed with the Independent Administrator during the contract negotiations phase as indeed requirement 5.2 d) of the EITI Standard requires that confidentiality arrangements are discussed with the Independent Administrator.

8.2. Follow up of recommendations of previous EITI Reports

N°	Issue	Detail of the issue	Recommendation	Status of implementation 2012 RDTL's EITI Report (Yes/no/ongoing)
1	RDTL-EITI database	It appears that to date, the RDTL-EITI Secretariat does not have a comprehensive database of all extractive companies operating in the oil sector. We understand that this situation arises because there is no formal communication between the EITI Secretariat and the Government Entities with regard to the oil companies operating in the oil sector. In some cases making contact with extractive companies can be difficult as no contact details are available.	We recommend that the RDTL-EITI Secretariat should create a database of extractive companies following our reconciliation exercise. The Secretariat should then liaise with the Government Entities to ensure it obtains adequate information regularly and updates its database accordingly. To this end, we believe it is vital that any new entrants to the oil sector are registered with the RDTL-EITI Secretariat as part of the process before or at the same time as they obtain their operating licence. A regular review with the Government Entities of the list of oil companies licensed to operate in the sector is recommended.	No
2	Reconciliation scope – Scoping study	We note that two oil companies operating in RDTL were not included in the reconciliation scope, i.e. Japan Energy and AusAid. We further note that there are some fees paid to CBTL, such as annual pipeline fees and an exploration fee which were not included in the reporting template prepared and approved by the MSG. On the other hand there were several revenue streams included in the reporting template for which no payments were made by oil companies. This situation caused delays in collecting the data from the oil companies and Government Entities and the preparation of the report.	We recommend for future years that a scoping study is carried out before each exercise in order to define the reconciliation scope including: • the activities to be considered (oil, gas, minerals, etc...); • the revenue streams to be reconciled; • the extractive companies that will report; and • the government Entities included in the process. The scoping study will also lead to the definition and design of the reporting template to be used for the declaration of payments and receipts by the oil companies and the Government Entities.	No

ANNEXES

Annex 1: Major Oil & Gas Companies' details and revenues

We present in the table below the major oil and gas companies in RDTL during 2012:

No.	Company	Founding date	Activity	Nationality
1	ConocoPhillips	1917	Oil & Gas	USA
2	Eni	1926	Oil & Gas	Italy
3	Santos	1954	Oil & Gas	Australia
4	Inpex	1986	Oil & Gas	Australia

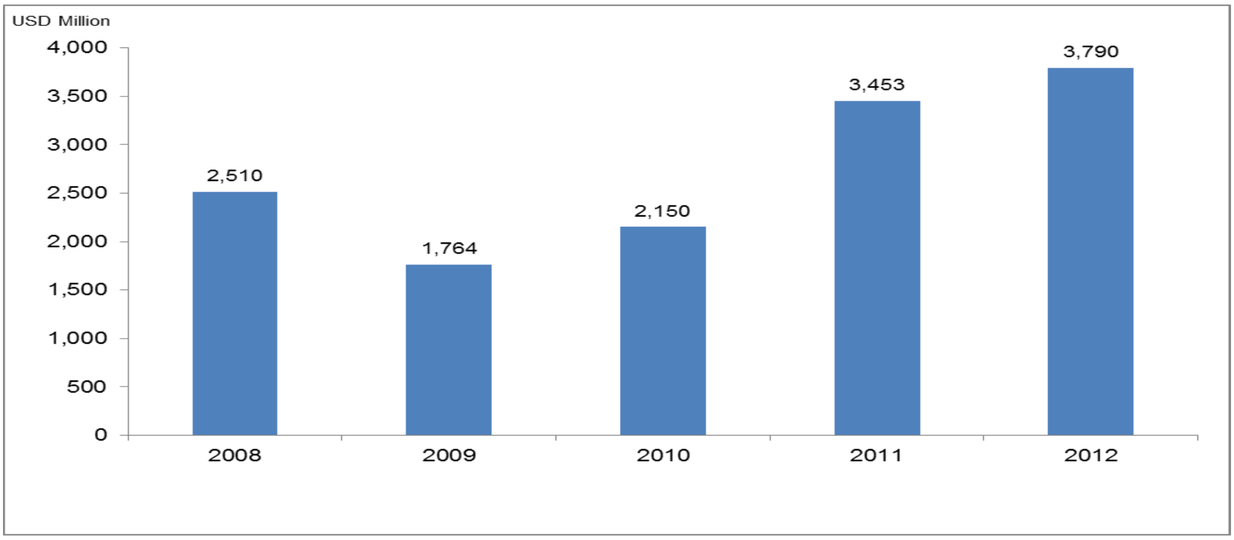
Revenue paid to RDTL by company 2011 / 2012

The table below shows the variance of Oil & Gas Revenues between 2011 & 2012 split by company:

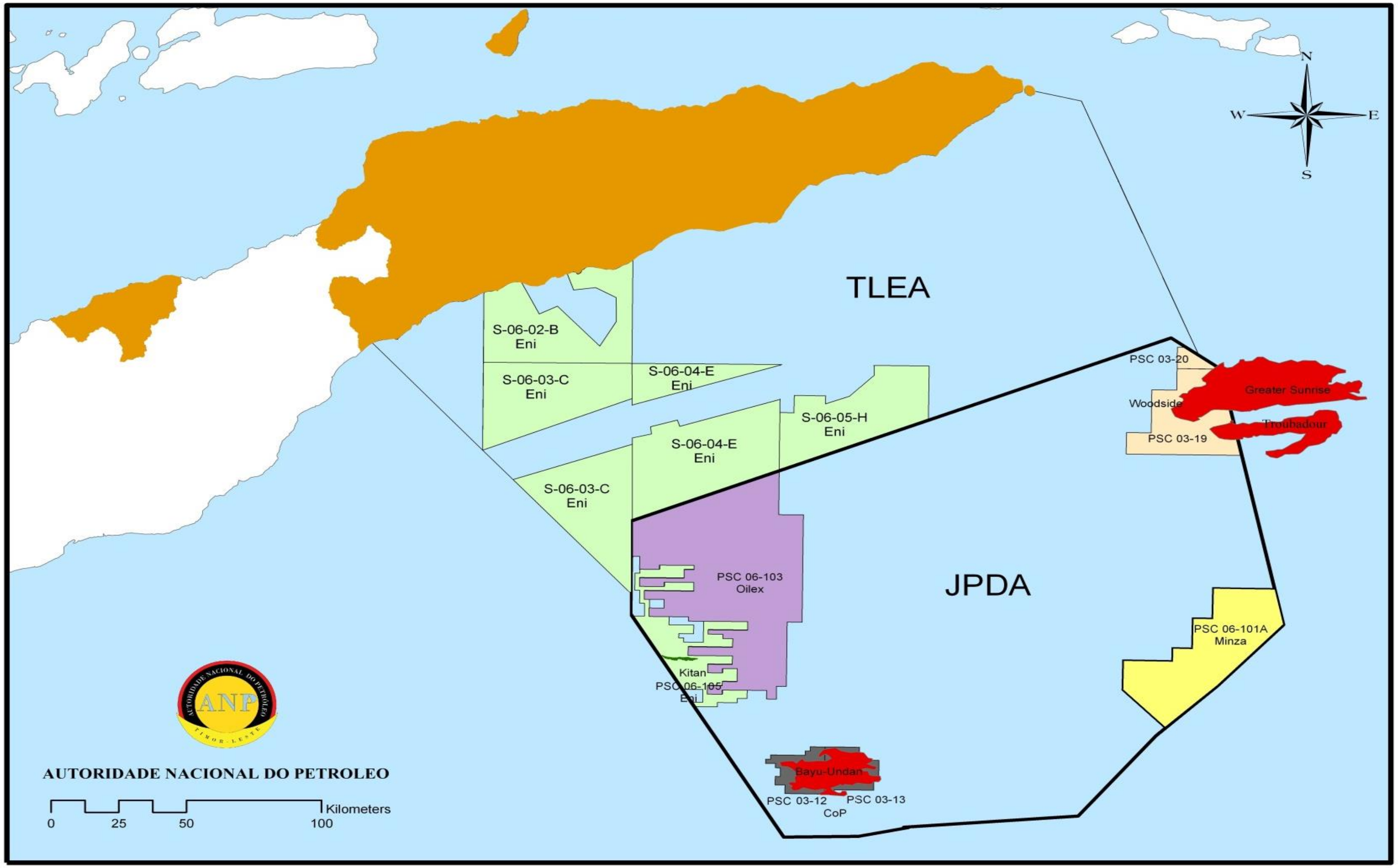
Company	2012	2011	Variance	
	USD Million	USD Million	USD Million	%
ConocoPhillips (6 entities)	2,006	1,991	14	1%
Eni (3 entities)	528	401	127	32%
Inpex (3 entities)	492	386	106	27%
Santos JPDA (91-12) Pty Ltd	330	365	(36)	-10%
Tokyo Timor Sea Resources	279	290	(11)	-4%
Talisman Resources (JPDA 06-105) Pty Ltd	119	6	113	1755%
Woodside Petroleum	26	1	25	4095%
AusAid	9	8	1	8%
Minza Oil and Gas Ltd	-	-	-	100%
Oilex Ltd	-	-	-	-71%
Japan Energy Corporation	-	-	-	0%
Reliance Exploration & Production	-	4	(4)	-99%
Total	**3,790**	**3,453**	**337**	**10%**

Annex 2: Oil & Gas Revenues' evolution between 2008-2012

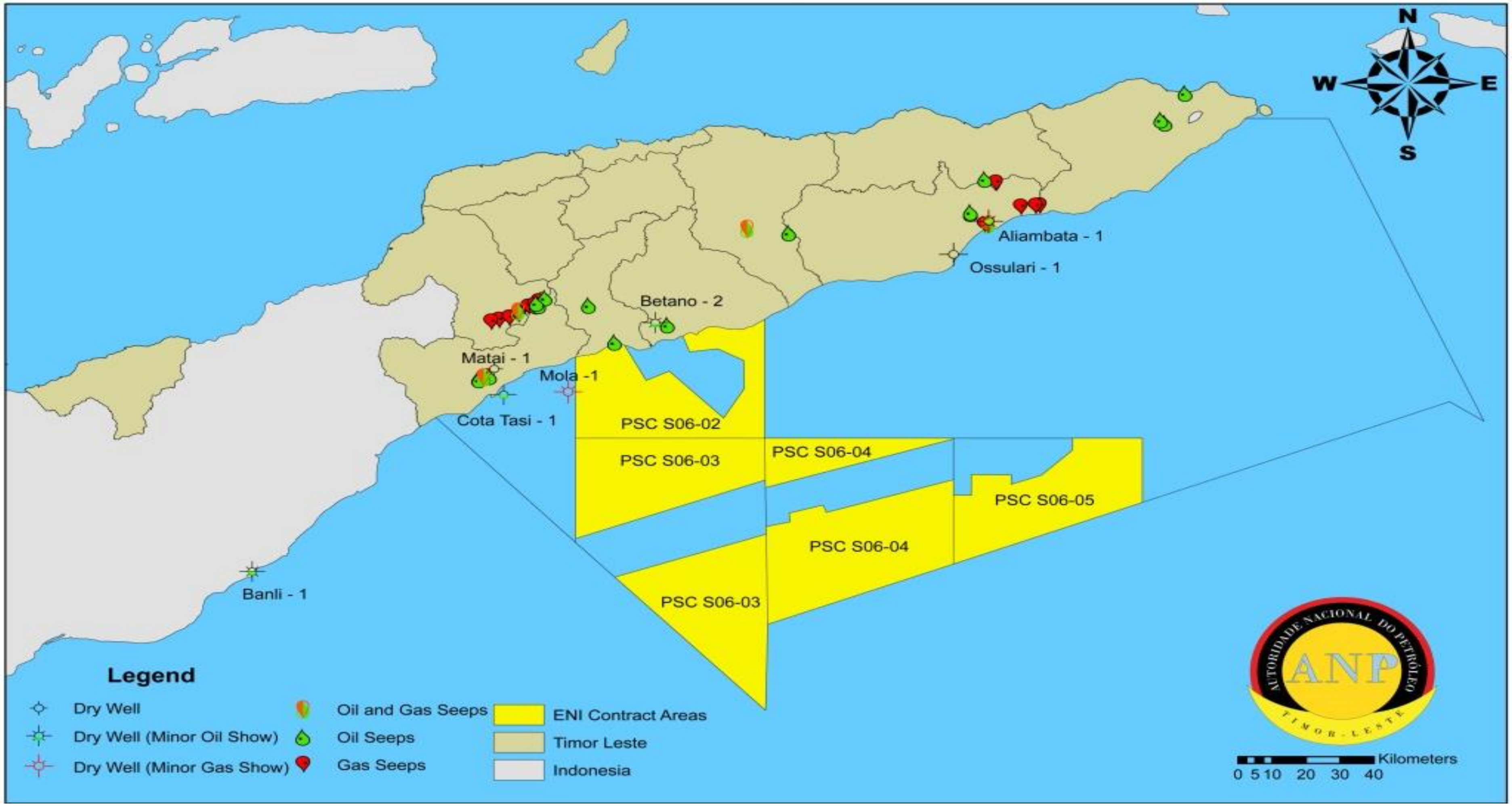
The diagram below summarise the Oil & Gas Revenues' evolution between 2008-2012



Annex 3: Contract areas in TLEA and JPDA



Annex 4: Onshore Oil and Gas Seeps in RDTL



Annex 5: Extractive companies' profile

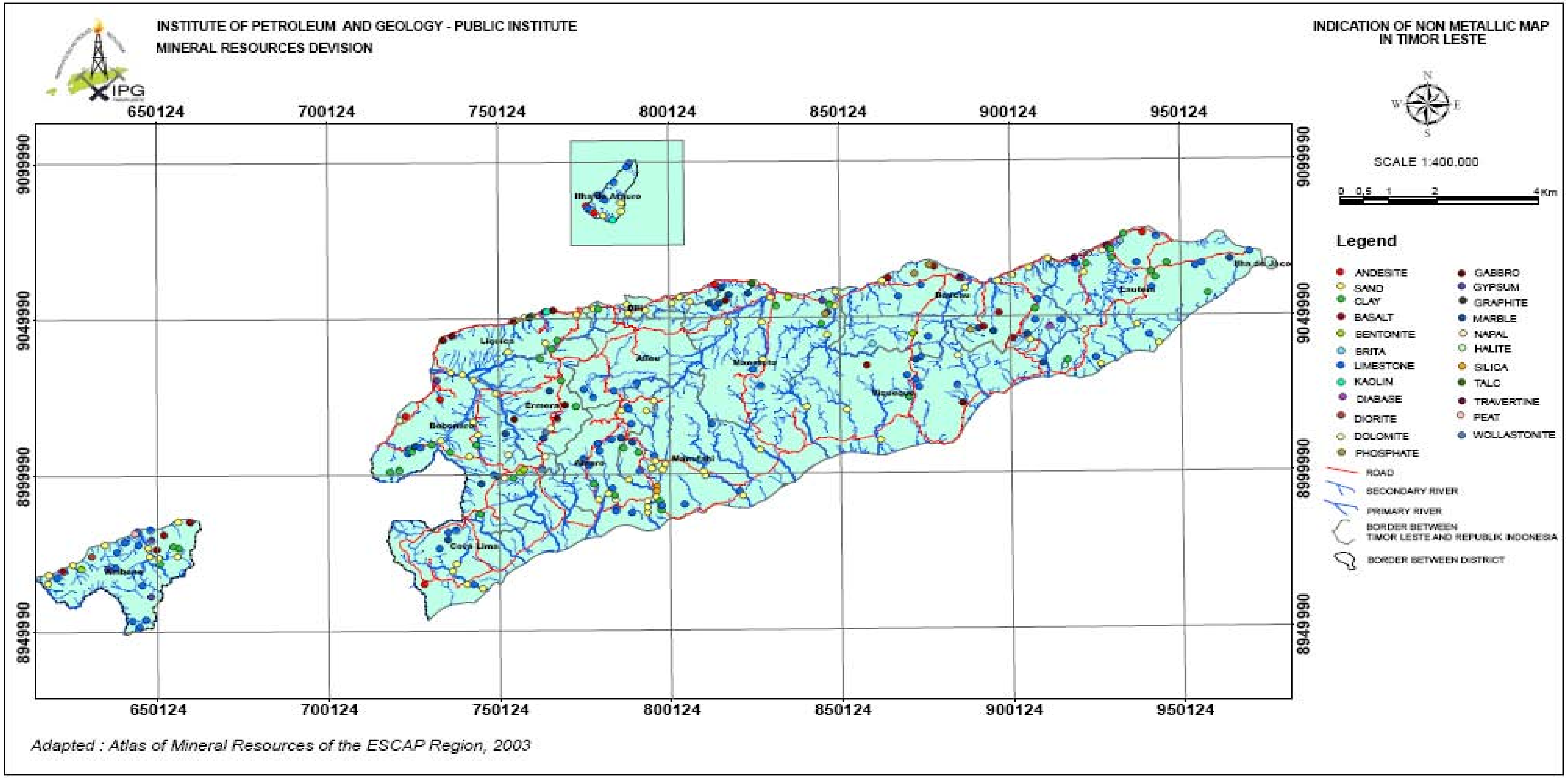
Petroleum Exploitation licences active during 2012

No.	Company Name	Project Area Name	Licence Number	Licence Issued Date	Current Expiry Date	Period in years	Total Surface Area in km^2	Type of minerals extracted
1	ENI JPDA 06-105 Pty Ltd (Operator) Inpex Talisman	JPDA	JPDA 06-105	22/09/2006	Not indicated	-	83	Light Crude Oil
2	ConocoPhillips (Operator) Santos Inpex Sahul	JPDA	JPDA 03-12	02/04/2003	06/02/2022	19	316	Condensate, LPG, LNG
3	ConocoPhillips (Operator) Eni Tokyo Timor Sea Resources	JPDA	JPDA 03-13	02/04/2003	16/12/2021	19	330	Condensate, LPG, LNG
4	Woodside Petroleum (Operator) Shell Development Osaka Gas Sunrise ConocoPhillips	JPDA	JPDA 03-19	02/04/2003	03/10/2026	24	1,092	Gas
5	Woodside Petroleum (Operator) Shell Development Osaka Gas Sunrise ConocoPhillips	JPDA	JPDA 03-20	02/04/2003	15/11/2026	24	90	Gas

Petroleum Exploration licenses active during 2012

No.	Company Name	Project Area Name	Licence Number	Licence Issued Date	Current Expiry Date	Period in years	Total Surface Area in km^2	Type of minerals extracted
1	Minza Limited	JPDA	JPDA 06-101 A	09/03/2007	09/03/2014	7	1,082	N/A
2	Oilex Ltd (Operator) Japan Energy Corporation Videocon Bharat Petro Resources GSPC Pan Pacific Petroleum	JPDA	JPDA 06-103	15/01/2007	15/01/2014	7	1,971	N/A
3	ENI Timor Leste SPA (Operator) GALP Exploracao Producao Petrolifera Korea Gas Corporation	TLEA	S-06-02 (Block B)	03/11/2006	03/11/2013	7	1,530	N/A
4	ENI Timor Leste SPA (Operator) GALP Exploracao Producao Petrolifera Korea Gas Corporation	TLEA	S-06-03 (Block C)	03/11/2006	03/11/2013	7	2,841	N/A
5	ENI Timor Leste SPA (Operator) GALP Exploracao Producao Petrolifera Korea Gas Corporation	TLEA	S-06-04 (Block E)	03/11/2006	03/11/2013	7	2,314	N/A
6	ENI Timor Leste SPA (Operator) GALP Exploracao Producao Petrolifera Korea Gas Corporation	TLEA	S-06-05 (Block H)	03/11/2006	03/11/2013	7	1,422	N/A

Annex 6: Mineral Resources in RDTL



Annex 7: Mining Sector Revenues 2012

N°	Company	Type of Mineral	Type of License	Quantity (m^3)	Revenue received 2012 (USD)	Lic N°	Issue date	Expired date	Project area name
1	Empat Saudara, Lda	Gravel	Media Scale	936	1,872	1	February 2012	February 2013	District Oe-Cusse
2	RMS Engineering & Construction, Pty Ltd	Sands	Media Scale	8,500	12,750	2	March 2012	March 2013	Comoro, District Dili
3	Ensul, Espehere Enginenharia	Sands	Media Scale	1,500	2,250	3	March 2012	March 2013	Comoro, District Dili
4	Timor Block Building Industry	Sands	Media Scale	334	501	4	March 2012	March 2013	Comoro, District Dili
5	Timor Block Building Industry	Sands	Media Scale	1,000	1,500	5	March 2012	March 2013	Comoro, District Dili
6	Jonize Construction, unipessoal, Lda	Gravel	Media Scale	3,300	6,600	6	June 2012	June 2013	District Liquiça
7	Carya Timor-Leste, Lda	Gravel	Media Scale	3,300	6,600	7	June 2012	June 2013	District Liquiça
8	Yefa Unipessoal	Sands	Media Scale	200	300	8	May 2012	May 2013	Comoro, District Dili
9	Ensul, Espehere Enginenharia	Sands	Media Scale	3,000	4,500	9	July 2012	July 2013	District Manatuto
10	Castelo Fronteira unipessoal	Gravel	Media Scale	750	1,500	10	July 2012	July 2013	District Covalima
11	Yefa Unipessoal	Sands	Media Scale	200	300	11	August 2012	August 2013	
12	Tak-Kong Electronic Unipessoal, Lda	Gravel	Media Scale	2,500	3,750	12	August 2012	August 2013	District Manatuto
			Total		**42,423**				

Annex 8: Persons contacted or involved in the 2012 RDTL's EITI reconciliation

Reconciler – Moore Stephens LLP	
Tim Woodward	Partner
Ben Toorabally	Head of Office / Mission Director
Radhouane Bouzaiane	Senior Manager / Team Leader
Hedi Zaghouani	Audit Senior
Rita Freitas	Audit Assistant

EITI Secretariat of RDTL	
Elda Guterres da Silva	National Coordinator
Trifonio Flor Sarmento	Outreach Officer
Ana Paula de Araujo	Programme Officer
Sonia do Rosario Boavida	Administration Officer

Ministry Petroleum and Mineral Resources (MPMR)	
Alfredo Pires	Minister of Petroleum and Mineral Resources
Elga Anita Torrezao Pereira	Director National of Mineral

National Petroleum Authority (NPA)	
Emanuel Angelo Lay	Commercial Director
Oscar Sanches Faria	Senior Officer – Finance & Fiscal Assurance
Honesia Araujo	Marketing and Revenue Management Officer
Nuno V. F. Alves	Finance & Fiscal Assurance Officer
Isabel Joanila da Silva	Oil Marketing and Revenue Management Assistant

National Directorate Petroleum and Minerals Revenue (NDPMR)	
Agustinho Ramos	Senior staff and Head of Compliance Department

Ministry of Finance (MoF)	
Filipe Nery Bernardo	Petroleum Fund Analyst

Central Bank of Timor-Leste (CBTL)	
Fernando da Silva Carvalho	Chief Accountant

General Directorate of Statistics (GDS)	
Paulina Rita Cruz Viegas	National Director of Economic and Social Statistics

Oil Companies	Responsible	Function
Woodside Petroleum	Antonio Campos dos Santos	Country Representative and Community Relations Advisor
Woodside Petroleum	Susana Jardim	Management Accountant
Eni	Angelina Baptista Branco	Country Representative
Eni	Mark Sewell	Joint Venture Accounting Coordinator
Eni	Andrew Tay	Joint Venture Accountant
Eni	Kelvin Aw-Yang	Joint Venture Financial Auditor
Inpex	Kenji Kawano	Managing Executive Officer & Senior Vice President
Inpex	Yae Miyamoto	Planning Coordination Unit
Talisman	Read Keith	Director
Talisman	Millar Colleen	Senior Accountant Finance and Planning
Minza Oil and Gas Ltd	Dino Gandara	Former Vice President
Minza Oil and Gas Ltd	Martin Wollaston	Director
Timor Gap	Luis Martins	Director of Business & Development

Oil Companies	Responsible	Function
Timor Gap	Jacinta Paula Bernardo	Director of Corporate Service
Timor Gap	Francisco Alegria	Public Relation Advisor to the President & CEO
Timor Gap	Amandio Ribeiro	Finance Manager
Timor Gap	Henrique D.C Monteiro	Manager - Project Economics and Finance
Timor Gap	Francisco da Costa Monteiro	President & CEO
Tokyo Timor Sea Resources	Shinsuke Tsujita	Public Relations
Tokyo Timor Sea Resources	Yuhi Harada	Manager, Planning & Commercial
Australian Embassy, Dili	Peter M. Macfarlane	First Secretary
Santos	David Di Blasio	Finance Manager
Santos	Joe Ariyaratnam	Manager – Browse Timor Bonaparte and Technical Services