



## **PETROLEUM FUND QUARTERLY REPORT**

**Quarter ended 31 March 2019**

### **PRESS RELEASE**

The Banco Central de Timor-Leste (BCTL) today released the Quarterly Report of the Petroleum Fund of Timor-Leste for the period ended 31 March 2019. The report shows that the capital of the fund as of 31 March 2019 was \$16.98 billion compared to \$15.80 billion at the end of the previous quarter.

The report shows that the gross capital inflows during the quarter were \$240.27 million, consisting of \$99.32 million of contributions from taxpayers to the Fund, royalty contributions from the National Petroleum Authority of \$140.97 million.

The investment income of the Fund for the quarter was \$941.95 million comprising dividends and interest received was \$101.35 million, change in the market value of financial assets was \$848.72 million, and FX was -\$8.12 million. This represented a portfolio return of the Fund for the quarter was 5.90% while the benchmark return for the period was 5.95%.

The Petroleum Fund law specifies that the Operational Manager (Banco Central de Timor-Leste) is the agent responsible for the operational management of the Fund. The Ministry of Finance is responsible for setting the overall investment strategy for the Fund.

The Banco Central de Timor-Leste has managed the portfolio close to the benchmark over the period. The difference in return between the total portfolio and the benchmark since the inception of the fund is 6 basis point or 0.06 percent.

Highlights of the LV Quarterly Report, which covers the period from 01 January 2019 to 31 March 2019 include:

- The capital of the Fund at 31 March 2019 was \$16.98 billion.
- Gross cash inflows to the fund from royalties and taxes were \$240.27 million.
- Cash outflows were \$4 million for management costs. No transfers were made to the State Budget.
- Net cash inflows during the period were \$236.27 million.
- The portfolio return in the quarter was 5.90% compared with the benchmark return of 5.95%.

Following the decision of the State of Timor-Leste to acquire the interest of Conoco Philips and Shell Energy in the Greater Sunrise joint venture, The BCTL received Interim Minister of Finance's instruction in early March 2019 for the implementation of the investment in Petroleum operations through Timor Gap, E.P or its wholly owned subsidiaries in accordance with diploma Ministerial supported by the Resolution of Council of Ministers according to the Petroleum Activities Law as amended and the Petroleum Fund Law.

The processes concluded in mid March 2019 and the BCTL transferred US\$650 million to Timor Gap, E.P subsidiaries on 10 April 2019 for further investment in the Petroleum Operations after Timor Gap, E.P's confirmation on Australia's approval.

The Quarterly report, as well as the Petroleum Fund Law and Management Agreement, are available from the Banco Central's website <https://www.bancocentral.tl>

Dili, 02 May 2019

**Venancio Alves Maria**  
Deputy Governor

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