

Shell to Sell Stakes in Greater Sunrise Project for \$300M

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Differences in opinion between the Timor-Leste Government and Australia, regarding the development of Greater Sunrise project, have resulted in another leading company to exit the project. Recently, **Royal Dutch Shell plc** [RDS.A](#) inked a deal to divest its 26.56% interest in the Greater Sunrise natural gas fields, off the northern coast of Australia. The move will help the company upgrade and streamline its portfolio. With the deal - which is valued at \$300 million - Shell will exit the Sunrise Gas Field project, following the footsteps of ConocoPhillips [COP](#). Last month, ConocoPhillips jettisoned its 30% stake in the field to the government of Timor-Leste for \$350 million.

Notably, the Greater Sunrise LNG project - which is located about 150 kilometers south east of Timor-Leste and 450 kilometers north west of Darwin, Australia - had been shelved since long, owing to disputes between Australia and East Timor. Importantly, Woodside Petroleum is the operator of the project holding 33.4% share, while ConocoPhillips, Shell and Osaka gas possess 30%, 26.56% and 10%, respectively. While the project partners had intended to have the gas back-piped to the Darwin facility for processing in Australia, the Timor-Leste government was determined to process the gas in its territory. Timor-Leste is keener for an onshore gas processing plant rather than a floating plant and the project partners are not finding the option very viable.

In 2016, the two nations went to the Permanent Court of Arbitration in the Hague, which ordered the maritime boundaries to be redrawn according to international law at the halfway point between the countries. The long-running maritime border dispute between Timor-Leste and Australia was finally resolved in February 2018, which paved the way for field development.

Shell's Divestment Targets Within Reach

The divestment is in line with Shell's strategy to steer clear of debt stemming from its \$50-billion acquisition of BG Group. Notably, the company has already vended more than \$27 billion assets, as part of its 2016-2018 \$30-billion divestment plan. The company has been offloading its non-core assets in Malaysia, Norway, Iraq, New Zealand, U.K., Canada, Gabon, Ireland, Thailand, among others. Reportedly, it is also in talks to sell its stakes in Caesar Tonga field in the Gulf of Mexico to Focus Oil for more than \$1 billion. With Shell already wrapping up transactions worth around \$27.5 billion, the company remains focused to meet its \$30-billion target by 2018. Additionally, Shell intends to divest more than \$10 billion worth of assets over the 2019-2020 time period.