Timor-Leste Government dismisses Woodside’s Sunrise Floating LNG concept

While Woodside and its’ joint venture partners have announced their preferred development option for the Greater Sunrise gas field, a proposed Floating LNG, Timor-Leste confirms it will not accept or endorse this concept and it’s associated plan now or in the future.

The Floating LNG concept for Greater Sunrise is neither in the best interests of the people of Timor-Leste nor technically and commercially sensible.

The Secretary of State for the Council of Ministers, H.E. Ágio Pereira, today reiterated the Governments’ position “The Nation is firmly committed to building an onshore petroleum industry, inclusive of a pipeline to Timor-Leste from the Greater Sunrise field. Timor-Leste will not approve any development of Greater Sunrise that does not include a pipeline to Timor-Leste.”

The Government considers Woodside’s announcement a waste of valuable time, money and human capital; presenting a concept preference before appropriate consultation with the “resource-owners”.

Woodside was acutely aware of the Governments’ position before today’s announcement; but chose to proceed regardless. This is not only a source of great concern, but reflects an unacceptable level of arrogance. The approach has significantly compromised future relations with the Government of Timor-Leste.

Timor-Leste Secretary of State for Natural Resources, H.E. Alfredo Pires, said “For Timor-Leste, the progress of the Sunrise project is still in early stages and very far away from any subsequent approvals for a development plan. It should also be noted that Woodside and its’ joint venture partners have yet to comply with the technical pending issues requested by the regulator Autoridade Nacional do Petroleo (ANP), a public institution of Timor-Leste.’

‘Concurrently, many outstanding fiscal and regulatory framework issues, agreements, and commercial arrangements for processing the gas, including where to take the Timor-Leste entitlement of gas, are yet to be negotiated, agreed or approved.’

‘Timor-Leste will not approve or agree to any arrangements which do not include a gas pipeline and LNG plant built onshore in Timor-Leste. Woodside must acknowledge this, and not continue to mislead the public.”

“Our Government has conducted detailed feasibility studies that confirm technical and commercial viability of a pipeline to Timor-Leste. The findings have also been confirmed by leading international engineering companies. Knowing that it is a technically possible and commercially sound option, why should we accept any other concept?’
“Timor-Leste and Australia have entered into treaties and agreements to develop the resources in the Timor Sea for the benefit of our two peoples. Not merely for commercial interest. Australia has been benefitting from the current Bayu Undan development in the Timor Sea, this time, the pipeline from Greater Sunrise must come to Timor-Leste. This is the only equitable solution that best fulfills the treaty obligations. In turn, it is also the only way the companies operating under this treaty regime can best fulfill their obligations.”

The Government of Timor-Leste will continue to plan and develop a shore-based oil and gas industry, which is considered a critical building block to grow its' associated industries, the economy, and to lift the Timorese from poverty.

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