



ANNUAL REPORT 2014



Message from President



2014 is indeed a year full of challenges for ANP. We have come close to finalizing new sets of framework for petroleum operations and continue with active involvement in regulating the sector.

The year in review

2014 is indeed a year full of challenges for ANP. We have come close to finalizing new sets of framework for upstream petroleum operations and continue with active involvement in regulating the sector. Our first ever local content audit to operators in the JPDA provides opportunity to understand better ways to work with contract operators to continue improve participations of Timor-Leste in petroleum operations. Additionally, throughout the year we have also worked closely with contract operators to address some of significant operational challenges and brought across reasonable solutions to continue work side by side. Besides, the downstream businesses in Timor-Leste have advanced positively with the issuance of a number of downstream activity licenses.

Overall, opportunities and challenges in 2014 have exposed our young and dedicated team to a new level of experience to work together and develop their capability to serve the interest of the resource owners.

Exploring for potentials

Geological and geophysical work in our areas continues to take place in preparation for drilling in the coming years. Despite that, we have granted permission to defer the delivery of some of the exploration commitments in the JPDA as well as in the TLEA giving more time to the contract operators to plan and deliver their commitment.

Producing from declining fields

The decline in oil production from both the Bayu Undan and Kitan field pooled with the drop in oil price towards the end of 2014 have impacted our ability to generate greater revenue. Nevertheless, it is often in this environment that the contract operators are forced to act more prudent to optimize recovery of petroleum and lower the cost of operation.

To maintain and improve oil production, five development wells were drilled throughout the year; whilst some wells were immediately brought on-stream, some wells unfortunately failed and have to be suspended until economic environment becomes favorable.

Eyes on Health Safety and Environment

Another safe year for petroleum operations in the JPDA and TLEA in 2014. There was no record of fatality or any major accidents/incidents in our areas of jurisdictions.

The regulatory audit and inspections targeting predefined scopes continue to be carried out by our increasingly experienced inspectors and auditors which resulted in corrective actions for continuous improvement.

Licensing Downstream Activities

Apart from working on ancillary downstream regulations, our effort in coordination with local business entities in downstream sector have been paid off with the issuance, for the first time, of a number of downstream activity licenses to qualified downstream service providers for different service categories. This is a major milestone for regulating the


downstream sector to meet the downstream requirements, industry standard and to provide assurance to the end users of downstream products in the country.

Revisiting regulations and model contracts

Continuing the effort from previous year, we have come close to finalizing the regulations and model contract for Timor-Leste and continue to work on a revised regulations and model PSC for the JPDA. The work on Timor-Leste regulations and model contracts will be completed in 2015 to facilitate the plan for acreage release.

Journey in 2015

We look forward to conclude the revised regulatory framework for petroleum operations in 2015 and open a new round for exploration in our area of jurisdictions. We have strong commitment to continue the progress we've made so far in close cooperation with relevant key stakeholders. Nonetheless, as many who are involved in this industry, the uncertainties in oil price continue to remind us of the need to think harder and adjust the way we do business in this sector.



Gualdino da Silva
President
Autoridade Nacional do Petróleo

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AUTORIDADE NACIONAL DO PETRÓLEO BRIEF

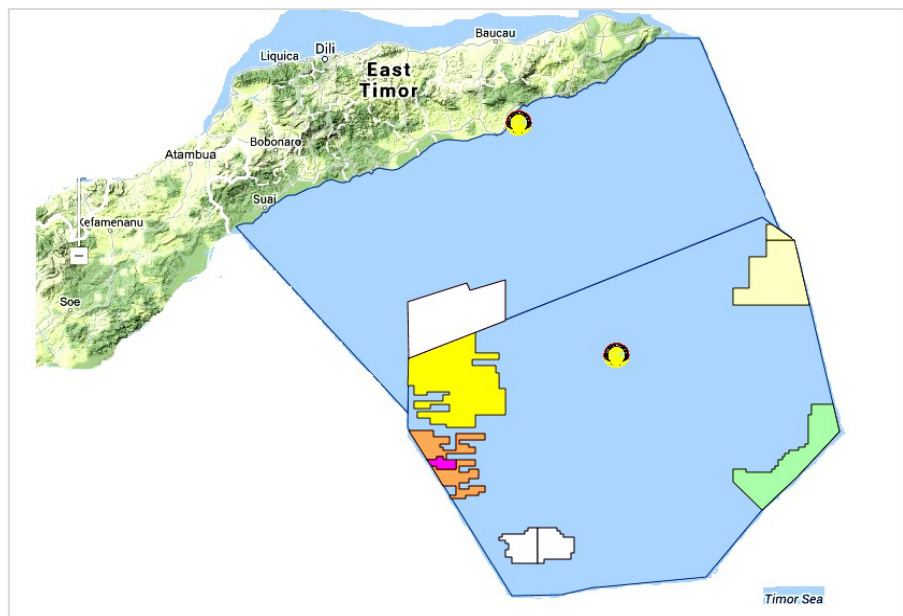
Autoridade Nacional do Petróleo (ANP) is Timor-Leste's public institution established by the government of Timor-Leste in July 2008.

ANP is vested with administrative and financial autonomy to act as regulatory authority for the oil and gas related activities in accordance with the provisions of the Petroleum Activities Law, Interim Petroleum Mining Code, Petroleum Mining Code and the Timor Sea Treaty.

1.1 ANP REGULATORY JURISDICTION

In the JPDA, ANP is responsible to the Joint Commission and carry out the day today regulation and management of upstream petroleum activities by means of regular supervision and control of petroleum activities including health, safety, environmental protection and assessments and work practices.

In the TLEA, apart from being responsible for the upstream petroleum activities equivalent to those in the JPDA, ANP is also responsible to regulate downstream petroleum activities including supply, processing, storage, transportation, trading and marketing of oil and gas products.



MAP 1: ANP JURISDICTIONAL AREAS (MAP NOT TO SCALE)

1.2 VALUES, VISION, MISSION AND GOALS

VALUES



Collaboration

To conduct efficient and effective collaborating among (i) ANP's internal Directorates, and (ii) with its stakeholders.

Openness

Honesty and transparency – underpinned by a culture of trust and respect

Unity

ANP promotes and displays a high degree of teamwork and integration among its employees and Directorates. Whilst appreciating and respecting the cultural intellectual diversity of the individuals that works within it, the ANP is united in its ambition to become a world class organisation in Timor-Leste.

Responsibility

As true leaders, ANP team members take full responsibility for the results of their actions.

Accountability

ANP and its team members are fully accountable for their ethical standards, behavior and performance at all times. Furthermore the ANP is accountable for the governments of Timor-Leste. In performing the task in and for the JPDA, the ANP is accountable for Timor-Leste and Australia.

Global view

Whilst operations for the ANP reside in Timor-Leste, its view is a global one. It works with and coordinates activities with operators that are multi-national in nature, size and scope.

Excellence

In line with developing a world class organization, the ANP believes in excellence – in everything that it does.

VISION

To be a leading petroleum regulatory authority in the region and a model for institutional development in Timor-Leste.

MISSION

To maximize revenue and multiply economic benefits;

To maximize the participation of Timor-Leste in the development of its petroleum sector;

To promote best Health, Safety and Environmental practices;

To develop the institutional capacity of the Timor-Leste petroleum sector.



OBJECTIVE

Ensure that petroleum resources are effectively explored, developed, managed and regulated;

Ensure that economic benefits are delivered to the contracting states;

Maximize employment opportunities for Timor-Leste nationals;

Develop organizational excellence;

Promote and ensure best HSE practices;

Regulate all downstream petroleum activities in Timor-Leste;

Maximize economic activities of petroleum sector in Timor-Leste;

1.3 ORGANISATIONAL STRUCTURE AND DEVELOPMENT

STRUCTURE

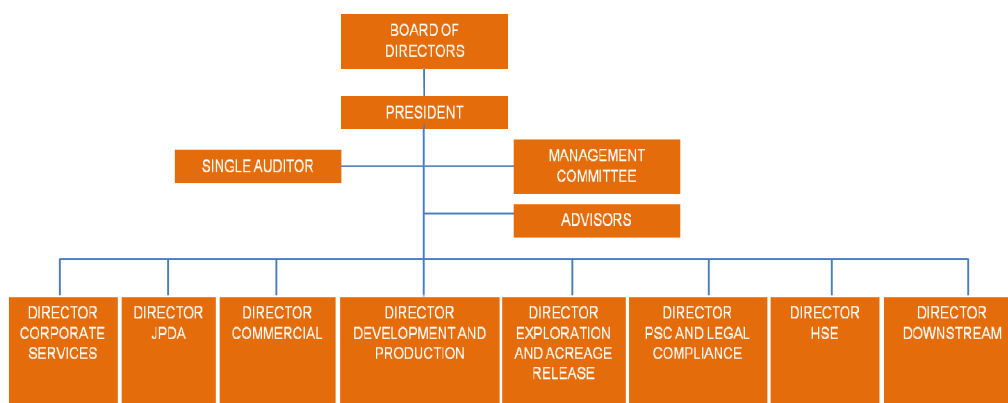


CHART 1: ANP ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS (BoD)

BoD is responsible for defining directions and policies for the ANP. In doing so, the BoD is responsible for approving corporate policies, strategic directions, technical regulations and directives under the Petroleum Act and approving ANP's consolidated work plan and budget as prescribed under Article 7 of the ANP decree law.

ANP Board of Directors in 2014

Gualdino da Silva ,BEng(GeoEng) Hons.	Chairman
Jorge Dasilaku Martins,Msc	Non executive member
Mateus da Costa, Msc	Executive member
Nelson de Jesus, SE	Executive member
Emanuel Angelo Lay, M Comm.	Executive member

SINGLE AUDITOR

The functions of the Single Auditor are provided under Article 14 of the ANP decree law. The Single Auditor is the organ responsible for monitoring legality, regularity, and proper financial and patrimonial management of the ANP.

MANAGEMENT COMMITTEE

Management Committee is headed by the President of ANP and the members include all executive directors. Management Committee holds meeting at least once in a month to address day to day management of ANP and to address projects in JPDA and TLEA.

Dionisio Martins	Corporate Services Director
José Manuel Gonçalves	JPDA Director
Emanuel Angelo Lay	Commercial Director
Rui Soares	Development and Production Director
Verawati Cortereal de Oliveira	Health Safety and Environment Director
Mateus da Costa	Exploration and Acreage Release Director
Amado Hei	PSC and Legal Compliance Director
Nelson de Jesus	Downstream Director

1.4 MAJOR ACHIEVEMENT AND PROJECTS IN 2014

DIAMOND EYE AWARD FOR QUALITY COMMITMENT AND EXCELLENCE

In 2014 ANP was awarded for the second time by the ASSOCIATION OTHERWAYS MANAGEMENT & CONSULTING - FRENCH AND OTHERWAYS INT'L RESEARCH & CONSULTANTS, with the GOLDEN EYE AWARD FOR QUALITY COMMITMENT AND EXCELLENCE, held in Berlin Germany.



FIGURE 1: SPEECH AT THE GOLDEN EYE AWARD FOR QUALITY COMMITMENT AND EXCELLENCE

TIMOR-LESTE OFFSHORE DECREE LAW AND MODEL PRODUCTION SHARING CONTRACT



ANP engaged in nationwide public consultation for Decree Law on offshore petroleum operation in Timor-Leste and Model Production Sharing Contract. Various means were used to consult with interested parties overseas using information on our website. Valuable inputs and comments from all relevant stakeholders were gathered to improve the proposed Decree Law and Model Production Sharing Contract.

FIGURE 2: TIMOR LESTE OFFSHORE DECREE LAW AND MODEL PRODUCTION SHARING CONTRACT PUBLIC CONSULTATION

ASSISTING SÃO TOMÉ E PRÍNCIPE

Timor-Leste government through the then Secretary of State for Natural Resources signed a MoU with the government of São Tomé e Príncipe, represented by Minister of Natural Resources and Infrastructure in 2011 for cooperation in the petroleum sector.

Following the signing of the MoU in São Tomé, a total budget of USD 250,000 was allocated by the Timor-Leste government in 2011 to the ANP-TL to implement the MoU. The MoU program focuses on assistance for capacity building and improving the operational function of ANP-STP and EITI-STP. A number of secondment of ANP-STP and EITI-STP personnel to ANP-TL and EITI-TL had taken place under the MoU program. In addition to the secondments, the cooperation also allows for the purchasing of equipments to help operational function such as computers, IT softwares etc had also been done. By end of 2014, a total of 68.5% of the total allocated budget had been executed.



FIGURE 3: SHARING OF EXPERIENCE SÃO TOMÉ AND ANP TIMOR-LESTE

1.5 JOINT COMMISSION AND SUNRISE COMMISSION

MEMBERS OF THE TIMOR SEA TREATY JOINT COMMISSION IN 2014

*	Francisco da Costa Monteiro	Timor-Leste
*	Antonio de Sousa Loyola	Timor-Leste
*	Tania Constable	Former Australia Commissioner until 39th JCM
*	Bruce Wilson	Australia Commissioner since 40th JCM
*	Domingos Lequisiga	Timor-Leste alternate Commissioner
*	Vicente Lacerda	Timor-Leste alternate Commissioner
*	Demus King	Australia alternate Commissioner

Three Joint Commission Meetings were held in 2014

- * 39th JCM on 6th March 2014 in Australia
- * 40th JCM on 14th August 2014 in Dili
- * 41st JCM on 25th November 2014 in Australia

2014 Timor Sea Treaty JCM major resolutions, amongst others were:

- * Approval of the ANP 2015 WP&B

MEMBERS OF THE SUNRISE COMMISSION IN 2014

*	Bruce Wilson	Australia
*	Rod Smith	Australia
*	Francisco da Costa Monteiro	Timor-Leste

One Sunrise Commission Meeting were held in 2014

- * 15th SCM on 26th November 2014 in Australia

1.6 ANP HUMAN RESOURCE DEVELOPMENT



ANP invests significantly in human resources both to attract most qualified Timorese and to develop their skills, knowledge, and abilities to accomplish organizational goals to provide service to our key stakeholders.

STAFFING

In 2014, five competent qualified Timorese were recruited for two new positions and three positions to replace outgoing staff. By end of 2014, ANP has a total of 78 staff spread across different directorates, including President and Single Auditor's office.

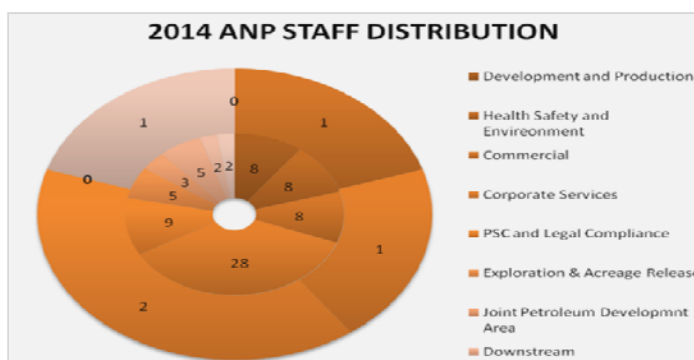


CHART 2: ANP STAFF DISTRIBUTION IN 2014

TRAINING AND CAPABILITY DEVELOPMENT

A total of twenty six individual training programs were attended by relevant ANP employees. Most of these training programs were in the area of Marketing, Finance, Engineering and Health, Safety and Environment. Other collective training programs including Corporate Business Skills, International Petroleum Contract as well as Language (English and Tetun) were offered in 2014 for wider group of participants.

ANP also facilitate participations of its senior staff to take part at international workshops and conferences either as participants or speakers to share our experiences and learn from others in the industry.

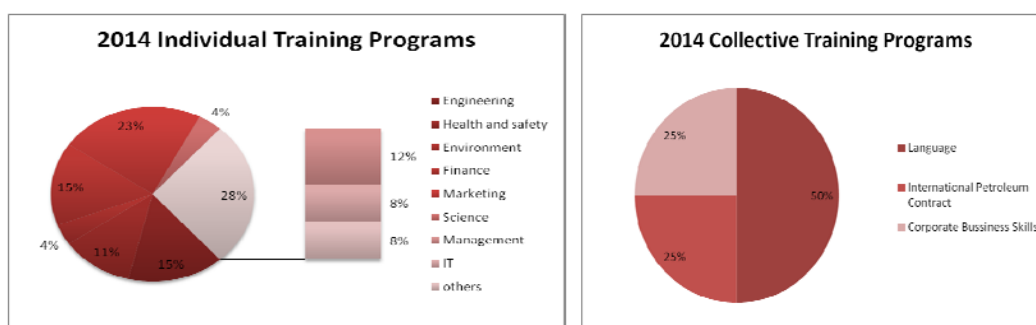


CHART 3: TRAINING AND CAPABILITY DEVELOPMENT IN 2014

1.7 CORPORATE PROCUREMENT

Corporate procurement is categorized into four major items; Consultancy, Audit, Goods and Services. In 2014, corporate procurement amounts to a total of USD \$1,573,460.42. In terms of value distribution, corporate procurement in 2014 mostly expend on Services and Consultancy which account for 87 percent of the total corporate procurement. Procurement with respect to Audit and Goods accounts for 1 percent and 12 percent, respectively. Further details can be found in annex 1.

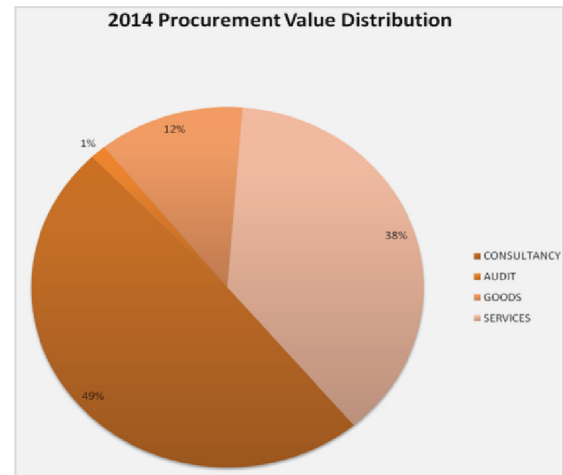


CHART 4: 2014 ANP PROCUREMENT BY CATEGORIES

1.8 FINANCIAL STATEMENT AND AUDITOR'S REPORT

ANP - CORPORATE EXPENSES REPORT

Below is the ANP's audited expenses report for 2014. All figures presented are in United States Dollar.

Expenses Report Per 31 December 2014 (Audited)		
	Actual	Budget
Development Fees	\$ 3,983,200.00	\$ 3,983,200.00
Contract Services Fees	\$ 969,616.00	\$ 960,000.00
Subsidy from Timor - Leste Government for ANP Operation	\$ 2,000,000.00	\$ 2,000,000.00
Timor-Leste Government Funding for petroleum audits *	\$ 18,889.00	\$ 1,000,000.00
Downstream Fees	\$ 15,825.00	\$ -
Interest	\$ 127.00	\$ 40,848.00
Profit and disposal of assets	\$ -	\$ -
Other Income	\$ 42,286.00	\$ -
Total Income	\$ 7,029,943.00	\$ 7,984,048.00
EXPENSES		
Employee Cost	\$ 2,108,753.00	\$ 2,222,081.54
General and Administration	\$ 3,359,200.00	\$ 3,335,658.00
Depreciation and Amortization	\$ 353,966.00	\$ 252,000.00
Purchase of Intangibles and Property, Plant & Equipment (assets)	\$ 392,000.00	\$ 1,165,000.00
Government petroleum audit cost	\$ 18,889.00	\$ -
Net Loss in Foreign Exchange	\$ 6,608.00	\$ -
Contingency		\$ 278,989.58
Total Expenditure/Budget	\$ 6,239,416.00	\$ 7,253,729.12
Surplus	\$ 790,527.00	\$ 730,318.88

* non ANP asset fund (an income to execute Timor - Leste Government program)

The ANP actual total expenditure was USD \$ 6,239,416.00. This expenditure represents 86.02% of the total approved budget of USD \$ 7,253,729.12.

AUTORIDADE NACIONAL DO PETRÓLEO

2014 Financial Report (audited)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
INCOME			
Development fees		3,983,200	3,983,200
Contract service fees		969,616	977,208
Subsidy from Timor-Leste Government		2,000,000	1,950,000
Timor-Leste Government funding for petroleum audits		18,889	-
Downstream fees		15,825	-
Interest		127	53
Profit on disposal of assets		-	18,107
Other income		42,286	1,404
TOTAL INCOME		7,029,943	6,929,972
EXPENSES			
Employee costs	12	2,108,753	2,168,047
General and administration	13	3,359,200	3,129,905
Depreciation and amortisation		353,966	338,491
Government petroleum audit costs		18,889	-
Net loss in foreign exchange		6,608	25,013
TOTAL EXPENSES		5,847,416	5,661,456
SURPLUS FOR THE YEAR		1,182,527	1,268,516
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,182,527	1,268,516

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4, 11	7,059,360	7,820,215
Cash and cash equivalents - Joint Petroleum Development Area	4, 11	23,485,758	64,891,494
Trade and other receivables	5	973,096	134,272
Other current assets	6	6,663	76,719
Total Current Assets		31,524,877	72,922,700
NON-CURRENT ASSETS			
Property, plant and equipment	8	524,294	596,118
Intangibles	7	349,955	263,899
Total Non-Current Assets		874,249	860,018
TOTAL ASSETS		32,399,126	73,782,718
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables *	9, 11	1,374,905	1,603,862
Payable in respect of Joint Petroleum Development Area Funds	9, 11	23,485,758	64,891,494
Contract service fees & development fees received in advance	10	546,630	1,478,057
Total Current Liabilities		25,407,293	67,973,413
TOTAL LIABILITIES		25,407,293	67,973,413
EQUITY			
Initial contribution		2,153,168	2,153,168
Accumulated funds		4,838,665	3,656,138
Total Equity		6,991,833	5,809,306
TOTAL EQUITY AND LIABILITIES		32,399,126	73,782,718

* consists of Timor-Leste Government fund for petroleum operators audit and assistance of Sao Tome e Principe.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN
EQUITY
FOR THE YEAR ENDED 31 DECEMBER
2014

	Accumulated Funds \$	Total Equity \$
At 1 January 2013	2,387,622	4,540,790
Total surplus for the year	1,268,516	1,268,516
At 31 December 2014	3,656,138	5,809,306
Total surplus for the year	1,182,527	1,182,527
At 31 December 2014	4,838,665	6,991,833

ALLOCATION OF SURPLUS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Joint Petroleum Development Area \$	Timor-Leste Exclusive Area \$	Total for the year \$
Development fees	3,983,200	-	3,983,200
Contract service fees	969,616	-	969,616
Subsidy from Timor-Leste Government	-	2,000,000	2,000,000
Timor-Leste Government funding for petroleum audits	-	18,889	18,889
Downstream fees	-	15,825	15,825
Interest	127	-	127
Other income	33,829	8,457	42,286
Total Income	4,986,772	2,043,171	7,029,943
Expenses split per JPDA Joint Commission approved budget	(4,375,640)	(1,471,776)	(5,847,416)
Surplus for the year	611,132	571,395	1,182,527

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Operating activities		
Operating surplus before tax	1,182,527	1,268,516
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	216,237	237,430
Amortisation of intangible assets	137,729	101,060
Interest income	(127)	(54)
Profit on disposal of property, plant and equipment	-	(18,107)
Operating surplus before working capital changes	1,536,366	1,588,845
Working capital adjustments:		
Increase in trade and other receivables	(838,824)	(118,621)
Decrease (increase) in other current assets	70,058	(65,142)
(Decrease) Increase in trade and other payables	(41,634,693)	15,353,688
(Decrease) Increase in unearned income	(931,427)	53
Cash generated from operations	(41,798,520)	16,758,823
Interest received	127	54
Net cash flow provided by (used in) operating activities	(41,798,393)	16,758,877
Investing activities		
Purchase of intangibles	(223,785)	(11,531)
Purchase of property, plant and equipment	(144,413)	(247,809)
Proceeds from the disposal of property, plant and equipment	-	21,094
Net cash flow used in investing activities	(368,198)	(238,246)
Net increase (decrease) in cash and cash equivalents	(42,166,591)	16,520,631
Cash and cash equivalents at beginning of year	72,711,708	56,191,077
Cash and cash equivalents at end of year	4, 11 30,545,118	72,711,708

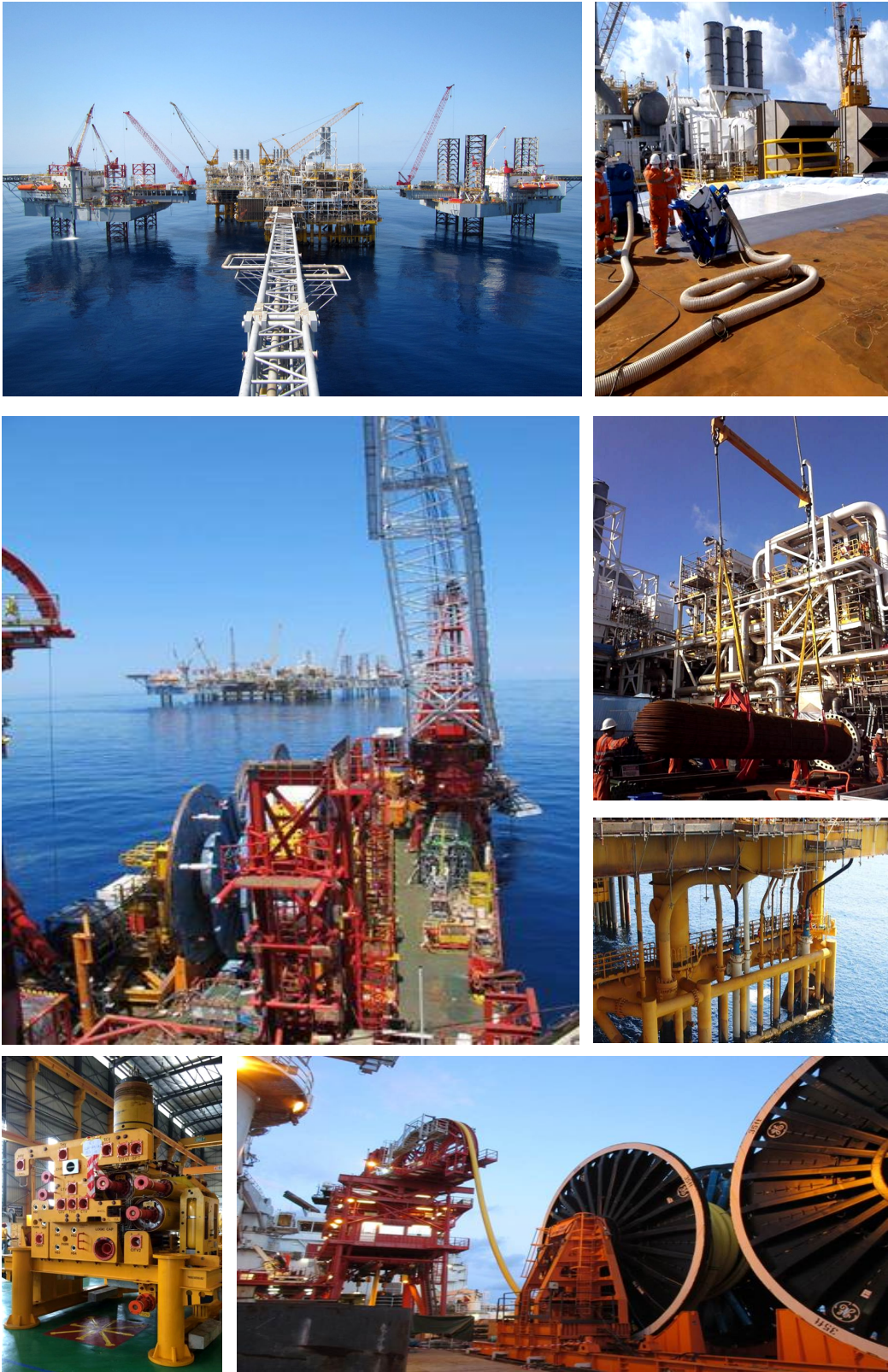
The above Statement of Cash Flows should be read in conjunction with the accompanying notes

AUTORIDADE NACIONAL DO PETRÓLEO OF TIMOR-LESTE
STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue receipts by field			
Bayu-Undan	3	1,119,205,857	1,868,991,847
Kitan	4	14,404,238	219,397,203
Total revenue receipts received		1,133,610,095	2,088,389,050
Interest earned from:			
• term deposits		15,103	15,210
• from contractors for profit oil/gas delayed payment	6	12,684	10,302
Total receipts received		1,133,637,881	2,088,414,562
Bank charges		(1,834)	(1,961)
Receipts less bank charges for the year		1,133,636,047	2,088,412,601
Cash at beginning of year		64,891,494	50,131,905
		1,198,527,541	2,138,544,506
Less: cash at end of year	5	(23,485,758)	(64,891,494)
Amount available for distribution		1,175,041,783	2,073,653,012
Distributed as follows:			
Distribution to Petroleum Fund of Timor-Leste		1,057,537,605	1,866,287,711
Distribution to Department of Industry and Science, Australia		117,504,178	207,365,301
		1,175,041,783	2,073,653,012

The above Statement of Petroleum Revenue Receipts and Payments should be read in conjunction with the accompanying notes

(PICTURES FROM CONOCOPHILLIPS JPDA 03-12)



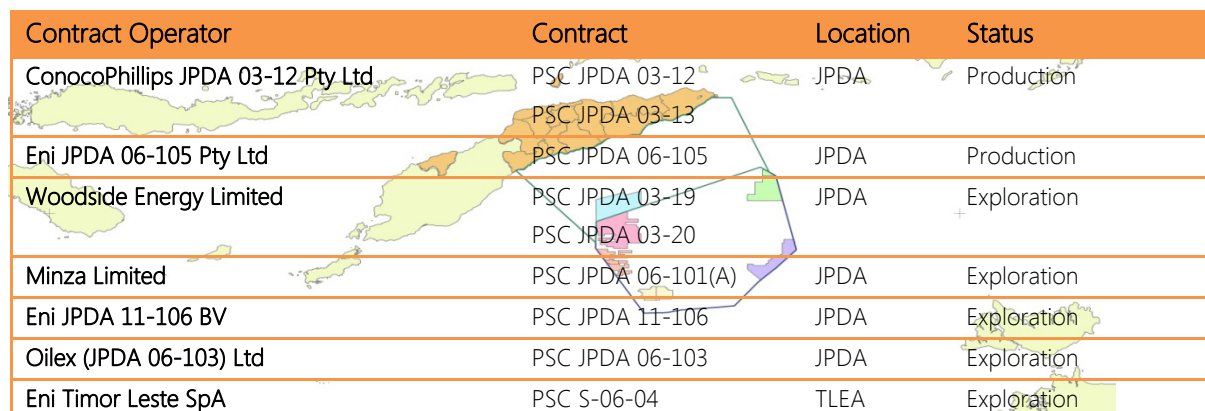
CONTRACT OPERATOR'S ACTIVITY

ANP uses information from reports, investigations, inspections and audit to analyze trends for better improvement and decision making.

Overall, the quantity and scope of reports was increased in 2014 reflecting the amount of contract operators' activities associated with development drilling, maintenance as well as planned shutdown and ANP's continuous proactive involvement to enforce regulatory requirements when dealing with oil and gas operator's performance in the JPDA and the TLEA.

2.1 CONTRACTS IN JPDA AND TLEA

In 2014, most of the acreages in both TLEA and JPDA are open for further investment. A total of 9 PSCs are in existence, of which 1 in TLEA and 8 in JPDA.



Contract Operator	Contract	Location	Status
ConocoPhillips JPDA 03-12 Pty Ltd	PSC JPDA 03-12	JPDA	Production
	PSC JPDA 03-13		
Eni JPDA 06-105 Pty Ltd	PSC JPDA 06-105	JPDA	Production
Woodside Energy Limited	PSC JPDA 03-19	JPDA	Exploration
	PSC JPDA 03-20		
Minza Limited	PSC JPDA 06-101(A)	JPDA	Exploration
Eni JPDA 11-106 BV	PSC JPDA 11-106	JPDA	Exploration
Oilex (JPDA 06-103) Ltd	PSC JPDA 06-103	JPDA	Exploration
Eni Timor Leste SpA	PSC S-06-04	TLEA	Exploration

TABLE 1: PSCS IN JPDA AND TLEA

2.2 EXPLORATION PERFORMANCE

Most of the exploration areas in the TLEA were relinquished by end of 2013. This contributes to a significant increase of open area inventory of TLEA in 2014. In the JPDA, the open area inventory remains the same as it was in 2013. Below are summary of exploration activities in the JPDA and TLEA in 2014.

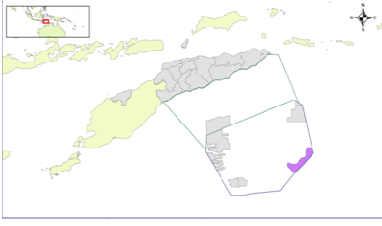
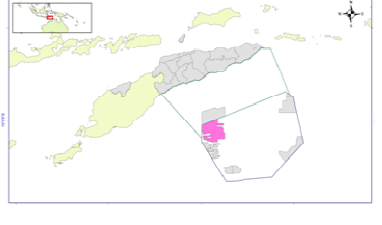
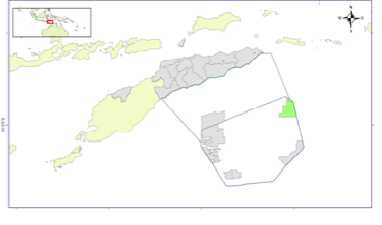
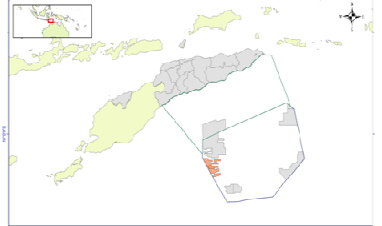
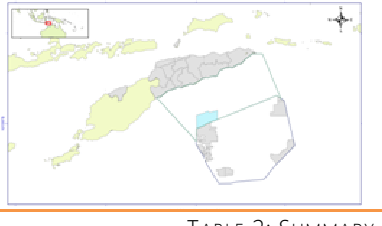
PSC	ACTIVITY
<p>PSC 06-101A Location</p> 	<ul style="list-style-type: none"> - A sub-surface evaluation based on the acquired 3D Seismic was performed to determine drilling target - One well commitment is still due to be delivered
<p>PSC 06-103 Location</p> 	<ul style="list-style-type: none"> - One committed exploration well is yet to be delivered - Contract operator request to terminate PSC on mutual ground - Ongoing review and discussion to respond to the request for termination
<p>PSC 03-19 and PSC 03-20 Location</p> 	<ul style="list-style-type: none"> - No technical work performed in the two PSCs - Future works awaiting on directions from government of Timor-Leste and Australia through the Sunrise Commission
<p>PSC 11-106 Location</p> 	<ul style="list-style-type: none"> - New geological and geophysical studies had been performed to identify drillable prospects - Two commitment wells are expected to be drilled in 2015
<p>PSC S-06-04 Location</p> 	<ul style="list-style-type: none"> - Contract operator requested for extension to drill one prospect due to ultra deep water rig availability - 12 months extension was approved allowing the well to be drilled in the following year.

TABLE 2: SUMMARY OF EXPLORATION ACTIVITIES

2.3 PRODUCTION PERFORMANCE

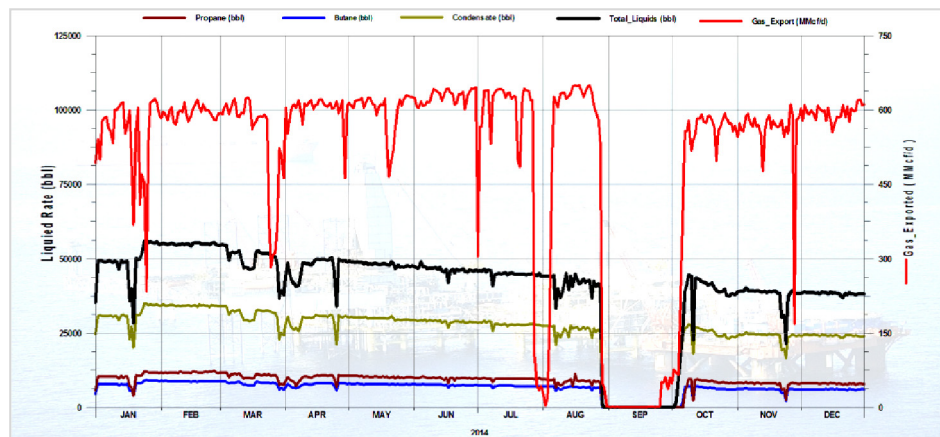
PRODUCTION IN BAYU UNDAN FIELD



Bayu Undan Field commenced production of Condensate in 2004

BU is a gas condensate field located 250 km from Timor-Leste South coast and 480 km North-West of Darwin, Australia. The field is operated by ConocoPhillips JPDA 03-12 Pty Ltd. The field facilities include a Central Production and Processing Complex (DPP and CUQ), FSO, WP1, subsea in-field pipelines and gas export pipeline to Darwin. The field has 12 producing wells, 4 gas injection wells and 2 water injection wells. In 2014 the field produced from 10 wells.

The average wet gas production for 2014 is 1,093 MMscf/day which yields total average liquid production (Condensate and LPG) of 40.7 kbpd, whilst the export gas to Darwin LNG remains steady at an average of 515 MMscf/day.



GRAPH 1: TOTAL LIQUID PRODUCTION AND GAS EXPORTED IN 2014 FROM BAYU UNDAN PROJECT

The liquid production continuously declining due to natural reservoir depletion, pressure decrease and lean gas breakthrough. The average monthly decline rate for condensate was 2.8% and LPG was 3.6% for butane, and 4.1% for propane.

Two additional wells were drilled in 2014 as part of phase III development program to increase production and maximise recovery of liquid from the field.

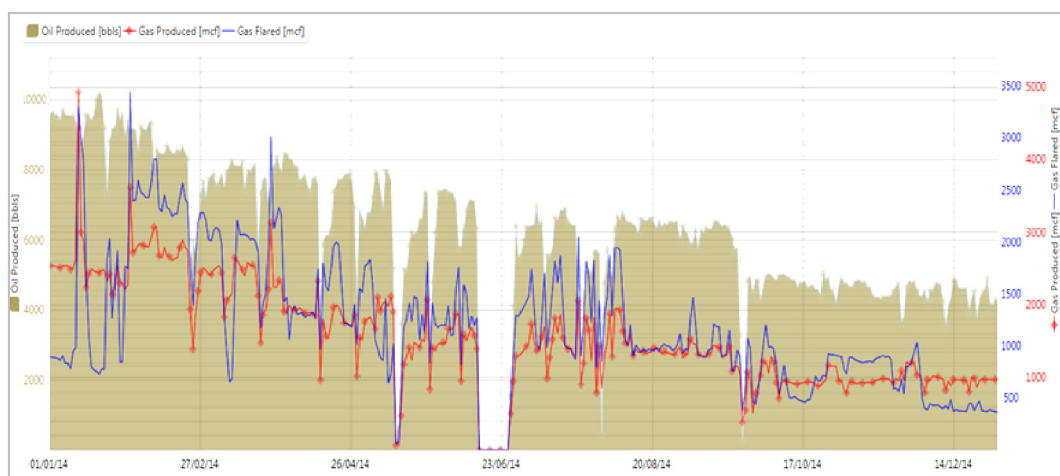
PRODUCTION IN KITAN FIELD



Bluewater FPSO Glas Dowl commenced production in the Kitan field on October 2011

Kitan is an oil field located approximately 150 km from Timor-Leste South coast and over 480 km North-West of Darwin, Australia. The field is operated by Eni JPDA 05-105 Pty Ltd and produced from 3 production wells, hydrocarbon produced is processed and stored for offloading on FPSO facility.

The average oil production in the Kitan field in 2014 is 6.2 kbpd.



GRAPH 2: KITAN OIL, GAS PRODUCED AND GAS FLARED

The oil production in Kitan has declined due to natural depletion of the reservoir. The average monthly decline rate was 10.2 % during 2014 which led to total reduction of about 50 % towards the end of 2014. Kitan South well was drilled but was not economic for development, whilst Kitan 3 was side tracked to maximise production from the field.

2.4 HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE

ANP works closely with contract operators in accordance with the applicable laws, and best practices in oil and gas industry managing petroleum activities in the TLEA and JPDA to avoid loss of life, property, processes and environment.

ANP has the duty to hold contract operators account for any breach of their legal and contractual obligations. ANP also works closely with contract operators to uphold the best possible Health, Safety and Environmental outcomes in accordance with the regulatory requirements and best practices in oil and gas industry.

HSE PERFORMANCE IN JPDA

INCIDENTS IN JPDA

Contract operators are required to report on regular and periodic basis matters related to HSE especially on HSE performance. This includes non-work related incident and work related incident that occurred in the production facilities, supporting vessels, seismic survey vessels and MODU. The statistics below covers all incidents occurred during duty shift.

Overall in 2014 there were 202 incidents reported from the two facilities (Bayu Undan and Kitan) operating in the JPDA. The Chart and Graph below represent percentage of each incident by category and the spread of each incident category across the month during the reporting year.

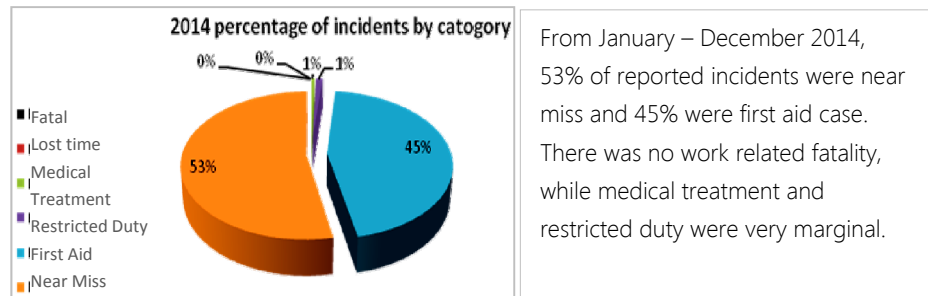
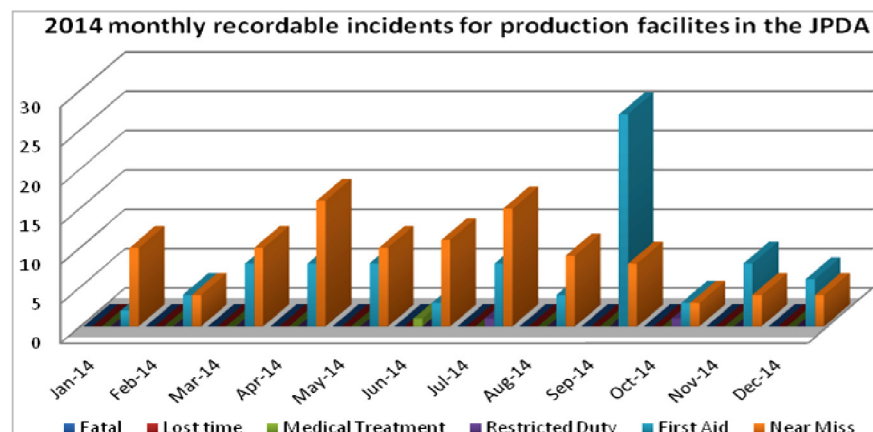


CHART 5: 2014 JPDA ANNUAL HEALTH AND SAFETY STATISTICS



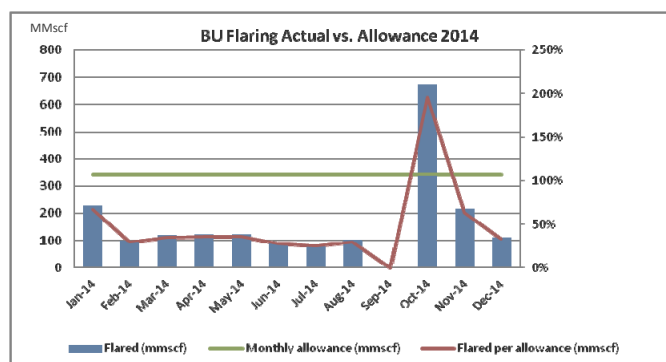
GRAPH 3: 2014 JPDA MONTHLY SAFETY STATISTICS

The highest number of incidents was recorded in September (35 cases) and the lowest number of incidents was recorded in February and October (8 cases each). During the reporting year no lost time injury was recorded. Meanwhile two restricted duty and one medical treatment incidents were reported.

GAS DISPOSAL IN PRODUCTION FACILITY IN THE JPDA

FLARING IN BAYU UNDAN

Flaring allowance is approved annually based on the activities to be undertaken each year. In 2014, a total of 4131 MMscf was requested and subsequently approved to flare. This flaring allowance had assumed the 2014 major maintenance shutdown, rate reduction campaign, well interventions, well clean-up activities from phase three well, and Asset Integrity Maintenance program. The graph below shows flaring allowance and the actual volume of flared gas during 2014.

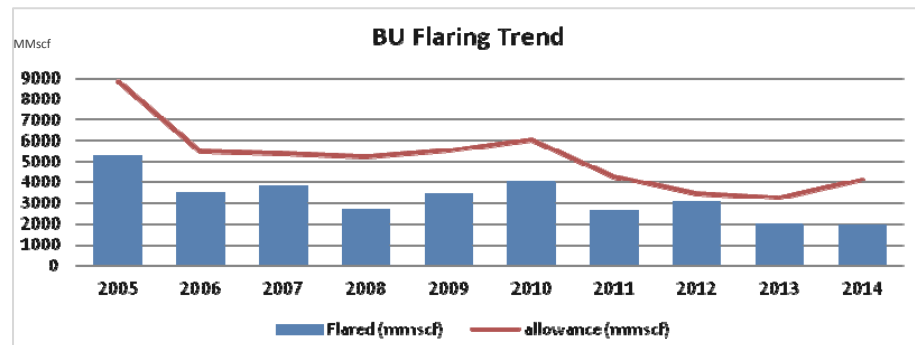


GRAPH 4: 2014 BAYU UNDAN FLARING, ACTUAL VS. ALLOWANCE

The total volume flared during 2014 was 1972 MMscf or about 48 % of the approved volume. Zero flaring in September was due to facility planned maintenance shutdown and elevated flaring in October was due to facility start-up following planned maintenance shutdown in the previous month.

The gas recycled project in the Bayu-Undan had allowed a total of 55,043 MMscf gas be re-injected back to the reservoir.

As indicated in the graph below, the volume of the flared gas since 2005 is within the approved allowance. The requested allowance showed dramatic reduction from inception in 2005 to 2006, then it tabled for a while. There was further discussion and initiative undertaken in 2010 to look at options to further reduce the request allowance. It is to be noted that there was only about 1 % reduction compared to 2013 and about 63% compared to 2005.



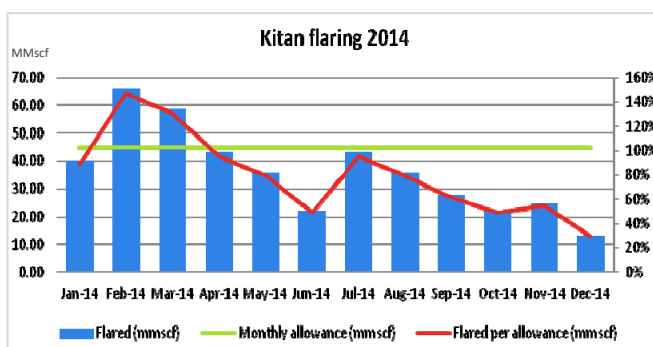
GRAPH 5: BU FLARING FROM 2005 TO 2014

FLARING IN KITAN

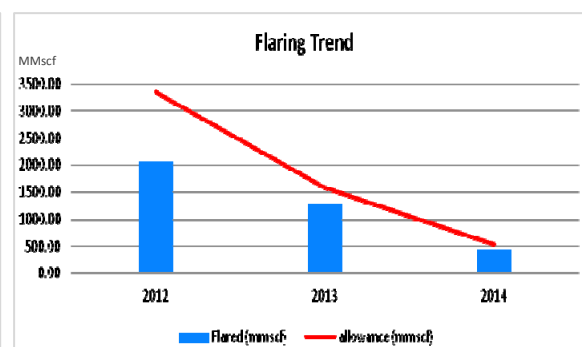
Gas disposal arrangement for Kitan was approved, for the period of 1 November 2013 to 31 October 2015, following the Study of Gas Disposal Alternatives. In 2014, a total volume of 540 MMscf was requested and subsequently approved to be flared in Kitan field, considering facility planned maintenance shutdown carried out in 2014. The total actual volume flared for 2014 was 432 MMscf.

Graph 6 shows that Kitan 2014 flaring was within the approved volume, except for the month of February and March where the elevated flaring was recorded due to process shutdown.

Graph 7 indicated annual flaring trend for Kitan since 2012. It is important to note that both flaring allowance and actual decrease significantly since 2012. Actual gas flared for 2014 decreased by about 65% and 79% from gas flared in 2013 and 2012 respectively. The decrease was directly affected by reservoir behavior.



GRAPH 6: 2014 KITAN FLARING, ACTUAL VS. ALLOWANCE



GRAPH 7: FLARING TREND 2012-2014

HSE PERFORMANCE IN TLEA

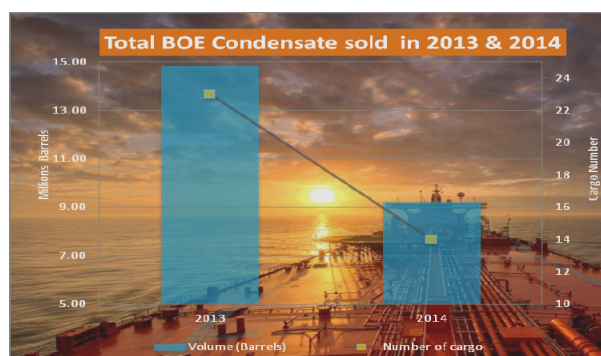
The activity in the TLEA was limited to exploratory and seismic survey. A 2D seismic survey was carried out in TLEA since December 2013 and completed around February 2014. The survey was carried out with due diligence and without any major incidents.

2.5 MARKETING PERFORMANCE

Marketing of liquids produced from BU and Kitan have been separately performed by ConocoPhillips, Eni and Inpex, respectively. Whilst gas produced from BU is solely marketed by ConocoPhillips on behalf of the Joint Ventures, the Designated Authority's entitlements were waived throughout 2013, allowing companies to market on its behalf.

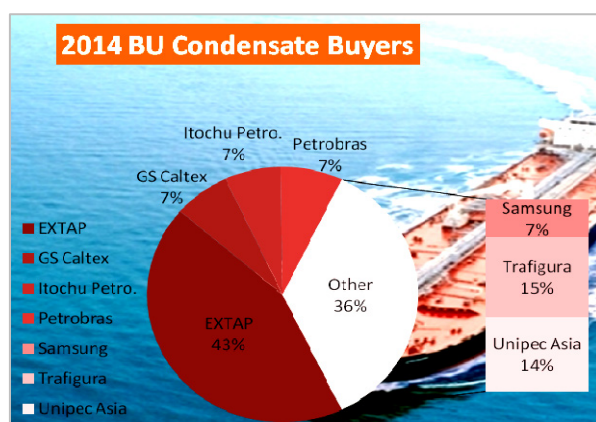
Marketing performance of liquids in the JPDA have been impacted by the drop in oil price towards the last quarter of 2014 which was mainly caused by imbalance between supply and demand, slowing world oil demand and stronger supply from US and OPEC countries. Dated Brent price went down from USD 115/barrel in June to USD 55/barrel in December the same year.

BAYU UNDAN CONDENSATE MARKETING



The total number of cargoes lifted in 2014 was recorded at 14 cargoes while in 2013 there were 23 cargoes.

GRAPH 8: BU CONDENSATE VOLUME SOLD

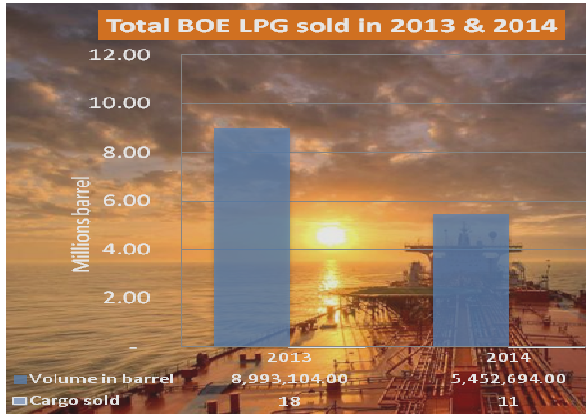


Most of 2014 Bayu Condensate were sold at spot basis. The main buyers in 2014 were, Extap, Unipet Asia, Trafigura, Itochu, Samsung and others. Itochu and Samsung are new buyers of the the BU condensate.

GRAPH 9: PERCENTAGES OF THE BU CONDENSATE BUYERS

BAYU UNDAN LPG MARKETING

Total LPG produced in 2014 was lower than production in 2013. LPG price has been fluctuated throughout the year, due to various reasons. Limited LPG demands from North East Asia petrochemical users as alternative feedstock for ethylene crackers were absent. Towards the end of the year, LPG price falling sharply from USD 800/MT to USD 630/MT as Asian LPG market oversupplied of arbitrage cargoes from the US and Africa. In addition to that, with decreasing of the global crude markets, traders preferred to purchase naphtha rather than butane.

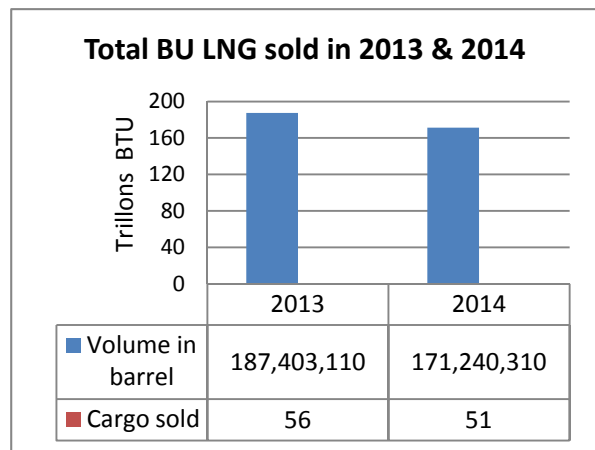


Astomos Japan continued to be the term buyer for 2014 LPG volume. Due to the impact on well performance and planned maintenance shutdown, there were 11 cargoes sold in 2014, reduced by 7 cargoes from a year earlier. The decline of LPG price and volume lifted affecting revenue collected much lower than last year.

GRAPH 10: BU LPG VOLUME SOLD

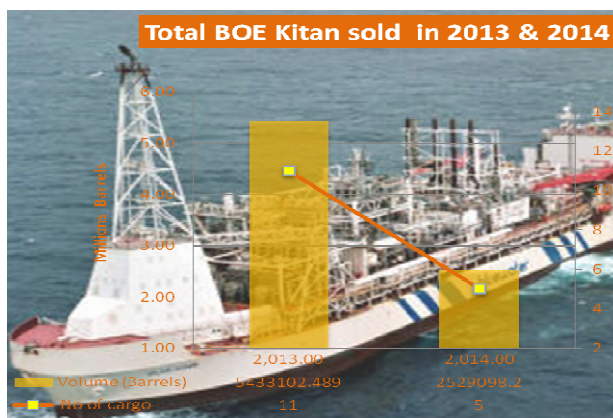
BAYU UNDAK LNG MARKETING

Bayu-Undan LNG production relatively stable throughout the year with minor impact from the disruption at upstream due to well performance and planned shutdown. Japanese government continued to push for the restart of nuclear plant that already met the safety requirement; however, it was not enough to materially impact LNG imports by Japanese utility companies. A total of 51 cargoes of LNG were sold in 2014, in which 34 cargoes sold to TE and 17 cargoes to TG. A decreased of 5 cargoes compared to last year due to planned shutdown for maintenances. In 2014, buyers had lifted all volumes produced and delivered by Darwin LNG Plant.



GRAPH 11: BU LNG VOLUME SOLD

KITAN CRUDE MARKETING



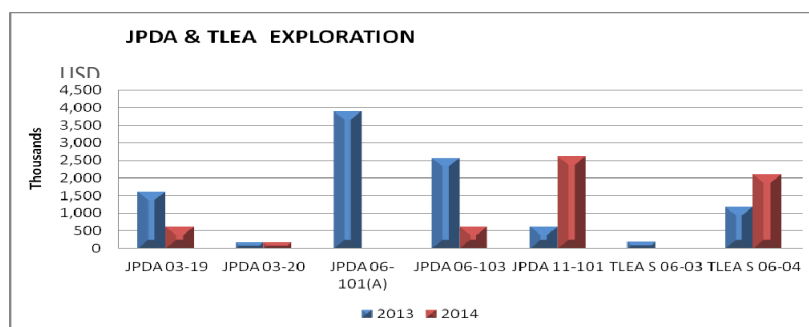
Kitan crude oil quality has attracted buyers in the region since Kitan production inception. The total numbers of cargoes sold have decreased from 11 cargoes in 2013 to 5 cargoes in 2014.

GRAPH 12: KITAN CRUDE OIL VOLUME SOLD

2.6 EXPLORATION EXPENDITURE PERFORMANCE

EXPLORATION EXPENDITURE IN JPDA AND TLEA

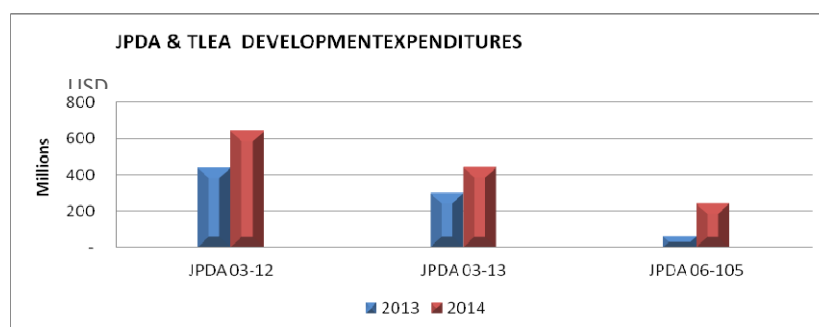
- PSC 06-101A
No major expenditure recorded in 2014.
- PSC 06-103
No major expenditure recorded in 2014.
- PSC 11-106
In 2014, expenditure mostly incurred for Geological and Geophysics study, including expenditure associated with permit maintenance as well as local content overhead, and general and administration.
- PSC JPDA 03-19 and PSC JPDA 03-20
In 2014 exploration expenditure mostly spent on general and administration.
- S-06-04
In 2014, exploration expenditure in this TLEA PSC covers mainly the Geological and Geophysics study as well as general administration.



GRAPH 13: JPDA AND TLEA EXPLORATION PERFORMANCE

2.7 DEVELOPMENT EXPENDITURE PERFORMANCE

- PSC JPDA 03-12 & PSC JPDA 03-13 (BU field)
Operating Expenditure to support production from the field, including expenses on minor and major maintenance, supply and logistic and other general and administration. Major project in 2014, including planned shutdown and Assets Integrity Maintenance. The Bayu Undan Phase 3 drilling campaign attracts significant capital spending to the project.
- PSC 06-105 (Kitan field)
In 2014, apart from operational cost, most of the development expenditure was incurred due to the drilling of two development wells in the field, Kitan South and Kitan 6 wells, as well as the Kitan-3 Sidetrack.



GRAPH 14: JPDA PSCs DEVELOPMENT EXPENDITURE

2.8 LOCAL CONTENT PERFORMANCE

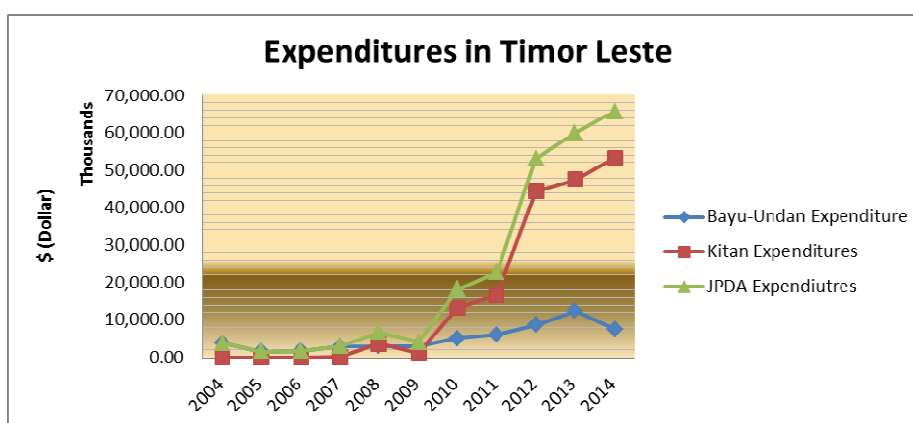
Oil and Gas companies operating in both TLEA and JPDA jurisdictions are required by law to procure goods and services that are produced or supplied by providers in Timor Leste for TLEA and in Timor Leste and Australia for JPDA. In both jurisdictions, oil and gas companies are required to give preference in training and employment to Timor Leste nationals and permanent resident, with due regard to occupational health and safety requirements.

ANP works closely with oil and gas companies in JPDA and TLEA to measure Local Content performance in terms of local participation in procurement of goods and services as well as training and employment for petroleum activities in both jurisdictions.

It should be noted that the figures presented below are extracted from regulatory reports provided by PSC operators. The figures provided are yet to be verified through audit.

PROCUREMENT OF GOODS AND SERVICES

Below graphs shows local goods and services procured in Timor-Leste to support two existing producing fields in the JPDA; BU and Kitan.

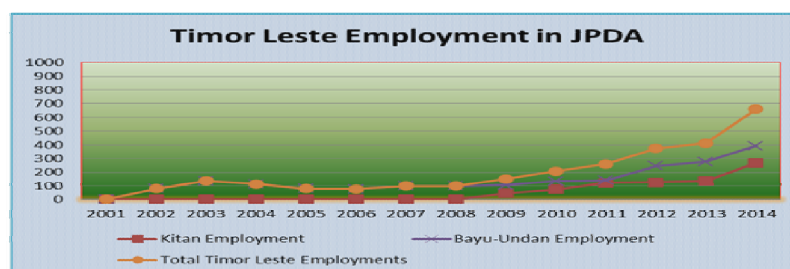


GRAPH 15: EXPENDITURES IN TIMOR-LESTE

In 2014, combined Bayu Undan and Kitan expenditure value in local goods and services reached a total of USD 60,906,781.24 of which 87.50% was expended to support Kitan project and 12.50 % to support Bayu-Undan Project. The combined Bayu Undan and Kitan local goods and services procurement value increased from USD 59,987,015.00 reported in 2013. ANP continues to work with PSC operators to increase expenditures in Timor-Leste in 2015 as a result of planned development drilling activities as well as other exploration activities.

TRAINING AND EMPLOYMENT

Below graph shows the percentages of Timor-Leste national employed to support petroleum operations in JPDA both in BU and Kitan field recorded for 2014.



GRAPH 16: TIMOR-LESTE NATIONALS AND PERMANENT RESIDENTS EMPLOYMENT IN JPDA

In 2014, there are 659 Timor Leste National employed in both BU and Kitan projects. These 596 employments composed of 391 employments for BU project both directly and indirectly and 268 employments for Kitan project. Comparing to the 2013 statistics, this number represents an increase of 37 %.

Majority of Timor Leste National under Bayu-Undan project is employed through ESS for catering service contract, Clough Amec Joint Ventures (CAVJ) for operations and maintenance services as well as CHC Helicopters for offshore personnel transportation contract and Air North. Most of Timor Leste National under Kitan Project is employed through Bluewater FPSO and their subcontractors, including MHS-TL/GAP-MHS helicopter for offshore transportation, ESS catering service and SDV for the supply vessel and supply base.

(PICTURES FROM ANP AND CONOCOPHILLIPS JPDA 03-12)



REGULATORY PERFORMANCE

3.1 UPSTREAM

LEGAL FRAMEWORK REVISION

In 2014 ANP continue to review the upstream legal framework aiming for better governance of the Petroleum resources exploration and exploitation in both JPDA and the TLEA. This legal framework review includes the JPDA technical regulation and PSC model for further consideration by the Government of Timor Leste and Australia. The ANP also continue to review the Decree Law for the Timor-Leste Offshore Petroleum operations and the PSC model of the Timor Leste Offshore and Onshore areas.

A suite of documents in preparation for 2015 acreage release in TLEA have been prepared for further consideration by the board.

PETROLEUM DATA AND REPORTS

As part of the ANP's efforts in managing petroleum data and information to support petroleum resources management; ANP had established an integrated data room and an interactive online information display called the LAFAEK database system with its function to manage data and reports from all the petroleum activities in both TLEA and JPDA.

PROSPECTING AND ACCESS AUTHORISATION

ANP granted two Prospecting Authorisations in 2014 to ION GX to carry out one 2D multi-client seismic survey in Timor Leste Offshore Area and one in the JPDA. Nothing in the Prospecting and Access Authorisation authorises the holder to drill a well or to have any preference or right for a contract.

The following table outlines all authorizations issued in 2014.

Title	Authorised Person	Validity	Purpose
Prospecting Authorisation	Fugro	Six (6) Months	Kyranis Multi Client 3D Seismic Survey
Prospecting Authorisation	CGG Veritas	Six (6) Months	BandaSeis IV – 2D Broadband Seismic Survey over the Timor Leste Offshore Area
Prospecting Authorisation	ION GX	Six (6) Months	WestraliaSPAN 2D Seismic Multi clients survey over the JPDA
Prospecting Authorisation	ION GX	Six (6) Months	WestraliaSPAN 2D Seismic Multi clients survey over the Timor Leste Offshore Area

TABLE 3: AUTHORISATIONS ISSUED IN 2014

APPROVALS AND ACCEPTANCE

	Submission type	Assessment Outcome
Health, Safety and Environment	Transocean Jack Bates Vessel Safety Case and Bridging Document	Acceptance granted
	Transocean Jack Bates Well Test Safety Case	Acceptance granted
	Glassdowr Diving Safety Management Plan	Acceptance granted
	MOS Frontier Vessel Safety Case and Bridging Document	Acceptance granted
	Transocean Legend Vessel Safety Case	Acceptance granted
	Bayu-Undan (BU) Construction and Installation Safety Case Addendum	Acceptance granted
	Bayu-Undan 5 yearly review of Operation Safety Case	In progress
	Seven Eagle Construction and Installation Vessel Safety Case	Acceptance granted
	BU Phase 3 drilling Environmental Management Plan (EMP)	Acceptance granted
	BU Phase 3 Development Oil Spill Contingency Plan	Approval granted
	Revised BU Operations Environmental Management Plan	Acceptance granted
	BU Phase 3 Construction, Installation, and Commissioning EMP	Acceptance granted
	Kitan 6 and Kitan South 1 Drilling EMP	Acceptance granted
	Kitan Operation OSCP	Approval granted
	Flaring application for Bayu Undan	Approval granted
	Flaring application for Kitan	Approval granted
	Kitan 6 suspension program	Approval granted
Development and Production	Kitan South 1 temporary abandonment program	Approval granted
	BU DS01 application to drill and well program	Approval granted
	BUDS01 Completion program	Approval granted
	Kitan 3ST 1 Application to drill and well program	Approval granted
	BUDS01 well testing program	Approval granted
	BUDS01 well suspension program	Approval granted
	BUDS02 well program	Approval granted
	BUDS02 well completion program	Approval granted

TABLE 4: APPROVALS ISSUED IN 2014

INSPECTION, AUDIT AND OBSERVATION



The JPDA Interim Petroleum Mining Code (IPMC), Petroleum Mining Code (PMC) and JPDA Interim Regulations issued under article 37 of the IPMC provides basis for inspections, supervision, monitoring and approval of petroleum operations in both Bayu Undan and Kitan fields. These frameworks provide avenues to ensure operators carry out petroleum activity in prudent manner.

INSPECTION				
DIR.	TITLE	LOCATION	SCHEDULE	NUMBER OF FINDINGS
Health, Safety and Environment	Annual HSE Inspection to Kitan Facility	Glas Dowl-FPSO	12- 15 May-14	31
	HSE Inspection to against Safety Case and EMP	MODU Jack Bates/ Darwin, Australia	12 - 13 Sept-14	39
	Follow-up Inspection /CAP	MODU Jack Bates /Kitan	06 - 08 Nov-14	2
	Vessel HSE Inspection	Swiber Anne Christine/	06 - Nov-14	11
	Follow-up Inspection/CAP	Glas Dowl-FPSO/Kitan	19 - 21 Nov-14	13
	Vessel HSE Inspection	Sea Victor/ Dili Port	22-Dec-14	7
	AIM Inspection	BU Facility/BU Offshore	20-23 May-14	28
	AIM Inspection	BU Onshore Office/ Perth,	28- 30 May-14	
	HSE Inspection against Safety Case and EMP	MODU Transocean	13- 15 Aug-14	16
	HSE Inspection against Safety Case	ASV MOS Frontier/BU	20-22 Aug-14	20
	HSE Vessel Inspection Vessel	Seven Eagle/Singapore	27- 29 Aug-14	11
	Annual HSE Inspection to Bayu Undan Facilities	Bu Facility (CPP &	10-14 Dec-14	30
INSPECTION				
Development and Production	DLNG Metering System inspection	Darwin	17-21 Nov 14	8
	Kitan Metering system follow up inspection	Offshore Kitan	1-6 Oct 14	7
	Process inspection follow up	Offshore Bayu Undan	31 Jul – 4 Aug 14	41
	Process inspection follow up	Offshore Kitan	22-29 Oct 14	31
	Maintenance inspection	Offshore Kitan	7-12 May 14	
	Maintenance follow up inspection		22-29 Oct 14	
	Drilling Rig Inspection	Broome, Aust.	14-15 Aug 14	-
		Offshore Bayu Undan	31 Jul – 4 Aug 14	41

TABLE 5: 2014 INSPECTION ACTIVITIES IN THE JPDA

AUDIT				
DIR.	TITLE	PERFORMED BY	AUDIT YEAR	REPORT STATUS
Commercial	PSC JPDA 03-12 Agreed Upon Procedure (AUP)	Earns & Young	2014	Issued
	PSC JPDA 03-13 Agreed Upon Procedure (AUP)	Earns & Young	2014	Issued
	PSC JPDA 06 -105 Integrated Audit program	Selected Firm	2014	Ongoing
	PSC JPDA 03-19 Review	ANP	2014	Issued
	PSC JPDA 03-20 Review	ANP	2014	Issued
	PSC JPDA 06-101(A) Review	ANP	2014	Ongoing
	PSC JPDA 06-103 Review	ANP	2014	Issued
	PSC TLEA S-06-04 Review	ANP	2014	Ongoing

TABLE 6: 2014 AUDIT ACTIVITIES IN JPDA

OBSERVATION			
DIR.	TITLE	LOCATION	SCHEDULE
Development and Production	CTS maintenance and upgrade	Offshore	15-20 January 2014
			11 – 17 August 2014
			24-31 March 2014
	Re-verification of Export gas Meters	Offshore	30 Oct. – 2 Nov 2014
			10-14 April 2014
	Kitan Master Meter Re-calibration	France	4-8 December 2014
			15 September 2014

TABLE 7: 2014 OBSERVATION ACTIVITIES IN JPDA



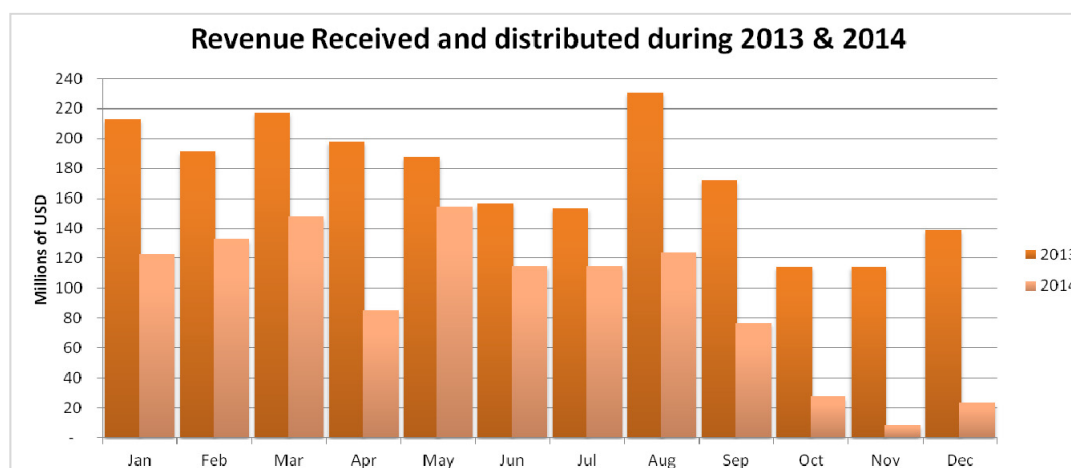
FIGURE 4: METERING TEAM WITNESSING ULTRASONIC METER RECALIBRATION

NOTICES AND NON COMPLIANCE

Non compliance notice is issued by the ANP when it has valid evidence that the operator has breached the legal requirements applicable in JPDA. In August 2014 the ANP issued a non compliance notice to ConocoPhillips 03-12 for bringing in an Accommodation Support Vessel into the JPDA without securing vessel Entry Authorisation from the ANP. No other notices were issued to the operators throughout 2014.

REVENUE DISTRIBUTION

The ANP is responsible to revenue management and distribution on behalf of both the contracting states. Proceeds from the petroleum products sold is collected and disbursed by ANP on monthly basis.



GRAPH 17: REVENUE RECEIVED DURING 2013 – 2014

Overall, the Total revenue received and distributed by ANP was slightly lower than last year. Lower production rate and the drop of oil prices toward the end of 2014 have contributed to this decrease. The total revenue received in 2014 was USD 1.133 Billion, whilst in 2013 the total revenue received was recorded at USD 2.088 Billion. This reflects a total reduction of 46% compared to the previous year.

Petroleum Revenue Receipts and Distribution from Bayu-Undan and Kitan in 2013 & 2014			
	2013	2014	increase/decrease
Opening Balance	\$ 50,131,905.15	\$ 64,891,493.63	
Revenue Received YTD	\$ 2,088,389,138.05	\$ 1,133,610,094.31	-\$ 954,779,043.74
Other Income	\$ 25,423.24	\$ 27,786.33	\$ 2,363.09
Related expenses			-
Bank Charges	-\$ 1960.50	-\$ 1,834.09	-\$ 126.41
Net Revenue YTD	\$ 2,138,544,505.94	\$ 1,198,527,540.18	-\$ 940,016,965.76
Revenue Distribution YTD			
Timor Leste	\$ 1,866,287,711.09	\$ 1,057,537,604.26	-\$ 808,750,106.83
Australia	\$ 207,365,301.23	\$ 117,504,178.25	-\$ 89,861,122.98
Closing Balance	\$ 64,891,493.63	\$ 23,485,757.67	-\$ 41,405,735.96
* Note: Other Income refers to Term Deposit Interest and Interest on late payments			

TABLE 8: PETROLEUM REVENUE RECEIPTS AND DISTRIBUTION FROM BAYU-UNDAN AND KITAN IN 2013 & 2014

AGREED LOCAL CONTENT PROJECT

NATIONAL LIBRARY

The National Library project is a local content commitment attached to the Kitan field development.

A steering committee and working group have been established to plan and execute the project, comprising members from the Timor-Leste Ministry of Tourism, Secretary of State for Art & Culture, ANP and Eni.

In 2014, a preliminary concept design was prepared for assessment and consideration by the committee. The preliminary concept was approved with minor amendments, a detail concepts will be prepared for construction in the future.

HORTICULTURAL PROJECT

The Horticulture Project is a continuation of Horticulture Value Chain program, introducing modern farming techniques and establishing green house and irrigation system in the communities of Sarin and Liurai in Aileu District. The project is implemented by USAID in collaboration with BU Joint ventures, Ministry of Agriculture and Fisheries as well as ANP.



FIGURE 5: BAYU UNDAN HORTICULTURE PROJECT

In 2014, The ANP and its stakeholder signed a Memorandum of Understanding to grant USD 500,000 USD the Bayu-Undan project to extend the program for another term to Ermera (Three communities), Liquica (four Communities) and Bobonaro (three Communities).

GRADUATE INTERNSHIP PROGRAM

This program is implemented by the ConocoPhillips from the BU project. The objective of the program is to support Timorese nationals in developing skills to further their competitiveness for employment. The program was delivered in two stages; 6 months foundation skills and 12 months internships.



FIGURE 6: LAUNCHING CEREMONY AT TIMOR PLAZA, DILI

Out of the eleven students selected for the 6 months foundation skills, ConocoPhillips further selected five graduates to take part in the 12 months internship program. The internship program was planned to commence in April 2015.

No	Discipline	Internship Department	Location
1	Petroleum Engineer	Exploration	Australia
2	Petroleum Engineer	Project	Australia
3	Environmental Engineer	HSE	Australia
4	Chemical Engineer	Engineering	Dili
5	Chemical Engineer	Engineering	Dili

TABLE 9: DISCIPLINES FOR GIP WITH CONOCOPHILLIPS

SERN-FULBRIGHT SCHOLARSHIP

The SERN - Full-Bright Scholarship program is an initiative of the then Secretariat of State for Natural Resources (SERN) to offer scholarship in the oil and gas discipline to qualified Timorese to study in overseas in cooperation with the Bayu Undan Joint Ventures. Some students have successfully completed their studies and return to Timor-Leste.

The ANP and its stakeholder plan to extend the program for another term to support the talent and young fresh graduate to enhance their capability in the area of energy, natural resource sector with emphasis on oil and gas industry.

No	University	Degree	Graduation Year
1	Rochester Institute of Technology	Master of Engineering Management	May 2014
2	University of Tulsa	Master of Geology	December 2014
3	University of Pittsburgh	University of Pittsburgh	December 2014
4	Missouri University of Science and Technology	Master of Petroleum Management	December 2014
5	Ohio University	Master's Degree in Environmental Sciences	December 2014
6	North Dakota State University	Master Degree in Economic-Natural Resources	December 2014

TABLE 10: FIRST BATCH OF SERN-FULBRIGHT SCHOLARSHIP WITH MASTER DEGREE

SEISMIC DATA TAPE AND CORE STORAGE FACILITY

As a part of social development and commitment to develop petroleum infrastructure, Eni Timor-Leste on behalf of its Joint Venture Partners in collaboration with the MPRM and ANP commits to contribute to the establishment of a seismic data tape and core storage facility.

In 2014, a new steering Committee and Working Group was established to plan and manage the execution the project comprising member from IPG-EP on behalf of the MPRM, ANP and Eni as operator of the PSC S-06-04.

3.2 DOWNSTREAM

MANAGEMENT OF DOWNSTREAM SECTOR

Decree-Law no. 20/2008, of 19 June 2008 created the National Petroleum Authority (ANP), entrusting it, amongst other duties with the responsibility for regulating and supervising downstream activities in the country, including the use of petroleum infrastructure such as pipelines, terminals and transport infrastructure, as well as refining and processing activities. To achieve these goals, the ANP may approve regulations on technical aspects related to downstream activities, on the granting of authorizations to private entities and individuals and legal entities to carry out same activities, administrative procedures and duties, and sanctions applicable in case of non-compliance with same regulations.

ESTABLISHMENT OF ANCILLARY DOWNSTREAM REGULATIONS

In 2014, ANP prepared two sets of ancillary regulations one on Installation and Operation of Fuel Storage Facility and the other on Trading Activity. Both regulations are yet to be approved for implementation. Apart from these two ancillary regulations, ANP is in the process of finalizing the regulations on Transportation Activity, which is expected to be completed in 2015.

AMENDMENT OF REGULATIONS

Taking into account our mounting experience and rapid development of downstream in Timor-Leste, minor amendments were required to be made to two already approved regulations. First, the Regulations No. 1/2012 on Administrative Procedures, Requirements And Fees For The Granting, Renewal And Modification Of Downstream Activities' Licenses and second, the Regulation No. 1/2013 on Installation and Operation of Fuel Filling Station. The amendments were made to the minimum and maximum fees threshold for downstream license as well as safety and environmental requirements.

ANP is confident that the amendments will allow for a more streamlined implementation of the new rules applicable to each downstream activity and Fuel Filling Stations in Timor-Leste.

INTER-MINISTERIAL COOPERATION

A successful implementation of downstream regulations will require continuous cooperation with relevant ministries in Timor-Leste. In 2014, various meetings were held with other relevant institutions in Timor-Leste including Ministry of Finance, DNTPSC, SERVE, Custom Authority and PNTL. Cooperation with these institutions has resulted in some major deliveries in 2014, including;

- ✓ The endorsement by Custom Authority for processing of custom clearances of fuel importing activity
- ✓ Consent by DNTPSC to issue recommendation on land clearance,
- ✓ Provision of list of registered companies by SERVE
- ✓ PNTL confirmation to assist ANP downstream inspectors when undertaking downstream Inspection
- ✓ SEMA provided information on Environmental License for Downstream related activities.

DISSEMINATION OF INFORMATION

ANP and other government institutions such as APORTIL and Custom Authority conducted a one day workshop with Fuel Importers to disseminate information regarding the power and responsibility of each institution related to fuel importation activity.

The workshop aimed at raising awareness by informing fuel importers on the substance of general principles and the minimum requirements of Decree-Law No. 1/2012 on Downstream Sector and other laws governed by APORTIL and Custom Authority.

SUPERVISING AND MONITORING DOWNSTREAM ACTIVITIES

LICENSING INSTALLATION AND OPERATION OF FUEL FILLING STATION (FFS)



FIGURE 7: FIRST DOWNSTREAM LICENSING

EXISTING INSTALLATIONS AND OPERATION OF FUEL FILLING STATIONS

Existing Installations and Operation of Fuel Filling Stations refers to Fuel Filling Station facilities that had been in place before the Downstream Regulations came into force. Prior to granting a license to operate, the operator of these facilities needs to secure location and project approvals.

The downstream inspectors carried out inspections to 11 locations (ETO-Dili, Aitula-Dili, E Silva Motor, Mekar Fuel, Ruvic Fuel Dili and Hera, Belak Fuel, Vida Diak Petroleum, Mae da Graca Bebonuk and Raikotu and Borala Dili) to verify information for Location approval. Out of these 11 locations, only eight (8) locations were approved (ETO-Dili, Aitula-Dili, E Silva Motor, Mekar Fuel, Ruvic Fuel Dili and Hera, Vida Diak Petroleum and Mae da Graca Bebonuk). The downstream inspectors then conducted 6 inspections for project applications and only 5 project applications were approved (ETO-Dili, Aitula-Dili, E Silva Motor, Mekar Fuel and Ruvic Fuel Dili).

The issuance of the license should subject to the payment of fees. Below table outlines the five licenses, fees and their associated activities.

Licensee	Fee Paid	Type of Activity
AITULA FUEL, Lda	USD 3,100.00	Marketing– Installation & Operation of Fuel Filling
ESPERANÇA TIMOR OAN (ETO), Lda	USD 8,300.00	Marketing– Installation & Operation of Fuel Filling
E SILVA MOTORS TRADING RENTLO, Unipessoal, Lda	USD 1,200.00	Marketing– Installation & Operation of Fuel Filling (Home base)
RUVIC, Unipessoal, Lda	USD 1,200.00	Marketing– Installation & Operation of Fuel Filling
MEKAR FUEL, Unipessoal, Lda	USD 1,225.00	Marketing– Installation & Operation of Fuel Filling

TABLE 11: DOWNSTREAM LICENSE AND FEES IN 2014

LICENSING NEW PROJECT ON INSTALLATION AND OPERATION OF FUEL FILLING STATIONS

In 2014, four companies submitted their application to construct Fuel Filling Station. These companies are Arjumar Fuel, Xalila Fuel, East gas Corporation and TIMOR GAP E.P. Inspection to Location has been performed and four (4) proposed

locations were all approved. Following document reviews, only project documents from Xalila and East gas Corporation met the requirements and were approved for construction of Installation of Fuel Filling Station.

MONITORING AND SUPERVISING FUEL QUALITY

The downstream inspectors carried out fuel quality audit in 2014 with the objective to ensure compliance of fuel quality distributed with Regulation No. 1/2014 on Fuel, Biofuel and Lubricant Quality Standard and Specification. The quality checks were performed on Automotive Diesel and Petrol. From three different companies, Pertamina Fuel Storage Facility, TOLL TL Fuel Filling Stations and 68 Petroleum Station. It was found that some specifications do not meet the requirements. The findings were communicated to the relevant operators and actions were put together to rectify the findings.



FIGURE 8: MEETING WITH 68 PETROLEUM STATION AND TAKEN SAMPLE ACTIVITY

SUPERVISING FUEL TRADING ACTIVITY

MONITORING TO FUEL TRADING

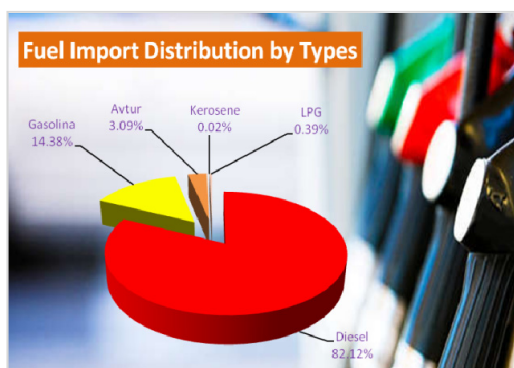


ANP downstream registered and assisted 25 Fuel Traders performing Fuel Trading for public consumption and supervise their activities to ensure protection to the environment, occupational and public health and safety and protecting the interest of consumers.

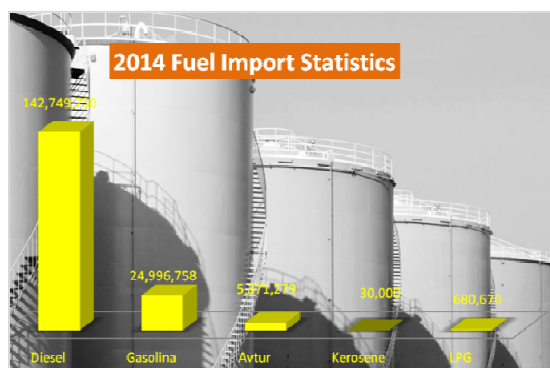
FIGURE 9: SAMPLING ACTIVITY AT TIBAR PORT

FUEL CONSUMPTION IN 2014

Majority of the fuel products imported into Timor-Leste territory are in the form of Diesel, Gasoline, Avtur/Jet A1 fuel, LPG and Kerosene. These products are imported by companies operating out of Timor-Leste. Below figure indicates types of fuel products and their corresponding volume and percentage based on the data recorded.



GRAPH 18: FUEL IMPORT DISTRIBUTION BY TYPES



GRAPH 19: 2014 FUEL IMPORT STATISTICS

Diesel fuel makes up 82.12% of the total fuel imported into Timor-Leste compared to last year which was only 79%. Diesel is mainly used for power generation for the country (66.40%), followed by transportation (26.44%) and for petroleum operations related activity in the JPDA (7.15%).

(PICTURES FROM CONOCOPHILLIPS JPDA 03-12)



CORPORATE INITIATIVES

As a Timorese autonomous organisation, ANP assumes obligation to share knowledge and experience on its core business with relevant stakeholders and academic graduates within the country and those from overseas. In 2014, our initiatives in sharing of knowledge and experience have been stepped up by not only increasing the numbers but also expanding the areas of disciplines. This is primarily contributed by opportunities and lessons learnt from previous years.

4.1 GRADUATE INTERNSHIP PROGRAM

Graduates are attached to the ANP by means of a Graduate Internship Program. The successful candidates are offered with the opportunity to learn firsthand from the knowledge and experience of our experienced staffs in different disciplines and have the opportunity to get exposed to some field activities to gain knowledge and experience on real projects.

4.2 UNIVERSITY FINAL YEAR PROGRAM

ANP offers mentoring opportunity for selected final year students at university level to complete their thesis to obtain their degree either through provision of information or direct mentoring. A total of five students were assisted in completing their university final year program in 2014.

4.3 FIELD OF STUDY ENHANCEMENT PROGRAM

Students interested to enhance their understanding about specific areas relevant to Oil and Gas can be provided with opportunity to learn basic oil and gas industry aspects from the ANP. In addition, ANP also extends this program to cover Human Resource, Administration and other general corporate related matters.

Program Type	Number of students	Area of Interest	University
Graduate Internship Program	3	Drilling and Production	UNPROK 45 and DIT
	3	Health Safety and Environment	UPN Veteran and University of Waikato NZ
	3	Exploration and Acreage Release	DIT
	2	Production Sharing Contract	DIT
	1	Training and Human Resource	IOB
	1	Information and Technology	AKPRIN Yogyakarta
University Final Year Project	2	Drilling and Production	UNPROK 45
	1	Exploration and Acreage Release	UGM, Yogyakarta
	1	Production Sharing Contract	UNPAZ
	1	Commercial	DIT
	4	Commercial	DIT
	2	Drilling and Production	DIT

Field of Study Enhancement Program	3	Corporate Services	DIT
	8	Production Sharing Contract	DIT
	1	Corporate Resource Management	IOB
	1	Training and Human Resources	IOB
	1	Finance	IOB

TABLE 12: CORPORATE INITIATIVE PROGRAM IN 2014

4.4 PUBLIC EVENTS

PUBLIC AWARENESS EVENT ON EMERGENCY RESPONSE PLAN

In May 2014 ANP organised a workshop on ERP in Dili. The workshop was done with the objective to raise key stakeholders awareness on the importance of having an ERP in place for the petroleum operations, which will enable an effective and coordinated response to emergency arising from petroleum operations. Most of the key stakeholders participated in the workshop were from government institutions such as from PNTL, Bombeiros, Environment Department, etc.

TIMOR-LESTE PARLIAMENT VISIT BAYU UNDAN PLATFORM

ANP in coordination with ConocoPhillips facilitate a visit from members of Timor-Leste Parliament from commission-C to Bayu Undan production platform. During the visit parliament members had the opportunity to observe the activity in Bayu Undan, including maintenance project. Parliament members also had the chance to chat with Timorese employees working at the platform.



FIGURE 10: VISIT OF TIMOR-LESTE PARLIAMENT MEMBER TO BAYU UNDAN FACILITY (COURTESY PHOTO FROM CONOCOPhillips JPDA 03-12 PTY LTD)

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LIST OF ABBREVIATIONS

2D: Two Dimension.....	24, 31	DPP: Drilling Processing and	
ANP: Autoridade Nacional do		Production Platform	21
Petróleo	1, 4, 5, 6, 7, 8, 9, 10, 11, 12,	EITI: Extractive Industry Transparency	
13, 17, 28, 30, 31, 34, 35, 36, 37, 43,		Initiative.....	8
44, 48, 49, 51, 52; Autoridade		ERP: Emergency Response Plan	44
Nacional doPetróleo	19, 22, 28, 43	FPSO: Floating Production, Storage	
APORTIL: Port Authority of Timor		and Offloading	22, 29, 33
Leste	38, 39	FSO: Floating Storage and Offloading	
BoD: Board of Directors	6	21
BU: Bayu Undan .	21, 24, 25, 26, 27, 28,	IOB: Institute of Bussiness	43, 44
32, 33, 36		IPG: Institute of Petroleum and	
CUQ: Compression, Utilities and		Geology	37
Quarters.....	21	JCM: Joint Commission Meeting.....	9
DIT: Dili Institute of Technology.	43, 44	JPDA: Joint Petroleum Development	
DNTPSC: Direcção Nacional de		Area 1, 2, 4, 5, 7, 15, 18, 19, 21, 22, 23,	
Terras, Propriedades e Serviços		24, 25, 27, 28, 30, 31, 33, 34, 35, 42,	
Cadastrais	38	44, 48, 49	
		kbpd: Thousand barrels per day	21, 22

km: kilo meter.....	21, 22	SCM: Sunrise Commission Meeting...	9
LNG: Liquefied Natural Gas...	21, 26, 48	SEMA: Secretario do Estado E Meio Ambiente	38
LPG: Liquefied Petroleum Gas ...	21, 25, 48	SERVE: Serviço de Registo e Verificação Empresarial.....	38
MMscf: Million Standard Cubic Feet	21, 23, 24	STP: SÃO TOMÉ E PRÍNCIPE.....	8
MODU: Mobile Offshore Drilling Unit	22, 33	TE: Tokyo Electric.....	26
MoU: Memorandum of Understanding.....	8	TG: Tokyo Gas	26
MPRM: Ministry of Petroleum and Mineral Resources of Timor-Leste...	37	TL: Timor-Leste.....	8, 29
MT: Metric Ton.....	25	TLEA: Timor Leste Exclusive Area .	1, 4, 7, 19, 22, 24, 27, 28, 31, 34, 48
NZ: New Zealand	43	UGM: Universitas Gadjadara	43
OPEC: Organization of Petroleum Exporting Countries.....	25	UNPAZ: Universidade da Paz	43
PNTL: Polícia Nacional de Timor-Leste	38	UNPROK: Universitas Proklamasi	43
PSC: Production Sharing Contract	2, 7, 19, 20, 27, 28, 31, 34, 37, 49	US: United States.....	25
		USD: United States Dollar	8, 11, 12, 25, 28, 35, 36
		WP1: Well Head Platform 1	21

ANNEX 1 – LIST OF CORPORATE PROCUREMENT IN 2014

CONSULTANCY		
EOI - Consultation for Establishment of Competence in the Area of Inspection and Audit for D&P and Downstream staffs Phase I for initial project start up cost	\$120,000.00	BSS - UK
EOI - Consultation for Establishment of Competence in the Area of Inspection and Audit for D&P and Downstream staffs Phase II for On the Job Training (OJT)	\$152,666.67	BSS - UK
RFP _ Maintenance Inspection for Kitan Facilities within JPDA 06-105	\$9,900.00	Spectrum Performance Australia
RFP - Providing consultancy service on reviewing the draf "Fiscal Metering Guideline" for petroleum offtakes in the Joint Petroleum Development Area (JPDA) and Timor Leste Exclusive Area (TLEA)	\$2,322.22	Spectrum Performance Australia
Fiscal Metering Guidline Review	\$25,000.00	CRM Instrumentation Norway
Legal Opinion on the Establishment of Mineral Department within ANP Structure	\$24,000.00	Miranda Law Firm
ANP Strategic Action Plan 2014-2017	\$30,000.00	Mr. Antohny Mitchel
Offshore Follow Up Process Audit in the Kitan and Bayu Undan Facilities	\$67,222.22	Delta Consultant Pty.Ltd
Bayu Undan Reservoir Modeling Review	\$70,000.00	Gaffney Client and Assosciate
Bayu Undan Reservoir Modeling Review	\$85,000.00	Gaffney Client and Assosciate
Hydrocarbon flow and quality determination on line training (coaches)	\$1,150.00	Gas Measurement & Auditing Pty Ltd
Bayu Undan and Kitan Follow Up Process Inspection	\$27,500.00	Delta Consultant Pty.Ltd
Drafting Labor Law for Extractive Industry	\$30,000.00	Miranda Law Firm
Metering Inspection at Darwin LNG	\$8,262.22	Gas Measurement & Auditing Pty Ltd
In House Training - International Petroleum Contract - Structuring Agreement Negotiation Managing Risk and Dispute Management	\$30,000.00	NeoEdge Singapore
Strategic Planning of ANP (Consulting and Travel Expenses)	\$11,142.11	Qantrex Consulting Pty Ltd
Participation of D&P staff on Metering USM Master Meter recalibration in France	\$12,420.00	Christian Michelsen Research (CMR)
For Reviewing draft "Fiscal Metering Guidelines" for Petroleum off takes in the JPDA and TLEA	\$8,500.00	Christian Michelsen Research (CMR)
Consultancy for IBM Domino Collaboration Expressesed Authorized User SW Annual Subscription, IBM Lotus Note Protector Mail Security, BM Domino Collaboration License Authorized User and Plus WHT 10%	\$34,485.00	ISW Development PTY LTD
Stationeries New Tender for One year ahead started from Sep 2014 until 2015	\$21,600.00	Sylvia Dili
SUB TOTAL	\$771,170.44	
SERVICES		
Overseas Accommodation Services	\$101,696.40	Ratna Artha Wisata Bali
Ticketing Services	\$237,291.60	Fatu Besi Travel Agency
New tender for Office Cleaning Services	\$30,000.00	Fabuldu Cleaning Services
New tender for Office security Provision at Downstream Office only	\$28,764.00	APAC Security
New tender for Genset Maintenance and services	\$1,200.00	A1 Service
Accpacc user of 4 user on ELMAGE PAC	\$2,354.10	CP Moore
Fuel Sampling, LPG Sampling , LNG Specification study	\$35,634.78	Intertek Testing Services (Australia) Pty Ltd

ANP Corporate Video Production	\$14,992.00	PixelAsia
Domino Upgrade of Lotus Note IBM version 9	\$17,233.33	ISW
Renewal of Subscription of Symantec Anti Virus for 2014-2015 with 150 Users	\$5,166.62	ISW
Stationeries order for Month of March 2014	\$1,032.00	Sylvia Dili
ANP Vehicle maintenance and services for replace new FUEL PUMP of D&P Director car	\$2,900.00	Dragon Workshop
Tonnors for Admin department Printer Machine black color (HP LAserJet CP6015dn)	\$365.00	Sylvia Dili
Online Advertisement of ANP RPF's for An Integrated Audit of JPDA 06-105 PSC (Kitan field) and JPDA 03-12 & 03-13 (Bayu Undan) via Petroleum Economist UK the Upstream newspaper within 7 days	\$2,678.00	Petroleum Economist UK the Upstream Newspaper
Online Advertisement of ANP Expression of Interest (EoI) of Aircraft (Rotorcraft) Safety Inspection (Audit) via Australian Aviation Phantom Media Pty Ltd Website 3 weeks	\$555.55	Phantommedia Pty Ltd Australian Aviation
Online Advertisement of ANP Expression of Interest (EoI) of Aircraft (Rotorcraft) Safety Inspection (Audit) via Asia Pasific Energy Publication Website within 1 month	\$555.55	Asia Pacific Energy Publication
Repair and Maintenance of the Peresoft cashbook 1 user and cashbook 1 user lanpac SA	\$1,156.40	CP Moore
Courier of samples from Darwin to Sydney	\$20,421.39	Intertek Testing Services (Australia) Pty Ltd
Drinking Water Suplpy to ANP Offices for one year ahead started from Sep 2014 until Sept 2015	\$14,400.00	Indo Dili Unipessoal Lda
Renting Printer Machine Aespro 4000 series for One year ahead from Sept 2014 until Sept 2015	\$24,000.00	Sylvia Dili
Online Advertising of ANP RFP Re-Advertisement of An Integrated Audit of JPDA 03-12 & 03-13 (Bayu Undan) and JPDA 06-105 (Kitan) Via Upstream Newspaper either Website and Newspaper	\$17,700.00	Upstream Newspaper
Translation of Downstream documents of Emergency Management site Manual from English to Tetum	\$529.00	Tomas Fernandes
newspaper Advertisement	\$9,806.00	Timor Post
newspaper Advertisement	\$11,200.00	STL
newspaper Advertisement	\$9,450.00	Diario
Advertisement	\$1,560.00	TVTL
SUB TOTAL	\$592,641.72	
AUDIT		
Audit Services 2013 of Financial Statement per calendar 31 December 2013	\$20,350.00	Deloitte
SUB TOTAL	\$20,350.00	
GOODS		
Microsoft Project Professional 2013	\$12,000.00	Superindo
Cartridge for D&P Directorate printer Machine	\$1,800.00	Sylvia Dili
IT Tender for Lenovo Spare Parts of X201 and X220	\$24,100.00	Global Net Unipessoal Lda
IBM VMWare Server	\$110,555.56	Trikarsa
Purchase New BackPack for Travelling with Brand Mark TARGUS 16" Rolling BackPack	\$1,650.00	Precise Solution Sa

Purchase New HDD mark Seagate with capacity 2TB and 4TB with size 3.5"	\$825.00	Precise Solution Sa
Purchase new Software of Coral Draw X6 version	\$575.00	Precise Solution Sa
Purchase new UPS HPC 500 VA	\$160.00	Zeon International
Purchase new HDD Server for HP 146 GB SAS 15K	\$5,880.00	Precise Solution Lda
Purchase Thermal PAsTe for upgrade note book fans	\$750.00	Precise Solution Lda
Cartridge for T&HR Department printer Machine	\$2,678.00	Superindo
PPE Stuffs for HSE Staff	\$478.50	Esset
Wooden Boxes for public consultation in order to accommodate the public suggetion during the consultation	\$600.00	Vindi Meubel Lda
ASTM book subscribed by GIL Goncalves of Standard petroleum Product, Lubricants and Fossil Fuels	\$1,912.45	ASTM International
Renting UPS for Backing Up existing UPS at Server Room within one month (13 Nov - 12 Dec 2014)	\$4,500.00	Globalnet Unipessoal Lda
New UPS HP R/T3000 G2US X with its accessories complementary	\$16,533.75	Globalnet Unipessoal Lda
MS Office 2013 Professional 10 units	\$4,300.00	Mr. Bram Unip Lda
SUB TOTAL	\$189,298.26	
TOTAL	\$1,573,460.42	

ANNEX 2- ANP 2014 AUDITED FINANCIAL REPORT

AUTORIDADE NACIONAL DO PETRÓLEO



**AUTORIDADE NACIONAL DO PETRÓLEO –
TIMOR-LESTE**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

AUTORIDADE NACIONAL DO PETRÓLEO

GENERAL INFORMATION

Board of Directors:	Mr. Gualdino do Carmo da Silva (President and Chairman) Mr. Jorge Martins Dasilaku Mr. Mateus da Costa Mr. Nelson de Jesus
Date of formation:	In terms of Decree-Law No 20/2008 on 1 July 2008
Principal Activities:	<p>The Autoridade Nacional do Petróleo of Timor-Leste ('ANP') was established on the 1st of July 2008 after the Decree Law No. 20/2008 was passed on the 19th of June 2008.</p> <p>The ANP is Timor-Leste's body responsible for managing and regulating petroleum activities in Timor-Leste's exclusive jurisdictional areas and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANP, the Timor-Leste Petroleum Activities Law, and the Timor Sea Treaty ('Treaty').</p>
Place of business:	Ground Floor East Wing of Pálacio do Governo
Single auditor:	Mrs Guida Preitas
Director of Corporate Services:	Mr Dionisio Martins
External Auditor:	Merit Partners Pty Ltd
Bankers:	Australia New Zealand Bank Hong Kong Shanghai Bank
Currency:	United States Dollars

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Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies and Explanatory Notes to the Financial Statements	9 - 22

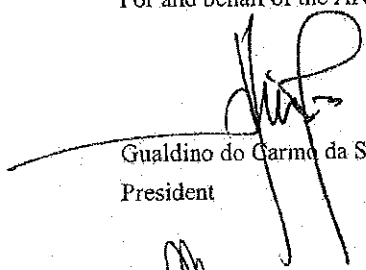
AUTORIDADE NACIONAL DO PETRÓLEO

DIRECTOR'S DECLARATION


In accordance with a resolution of the directors of Autoridade Nacional do Petróleo ("ANP") in the opinion of the directors:

- (a) The financial statements of the Authority are drawn up so as to present a true and fair view of the financial performance and cash flows of the Authority for the year ended 31 December 2014, and the financial position of the Authority as at 31 December 2014.
- (b) The financial statements have been prepared in accordance with International Financial Reporting Standards.

For and behalf of the ANP Board of Directors:



Gualdino do Carmo da Silva
President



Dionísio Martins
Director Corporate Services

Dili, Timor Leste

14 May, 2015

Independent Auditor's Report to the Board of Directors of the Autoridade Nacional do Petróleo

We have audited the accompanying financial report of Autoridade Nacional do Petróleo ("the Authority"), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and director's declaration.

The Board of Directors' Responsibility for the Financial Report

The Board of Directors is responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards and for such internal control as the Board determines is necessary to enable the preparation of financial report that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report present fairly, in all material respects, the financial position of Autoridade Nacional do Petróleo as at 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial report of the Authority for the year ended 31 December 2014 was audited by another auditor whose report expressed a modified opinion on the financial report issued on 16 July 2014 as follows:

"The ANP has not accounted for current or deferred income taxes since its formation on 1 July 2008. We are not aware of any Timor-Leste or Australian Government Legislation that exempts the ANP from income taxes. In the absence of any such legislation, the ANP is liable to pay tax to the respective Governments in accordance with the relevant tax legislation. To calculate income taxes owed to the respective Governments, the ANP would need to, from 1 July 2008 to 31 December 2013, allocate all revenue and expenditure and the carrying value of assets and liabilities to either the Timor-Leste Exclusive Area or the Joint Petroleum Development Area. We were unable to obtain sufficient appropriate audit evidence by alternative means as to amount of the unrecorded current and deferred income tax assets or liabilities as at 31 December 2013. As a result, we were unable to determine the adjustments that would have been necessary in respect of unrecorded current and deferred income tax assets or liabilities, the taxation expense for the year ended 31 December 2013 and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows."

As disclosed in Note 2 (d) of the financial report, on 23 February 2015, the Authority obtained an opinion from the Ministry of Finance that being a government entity, the Authority is not subject to income tax. Also, on 27 February 2015, the Authority received legal advice from DLA Piper that the Authority is exempt from Australian income tax.



Merit Partners



Matthew Kennon
Director

Darwin
Date 14 May 2015

AUTORIDADE NACIONAL DO PETRÓLEO

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
INCOME			
Development fees		3,983,200	3,983,200
Contract service fees		969,616	977,208
Subsidy from Timor-Leste Government		2,000,000	1,950,000
Timor-Leste Government funding for petroleum audits		18,889	-
Downstream fees		15,825	-
Interest		127	53
Profit on disposal of assets		-	18,107
Other income		42,286	1,404
TOTAL INCOME		7,029,943	6,929,972
EXPENSES			
Employee costs	12	2,108,753	2,168,047
General and administration	13	3,359,200	3,129,905
Depreciation and amortisation		353,966	338,491
Government petroleum audit costs		18,889	-
Net loss in foreign exchange		6,608	25,013
TOTAL EXPENSES		5,847,416	5,661,456
SURPLUS FOR THE YEAR		1,182,527	1,268,516
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,182,527	1,268,516

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AUTORIDADE NACIONAL DO PETRÓLEO

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4, 11	7,059,360	7,820,215
Cash and cash equivalents - Joint Petroleum Development Area	4, 11	23,485,758	64,891,494
Trade and other receivables	5	973,096	134,272
Other current assets	6	6,663	76,719
Total Current Assets		31,524,877	72,922,700
NON-CURRENT ASSETS			
Property, plant and equipment	8	524,294	596,118
Intangibles	7	349,955	263,899
Total Non-Current Assets		874,249	860,018
TOTAL ASSETS		32,399,126	73,782,718
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	9, 11	1,374,905	1,603,862
Payable in respect of Joint Petroleum Development Area Funds	9, 11	23,485,758	64,891,494
Contract service fees & development fees received in advance	10	546,630	1,478,057
Total Current Liabilities		25,407,293	67,973,413
TOTAL LIABILITIES		25,407,293	67,973,413
EQUITY			
Initial contribution		2,153,168	2,153,168
Accumulated funds		4,838,665	3,656,138
Total Equity		6,991,833	5,809,306
TOTAL EQUITY AND LIABILITIES		32,399,126	73,782,718

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

AUTORIDADE NACIONAL DO PETRÓLEO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Accumulated Funds \$	Total Equity \$
At 1 January 2013	2,387,622	4,540,790
Total surplus for the year	1,268,516	1,268,516
At 31 December 2014	3,656,138	5,809,306
Total surplus for the year	1,182,527	1,182,527
At 31 December 2014	4,838,665	6,991,833

ALLOCATION OF SURPLUS FOR THE YEAR ENDED 31 DECEMBER 2014

	Joint Petroleum Development Area \$	Timor-Leste Exclusive Area \$	Total for the year \$
Development fees	3,983,200	-	3,983,200
Contract service fees	969,616	-	969,616
Subsidy from Timor-Leste Government	-	2,000,000	2,000,000
Timor-Leste Government funding for petroleum audits	-	18,889	18,889
Downstream fees	-	15,825	15,825
Interest	127	-	127
Other income	33,829	8,457	42,286
Total Income	4,986,772	2,043,171	7,029,943
Expenses split per JPDA Joint Commission approved budget	(4,375,640)	(1,471,776)	(5,847,416)
Surplus for the year	611,132	571,395	1,182,527

AUTORIDADE NACIONAL DO PETRÓLEO

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Operating activities		
Operating surplus before tax	1,182,527	1,268,516
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	216,237	237,430
Amortisation of intangible assets	137,729	101,060
Interest income	(127)	(54)
Profit on disposal of property, plant and equipment	-	(18,107)
Operating surplus before working capital changes	1,536,366	1,588,845
Working capital adjustments:		
Increase in trade and other receivables	(838,824)	(118,621)
Decrease (increase) in other current assets	70,058	(65,142)
(Decrease) Increase in trade and other payables	(41,634,693)	15,353,688
(Decrease) Increase in unearned income	(931,427)	53
Cash generated from operations	(41,798,520)	16,758,823
Interest received	127	54
Net cash flow provided by (used in) operating activities	(41,798,393)	16,758,877
Investing activities		
Purchase of intangibles	(223,785)	(11,531)
Purchase of property, plant and equipment	(144,413)	(247,809)
Proceeds from the disposal of property, plant and equipment	-	21,094
Net cash flow used in investing activities	(368,198)	(238,246)
Net increase (decrease) in cash and cash equivalents	(42,166,591)	16,520,631
Cash and cash equivalents at beginning of year	72,711,708	56,191,077
Cash and cash equivalents at end of year	4, 11 30,545,118	72,711,708

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. NATURE OF OPERATIONS

The Autoridade Nacional do Petróleo ('ANP') was established on the 1st of July 2008 after the Decree Law No. 20/2008 was passed on the 19th of June 2008.

The ANP is Timor-Leste's body responsible for managing and regulating petroleum activities in Timor-Leste's exclusive jurisdictional areas and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANP, the Timor-Leste Petroleum Activities Law, and the Timor Sea Treaty.

Under Article 6(b) of the Timor Sea Treaty, between the Government of Australia and Timor-Leste, the ANP has the juridical personality and such legal capacities under the law of both Contracting States as necessary for the exercise of its powers and the performance of its functions.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements for ANP have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, and amounts are presented in United States Dollars except when otherwise indicated.

b. Current versus non-current classification

The ANP presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The ANP classifies all other liabilities as non-current.

c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the ANP and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Development fees

The fees are recorded on an accrual basis when the ANP becomes entitled to the revenue.

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Contract services fees

The fees are recorded on an accrual basis on the anniversary of the commencement of the Production Sharing Contract. Contract service fees received in advance are deferred and brought to account as income in the years to which they relate. Contract service fees received on termination of a Production Sharing Contract are brought to account as income in the year in which they are received.

Subsidy from Timor-Leste Government

The subsidy received from the Timor-Leste Ministry of Petroleum and Mineral Resources is intended for use in the Timor-Leste Exclusive Area (TLEA) and any downstream activities and is recognised on receipt.

Timor-Leste Government Funding for Petroleum Audits

This funding received in advance from the Timor-Leste Ministry of Petroleum and Mineral Resources is intended to finance the costs of auditing petroleum contracts. Revenue is recognised when the related expenditure occurs. Any unspent portion as at the end of the financial year is recognised as a liability in the statement of financial position.

d. Taxes

Income and deferred tax

ANP, being a government entity, is not subject to income tax as confirmed by the Ministry of Finance on 23 February 2015.

On 27 February 2015, ANP obtained legal advice from DLA Piper stating that the Authority is exempt from Australian income tax under the *International Organisations (Privileges and Immunities) Act 1963* and the *Timor Sea Treaty Designated Authority (Privileges and Immunities) Regulations 2003*.

Withholding tax

Depending on the contractual arrangement, withholding taxes are either withheld against suppliers in specified industries or grossed up at the applicable rates and the monies paid over to the government of Timor-Leste.

e. Foreign currencies

The ANP's financial statements are presented in United States Dollars, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by ANP at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

f. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the ANP recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 – 5 years
Vehicles	4 – 5 years
Leasehold improvements	5 – 20 years
Office Equipment	3 – 5 years
Office Furniture	4 – 5 years
Other Assets	3 – 6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. The useful lives of the intangible assets range from 2 to 4 years. Amortisation has been included within depreciation and amortisation.

Subsequent minor expenditures on the maintenance of computer software and brand names are expensed as incurred whilst major costs to improve the intangible assets are capitalised.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

h. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as cash and receivables. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Cash and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in the statement of profit or loss and other comprehensive income.

For more information on receivables, refer to Note 5.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The ANP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the ANP has transferred substantially all the risks and rewards of the asset, or (b) the ANP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the ANP has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the ANP continues to recognise the transferred asset to the extent of the ANP's continuing involvement. In that case, the ANP also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the ANP has retained.

Impairment of Financial Assets

The ANP assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

j. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. The ANP's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of ANP's financial liabilities is described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss, and only if the criteria in IAS 39 are satisfied. Subsequent fair value adjustments are recognised in statement of profit or loss and other comprehensive income. The ANP has not designated any financial liability as at fair value through profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method.

Supplies and other payables are recognised at amortised costs. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

k. Impairment of non-financial assets

The ANP assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the ANP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

l. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and cash on hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Joint Petroleum Development Area receipts and payments

The Timor Sea Treaty formed the Joint Petroleum Development Area (JPDA) within the Timor Sea, which is jointly controlled and managed for the benefit of the peoples of Timor-Leste and Australia. Article 4 of the Timor Sea Treaty sets out the sharing of petroleum production between the Governments of Timor-Leste and Australia as follows:

- (a) Timor-Leste and Australia shall have title to all petroleum produced in the JPDA. Of the petroleum produced in the JPDA, ninety (90) percent shall belong to East Timor and ten (10) percent shall belong to Australia.
- (b) To the extent that fees referred to in Article 6(b)(vi) and other income are inadequate to cover the expenditure of the Designated Authority in relation to this Treaty, that expenditure shall be borne in the same proportion as set out in paragraph (a).

The Autoridade Nacional Do Petroleo (ANP) has been appointed the Designated Authority for administrative purposes under Article 6 (b)(ii) of the Timor Sea Treaty. Acting as the Designated Authority the ANP is responsible for the day-to-day regulation and management of petroleum activities under Article 6 (b)(iv). Thus ANP is responsible for the receipt of funds from the operations within the JPDA and distribution of the funds to the governments of Timor-Leste and Australia as set out above.

Petroleum monies received and paid are held in a separate bank account for this purpose in the name of ANP. These monies together with any interest received and net of any bank charges incurred is distributed to the respective governments.

m. Employee benefits

Provision is made for certain employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages. The liabilities are measured at their nominal amount and are expected to be settled within twelve months.

Contractually local employees receive 15% of their basic salary to be paid into a Retirement Fund of their choice, or a savings account on a monthly basis. Currently money is only paid into savings accounts in employee's names. Employees may not access these monies during employment without the permission of the Retirement Investment Fund committee. After termination of employment employees may have direct access to the money regardless of age.

Employees are entitled to medical assistance from pre-approved healthcare providers within predetermined limits.

Eligible employees and their partners and up to two children are entitled to an annual leave travel allowance of \$800 per adult and \$400 per child.

International employees are entitled to a relocation package and repatriation to their home country.

n. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that ANP can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

o. Economic dependence

ANP is dependent upon the ongoing receipt of Timor-Leste Government support and contract service fee and development fees from contract operations to ensure the ongoing continuance of its operations. At the date of this report, the Directors have no reason to believe that this financial support will not continue.

p. Significant accounting judgements and estimates

The preparation of the ANP's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

No accounting judgements or estimates have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

q. Allocation of costs

The ANP carries out functions on behalf of the Joint Petroleum Development Area (JPDA) under the Timor Sea Treaty as the Designated Authority, and also carries out functions in the Timor-Leste Exclusive Area (TLEA). Article 6 (b)(vi) of the Timor Sea Treaty states that the Designated Authority of the JPDA, being the ANP, shall be financed from fees collected under the Petroleum Mining Code. Each year the Joint Commission of the JPDA authorises a budget of the ANP based on their work plan for the year. The budget includes the percentages expenditure should be split between the JPDA and TLEA for each internal directorate. For 2014 the expenses were split as follows based on the approval of the Joint Commission on 6 March 2014:

Directorate	JPDA %	TLEA %
President's Office	80	20
Single Auditor	80	20
Corporate Services	80	20
Joint Petroleum Development Area	100	-
Commercial	90	10
Health Safety and Environment	85	15
Development and Production	93	7
AR and Exploration	80	20
PSC & Local Content	50	50
Downstream	-	100
BOD	90	10
Overheads	80	20
Contingencies	90	10

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

A number of new, amended and revised Standards are effective for annual periods beginning on or after 1 January 2014. However, these standards did not materially impact ANP's financial statements.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
4. CASH AND CASH EQUIVALENTS		
HSBC Perth USD account	5,060,466	5,828,234
Corporate Credit Card Security Placement	180,000	180,000
HSBC AUD account	72,519	115,090
HSBC Singapore USD account	55,536	34,819
ANZ Dili USD account	1,690,839	1,662,072
Cash and cash equivalents held for the operations of ANP	7,059,360	7,820,215
<i>Other cash and cash equivalents</i> <i>under the administration of ANP - see note below</i>		
HSBC Singapore JPDA funds	23,485,758	64,891,494
	30,545,118	72,711,708

The HSBC Singapore Joint Petroleum Development Area (JPDA) funds are held in name of ANP as the Designated Authority of the Joint Petroleum Development Area in terms of article 6 (b) (iv) of the Timor Sea Treaty. The money is held on behalf of the Governments of Timor-Leste and Australia in respect of revenues received from the petroleum operations in the Joint Petroleum Development Area - see notes 9 and note 11.

	2014	2013
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Refundable deposits	10,900	10,900
Development fee receivable	952,385	99,410
Other	9,811	23,962
	973,096	134,272

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

	2014	2013
	\$	\$
6. OTHER CURRENT ASSETS		
Prepayments	6,663	76,719

	2014	2013
	\$	\$
7. INTANGIBLES		
Cost		
Balance at beginning of year	594,846	583,316
Additions	223,785	11,530
Balance at end of year	818,631	594,846
Accumulated Amortisation		
Balance at beginning of year	330,947	229,887
Amortisation expense	137,729	101,060
Balance at end of year	468,676	330,947
Net book value	349,955	263,899

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. PROPERTY, PLANT AND EQUIPMENT

	2014						
	Computer Equipment	Vehicles	Leasehold Improvements	Office Equipment	Office Furniture	Other Assets	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 1 January 2014	621,001	286,125	228,956	236,273	87,060	88,742	1,548,157
Additions	9,610	-	-	131,003	3,800	-	144,413
	630,611	286,125	228,956	367,276	90,860	88,742	1,692,570
Accumulated Depreciation							
Balance at 1 January 2014	488,357	141,058	102,690	110,779	43,628	65,527	952,039
Depreciation and amortisation	70,735	43,417	32,375	49,607	13,666	6,437	216,237
	559,092	184,475	135,065	160,386	57,294	71,964	1,168,276
Net book value	71,519	101,650	93,891	206,890	33,566	16,778	524,294

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. PROPERTY, PLANT AND EQUIPMENT (continued)

	2013					
	Computer Equipment	Vehicles	Leasehold Improvements	Office Equipment	Office Furniture	Other Assets
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 January 2012	578,186	268,125	224,806	132,925	79,060	87,503
Additions	70,835	55,000	5,950	105,908	8,877	1,239
Disposals	(28,020)	(37,000)	(1,800)	(2,560)	(877)	-
	621,001	286,125	228,956	236,273	87,060	88,742
						1,548,157
Accumulated Depreciation						
Balance at 1 January 2012	420,423	127,420	70,734	79,976	31,964	51,361
Depreciation and amortisation	95,953	50,639	31,956	32,176	12,541	14,166
Depreciation on Disposals	(28,019)	(37,000)	-	(1,373)	(877)	-
	488,357	141,058	102,690	110,779	43,628	65,527
						952,039
Net book value	132,644	145,067	126,266	125,494	43,432	23,215
						596,118

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
9. TRADE AND OTHER PAYABLES		
Trade payables	263,632	395,934
Unspent Government funding for petroleum audits	981,111	-
Monies held in connection with assistance to Sao Tome & Principe	77,609	135,473
Withholding tax for non-resident	33,101	830,445
PAYG Clearing	18,613	16,350
Super Clearing	839	324
Annual Allowance for employees	-	225,336
Total	1,374,905	1,603,862
To be distributed to the Government of Timor-Leste	21,137,182	58,402,345
To be distributed to the Government of Australia	2,348,576	6,489,149
Payables due by ANP as the JPDA Designated Authority (see note 4 and note 11)	23,485,758	64,891,494
	24,860,663	66,495,356

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

- a. A Memorandum of Agreement was signed on 21 March 2014 between the Ministry of Petroleum and Mineral Resources – Timor-Leste (the Ministry) and ANP wherein the Ministry is bound to transfer \$3.0 million for ANP's operational cost. In a letter signed by the Ministry's Director of Administration and Finance, it was stipulated that out of the \$3.0 million funding, \$1.0 million should be set aside for the audit of the petroleum contracts whilst the remaining \$2.0 million shall be used for operations.

	2014 \$	2013 \$
Grant petroleum audit funding:		
Monies received from the Ministry of Petroleum and Natural Resources	1,000,000	-
Amount disbursed during the year	18,889	-
Monies remaining	981,111	-

- b. A Memorandum of Understanding was signed 18 May 2011 between the governments of Timor-Leste and Sao Tome and Principe. The ANP has been entrusted to administer the funds received from the Ministry of Petroleum and Natural Resources.

	2014 \$	2013 \$
Opening balance	135,473	-
Monies received from the Ministry of Petroleum and Natural Resources in 2011	-	250,000
Amount disbursed during the year	57,864	114,527
Monies remaining	77,609	135,473

	2014 \$	2013 \$
10. UNEARNED INCOME		
Contract service fees	546,630	563,507
Development fees	-	914,550
	546,630	1,478,057

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. JOINT PETROLEUM DEVELOPMENT AREA BANK ACCOUNT MOVEMENTS SUMMARY	2014 \$	2013 \$
Opening balance HSBC Singapore JPDA funds	64,891,494	50,131,905
Cash received from the operators	1,133,610,094	2,088,389,138
Interest received	27,786	25,423
Bank charges	(1,834)	(1,960)
Net funds available for distribution	1,198,527,540	2,138,544,506
Funds distributed to Timor-Leste	(1,057,537,604)	(1,866,287,711)
Funds distributed to Australia	(117,504,178)	(207,365,301)
Closing balance HSBC Singapore JPDA funds	23,485,758	64,891,494
Payable in respect of JPDA funds:		
To be distributed to the Government of Timor-Leste	21,137,182	58,402,345
To be distributed to the Government of Australia	2,348,576	6,489,149
	23,485,758	64,891,494
12. EMPLOYEE COSTS	2014 \$	2013 \$
Salaries and wages	1,670,186	1,557,124
Retirement funding	224,081	224,139
Annual leave travel	126,189	118,183
Staff amenities	43,631	58,478
Insurance	23,897	31,745
Employee benefits	10,151	33,198
Relocation	-	10,584
Annual allowance	-	120,342
Other	10,618	14,254
	2,108,753	2,168,047
13. GENERAL AND ADMINISTRATIVE	2014 \$	2013 \$
Consultancy	1,346,494	1,369,148
Travel	548,188	348,393
Training	374,193	627,312
Motor vehicle and equipment related costs	322,432	104,951
Advertising and promotion	251,880	185,067
Utilities	245,477	228,932
Printing and office supplies	102,978	65,396
Professional fees	56,938	68,961
Cleaning	38,393	39,298
Security	32,031	30,000
Subscription and membership	17,384	30,162
Bank charges	16,446	19,502
Other expenses	6,366	12,783
	3,359,200	3,129,905

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14. FINANCIAL INSTRUMENTS

a) Financial risk management objectives and policies

The ANP's principal financial instruments comprise receivables, payables, cash and Corporate Credit Card Security placement.

The ANP manages its exposure to financial risks, in accordance with its policies. The objectives of the policies are to maximize the income to the ANP whilst minimizing the downside risk.

One of the requirements under Production Sharing Contracts (PSC) entered into between the ANP and exploration companies is that the company must provide adequate security by way of a bank issued Letter of Credit, or equivalent security. The security document provides additional certainty that the exploration companies will meet their minimum expenditure requirements under the PSC.

The Authority's activities expose it to normal commercial financial risk. The main risks arising from the ANP's financial instruments are foreign exchange risk, interest rate risk, credit risk and liquidity risk. Risks are considered to be low.

Primary responsibility for the identification and control of financial risk rests with Management under the authority of the ANP Board of Directors.

b) Net fair value of financial assets and liabilities

Cash and cash equivalents: The carrying amount approximates fair value because of their short-term maturity.

Trade and other receivables and trade and other payables: Their carrying amounts approximate fair value due to their short term nature.

c) Foreign Exchange Risk

The ANP generally operates using United States denominated currency held in US dollar bank accounts although it has one Australian Dollar denominated account. ANP is exposed to foreign exchange risk with respect to the Australian Dollar arising primarily from:

- cash and short term deposits held in Australian Dollars
- amounts owing to suppliers denominated in foreign currencies.

d) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The ANP is exposed to interest rate risk primarily from its cash surpluses invested in short term interest bearing deposits. The deposits are only made with reputable financial institutions with maturity dates generally being no more than 30 days.

Monies held on behalf of the Timor-Leste and Australian governments may be placed in short-term term deposits of generally less than one month. Any interest accruing is paid to the governments and does not form part of the ANP's income.

AUTORIDADE NACIONAL DO PETRÓLEO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

a) Credit Risk

Credit risk arises from the financial assets of the entity, which comprise cash and cash equivalents and trade and other receivables. The company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure as at balance sheet date is addressed in each applicable note.

The ANP has a significant concentration to credit risk through its cash and deposits with banks. The main concentration is with two international banks. The ANP ensures that this concentration is managed by the exposure not all being with one particular bank.

b) Liquidity Risk

Liquidity risk arises from the financial liabilities of the entity and ANP's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The ANP has a system of reducing its exposure to liquidity risk by monitoring its cash flows closely through rolling future cash flows and monitoring the ageing of receivables and payables.

15. CONTINGENT LIABILITIES & ASSETS

There are no contingent liabilities or contingent assets as at 31 December 2014 and 2013.

ANNEX 3-ANP 2014 AUDITED REVENUE REPORT

**AUTORIDADE NACIONAL DO PETRÓLEO
OF TIMOR-LESTE**

**STATEMENT OF PETROLEUM REVENUE
RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

AUTORIDADE NACIONAL DO PETRÓLEO OF TIMOR-LESTE
STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

GENERAL INFORMATION

Board of Directors: Mr Gualdino da Silva (President and Chairman)
Mr Jorge Martins Dasilaku
Mr Mateus da Costa
Mr Nelson de Jesus

Commercial Director: Mr Angelo Lay

Place of business: Ground Floor East Wing of Pálacio do Governo
Dili, Timor-Leste

Bankers: Hong Kong Shanghai Bank Corporation

Single auditor: Mrs Guida Freitas

External Auditor: Merit Partners Pty Ltd

Country of Incorporation: Timor-Leste

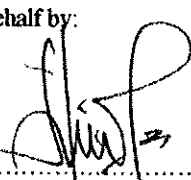
Currency: United States Dollars

CONTENTS

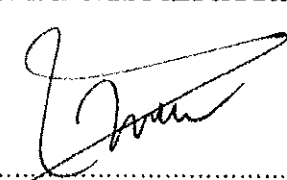
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Audit Report	2-3
Statement of Petroleum Revenue Receipts and Payments	4
Accounting Policies and Explanatory Notes	5-7

APPROVAL OF THE STATEMENTS

The Statement of Petroleum Revenue Receipts and Payments for the year ended 31 December 2014 set out on pages 4 to 7 was authorised for issue in accordance with a resolution of the Board of Directors and is signed on their behalf by:


.....
Gualdino da Silva
President

Date: 14/5/15


.....
Angelo Lay
Director of Commercial
Date: 14/5/15

Independent Auditor's Report to the Board of Directors of the Autoridade Nacional do Petróleo

We have audited the accompanying Statement of Petroleum Revenue Receipts and Payments ("the Statement") of Autoridade Nacional do Petróleo ("the Authority"), which comprises the statement of cash receipts and payments for the year ended 31 December 2014, notes comprising a summary of significant accounting policies and other explanatory notes.

The Board of Directors' Responsibility for the Statement

The Board of Directors ("the Board") is responsible for the preparation and fair presentation of the Statement in accordance with Note 2 of the Significant Accounting Policies and for such internal control as the Board determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Authority's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statement of Petroleum Revenue Receipts and Payments present fairly, in all material respects, the cash balances of Autoridade Nacional do Petróleo as at 31 December 2014 and its cash receipts and payments for the year then ended in accordance with the significant accounting policies in Note 2.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 2 to the Statement which describes the basis accounting. The Statement has been prepared to assist the Authority to meet its financial reporting requirements. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Authority and should not be distributed to parties other than the Authority.



Merit Partners



Matthew Kennon
Director

Darwin
Date 14 May 2015

AUTORIDADE NACIONAL DO PETRÓLEO OF TIMOR-LESTE
STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue receipts by field			
Bayu-Undan	3	1,119,205,857	1,868,991,847
Kitan	4	14,404,238	219,397,203
Total revenue receipts received		1,133,610,095	2,088,389,050
Interest earned from:			
• term deposits		15,103	15,210
• from contractors for profit oil/gas delayed payment	6	12,684	10,302
Total receipts received		1,133,637,881	2,088,414,562
Bank charges		(1,834)	(1,961)
Receipts less bank charges for the year		1,133,636,047	2,088,412,601
Cash at beginning of year		64,891,494	50,131,905
		1,198,527,541	2,138,544,506
Less: cash at end of year	5	(23,485,758)	(64,891,494)
Amount available for distribution		1,175,041,783	2,073,653,012
Distributed as follows:			
Distribution to Petroleum Fund of Timor-Leste		1,057,537,605	1,866,287,711
Distribution to Department of Industry and Science, Australia		117,504,178	207,365,301
		1,175,041,783	2,073,653,012

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. Nature of operations

The Autoridade Nacional do Petróleo of Timor-Leste ('ANP') was established on the 1st of July 2008 after the Decree Law No. 20/2008 was passed on the 19th of June 2008.

The ANP is Timor-Leste's body responsible for managing and regulating petroleum activities in Timor-Leste's exclusive jurisdictional areas and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANP, the Timor-Leste Petroleum Activities Law, and the Timor Sea Treaty ('Treaty').

Under Article 6(b) of the Treaty, between the Governments of Australia and Timor-Leste, ANP has the juridical personality and such legal capacities under the law of both Contracting States as necessary for the exercise of its powers and the performance of its functions.

ANP, pursuant to Article 6 of the Treaty is responsible for the management of the activities relating to exploration for the exploitation of the petroleum resources in the JPDA. This includes the collection and distribution of proceeds generated from the sale of petroleum products produced from Bayu-Undan and the Kitan fields.

Article 4 of the Treaty sets out the sharing of petroleum production between the Governments of Timor-Leste and Australia as follows:

- (i) Timor-Leste and Australia shall have title to all petroleum produced in the JPDA. Of the petroleum produced in the JPDA, ninety (90) percent shall belong to Timor-Leste and ten (10) percent shall belong to Australia.
- (ii) To the extent that fees referred to in the Treaty, Article 6(b)(vi) and other income are inadequate to cover the expenditure of the Designated Authority in relation to this Treaty, that expenditure shall be borne in the same proportion as set out in paragraph 6(a).

The Contracting companies operate in both the Bayu-Undan and Kitan fields.

The Bayu-Undan fields lie in the JPDA 03-12 and JPDA 03-13 Production Sharing Contract (PSC) areas. Discovered in 1995, with first production being in 2004, the Bayu-Undan field is approximately 250 kilometres from Timor-Leste and 500 kilometres from the Australian coast. Bayu-Undan upstream produces condensate, liquefied petroleum gas, while liquefied natural gas is produced at the Darwin liquefaction plant under the downstream facilities. ConocoPhillips Corporation is the operator with a 56.94% interest, while its joint venture partners hold the following interest: Santos Corporation (11.49%); Inpex Corporation (11.38%); Eni Australia (10.99%); and Tokyo Timor Sea Resources (aggregate 9.2%).

The Kitan oilfield is in the JPDA 06-105 PSC area. Discovered in 2008 it lies approximately 170 kilometres offshore the Timor-Leste coast and 500 kilometres from the Australian coast. The Kitan field produces oil. Eni Corporation is the operator with a 40% interest, while its joint venture partners Inpex Corporation has 35% and Talisman Energy Resources has 25% interest.

2. Significant accounting policies

a. Basis of preparation

The statement of petroleum revenue receipts and payments is prepared on a cash basis. The statement is prepared for monies received by the ANP as a Designated Authority under the Treaty. These petroleum proceeds are held on behalf of the Timor-Leste and Australia Governments in a HSBC bank account in the name of the ANP and are distributed to the two governments on a regular basis. Revenue distribution consist of First Tranche Profits ('FTP')/Royalties, profit oil/gas and interest earned, net of bank charges incurred. The accounting policies have been applied consistently throughout the period.

b. Petroleum revenue receipts

Petroleum revenue receipts are recognised on receipt in the HSBC bank account.

c. Payments

Payments are the distributions to the Timor-Leste and Australia governments in terms of the Treaty and the Decree Law 20/2008.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

d. Foreign currency

The ANP's statement of petroleum revenue receipts and payments is presented in United States Dollars.

e. Cash and Cash Equivalents

Cash and cash equivalents includes amounts held in current and short term deposits at HSBC bank. Amounts held represent petroleum proceeds (royalty and profit oil/gas) received, interest and net of bank charges.

These proceeds together with any interest received and net of any bank charges incurred is distributed to the respective governments. Distribution is made to the Petroleum Fund account of the Central Bank of Timor-Leste and the Department of Industry and Science account, Australia. Distributions are made on a monthly basis for royalties and profit oil from Kitan. Profit generated from Bayu-Undan is distributed within the month on the following day of the contracting companies depositing funds into the ANP HSBC account.

f. Interest

Short term deposit interest is derived from short term deposits made at the HSBC bank in any given month prior to the funds being distributed to the respective governments in the following month.

Profit oil interest is received as compensation for the delay of profit oil payment on ANP's share of profit oil.

AUTORIDADE NACIONAL DO PETRÓLEO
NOTES TO THE STATEMENT OF PETROLEUM REVENUE RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. BAYU-UNDAN FIELD RECEIPTS

	2014			2013		
	First Tranche Profits	Profit oil and gas	Total	First Tranche Profits	Profit oil and gas	Total
ConocoPhillips 03-12 Pty Ltd	147,385,597	556,551,761	703,937,358	195,720,235	960,556,670	1,156,276,905
Tokyo Timor Sea Resources	-	93,999,064	93,999,064	-	147,728,074	147,728,074
Santos Petroleum Pty Ltd	-	117,450,402	117,450,402	-	184,573,920	184,573,920
Inpex Sahul	6,001,818	95,970,571	101,972,389	10,192,552	193,775,885	203,968,437
ENI JPDA 03-13	-	101,846,644	101,846,644	-	176,444,511	176,445,511
	153,387,415	965,818,442	1,119,205,857	205,912,787	1,663,079,060	1,868,991,847

ConocoPhillips is the lifting party on behalf of all Joint Venture partners except for Inpex Sahul. The FTPs for Tokyo Timor Sea Resources, Santos Petroleum Pty Ltd and ENI JPDA 03-13 is included in the ConocoPhillips FTP amount.

4. KITAN FIELD RECEIPTS

	2014			2013		
	Royalty	Profit oil	Total	Royalty	Profit oil	Total
ENI 06-105	3,338,599	(501,887)	2,836,712	14,199,420	73,719,559	87,918,979
Talisman Resources	2,086,637	(313,679)	1,772,958	9,906,297	51,467,166	61,373,463
Inpex Timor Sea	5,394,600	4,399,968	9,794,568	10,948,305	59,156,456	70,104,761
	10,819,836	3,584,402	14,404,238	35,054,022	184,343,181	219,397,203

	2014	2013
	\$	\$
5. CASH AND CASH EQUIVALENTS		
HSBC Singapore held in the name of ANP at end of year	23,485,758	64,891,494
To be distributed as follows:		
- to Petroleum Fund of Timor-Leste	21,137,182	58,402,345
- to Department of the Resources, Energy and Tourism, Australia	2,348,576	6,489,149
	23,485,758	64,891,494

6. FIELD INTEREST FROM PROFIT DELAYED PAYMENT

	2014	2013
	\$	\$
Profit Oil:		
Bayu-Undan:		
Inpex Sahul	9,033	3,303
Tokyo Timor Sea Resources	3,449	4,396
ENI JPDA 03-13	202	1,088
	12,684	8,787
Kitan:		
Talisman Resources		1,515
		1,515
	12,684	10,302