



2nd LICENSING ROUND

TIMOR-LESTE SECOND LICENSING ROUND 2019/2021

BROCHURE CONTAINING INFORMATION REGARDING THE NUMBER OF NEW ONSHORE AND OFFSHORE BLOCKS, TOTAL AREA, BASIC G&G BACKGROUND, BIDDING PROCEDURE, PRE-QUALIFICATION GUIDELINES, PSC MODELS AND LIST OF AVAILABLE DATA BIDDING BROCHURE

Table of Contents

- 1. Introduction
- 2. Scope
- **3.** General Information
- 4. General Requirement
- 5. Bidding Qualification Requirements
- 6. Bid Summary Form
- 7. Bid Acceptance
- 8. Explanation of Information
- 9. The ANPM's Right
- 10. Annex I Geological Synopsis and Data Package
- 11. Annex II Bid Blocks
- 12. Annex III Timeline
- 13. Annex IV Power of Attorney
- 14. Annex V Bid Bond
- 15. Annex VI Bid Summary Form
- 16. Annex VII Bid Evaluation Matrix
- 17. Annex VIII Model of Bid Bond/Bank Guarantee
- 18. Annex IX Model of Production Sharing Contracts (PSCs) for both Onshore and Offshore
- **19.** Annex X Information Payment Details
- 20. Annex XI Mailing Address
- 21. Annex XII Pre-qualification guidelines documents



1. Introduction

The Autoridade Nacional do Petróleo e Minerais (ANPM) is a Public Institute established under Decree-Law 20/2008, of 19 June 2008 (as amended by Decree-Law 1/2016, of 9 February 2016 and Decree-Law 27/2019, of 27 August 2019) (ANPM Decree Law), and has the competence to manage and regulate the Petroleum Operations in the Territory of Timor-Leste. Pursuant to Article 13 of Law 13/2005, 2 September 2005, on Petroleum Activities (as amended by Law 1/2019, of 18 January 2019), Articles 3.2(b) and 26.1 of ANPM Decree-Law, and the Ministry of Petroleum and Minerals Order 2/GMPM/IX/2019, of 30 September 2019, on the Allocation of Areas for Petroleum Exploitation Activities, the ANPM herewith establishes this Tender Protocol, in order to develop the national petroleum industry and in strict compliance with the best international practices on transparency and accountability.

2. Scope

This Tender Protocol applies to the 2019/2021 Second Licensing Round Proceedings and establishes the minimum requirements and selection criteria to be met and complied with by the bidders of Production Sharing Contracts (PSCs).

3. General Information

3.1 Geological Synopsis

A brief overview of the Timor-Leste exploration and production portfolio and a general overview of the geological potential of the areas, as well as additional geological and geophysical information so far acquired, can be found in Annex I of this document.

3.2 Summary of the terms of the model Production Sharing Contracts

The Production Sharing Contracts (PSCs) Models, both the Onshore PSC and the Offshore PSC Models can be accessed the following link: <u>http://licensinground.anpm.tl/index.php/2019/11/27/pre-qualification-guidelines/</u> or However, the summary of the fiscal terms of both models of the PSC can be seen under Annex IX of this Tender Protocol.

4. General Requirements

The applications must be submitted in accordance with the following requirements:

 In order to be eligible to bid in the 2019/2021 Second Licensing Round Proceedings, the interested parties must pre-qualify with ANPM, at least, sixty (60) days prior to the closing date for the bidding, pursuant to the Prequalification Guidelines herein attached as Annex XII. The ANPM encourages the



companies or consortiums as **bidder**(s) to pre-qualify as early as practicably possible, in order to benefit from more time to access the technical information and data available.

- 2. The bidder(s) are required to submit a bid for each Block; making express reference to Block they are bidding for, as set forth in Annex II of this document.
- 3. Each bidder(s) are not allowed to submit more than one bid for each Block.
- 4. The bids must be submitted in writing, in duplicate, with a A4 size cover letter (in hardcopy).
- 5. Each bid must be delivered in a sealed envelope, marked *strictly confidential*.
- 6. Each application must be made within the deadline set forth in the official 2019/2021 Second Licensing Round timeline in Annex III of this document. Any change or amendment to the timeline will be announced in the available media as well as the ANPM websites in the following links: <u>http://licensinground.anpm.tl/</u> or <u>http://www.anpm.tl/</u>
- 7. For each bid the bidder(s) must pay a fixed non-refundable application fee of US \$15,000.00 (Fifteen Thousand American Dollars) to be deposited in the Petroleum Fund account as detailed in Annex X to this document, within the deadline mentioned in clause 4.6 above. The Proof of payment of the fee, including bidder(s)' name and contact details and a description of the payment, must be forward to the following e-mail address: 2ndroundbidpayment@anpm.tl
- 8. Each bidder(s) participating in the 2019/2021 Second Licensing Round must appoint one or more individuals as Accredited Representatives before ANPM, for purposes of handling any and all correspondence related to the Licensing Round. The Accredited Representative(s) shall be appointed by means of a Power of Attorney substantially in the form of the one of Annex IV to this document, duly signed by an authorized signatory of the company and notarized. [*It is recommended that the Accredited Representative(s) nominated be an executive who will be available throughout the process to ensure that the information requests and other communications are properly and efficiently handled within the company. It is emphasized that the PSC does not necessarily have to be executed by the Accredited Representative(s)*.]
 - 9. Bidder(s) are required to submit the Letter of Intent signed by duly authorized representative with powers to bind the company of each member of the consortium. The Letter of Intent must state that, if a Production Sharing Contract is awarded to the consortium, all parties thereof acknowledge and undertake to be jointly and severally liable for the obligations and any damage that may be caused in connection with the respective Production Sharing Contract.



- Any amendments to the *Bid Form* must be counter-signed by the Accredited Representative of the bidder(s) that is submitting the envelope and shall
- 11. After the bid closure date, the bidder(s) are not allowed to withdraw their bid(s). Any withdrawal after the opening of the bid envelopes entitles the ANPM to enforce the Bid Bond in favor of Timor-Leste.

communicate to ANPM prior to the term of the deadline.

- 12. Bid evaluation will be primarily based on the guaranteed work program and the local content commitments for the initial exploration period. In order to make an evaluation of the bids as objective as possible, the Evaluation Commission shall use an evaluation matrix awards points to each type of activity as a basis for the ranking. The composition of this matrix is the one set forth in Annex VII of this document.
- 13. The Evaluation Commission shall also review the bid support materials with the technical basis for the bid and is allowed to reject any bid which, in its sole discretion, may be deemed unresponsive to, or inconsistent with, the evidence provided in relation to the technical capabilities of the bidder pursuant to Section 4.1.1 of this document. In the event of rejection, the Evaluation Commission shall detail its reasoning and the technical basis of the rejection.
 - 14. ANPM shall award the Production Sharing Contract to the bidder(s) who submit the best bid, as may be assessed by the Evaluation Commission, taking into consideration the proposals in terms of scope, scale, nature and content of the proposed work program, and the technical and financial capabilities of the bidders according to the above mentioned evaluation matrix.
 - 15. It should be noted that the appraisal and development wells may not be taken into consideration for the purpose of satisfying the minimum exploration program.
 - 16. In the event of a successful bidding, the ANPM may consider wholly or partially that the existing multi clients/non-exclusive data procured for the purpose of technical studies prior to bidding as additional data to be cost recovered under awarded PSC;
 - 17. Any credit as referred to in Clause 4.15 shall apply based on the same type of activities, as opposed to on a financial basis.
 - 18. Any bids received after the term of the deadline shall not be either opened or considered. Bids received prior to the deadline shall remain closed until such time as all bids are simultaneously opened and evaluated.
 - 19. The bidder(s) shall submit a written statement explicitly committing to, in the event of award of a Production Sharing Contract,:
 - (a) Enter into a PSC for the relevant Contract Area;



10.

- (b) Register a subsidiary company under the laws of Timor-Leste; and
- (c) Submit a Performance Bank Guarantee under the PSC, as set forth in Annex VIII of this document.

5. Bidding Qualification Requirements

To be eligible as potential bid winner, bidder(s) are required to submit the following documental evidence and proof their technical and financial competent, proposed works programs, especially first initial minimum work commitments including local contents, which shall be the basis for the ANPM's assessment.

- 5.1 Technical Requirements
 - 1. The bidder(s) shall provide information on their technical capabilities by submitting preliminary studies on the potential petroleum prospects and leads of the Blocks, based on the data available;
 - 2. Duly filled-in Work Programs in accordance to the Bid Summary forms of Annex VI of this document, as follows:
 - a) The bidder(s)' proposed exploration work program and budget commitments for the initial three (3) contract years, covering data evaluation, seismic surveys and exploration wells to be drilled, on the basis that none of the items of the work program are conditional on the discovery of hydrocarbons. The first three (3) years of the proposal should only include work and expenditure expected to involve a substantial exploration component;
 - b) The bidder(s)' proposal (in terms of operational activity or estimated expenditure) for data evaluation, seismic surveys and exploration wells to be drilled, for each of the remaining four (4) years of the contract term.

5. 2 Legal and Financial Requirements

The bidder(s) shall be required to provide the following additional information and documents:

- 1. Proof of payment of the fixed and non-refundable application fee in accordance with Clause 4.7;
- 2. Proof of financial capabilities through the submission of the latest Audited Financial Statement (ideally over the last 5 (five years);
- 3. A first demand bid bond issued by a first-class bank, in the amount of US\$ 150,000 (One Hundred and FiftyThousand American Dollars), which shall be refundable upon the signing of the Production Sharing Contract. Detailed information on the Bid Bond is set forth in Annex V to this document.



5.3 Local Content Requirements

The bidder(s) s are also required to submit:

- a) Proposed Plan for procurement of Local Goods and Services
- b) Proposed Plan for hiring and training of national employees;
- c) Proposed Plan for Transfer of Technology and Know-how;
- d) Infrastructure Development Plan.

5.4 Health, Safety and Environment Requirements

The bidder(s) s must submit a written statement outlining its policy and strategy on:

- 1. Health, safety and welfare of the persons involved in the petroleum operations;
- Protection of the natural and marine environment, and prevention, minimization and remedy of pollution occurrences and other environmental hazards.

6. Bid Summary Form

The copy of the official Bid Summary Form for each Contract Area is attached as Annex VI to this Tender Protocol.

7. Bid Acceptance

- 1) The Evaluation Commission shall not evaluate any bid that is submitted without the attachment of the proof of payment of as required under Clause 5.2.1 and Bid Bond Documents as required under Clause 5.2.3 of this Tender Protocol,
- Upon completion of the evaluation of the bids, the Evaluation Commission shall prepare an evaluation report ("Report") which shall be submitted to the Minister responsible for Petroleum Sector,
- 3) The Acceptance or Rejection of homologation of the Report shall be made within ten (10) working days as of the date in which Report is received by the Minister responsible for Petroleum Sector.
- 4) The ANPM shall notify the bidder(s) of the homologation of the Report and its content within three (3) working days as of the date of decision of the Minister responsible for Petroleum Sector.
- 5) A summary of the Report, the assessment of the proposals and the homologation decision shall be published in the Official Gazette and in the national and



international newspapers, at ANPM's discretion, within ten (10) working days as of the date of the homologation of the Report.

 The bidders may appeal of the homologation decision pursuant to Article 13 of Decree-Law 7/2005, of 5 October 2005, on Public Tendering for Award of Petroleum Contracts.

8. Explanation of Information

- 1. The ANPM is available to provide clarification or additional information regarding the proceedings, the PSC term, or the Contract Areas within the timeline set forth in Annex III.
- 2. Questions may be addressed to the ANPM at the contact details set forth in Annex XI.
- 3. Questions and their respective answers shall be published (without disclosing the identity of the questioning company) at *http://licensinground.anpm.tl*
- 4. Further details and advice shall be posted at ANPM's website: pttp://www.anpm.tl or http://licensinground.anpm.tl
- 5. A formal data room shall be available for a limited viewing period. The technical data room is physical (at ANPM's office) and virtual (at http://licensinground.anpm.tl

9. The ANPM's right

- 1. ANPM may revoke the current offer, in full or in part, at any time.
- 2. ANPM reserves the right to unilaterally revise the timetable and related procedures of the Licensing Round.



Annex I

Geological Synopsis And Technical Data Base

GEOLOGICAL SYNOPSIS

1. INTRODUCTION

Timor Island is located in Southeast Asia. To the west, north and east the island is surrounded by the Indonesian archipelago and bounded by the Timor Sea and Australia to the south. The island is divided into two parts: the western part (West Timor) belongs to Indonesia and the eastern part is the Republic Democratic of Timor-Leste. Timor-Leste territory comprises the eastern part of the main island (Timor), Jaco Island, Atauro Island and the municipality of Oecussi; a small enclave in West Timor as shown in Figure 1. The total onshore area of Timor-Leste is approximately 15,007 km², and the offshore territory of Timor-Leste is approximately 67,326 km².



Figure 1. Timor-Leste territory and its active onshore and offshore blocks

Currently within the Timor-Leste territory there are 10 active Production Sharing Contract (PSC) blocks (Figure 1); 2 blocks located onshore and 8 offshore. Around 70% of the onshore and 80% of the offshore areas are presently unlicensed. Therefore to promote both onshore and offshore Timor-Leste territory for petroleum activities, the Timor-Leste government delegated its power to the National Petroleum and Mineral Authority (ANPM) to announce both onshore and offshore open





Figure 2. 2019 Timor-Leste Acreage Release Map. A total of 18 new blocks; 7 onshore and 11 offshore.



areas for bidding as shown in Figure 2 below. There is a total of 18 blocks open for bidding; the onshore Timor-Leste area has 7 blocks (A to G) and another 11 blocks (H to R) in the offshore area.

The newly released blocks cover a total area of about 9,646 km² onshore and 51,789 km²offshore. The area of each block is listed in Table 1.

Onshore Block	Area (km²)
А	2255.876 sq km
В	1187.100 sq km
С	1104.867 sq km
D	1874.875 sq km
E	1591.171 sq km
F	845.719 sq km
G	791.700 sq km

Table 1.a. shows the areal of each of the new onshore blocks on offer

Offshore Block	Area (km²)
Н	4882.650 sq km
I	5342.828 sq km
J	4240.656 sq km
К	4452.734 sq km
L	2525.992 sq km
М	5362.497 sq km
Ν	5154.292 sq km
0	4203.564 sq km
Р	4061.361 sq km
Q	5278.075 sq km

Table 1. b. shows the areal of each of the new offshore blocks on offer



2. EXPLORATION HISTORY

Oil and gas seeps onshore Timor-Leste have been known and exploited since the 1890's with possibly the earliest well drilled in 1914. Royal Dutch-Shell completed gravity surveys and field work in the late 1940's and in 1957 Timor Oil drilled the Aliambata-1 well, the first of many. Most of these wells drilled on field data and gravity anomalies had hydrocarbon shows or flows.

Offshore Timor-Leste is part of the North Bonaparte Basin, and historically there have been several successful discoveries in the region. The area has undergone several changes in sovereignty from 1970 to as recently as 30 August 2019 with the signing of the New Maritime boundary.

In the 1970's the area was jointly held by Indonesia and Australia, and more recently by the independent nation of Timor-Leste. Since exploration permits were first awarded over the Bonaparte Basin region in the late 1960s and early 1970s, exploration has undergone several phases.

- An early exploration phase culminated in 1969 with the discovery of Petrel gas field in the southern Bonaparte Basin and then in 1974 and 1975 with the discovery of the Troubadour and Sunrise gas pools (respectively) in what is now Timor-Leste offshore territory;
- Following the Indonesian annexation there was a phase during the late 1970's through the 1980's with an imposed moratorium (1976-1991) for the duration of the Timor Gap boundary negotiations between Indonesia and Australia.
- A renewed phase of exploration occurred following the signing of the Timor Gap Treaty in 1989 between Australia and Indonesia and succeeding the establishment of the Zone of Cooperation (ZOC). The Timor Gap Treaty Joint Authority was created at this time to administer the largest portion of the ZOC (designated as Area A - ZOCA). The ZOCA acreage release occurred in 1991 with much of ZOCA awarded under PSC's. The "government profit oil" in the ZOCA area being split 50:50 between Australia and Indonesia.
- This Australia-Indonesian Timor Gap Treaty was later superseded by the signing of the Timor Sea Treaty between Australia and the newly independent nation of Timor-Leste in April 2003; this resulted in the creation of the Joint Petroleum Development Area (JPDA) replacing the ZOCA. Contractual terms for the existing petroleum projects in the JPDA remained in force over the Bayu-Undan, Sunrise-Sunset-Loxton Shoals-Troubadour (now known as the Greater Sunrise area) and Elang-Kakatua-Kakatua North (EKKN) areas.
- On 30 August 2019 the new Maritime Boundary Treaty was signed. This treaty defined and extended the Timor-Leste offshore territory and was also marked by the transfer of the existing PSC's such as Bayu-Undan, Kitan, JPDA 11-106 and others from the JPDA to the new Maritime Boundary Treaty.



The Timor-Leste government had previously organised two licensing rounds over the past 15 years and the outcomes were positive resulting in discoveries and production. The First Licensing round held in 2003 resulted in the initiation of production from the Bayu-Undan Field. In 2006, the Timor-Leste government conducted a second licensing round which led to the discovery of and production from the Kitan Field.

The Timor-Leste government is encouraged by the increased data now available for both the onshore and offshore areas, and consequently has confidence that the 2019/2021 licencing round with 18 blocks released for work program bidding will lead to more discoveries in the Maritime Boundary Treaty area.

3. KEY DISCOVERIES

Elang-Kakatua Complex

The Elang structure is the crestal culmination of the Elang trend which is an east-west oriented structural high, located on the northwest flank of the Flamingo High. Oil in the Elang structure is trapped in the sandstones of the Late Callovian to Early Oxfordian Elang Formation (also known as the Laminaria Formation).

The Kakatua-1 and Kakatua North-1 wells were drilled to the west of the Elang-1 oil discovery. Both wells encountered oil in the Elang Formation and commercial production from the combined EKKN development commenced in 1998 and achieved peak production rates of over 32,500 barrels of oil per day (bopd). The complex produced over 28 million barrels (MMbbls) of oil and is now decommissioned.

Bayu-Undan

The discovery of the Bayu-Undan Field dates back to 1995 with the drilling of Bayu-1; liquids production commenced in 2003. The field is the first gas-condensate pool developed in the Timor Sea area and it has now transitioned through 3 phases of production. The first phase involved a floating offshore production facility (FPSO) to extract the condensate for offload and export via a tanker. The gas was re-injected into the reservoir and the field has been producing approximately 100,000 barrels of condensate per day (bcpd). Presently the field in the third phase comprising gas and liquids production with the gas piped to the Darwin LNG facility and the produced liquids to the



FPSO. This phase has been supplemented by recent drilling and continued production of gas and liquids.

Kitan Field

The Kitan Field was discovered in 2008 by the Kitan-1 well in the south-western portion of the JPDA with the original oil-in-place (OOIP) for the Kitan pool reported as 86.9 million stock tank barrels (MMstb). Production commenced in 2011 through a FPSO facility and reached a rate of production of approximately 42,000 bopd. The field was shut-in in 2015.

Other Fields

In addition to the above mentioned discoveries, a number of other oil and gas discoveries have been made in the area, including Kelp Deep, Krill, Kuda Tasi, Jahal, Hingkip, Chuditch, Bluff, Buller and Buffalo.

These developed fields and undeveloped discoveries indicate the area is part of an active petroleum system and points to the potential for more hydrocarbon discoveries.

4. REGIONAL TECTONIC EVOLUTION

Timor Island has undergone various phases of extension and compression predominantly related to the fragmentation of Gondwanaland (Figure 3 a to f).

Major tectonism as far back as the Early Permian and up to the present has had an influence on the conditions required for the development of a petroleum system and the hydrocarbon prospectivity within the Timor-Leste territory.

The structuring and sedimentation associated with these regional-scale tectonic events occurred throughout the northern Bonaparte Basin thus providing similar geological conditions across both the onshore and offshore Timor-Leste. However, since the Middle Miocene the Island of Timor has been situated on the leading edge of the Australian Plate and has been subjected to increasing intensity of oceanic crust subduction to the north (Figure 4). This activity culminated in the development of plate margin back-thrusting across Timor over the past 3 million years.





Figure 3. Composite plate reconstructions of the regional geology of Timor Island from the Permian to the Miocene – the magenta ellipses mark the approximate location of Timor Island. a) Early Permian ~275 Ma. Timor Island was part of the Gondwana supercontinent. Timor was dominated by carbonate nearshore and proximal shelf sediments. b) Early Triassic ~245 ma. As Sibumasu and Qiangtang terrains drifted northward subsidence occurred along the northern Gondwana margin; Timor was affected. c) Jurassic ~155 ma. A rift phase commenced as the Argo/West Burma and Sikuleh (SK) terrains separated. d) Late Jurassic (Early Tithonian) ~150 ma. Argo and Banda plates commenced separation. e) Early Cretaceous ~135 ma. Greater India commenced drifting northward; Timor was still part of Gondwana; and f) Late Miocene ~4 ma. Subduction of Jurassic oceanic crust along the proto-Banda Arc ahead of the Australian Plate with back-arc spreading; Figures 3 a to c modified from Jablonski & Saitta (2004) and Figures 3 d to f modified from Hall et al (2011).





Figure 4. Cartoon of Late Neogene tectonism effects on onshore and offshore Timor-Leste.

As a consequence of the Timor Thrust emplacement, the northern and southern parts of the offshore territory of Timor-Leste have developed as different tectonic regimes. Regional seismic lines depict the northern area dominated by a compressional regime which comprises a thrust and fold belt region overlying a potentially prospective subthrust system, while the southern area is an extensional regime similar to much of the North Bonaparte Basin area (Figure 5)

Major fields, such as Greater Sunrise and Bayu-Undan, and smaller fields and discoveries such as Kitan, EKKN, Kuda Tasi, Jahal, Kelp Deep, Flamingo and Squilla are associated with extensional structures particularly horsts and grabens, as highlighted on the regional seismic interpretation in Figure 5.

Most of the onshore Timor-Leste strata can be correlated to the offshore which is part of Bonaparte Basin.





Undan-2 and (L) Trulek-2. From west to east; (M) Laminaria-1, (N) Buang-1, (O) Jahal-1, (P) Kuda Tasi-1, (Q) Kuda

Tasi-3, (R) Barnacle-1, (S) Kelp Deep-1 ST1, (T) Jura-1 ST1, (U) Sunset West-1, (V) Sunset -1, (W) Bard-1 and

Barnacle-1, (D) Jahal-1, (E) Kuda Tasi-3, (F) Squilla-1 ST1, (G) Layang-1, (H) (I) Kakatua-1 & 1A, (J) Flamingo-1, (K)

5. STRATIGRAPHY AND PALAEOGRAPHY OF TIMOR-LESTE TERRITORY

The geology of offshore Timor-Leste is part of the Bonaparte Basin whereas onshore Timor-Leste comprises rock sequences with Australian and some Banda Arc affinities.



Figure 6. Stratigraphy comparisons for onshore Timor-Leste (Charlton, 2002) and offshore North Bonaparte Basin.

The palaeoenvironments for the Timor-Leste territory from the Late Permian to the Late Jurassic are marked by series of alluvial and deltaic depositional settings that were controlled by the break-up of the Gondwana supercontinent. The stratigraphy offshore can be correlated for the most part with the onshore stratigraphy, especially in the Jurassic and Triassic sequences.





Figure 7 depicts broad palaeoenvironments spanning the Permian to the Jurassic with Figures 7 'd' to



Figure 7. Illustrations 'a to g' are paleoenvironment cartoons from the Permian to the Late Jurassic for the Timor-Leste territory (red outline). These paleoenvironments mark significant changes of lithofacies with sediment supplied from the Australian Craton in the south and generally deposited towards the north in the offshore Timo-Lester. These figures also represent the distribution of reservoir, seal and source rock intervals.

- (a) Late Permian (Hyland Bay Grp); Timor Island and the offshore territory are inferred to be submerged in shallow waters with marine shelf clastic and carbonate deposition;
- (b) Early Triassic (Mt Goodwin Fm); Onshore Timor is inferred to be a slope setting while the offshore was in an offshore and lower shoreface marine setting.
- (c) Middle Triassic (Pollard/Challis Lmst): A period of marine transgression with a southward shift in clastic facies and Timor and offshore areas were dominated by marine carbonate and clastic sediments. Potential source rock interval.
- (d) Middle Jurassic (Mid Plover Fm): Sequences prograding northward towards Timor potentially depositing reservoir quality sands across both the offshore and onshore Timor areas.
- (e) Middle-Jurassic (Uppermost Plover Fm): Predominantly delta plain setting with good quality sandstone reservoirs. Onset of marine transgression.



• (f) Late Jurassic (Elang Fm): Regional tectonic subsidence. Marked by progressive marine inundation with good quality shoreface reservoir sandstone deposited in the southwest of the Timor-Leste offshore territory. Elsewhere restricted shallow marine conditions.

Well correlations in offshore Timor-Leste territory indicate that the sandstone intervals of Elang and Plover formations are extensive and probably have good vertical and lateral connectivity. The average porosity and permeability for these formations range from 5 - 20% and 0.01 - 1000 mD respectively. These formations are the main reservoir intervals for most of the hydrocarbon fields in the offshore area of Timor-Leste.

Correlation of the sand bodies from west to east is illustrated in Figure 8.







of the section. Datum is Base Aptian sequence boundary (equivalent to the Top Echuca Shoals Formation)

2019/2021



6. PETROLEUM SYSTEM/PETROLEUM POTENTIAL

Onshore

There has been only limited petroleum activity in the onshore territory of Timor-Leste since the 1970's. The few wells drilled during this period have scant available data. However, historically, oil and gas seeps (Figure 9) have been reported and analyses from seeps and earlier wells indicate the oils have favorable characteristics with 25°-37° API gravity and low Sulphur content (<1%). Recent publications related to the surface geology and to inferred petroleum systems have greatly enhanced the hydrocarbon prospectivity of the onshore area. Renewed exploration activity over the past 3 years combined with recent land seismic and airborne surveys have also heightened the exploration potential not only in the Viqueque Basin but also in sub-basins in the northern onshore areas.

Charlton (2002) recognized the principal onshore exploration targets as large, structurally simple inversion anticlines developed beneath the complex shallow-level fold and thrust/mélange terrain but there is also considerable potential within the shallower thrust and fold sequences.



Figure 9. Location of oil and gas seeps within the Viqueque Basin, onshore Timor-Leste



Source

A highly prospective source rock for the onshore area is the Triassic Aitutu Formation. This unit comprises interbedded calcilutites and shales most likely deposited in a restricted shallow marine environment and under anaerobic conditions.

There is well documented evidence and analyses from onshore Timor Island indicating good quality Triassic source rocks with total organic content (TOC) of 1 to 10% (Figure 10) and at least one carbonaceous shale up to 23% TOC in West Timor. These rocks have measured Hydrogen Index (HI) values that would generate a range of likely hydrocarbon by-products when mature. On that note, there are samples with HI's above 300 as these are likely to generate large volumes of liquid hydrocarbons.

Hydrocarbons with similar characteristics have been identified elsewhere in the Banda Arc region, such as in onshore Seram and Buton.

Seal

It is likely that shale units within the Jurassic Wai Luli Formation would provide a quality top seal and intraformational seals for reservoirs in the onshore Timor-Leste area. The Wai Luli shales overlie potential sandstone reservoirs equivalent to the Jurassic Plover Formation and carbonate reservoirs of the Triassic Aitutu Formation (see Figure 6).

Reservoir

The Wai Luli Formation is also recognized as one of the most prospective sandstone reservoirs in onshore Timor-Leste. Like its offshore equivalent – the Plover Formation – the Wai Luli sequence has the potential as a reservoir, intraformational seal and a source rock.

• Trap

There is well and seismic evidence to support possible sub-thrust faulted anticline traps similar to those developed in the offshore extensional setting to the south. Although the emplacement of the Timor Thrust terrain may have altered these structures, they are still considered to have hydrocarbon trap potential.

The thrust complex is also likely to contain fold and thrust fault traps.





Figure 10. Rock Eval (RE) TOC vs. HI for onshore Triassic field source rock samples (A. Livsey pers. com.)

The Timor Thrust system may also have affected the maturity of source rocks due to the rapid loading and burial of these sediments. One of the direct indicators of an active petroleum system in onshore Timor-Leste is the presence of numerous oil and gas seeps. These seeps as mentioned are present in various locations on the Timor-Leste mainland (see Figures 9 & 11).









Offshore

The offshore territory of Timor-Leste and surrounds are well known for gas and oil discoveries and numerous hydrocarbons shows and seeps; the area is part of an extensive proven but lightly explored hydrocarbon province.

Much of the Timor Sea stratigraphy in the offshore territory is well established. However, the stratigraphic control of the deeper section is provided by only a few wells, and from onshore Timor outcrops, and from the geology of surrounding basins.

There is at least 5 episodes of structuring that created or enhanced hydrocarbon traps in this region. There is also a number of reservoirs and associated seals and many options of known and inferred source rock units.

Source

Permian to Early Cretaceous sequences are recognized as potential hydrocarbon source rock intervals in the offshore territory of Timor-Leste. The best known are Late Jurassic marine shales within the Elang and Plover formations.

These shales serve as potential mixed oil and gas prone source rocks and are believed to be the source for the Bayu-Undan and Sunrise-Troubadour gas fields and the Laminaria-Corallina, Kitan, Elang and other oil pools. These restricted marine formations not only serve as source rock, they also are reservoirs. Figure 12 illustrates the source rock quality of Plover and Elang formations and the Frigate Shale within the overlying Flamingo Group sequence. In the northern Bonaparte Basin there are measured TOC values in the Sahul Syncline and Flamingo Trough up to 4% and 5% respectively.

Maturity measurements and petroleum systems modelling over much of the offshore territory indicate that these source rocks are mature for hydrocarbon generation and expulsion.

As discussed for the onshore, there is increasing evidence that much of the Triassic petroleum system identified onshore Timor-Leste could be present in the offshore and could also be expelling hydrocarbons.

There are several known and postulated source rocks in the region including intra-Triassic organic shales and carbonates that are of similar facies to the likely source for the recently discovered Dorado oil pools in the Bedout Sub-basin on the North West Shelf to the south.





Figure 12. Rock-Eval pyrolysis plots for potential Jurassic source rocks in the Northern Bonaparte Basin: a) Frigate (Flamingo Grp) and Elang sandstones and b) Plover sandstones. Data from: Bayu-1, Corallina-1, Elang-2, -3, Elang West-1, Fohn-1, Kakatua-1, Laminaria-1, Laminaria East-1, Mistral-1, Squilla-1 and Undan-1 (from J.C. Preston and D. S. Edwards 2000)



Reservoir

The Early to Middle Jurassic Plover Formation, the Middle Jurassic Elang Formation and the Late Jurassic to Early Cretaceous Flamingo Group are known as the primary reservoirs in the offshore territory.

The range in porosity for these sandstones is considerable (Figures 13 & 14). This variability is related the primary depositional setting and the depth of burial of the sandstone units.

Figure 13 illustrates that higher energy depositional settings such as channel, delta plain and upper shoreface facies create reservoirs with better porosities and permeabilities. It is well established that the Elang and Plover reservoirs are highly productive due to this reservoir quality and due to the regional connectivity of these sandstone units (see Figure 8).

Porosity generally decreases with depth (Figure 14). This diagenetic process is primarily a function of greater burial leading to increased compaction and increased temperature effects on the sandstone reservoirs. However, in the Timor Sea region including in the Timor-Leste offshore territory it has been demonstrated that reservoirs with porosities between 5% and 10% have a wide range in permeability (less than 1 millidarcy up to several hundred millidarcies).

Even though most of the activities in the offshore territory to date have targeted the Jurassic plays, there are a few wells that have drilled Triassic strata (see Figure 8) and encountered sandstones of potential reservoir quality. There are instances where both Jurassic and Triassic sandstones have improved reservoir quality due reduced overburden and possible diagenetic enhancement.

Seal and Trap

The Early Cretaceous marine flooding of the Australian margin produced several sedimentary intervals of seal quality shales. These units, such as the Flamingo Group, the Echuca Shoals, the Darwin Formation and the Wangarlu Formation are widespread across the offshore territory. Consequently, the top seals and lateral fault seals relying on this sequence of marine shales are likely to be effective.

Intraformational seals created by marine flooding events within the Jurassic and Triassic sequences are also likely to occur.







Figure 13. Elang (a) and Plover (b) Formation porosity versus permeability with different facies







2019/2021

The most common trap types in the offshore territory are simple anticlines, extensional horsts, and rotated fault blocks across the southern platform and in the foreland, and may extend into the subthrust areas to the north. Thrust and fold traps may also occur within the Timor Thrust along the offshore southern margin of the island of Timor.

• Play Types

The structural traps of offshore Timor-Leste, especially those within the northern Bonaparte Basin, are typically related to the extensional regime of the basin. Play types are commonly linked with particular structural traps consequently there are many plays associated with horst/fault blocks, rotated fault blocks and four way-dip anticlines. There are also hangingwall buttress traps and potentially stratigraphic traps (Figure 15). Successful play types are dependent on these traps occurring in association with a combination of good top and, or lateral seal and reservoirs that have ready access to mature source rock "kitchens" via fault plane or bedding plane migration routes.

The Timor Thrust remains an unexplored exploration opportunity. There is a strong likelihood for the development of thrust fault and fold closures coupled with reservoirs and seals that are situated over mature subthrust kitchens.

The effective arrangement of these elements is demonstrated by proven discoveries in the region but there is still considerable additional potential opportunities to be realised.



Figure 15. Schematic Play Types for the North Bonaparte Basin particularly Timor-Leste offshore territory



7. LIST OF DATA AND INFORMATION

Onshore

The Timor-Leste government through the Ministry of Planning and Strategic Investment (MPIE) has acquired a regional airborne survey focusing on regional gravity and magnetic - radiometric surveys to better understand the onshore hydrocarbon potential. The regional surveys cover the whole of the onshore Timor Leste. The detail of the baseline map for each gravity survey follows (Figure 16)



Figure 16 Baseline gravity survey

	Mainland	Oecussi	Atauro Island	Offshore
Line spacing	1200m	1200m	1200m	various
Tie line spacing	6000m	6000m	6000m	various
Total km	13,983km	811km	142km	1152km
Nominal terrain clearance	300m	300m	300m	300m
Line Direction	165-345°	165-345°	030-210°	165-345°

Table 2. Survey lines details of baseline gravity





Figure 17 Baseline Magnetic and Radiometric survey map

	Mainland	Oecussi	Atauro Island
Line spacing	400m	400m	400m
Tie line spacing	4000m	4000m	4000m
Total km	42,655km	2,257km	386km
Nominal terrain clearance	80m	80m	80m
Line Direction	165-345°	165-345°	030-210°

Table 3. Table of survey line details for Magnetic and Radiometric survey



The hydrocarbon potential of the onshore Territory of Timor-Leste has a long exploration history that has resulted in more than 20 wells drilled in the area. The list of the wells in the onshore territory of Timor-Leste is presented below (Table 2).

No.	Well Name	Confidentiality
1	Aliambata-1	Open
2	Betano-1	Open
3	Betano-2	Open
4	Cape Tafara-1	Open
5	Cara-Ulo	Open
6	Cota Taci-1	Open
7	Matai-1	Open
8	Matai-1A	Open
9	Matai-3	Open
10	Matai-4	Open
11	Matai-5	Open
12	Matai_6	Open
13	Mola-1	Open
14	Ossualari-1A	Open
15	Ranuc-1	Open
16	Suai-1	Open
17	Suai-2	Open
18	Suai-Loro-1	Open
19	Suai-Loro-2	Open
20	Tafara-East-1	Open

Table 4.	List of	onshore	Wells
----------	---------	---------	-------

Offshore

For the offshore territory acreage release bidding round the ANPM has also compiled all the openfile 2D and 3D seismic data and the well data. Figure 18 depicts the available 2D and 3D seismic data in Timor-Leste Territory. The list of the available seismic and well data is presented below (Table 3).




TIMOR-LESTE SECOND LICENSING ROUND





No.	Survey ID	Туре	Prorietary/Multiclient (?)	Confidentiality (?)
1	Albacora	3D	Proprietary	Open
2	Bazartete	3D	Proprietary	Open
3	Block K 3D	3D	Proprietary	Open
4	Crocodile	3D	Proprietary	Confidential
5	Buller	3D	Proprietary	Open
6	HZ94	3D	Proprietary	Open
7	Bayu	3D	Proprietary	Open
8	Ikan	3D	Proprietary	Open
9	Kyranis	3D	Multi-client	Confidential
10	Lorico	3D	Proprietary	Confidential
11	Maura	3D	Proprietary	Open
12	Mescal	3D	Proprietary	Confidential
13	Orion	3D	Proprietary	Open
14	Thornton	3D	Proprietary	Open
15	Tutuala	3D	Proprietary	Open
16	92	2D	Proprietary	Open
17	95ZA2	2D	Proprietary	Open
18	95ZA7	2D	Proprietary	Open
19	Anita	2D	Proprietary	Open
20	ASB	2D	Proprietary	Open
21	BandaSEIS	2D	Multi-client	Confidential
22	Bicuda	2D	Proprietary	Open
23	Block K 2D	2D	Proprietary	Open
24	C92	2D	Proprietary	Open
25	CP92	2D	Proprietary	Open
26	E92TG10	2D	Proprietary	Open
27	E93TG16	2D	Proprietary	Open
28	E93TG17	2D	Proprietary	Open
29	E94TG10	2D	Proprietary	Open
30	Fafulu	2D	Multi-client	Confidential
31	Geo-streamer	2D	Proprietary	Open
32	H92	2D	Proprietary	Open
33	HB96	2D	Proprietary	Open
34	HZ94	2D	Proprietary	Open
35	HZ96A	2D	Proprietary	Open
36	HZ97A	2D	Proprietary	Open
37	HZA97	2D	Proprietary	Open
38	HZB97	2D	Proprietary	Open
39	HZI92	2D	Proprietary	Open
40	HZI96	2D	Proprietary	Open
41	HZI98	2D	Proprietary	Open
42	JPDA05	2D	Proprietary	Open
43	L-35	2D	Proprietary	Open
44	LM92	2D	Proprietary	Open
45	MH92	2D	Proprietary	Open

Table 5. List of Onshore and Offshore 2D and 3D seismic data

46	MM93	2D	Proprietary	Open
47	MS98	2D	Proprietary	Open
48	NC92	2D	Proprietary	Open
49	P93	2D	Proprietary	Open
50	PW91	2D	Proprietary	Open
51	PW92	2D	Proprietary	Open
52	S116	2D	Proprietary	Open
53	SBT94	2D	Proprietary	Confidential
54	SET05	2D	Proprietary	Open
55	Shell-97	2D	Proprietary	Open
56	SJPDA05	2D	Proprietary	Open
57	Т97	2D	Proprietary	Open
58	TA89	2D	Proprietary	Open
59	TEA81	2D	Proprietary	Open
60	WestraliaSPAN	2D	Multi-client	Confidential
61	WP92	2D	Proprietary	Open
62	Z-97	2D	Proprietary	Open
63	ZPW92	2D	Proprietary	Open

Table 6. List of Offshore Exploration Well

No.	Well Name	Confidentiality							
1	Baleia-1	Open							
2	Bard-1	Open							
3	Barnacle-1	Open							
4	Basilisk-1	Open							
5	Bayu-1	Open							
6	Bayu-2	Open							
7	Bayu-3	Open							
8	Bayu-4	Open							
9	Bayu-5	Open							
10	Bluff-1	Open							
11	Bogong-1	Open							
12	Buffalo-1	Open							
13	Buller-1	Open							
14	Capung-1	Open							
15	Chuditch -1	Open							
16	Cleia-1	Open							
17	Coleraine-1	Open							
18	Conch-1	Open							
19	Cova-1	Open							
20	Elang-1	Open							
21	Elang-1ST1	Open							
22	Elang-2	Open							
23	Elang-3	Open							
24	Elang-West-1	Open							
25	Elang-West-1St1	Open							
26	Firebird-1	Open							
27	Flamingo-1	Open							
28	Fohn-1	Open							
29	Hingkip-1	Open							
30	Hydra-1	Open							
31	Jahal-1	Open							
32	Jahal-1ST1	Open							
33	Jura-1	Open							
34	Jura-1ST1	Open							
35	Kakatua-1	Open							
36	Kakatua-North-1A	Open							
37	Karongo-1	Open							
38	Kasareta-1	Open							
39	Kelp-1	Open							
40	Kelp Deep-1	Open							

No.	Well Name	Confidentiality								
41	Kelp Deep-ST1	Open								
42	Kitan-1	Open								
43	Kitan-2	Open								
44	Krill-1	Open								
45	Kuda Tasi-1	Open								
46	Kuda Tasi-2	Open								
47	Kuda Tasi-3	Open								
48	Kurita-1	Open								
49	Kurita-1ST1	Open								
50	Layang-1	Open								
51	Lolotoe-1	Open								
52	Lolotoe-1ST1	Open								
53	Lore-1	Open								
54	Loxton Shoals-1	Open								
55	Makikit-1	Open								
56	Mandar-1	Open								
57	Minotaur-1	Open								
58	Mistral-1	Open								
59	Nabarlek-1	Open								
60	Naga-1	Open								
61	Nancar-1	Open								
62	Rambler-1	Open								
63	Sandang-1	Open								
64	Sera-1	Open								
65	Sikatan-1	Open								
66	Sikatan-1ST1	Open								
67	Squilla-1	Open								
68	Sunrise-1	Open								
69	Sunrise-2	Open								
70	Sunrise-3	Open								
71	Sunset-1	Open								
72	Sunset West-1	Open								
73	Thronton-1	Open								
74	Troubador-1	Open								
75	Trulek-1	Open								
76	Undan-1	Open								
77	Undan-2	Open								
78	Undan-3	Open								
79	Undan-4	Open								
80	Walaroo-1	Onen								
81	Walaroo-1ST1	Onen								
82		Open								
02	**************************************	Open								

8. CONTACTS

AUTORIDADE NACIONAL DO PETRÓLEO E MINERAIS (ANPM)

Address:

Edifício do Ministério das Finanças, Pisos 6 e 7 Apartado 113

Aitarak Laran, Díli, Timor-Leste PO BOX 113

Telephone:

(+670) 3099995; (+670) 73099995 ; (+670) 73099996

Website:

www.anpm.tl

www.licensinground.tl

9. REFERENCES

Charlton, T. R. (2002). 'The petroleum potential of East Timor' APPEA Journal 2002 Pp 351-369

Hall, R., Cottam, M. A. & Wilson, M. E. J. (2011). 'History and tectonics of the Australia-Asia collision'.

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Jablonski, D and Saitta, A. J (2004). 'Permian to Lower Cretaceous plate tectonics and its impact on the tectono-stratigraphic development of the Western Australian margin' APPEA journal 2004, Pp 287-328

Keep, M., Beck, L. and Bekkers, P. (2005) 'Complex modified thrust system along the southern margin of East Timor; APPEA Journal 2005, Pp 297-310

nnex

Payment Details

INFORMATION ON PAYMENT DETAILS

They payment should be addressed to the following:

Bank Name	:	The Federal Reserve Bank of New York
Bank Address	:	33 Liberty Street, New York, NY 10045, USA
Swift Code	:	FRNYUS33
Beneficiary	:	Banking and Payment Authority of Timor-Leste-Petroleum Fund Account
Bank Account Number	:	021080973
Detail Required	:	
		1. Name of Tax Payers
		2. Taxpayer Identification Number
		3. Details/ Reference of Payment

Annex XI

Mailing Address

MAILING ADDRESS

Attention to: The Autoridade Nacional do Petróleo e Minerais Address (ANPM)

By Mail (Courier)

Autoridade Nacional do Petróleo e Minerais Ministry of Finance Tower, Level 6 and 7, Aitarak Laran, Município de Díli, Timor - Leste Dili, Timor-Leste P.O. Box 113

Telephone : +670-73099995/73099996 Email : second.round@anpm.tl

Annex II

Bid Blocks On Offer

NEWLY OFFERED BLOCKS FOR SECOND LICENSING ROUND 2019/2021



ONSHORE BLOCKS

Block A





Block B





Block D



Block E



Block F



Block G

OFFSHORE BLOCKS











Block J



Block K



Block L



Block M



Block N



Block O







Block Q



Block R



Timeline

TIME LINE

EXHIBIT A: SECOND LICENSING ROUND TIMELINE

	Month of the year																				
Activities/Programs	Oct-19	Jun-20) Jul-20) Aug-20	Sep-20	Oct-20) Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
	M02	M09	M10	M11	M12	M13	M14	M15	M16	M17	M18	M19	M20	M21	M22	M23	M24	M25	M26	M27	M28
Announcement of the round	03																				
2019-2021 Roadshows promotions	25			(Ongo	oing (until /	Aug 3	0, 20	021						30					
Pre-qualifications periods				0	ngoiı	ng ur	ntil Au	ugust	31, 3	2021						31					
Bid opening - Applications to bid open																	01	01			
Bid submission Closed				#No	te: Bi	d sub	missi	on clo	seda	at 16:0	00 (GI	MT+9) in O	ctob	e r 01	, 202	1	01			
Bid Evaluation																		04	30		
Announcement of Bid winner																				03	
Deadline for the acceptance of the offer																				10	
Contract signing																				13	28

Figure 1 above summarizes the timeline of the Second Licensing Round 2019-2021 The timeline of the road show as illustrated in the figure 1 can be further described as follows:

- 1. The Announcement of the Second licensing Round in October 03, 2019 at the Dili Convention Center
- 2. Period for Roadshows 25 October 2019 30 August 2021,
- 3. Pre-qualification period 1 June 2020 until 31 August 2021,
- 4. Bid Opening Applications to bid is open 1 September 2021 1 October 2021
- 5. Bid Submission closed at 16:00 hours Timor-Leste time 1, October 2021
- 6. Bid Evaluation period 4 October to 30 November 2021
- 7. Announcement of the winner of the Bid by 3 December 2021
- 8. Deadline for Acceptance of Bid offer 10 December 2021
- 9. Period for Contract Signing 13 December 2021 28 January 2022

Note:

The above time is further illustrated in the figure below and the said timeline may subject further changes. Any updates will updated on http://licensinground.anpm.tl/ or http://licensinground.anpm.tl/

Exhibit B: Timeline for the Road Show:

- 1. December 4, 2019 In London, United Kingdom,
- 2. February 6, 2020 In Houston, Texas, United States, to be in conjunction with the NAPE 2020 Summit Week (February 3 7),
- 3. March 3-4, 2020, In Raffles City, Singapore, to be in conjunction with the Asia Pacific Energy Assembly,
- 4. March 11-13, 2020, In Perth, Western Australia, Australia, to be in conjunction with the AOG conference 2020
- 5. May 18-21, 2020, in Perth, Western Australia, Australia, to be in conjunction with the APPEA Conference and Exhibitions,

Notes:

Detail information on more roadshows as well as dates and venue, please check our website on : <u>http://licensinground.anpm.tl/</u> or <u>http://www.anpm.tl/</u>

Annex IV

Power Of Attorney

State Barking

ANNEX IV

POWER OF ATTORNEY FOR NOMINATION OF THE ACCREDITED REPRESENTATIVE

By the present power of attorney, [*insert name of company*]_____("Company"), incorporated and existing under the laws of __[*insert company's country of origin*]__, with head-offices at __[*insert address of company headquarters*] ______, hereby appoints ___[*insert name of and full title of Accredited Representative*]__, as its lawful representative with powers to represent the Company in the 2019-2021 Second Licensing Round Proceedings of Timor-Leste, namely, without limitation, to carry out any negotiations in relation thereof, as well as perform all acts necessary or convenient for such purpose, such as, but not limited to, receive and submit proposals, receive, submit and sign documents, pay fees/taxes, propose, resort to/obtain, agree on any terms of the bid the Company may submit.

IN WITNESS WHEREOF, this certificate has been executed on and as of, 20......

Name: Title:....

The undersigned, of the company, hereby certifies that the person whose signature appears immediately above is the duly elected of the company and that the signature set forth above is that of such person.

Name:..... Title:....
Annex_V

Bid Bond

BID BOND

- In order to guarantee the winning bidder's obligation to sign the PSC for the relevant Contract Area(s), each bidder(s) should present to the ANPM a Bid Bond for each Contract Area on which the bidder(s) presents a bid. The Bid Bond will be in amount of US\$500,000 (five hundred thousand United States Dollars). This Bid Bond, in the form of a Bank Guarantee consistent with the model in Exhibit I of this Annex V, must be delivered to the ANPM prior to or coincident with any Bid that is submitted.
- 2. Bidder(s) that have the intention of presenting bids for more than one Contract Area should ensure that they have a sufficient of Bids Bonds, so that they will not be limited in their capacity to present bids.
- Bid Bonds will take the form of Bank Guarantee Issued by banks or financial institution which are rated "A" or better in the publications of Standard & Poor's Rating Group or of Moody's Investors Service Inc.
- 4. The Bid Bonds of the participants that were not indicative winners in the relevant Contract Area will be returned in the week following the bid winner announcement, along with all other documentation necessary for their cancellation. All other documentation sent to the ANPM will not be returned. However, for the winner the Bid Bonds shall be returned upon the signing of the Productions Sharing Contract.
- 5. The ANPM, on behalf of the Government of Timor-Leste may draw on the Bid Bond in the following circumstances:
 - (a) The winning company, or any participating company in the winning consortium, or an affiliated company of the company or winning consortium does not sign the PSC within the timeframe and in accordance with the procedures described in this Tender Protocol.
 - (b) The Bank Guarantee for the Minimum Exploration Programme, is not provided to the ANPM, precluding the execution of the PSC;
 - (c) In the case of an affiliate signing the PSC, if a company does not present a Bank Guarantee for that affiliate in accordance with the model and conditions in *Annex IX* of this Tender Protocol.
- 6. If none of the foregoing events occur, the ANPM will return the Bid Bond to the company that presented it, along with the documentation necessary for its cancellation within one week after the signing of the PSC.

Exhibit I: Bid Bond Form

BID BOND FORM

[DATE]

TO

Autoridade Nacional do Petróleo e Minerais (ANPM)

on behalf of the Government of the Democratic Republic of Timor-Leste

DILI, TIMOR-LESTE

Performance Bond no [insert] for US\$500,000

To: The Government of the Democratic Republic of Timor-Leste represented by the Autoridade Nacional do Petróleo e Minerais

This Performance Bond, We [BANK NAME] with a capital of [FIGURE BANK TO INSERT] having its registered office at – [BANK ADDRESS] (hereinafter referred to as the "Surety") is held and firmly bound unto the Government of the Democratic Republic of Timor-Leste, represented by the Autoridade Nacional do Petróleo e Minerais (hereinafter referred to as the "ANPM") in the sum of US\$500,000 for payment of which sum the Surety binds itself, its successors and assigns by these presents.

WHEREAS:

- The ANPM of the one part and the Winning Bidder., a company established under the laws of xxx with registered office at company address, a company existing under the laws of Company incorporate in origin country, and JVs partners addresses, a company existing under the laws of JV origin country address (hereinafter referred to as the "Winning Bidder Parties") related to BLOCK XXX in offshore or onshore Timor-Leste.
- 2. Under the bidding protocol, the winning bidders' obligation to submit a Bank Guarantee prior to the signing of the contract. Consequently, the winning bidder shall provide Bid Bond of US\$500,000 (hereinafter referred to as the "Bid Bond").

3. The terms used in this Bank Guarantee shall have the same meaning as those in the Contract.

NOW THE CONDITION of this Bid Bond is that the Surety does hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of US\$ 500,000 without any demur, reservation, contest or protest and/or without any reference to the contractor name. Any such demand made by the ANPM on the Surety by serving a written notice shall be conclusive and binding, without any proof, on the Surety as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, arbitrator, sole expert, conciliator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal.

Notwithstanding anything contained herein above, the Surety's liability under this Bid Bond is limited to US\$500,000 and such a Bond shall remain in force up to thirty (30) days after the earlier the date that the winning bidder has signed the Contract with the Ministry.

This Bid Bond shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the contractor name and shall remain valid, binding and operative against the Surety.

The Surety hereby undertakes that the payment in settlement of claims lodged with the Surety in accordance with the terms and conditions of the Bid Bond, shall be effected seven (7) business days after receipt by the Surety of such claim, by Wire Transfer to the Petroleum Fund of The Democratic Republic of Timor-Leste in the Federal Reserve Bank of New York, Swift Code FRNYUS33, Account number IAB.4 021080973 for further credit to Petroleum Ledger 3-35 13.

This Bid Bond is subject to the Uniform Rules for Demand Guarantees (2010 Revision), International Chamber of Commerce Publication No. 758 (the "URDG"). As to matters not covered by the URDG, this Bid Bond shall be governed by and construed in accordance with the laws of the State of New York.

In Witness whereof the SURETY has signed and sealed this Bond on this

[X] day of [*MONTH*] 201x.



BID SUMMARY FORM

Exhibit 1

ENVELOPE BID BLOCK : _____

By submitting the enclosed bid, each company hereby undertakes that it accepts without reservation the terms and conditions of the Production Sharing Contract attached as Annex IX to this Bidding Protocol and agrees that, if awarded the above Bid Block, either it or its duly qualified affiliate will enter into such PSC.

	Name of Company	Participation	Signature of Accredited
		Percentage	Representative
1			
2			
3			
4			
5			
6			
7			
8			
9			

Note: This envelope should contain ONLY one bid form

Exhibit 2

Undertaking	Bid Units	Quantity (In Numeric)	Quantity (In Writing)	Minimum Value (in the amount of US\$)
2D Seismic	in Line Kilometers	X,XXX		\$,\$\$\$,\$\$\$
3D Seismic	In Square Kilometers	Y,YYY		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD[1]	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Other Activities[2]				
Other 1	Commitment (unit)			\$,\$\$\$,\$\$\$
Other 2	Commitment (unit)			\$,\$\$\$,\$\$\$
Local Content[3]				
Other 1	Commitment (unit)			\$,\$\$\$,\$\$\$
Other 2	Commitment (unit)			\$,\$\$\$,\$\$\$

Proposed Minimum Work Program For Initial Three (3) Year Exploration Period

Program for Second and Third (Year 4 - 5 and Year 6 - 7) Exploration Periods

Undertaking	Bid Units	Quantity (In Numeric)	Quantity (In Writing)	Minimum Value (in the amount of US\$)
2D Seismic	in Line Kilometers	X,XXX		\$,\$\$\$,\$\$\$
3D Seismic	In Square Kilometers	Y,YYY		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD[1]	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Exploration Well	Meters, TVD	Z,ZZZ		\$,\$\$\$,\$\$\$
Other Activities[2]				
Other 1	Commitment (unit)			\$,\$\$\$,\$\$\$
Other 2	Commitment (unit)			\$,\$\$\$,\$\$\$
Local Content[3]				
Other 1	Commitment (unit)			\$,\$\$\$,\$\$\$
Other 2	Commitment (unit)			\$,\$\$\$,\$\$\$

Notes:

- 1. TVD means True Vertical Depth Subsea
- 2. "Other Activities" refer to geo-technical studies, analyses and surveys. The sub-categories, ("Other" e.g.) should be replaced by a summary of the proposed undertaking (which should be described more fully in the Bid Support Materials).
- 3. "Local Content" has the meaning described in Section 5.3 of this Final Tender Protocol. The subcategories, ("Local 1" e.g.) should be replaced by a summary of the proposed undertaking (which should be described more fully in the Bid Support Materials).

Exhibit 3: Bid Instruction:

- 1. Insert quantity of amount of bids for each activity in numbers (column 3) and in words (Column 4). If there is any conflict between words and figures, the words will prevail.
- 2. In the case of proposed seismic acquisition and processing, enter the minimum volume of seismic to be acquired.
- 3. In the case of proposed exploration well(s) enter the minimum target depth for each proposed well.
- 4. For all other proposed work, describe the activity and the minimum related expenditure commitment.



No	Proposed Minimum Work Programmes	Unit	Proposed Work Programmes	Maximum assigned scores attributions	Scores gained
A	2D Seismic data acquisitions	In Line Kilometers		5 points	
В	3D Seismic data Acquisitions	in square kilometers		15 points	
С	Explorations wells	numbers of wells. First [2},000 mTVD/well measured from the subsea		25 points	
D	2D or 3D Seismic data reprocessing	In line kilometers or in Square kilometers		15 points	
	Total commitment for other technical studies/non-seismic geological and geophysical surveys	US\$ (in US\$ values)		5 points	
F	Local Content	US\$ (in US\$ values)		5 points	
G	Proof of Financial capabilities	This evaluation will be seen from the bidders' financial statements provided		15 points	
Н	Companies experiences in E&P and H&E Good Standing (5), Access to technical experts (2), Technology & Innovation (1), Companies branding (2)	This evaluation will be based on the Proof evidences/documents submitted		10 points	
I	Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings	This assessment will be based on the result of the bidders' technical evaluation of areas to be bided for based on the available technical data		5 points	
	Total Scores for the bids			100 points	

OFFSHORE BID EVALUATION MATRIX

Note:

- 1. The evaluation committee shall assess the bid based on the above matrix;
- 2. The evaluation scores shall be applied to the minimum work commitments provided in the matrix;
- 3. For each individual bid blocks that has two bid submissions or more, the maximum consideration for the attribution of scores/marks for each element of the bid (minimum firm work commitment) shall be based on the average of the total of each maximum assigned score attribution for each bid element over any of each highest bid element submitted;

No	Proposed Minimum Work Programmes	Unit	Work Programmes	Maximum assigned scores attributions	Scores gained
А	2D Seismic data acquisitions	In Line Kilometers		10 points	
В	3D Seismic data Acquisitions	in square kilometers		15 points	
C	Explorations wells	numbers of wells. First [2],000 mTVD/well measured from the subsea		25 points	
D	Total commitment for non-Seismic Survey geophysical surveys	US\$ (in US\$ values)		5 points	
	Total commitment for other technical studies	US\$ (in US\$ values)		5 points	
F	Local Content	US\$ (in US\$ values)		5 points	
G	Proof of Financial capabilities	This evaluation is to be based of statements pro-	on the bidders' financial ovided	15 points	
Н	Companies experiences in E&P and H&E Good Standing (5), Access to technical experts (2), Technology & Innovation (1), Companies branding (2)	This evaluation to be ba evidences/documen	sed on the Proof ts submitted	10 points	
I	Result of the Preliminary technical studies/assessment performed based on the available data as the base of the biddings	This assessment will be based on the result of the bidders' technical evaluation of areas to be bided for based on the available technical data		10 points	
	Total Scores for the bids			100 points	

ONSHORE BID EVALUATION MATRIX

Note:

- 1. The evaluation committee shall assess the bid based on the above matrix;
- 2. The evaluation scores shall be applied to the minimum work commitments provided in the matrix;
- 3. For each individual bid blocks that has two bid submissions or more, the maximum consideration for the attribution of scores/marks for each element of the bid (minimum firm work commitment) shall be based on the average of the total of each maximum assigned score attribution for each bid element over any of each highest bid element submitted;

Annex VIII

Model Performance Bond

ANNEX VIII

MODEL PERFORMANCE BOND/BANK GUARANTEE

TO

Autoridade Nacional do Petróleo e Minerais (ANPM) on behalf of the Government of the Democratic Republic of Timor-Leste, DILI, TIMOR-LESTE

Performance Bond no *[insert]* for US\$XXX (xxxx)

To: The Government of the Democratic Republic of Timor-Leste represented by the Autoridade Nacional do Petróleo e Minerais

This Performance Bond, We Bank Name with a capital of [figure Bank to insert] having its registered office at –Bank Address (hereinafter referred to as the "Surety") is held and firmly bound unto the Government of the Democratic Republic of Timor-Leste, represented by the Autoridade Nacional do Petróleo e Minerais (hereinafter referred to as the "ANPM") in the sum of US\$XXX (XXX) for payment of which sum the Surety binds itself, its successors and assigns by these presents.

WHEREAS:

- The ANPM of the one part and contractor., a company established under the laws of xxx with registered office at company address, a company existing under the laws of Company incorporate in origin country, and JVs partners addresses, a company existing under the laws of JV origin country address (hereinafter referred to as the "Contractor Parties") have executed a Production Sharing Contract PSC xxx ((hereinafter referred to as the "Contract") related to BLOCK XXX in onshore Timor-Leste on dated of PSC awarded.
- 2. Under the terms of the Contract, each contractor Party must submit a Performance Bond to guarantee its share of the minimum work and expenditure commitments under sub-articles 4.3, 4.4 and 4.5 of the Contract. Consequently, contractor provided Performance Bond number xxxx for US\$xxx (xxxx) (hereinafter referred to as the "Initial Performance Bond") to guarantee its share of the minimum work and expenditure commitments as required by sub-articles 4.3 of the Contract.
- 3. The terms used in this Performance Bond shall have the same meaning as those in the Contract.

NOW THE CONDITION of this Performance Bond is that the Surety does hereby guarantee and undertake to pay immediately on the first demand in writing and any/all money(s) to the extent of US\$xxx (xxx) without any demur, reservation, contest or protest and/or without any reference to the contractor name. Any such demand made by the ANPM on the Surety by serving a written notice shall be conclusive and binding, without any proof, on the Surety as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, arbitrator, sole expert, conciliator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal.

Notwithstanding anything contained herein above, the Surety's liability under this Performance Bond is limited to US\$xxx (xxx) and such a Bond shall remain in force up to thirty (30) days after the earlier of date of Period 1 end and the date that the contractor Parties deliver the well commitment for Contract Year 4.

This Performance Bond shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the contractor name and shall remain valid, binding and operative against the Surety.

The Surety hereby undertakes that the payment in settlement of claims lodged with the Surety in accordance with the terms and conditions of the Performance Bond, shall be effected seven (7) business days after receipt by the Surety of such claim, by Wire Transfer to the Petroleum Fund of The Democratic Republic of Timor-Leste in the Federal Reserve Bank of New York, Swift Code FRNYUS33, Account number IAB.4 021080973 for further credit to Petroleum Ledger 3-35 13.

This Performance Bond is subject to the Uniform Rules for Demand Guarantees (2010 Revision), International Chamber of Commerce Publication No. 758 (the "URDG"). As to matters not covered by the URDG, this Performance Bond shall be governed by and construed in accordance with, the laws of the State of New York.

In Witness whereof the SURETY has signed and sealed this Bond on this

[X] day of [MONTH] 201x.

Annex IX

"Ta

TIMOR-LESTE PI	TIMOR-LESTE PETROLEUM FISCAL SYSTEM			
PRODUCTION SHARING CONTRACTS (PSC)	FOR OFFSHORE AREA	FOR ONSHORE AREA		
Signature Bonus	Not App	licable		
Royalty - (Oil and Gas)	Fix 5	5%		
Cost Recovery Limit	No Limit Apply or	100% recovery		
	Exploratio	on Costs;		
	Appraisa	l Costs;		
Cost Recovery	Capital Developn	nent Costs; and		
	Operating Costs (Includ	ling Decommissioning		
	Reserve)			
	Uplift at (11%+LTBR) Uplift at (9%+LT			
Profit Petroleum - (Oil and Gas)	40% to State and 60% Contractor			
State Participation (National oil	Participate	up to 20%		
Company)				
Domestic Market Obligation	For energy securit	ty purposes; and		
(DMO)	Purchased at I	Market Price		
PETROLEUM TAXATION	FOR OFFSHORE AREA	FOR ONSHORE AREA		
Income Tax	309	%		
Depreciation	Straight Line and	Unit Production		
Supplemental Petroleum Tax (SPT)	22.5	0%		
Uplift for SPT	16.5	0%		

Annex XII

Pre-qualification Guideline



PRE-QUALIFICATION GUIDELINES FOR THE AWARD OF PETROLEUM PRODUCTION SHARING CONTRACTS IN TIMOR-LESTE THROUGH THE TIMOR-LESTE SECOND LICENSING ROUND

Preamble

These Pre-qualification Guidelines are issued pursuant to article 10.2 and article 13 of Law No. 13/2005, of the 2nd of September 2005, (("**Petroleum Activities Act**" or "**PAA**" as amended by Law 1/2019, of 18 January 2019),), and establish the eligibility criteria for companies wishing to qualify for the award of Production Sharing Contracts (PSC) in Timor-Leste Territory, through the 2019-2021 Timor-Leste Second Licensing Round Competitive Biddings to be launched by the Autoridade Nacional do Petróleo e Minerais ("*National Authority for Petroleum and Minerals*" – "**ANPM**"). These guidelines complement Articles 3.2(b) and 26.1 of ANPM Decree-Law, and the Ministry of Petroleum

and Minerals Order 2/GMPM/IX/2019, of 30 September 2019, on the Allocation of Areas for

Petroleum Exploitation Activities.

The ANPM after further consultations taking into consideration various consultations, request and recommendations received throughout the roadshows events over the period of October 2019 to

Pre-qualification guidelines for Timor-Leste Second Licensing Round 2019/2021



March 2020, through its Board of Directors approval has made some amendments to the previously published guidelines in order to facilitate potential bidders to prequalify for the upcoming biddings. This revision of the prequalification guidelines has taken into consideration the impact of the global pandemic COVID-19 which affected oil industries globally, including in Timor-Leste.



Page 2 of 18

Criteria

- The companies wishing to participate in the Timor-Leste Second Licensing Round2019/2021, and, subsequently to enter into Productions Sharing Contracts with ANPM, further to the submission of an application in response to an invitation by public notice, must previously pre-qualify with ANPM, in accordance with Article 10.2 of the Petroleum Activities Law, so as to be eligible for such purpose.
- In order to pre-qualify for the purposes of 1 above, companies are free to form consortiums, and each of the consortiums must appoint a company as potential operator for the relevant Production Sharing Contract area(s);
- 3. Companies wishing to pre-qualify as potential either operators or non-operators, must submit proper and certifiable documental evidence of their technical and financial capacity to carry out petroleum operations, their legal standing, and their experience in implementing and complying with high standard health, safety, environment and local content plans, all to the satisfaction of ANPM in accordance to its sole discretion, all to the satisfaction of ANPM in accordance to its sole discretion, based on the following criteria:

3.1 Financial Qualification

- 3.1.1 The purpose of establishing financial qualification criteria is to allow ANPM to assess the company's financial strength and capacity to finance the ongoing and prospective petroleum operations and any liabilities that may be incurred in relation to the latter.
- 3.1.2 Companies are required to have a shareholder equity equivalent or in excess of US\$ 25,000,000.00 (Twenty-Five Million United States Dollars) to qualify as an offshore potential operator and US\$ 8,000,000.00 (Eight Million United States Dollars) to be qualify as an onshore potential operator. The assessment of the



composition and sufficiency of the shareholder equity shall be made by ANPM, at its sole discretion.

- 3.1.3 The evaluation of the applicants' financial capability shall be based on the following documental evidence:
 - Audited financial statements of the last 3 (three) years so, which must include balance sheets, income statements, statements of retained earnings, cash flow statements, notes to the accounts and Directors' reports;
 - (ii) For a public listed companies, all statements mentioned in paragraph (i) above must be certified by an independent auditor;
 - (iii) A duly signed independent auditor's opinion letter in relation to the financial statements mentioned in paragraph (i) above, expressly certifying that the statements accurately reflect the real financial status of the company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules;
 - (iv) In the case of state-owned companies from countries where the auditing of such company by an independent auditor is not allowed, shall be required a notarized opinion letter issued and signed by a public accountant, certifying that the statements accurately reflect the real financial status of the company at the date the accounts refer to and that have been prepared in accordance with the applicable accounting and reporting standards and rules;
 - (v) For the independent players that are not public listed, the company provided three years internal companies financial statements which have been compiled and verified by a charter accountant or certified public accountant, and the said financial statement shall be duly signed by CEO of the company and the chartered accountant or certified public accountant.
 - (vi) An historical credit rating from Standard & Poor's Rating Services



and/or Moody's Investor Services Inc. ratings of the last 3 years, if available, or, alternatively, documental evidencing the existence of credit lines and credit agreements on behalf of the applicant, and/or any other banking references that the applicant's may deem relevant;

- (vii) A description of long-term debt, including major lease obligations, and identification of its major assets which pledged or otherwise encumbrance upon them under financial security arrangements;
- (viii) The shall further provide in form of letter of statement cover by further outlining the following:
 - a) Material contingent liabilities or obligations not reflected in the balance sheets and accompanying notes which may have an impact on the future activities of the company;
 - b) Details of medium-term plans which may materially alter the financial status of the company;
 - c) Specific and detailed information on how it intends to finance the work commitments under a Petroleum Contract and letters of support associated with the projected financing, detailing the steps and timing required to secure the necessary funds;
 - (ix) Any additional information evidencing the financial capacity of the applicant;



3.2 Legal Qualification

- 3.2.1 In order to secure legal qualification companies must be incorporated as limited liability corporations or entities with limited liability and have a track-record of compliance with principles of good corporate citizenship;
- 3.2.2 In order to provide the evidences its compliance with the legal qualification requirements for this pre-qualification, the following documents or its legal equivalent must be submitted by the applicant to ANPM for review:
 - (i) A complete set of notarized certificates attesting the legal standing of the company, which should include express reference to the country of incorporation, address of head office, primary business activity, identification of its duly authorized representatives with powers to bind the company, full details of its ultimate ownership, and, if applicable, trackrecord of any mergers, demergers and similar transactions in past 3 (three) years;
 - (ii) Details of any projects and ventures in which the applicant may be engaged, detailing the corresponding commitments in the short, medium and long term, including work programs and/or risks, namely those that may have an impact on company's ability to carry-out any work programs under a potential Production Sharing Contract that may be awarded to it;
 - (iii) Organizational chart and number of employees, with a breakdown by country and/or region, and within each country and/or region, by category and nationality;
 - (iv) The name of any partner or shareholder who, directly or indirectly, holding twenty (20) percent or more of the voting rights in the company or



otherwise retains control over it; and

(v) Certificates issued by a notary public of the country of incorporation of the company or equivalent official authority confirming its good legal standing before judicial authorities, detailing any claims that may be pending with the judicial courts, arbitral tribunals or similar authorities. The above certificates may be replaced by a statement issued by the company and signed by a company official with legal authority for such attesting that no pending litigation, legal proceedings or other similar circumstances that may lead to a breach of its contractual obligations under a potential future Production Sharing Contract or the bankruptcy of the company;



Page 7 of 18

The qualification of a company from a technical standpoint shall be based on its demonstrated experience in oil and gas exploration and production activities. The criteria for pre-qualification as non-operator and operator respectively and the documentation to be supplied to evidence its compliance with the criteria is as follows:

3.3.1 Potential Operator

(a) Experiences in Petroleum Operations

Companies wishing to pre-qualify as operator must provide evidence of their relevant experience and expertise in oil and gas exploration and production activities, namely in what respects to work in difficult operating conditions, (onshore and offshore, in shallow to deep waters, with high temperatures and high pressure, and on environmentally sensitive areas. In order to evidence their technical capabilities, the companies are required to submit the following information to ANPM for evaluation:

- (1) A technical summary showing company's technical operating capability, including, without limitation, the following information and data:
 - (i) Company's exploration and production assets in the last 3 5
 (three to five) years, including a detailed summary of its current ongoing activities;
 - (*ii*) Lists of its technical personnel and their technical competencies in the field of oil and gas explorations and productions;
- (2) The above technical summary must contain an express representation that the information provided is true and accurate and be signed by a company official with legal authority for such purpose, duly notarized.

Pre-qualification guidelines for Timor-Leste Second Licensing Round 2019/2021



(b) Health, Safety and Environment (HSE)

To pre-qualify as a potential operator the applicant must provide evidence of having in place proper operational procedures on health, safety and environmental, in accordance to the best international practices in the industry, and submit to ANPM for evaluation the following information and data:

- (1) HSE policies;
- (2) ISO Certifications or any equivalent certification granted by an internationally recognized and accredited institution; if applicable,
- (3) HSE records of the previous 3 5 (three to five) years, including, but not limited to, oil spills, site injuries, mechanical/structural failures, environmental impact and remediation efforts;
- (4) Prospective plans on HSE certification and practices;

3.3.2 Potential Non-operator

Companies wishing to pre-qualify as non-operators must submit a technical summary to ANPM with an overview of its primary activities. Any company which may pre-qualify as a non-operator shall only be entitled to form a consortium provided one of its members is a company pre-qualified as potential operator. The company shall provide information of any projected participation in a consortium.

3.4 Local Content Qualification

The purpose of local content is to maximize the level of procurement of local goods and services, hiring and training of local employees and resort to local businesses and financing. Hence, under this section the ANPM is keen to know understand how the applicants' experiences and commitment under local in local



content for local content in its current or past projects. In that the companies must produce an evidence or letter of statement briefly outlining the followings:

- (i) Track-record in sourcing local goods and services for their operations;
- (ii) Existing plans of hiring and training local employees;
- (iii) Existing plans for transfer of technology and know-how to local entities;
- (iv) Experience in implementing Corporate Social Responsibility (CSR) Plans;
- 4. All the above qualification documents shall be prepared in Portuguese or English languages. In the event of the documents are prepared in any languages other than Portuguese or English, the referred documents must be notarized and translated into English language, being the translation certified by a duly qualified translator,
- 5. Each pre-qualification application must be submitted, at least, sixty (60) working days prior to the closing date of the relevant bid round,
- 6. For the purposes of this pre-qualification, the technical, financial and legal qualification requirements shall prevail, while the local content requirements shall be deemed ancillary for the assessment of the merits of the application,
- 7. The Timor-Leste National Oil Company, TIMOR GAP E.P. shall be exempted from the prequalification unless it wishes to participate in the bidding round as an potential operator;
- 8. The ANPM may exempt the companies that are currently operating in the Timor-Leste Territory, and or the former Joint Petroleum Development Area (JPDA) and the area of Special Regime,
- 9. For purpose of paragraph 8, the relevant company shall submit to the ANPM for consideration

Pre-qualification guidelines for Timor-Leste Second Licensing Round 2019/2021



a letter of request for the exemptions from the pre-qualification processes by further stating that it is still in a good standing both technically and financially to participate in the bidding process during the Timor – Leste Second Licensing Round;

- 10. The request letter as stated paragraph 9, shall be accompanied by a Power of Attorney, with nomination of an official focal point representing the company to communicate with the ANPM on any matters related Timor Leste Second Licensing Round processes;
- 11. This is a non-binding document and the pre-qualification of any applicant thereunder cannot be deemed or construed as granting the applicant any guarantee of award of a Production Sharing Contract. A company pre-qualified under this guideline is not mandatorily required to submit any bids in the forthcoming licensing round.
- 12. In order to facilitate the applicant to know which are the required documents for prequalification assessment needed to be submitted, the applicant may utilize the document checklist form as attached under the schedule 1 of this document,
- 13. This pre-qualification is also as the prerequisite for companies wishing to obtain the technical data from the ANPM for the purpose of the technical evaluation prior to the bidding,
- 14. The pre-qualification of any company may be unilaterally revoked by ANPM in the following circumstances:
 - a) In case of bankruptcy, dissolution or change of control of the company;
 - b) At the company's request





Pre-qualification guidelines for Timor-Leste Second Licensing Round 2019/2021



Page 12 of 18

SCHEDULE I: DOCUMENTS CHECKLIST FORMS

The Financial documents required:

No.	Financial documents required	Remarks Notes:	Yes	No
1	Companies are required to have a shareholder equity equivalent or in excess of US\$ 25,000,000.00 (Twenty-Five Million United States Dollars) to qualify as an offshore potential operator and US\$ 8,000,000.00 (Eight Million United States Dollars) to be qualify as an onshore potential operator. The assessment of the composition and sufficiency of the shareholder equity shall be made by ANPM, at its sole discretion.	 Notes: Minimum shareholder equity required from the potential operators, i. Offshore Operators: shareholder equity equivalent or in excess of US\$ 25,000,000.00 (Twenty-Five Million United States Dollars) ii. Onshore Potential Operators: US\$ 8,000,000.00 (Eight Million United States Dollars) iii. These two minimum shareholder equity requirement can also replaced by a letter of statement from a parent companies which outlines the total assets or shareholder equity of the parents company is equal to or in excess of the amount stated under point (i) and (ii). 		
2	An audited financial statements of the last 3 (three) years so, which must include balance sheets, income statements, statements of retained earnings, cash flow statements, notes to the accounts and Directors' reports);	 Notes: For public listed companies the financial statement shall be audited and certified by an independent auditor and duly signed by the independent auditor. In the case of state-owned companies from countries where the auditing of such company by an independent auditor is not allowed, shall be required a notarized opinion letter issued and signed by a public accountant, certifying that the statements accurately reflect the real financial status of the 		

		company at the date the accounts refer to and that have been prepared in
		accordance with the applicable accounting and reporting standards and
		rules,
		3. In case of the an independent non-public listed companies, financial
		statements which have been complied and reviewed by a charter accountant
		or certified public accountant, and the said financial statement shall be duly
		signed by CEO of the company and the chartered accountant or certified
		public accountant by certifying that the statement has accurately reflected
		the real financial status of the company at the date the accounts refer to and
		that have been prepared in accordance with the applicable accounting and
		reporting standards and rules
3	An additional letter of statement further outlining points (i-iii) of the remarks notes.	Notes: a submission of an additional letter of statement by outlining the followings:i.Material contingent liabilities or obligations not reflected in the balance sheets and accompanying notes which may have an impact on the future activities of the company;ii.Details of medium-term plans which may materially alter the financial status of the company;iii.Specific and detailed information on how it intends to finance the work commitments under a Petroleum Contract and letters of support associated with the projected financing, detailing the steps and timing required to secure the necessary funds;
4	List of names of partners or	Notes: due to the requirement of EITI (for the purpose transparency) it is required
	voting rights	that the applicant company should list all the relevant shareholders might have

	influence or have control over the company for the purpose of the entering into	
	contract with the ANPM	

Legal Documents required.

No.	Legal documents required	Remarks Notes:	Yes	No
1	A complete set of notarized	The said attested certificates should include express reference to the country of		
	certificates attesting the legal	incorporation, address of head office, primary business activity, identification		
	standing of the company	of its duly authorized representatives with powers to bind the		
		company, full details of its ultimate ownership, and, if applicable, track- record of		
		any mergers, demergers and similar transactions in past 3 (three) years.		
2	A letter of statement detailing any	Any ongoing projects that commitments in the short, medium and long term,		
	current projects and ventures in	including work programs and/or risks, namely those that may have an impact on		
	which the applicant may be engaged	company's ability to carry-out any work programs under a potential Production		
	in	Sharing Contract that may be awarded to it.		
3	Organizational chart and number	If applicable, it can be breakdown into by country and/or region, and within each		
	of employees,	country and/or region, by category and nationality.		
4	A letter of statement outlining the	This is a requirement as part of the EITI requirement which require the company to		
	name of any partner or shareholder	outline or list the name of the shareholders or partners that might hold more than 20		
	who, directly or indirectly, holding	% or more voting rights, or otherwise retain rights over it.		
	twenty (20) precents or more. (If			
	applicable)			

5	A Letter of statement issued by the	A letter statements signed by the official of the company stating that no pending	
	company and signed by a company	litigation, legal proceedings or other similar circumstances that may lead to a breach	
	official with legal authority for such	of its contractual obligations under a potential future Production Sharing Contract	1
	attesting that no pending litigation,	or the bankruptcy of the company;	1
	legal proceedings or other similar		1
	circumstances.		

Technical document required:

No.	Technical documents required	Remarks Notes:	Yes	No
1	For potential operator, the companies	The technical summary shall at least outline the followings:		
	shall provide a technical summary	i. Company's exploration and production assets in the last 3 - 5 (three to five)		
	document by showing the	years, including a detailed summary of its current ongoing activities;		
	company's technical operating	ii. (Lists of its technical personnel and their technical competencies in the field of		
	capability.	oil and gas explorations and productions;		
2	A submission of HSE Policies and	As for the HSE technical document required, the companies is required to provided		
	Statement (Potential Operator only)	copy of its HSE policy and the its further HSE statement letter which further		
		outlining the followings:		
		(1) HSE policies;		
		(2) ISO Certifications or any equivalent certification granted by an internationally		
		recognized and accredited institution; if applicable,		

		(3) HSE records of the previous 3 - 5 (three to five) years, including, but not				
		limited to, oil spills, site injuries, mechanical/structural failures,				
		environmental impact and remediation efforts;				
		(4) Prospective plans on HSE certification and practices;				
		(5) Management systems of oil and gas activities.				
3	For a non-operator: A letter statement show evidences to its access to the technical capability or in the future how it will get access to the technical capability.	For companies that is not wishing to be prequalified as an operator, may only submit its document or in form letter statement by outlining how it can access to technical capability or how in the future it can get access to the technical capability.				

Local Content documents required:

No.	Local Content documents required	Remarks Notes:	Yes	No
1	A letter of statement outlining	Notes: the applicant company is required to provide a brief summary outlining the		
	applicants' experiences and	following :		
	commitment under local in local	(i) Track-record in sourcing local goods and services for their operations;		
	content for local content in its	(ii) Existing plans of hiring and training local employees;		
	current or past projects (as required	(iii) Existing plans for transfer of technology and know-how to local entities;		
	under point (i) to (iii) of the remark	(iv) Experience in implementing Corporate Social Responsibility		
	notes,	(CSR)Plans,		

	(iv)	For companies that operate in the environment that has no local content requirement, the applicant shall outline in brief how it can achieve to the local content commitment requirement as outline in (i) to (iii) of this	
		note.	





Page 1