



ANPM MANAGEMENT AND DIRECTORATE MANUAL



OUR COURAGE IS NATION'S PROSPERITY

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Introduction

Autoridade Nacional do Petróleo e Minerais (ANPM) is Timor-Leste public institution, created under Decree Law No. 1/2016 of 9 February, 1st amendment of Decree-Law No.20/2008 of 19th June on the Autoridade Nacional do Petróleo (ANP), responsible for managing and regulating petroleum and mining activities in Timor-Leste area, both offshore and onshore and in the Joint Petroleum Development Area (JPDA) in accordance with the Decree Law on the establishment of the ANPM, the Timor-Leste Petroleum Activities Law, the Timor Sea Treaty and the Mining Code.

The ANPM is mandated to establish and supervise compliance with the enacted rules and regulations covering the exploration, development, production, transportation, and distribution, and decommissioning/abandonment of petroleum and mineral resources. It is also tasked to develop a strong petroleum and mineral resources management institution in Timor-Leste.

In order to achieve the established Strategic Directions namely the vision and mission statements, a number of Directorates has been established to perform specific roles and responsibilities. This book contains manual outlining high-level roles and functions for each of the directorates and units established under the ANPM organisation structure. As such, this manual should be seen as a living and guiding document that may change over time reflecting latest form of the organisation structure approved by the Board of Directors of the ANPM.

ANPM Regulatory Jurisdiction

With respect to the JPDA, the ANPM is responsible to the Joint Commission, managing and regulating the day-to-day activities of upstream petroleum activities through regular supervision and control of petroleum activities, including revenue management and management of health, safety, and environment.

With respect the Timor-Leste jurisdictions both in Onshore and in Offshore areas, apart from being responsible for the upstream petroleum activities equivalent to those in the JPDA, the ANPM is also responsible for regulating downstream petroleum activities encompassing supply, processing, storage, transportation, trading and marketing of oil and gas products.

With respect to mineral sector the ANPM is responsible for the regulating mineral sector in in all territory of Timor-Leste and to some respect it also covers the Special Economic Zone of Oe-cusse.

Values, Vision, Mission and Goals

ANPM Values

Collaboration:

To conduct efficient and effective collaboration among:

- a) ANPM internal Directorates
- b) ANPM with its stakeholders.

Openness:

Honesty and Transparency – underpinned by a culture of trust and respect.

Unity:

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

Responsibility:

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

Accountability:

ANPM and its team members are fully accountable for their ethical standard, behaviour and performance at all times. The ANPM is accountable for the government of Timor-Leste. In performing the task in and for the JPDA, the ANPM is accountable for both the governments of Timor-Leste and Australia.

Global View:

Despite the office of ANPM resides in Timor-Leste, its views are global. It works and coordinates activities with operators that are multi-national in nature, size and scope.

Excellence:

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

ANPM Vision

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

ANPM Mission

To maximize revenue and multiply economic benefits;

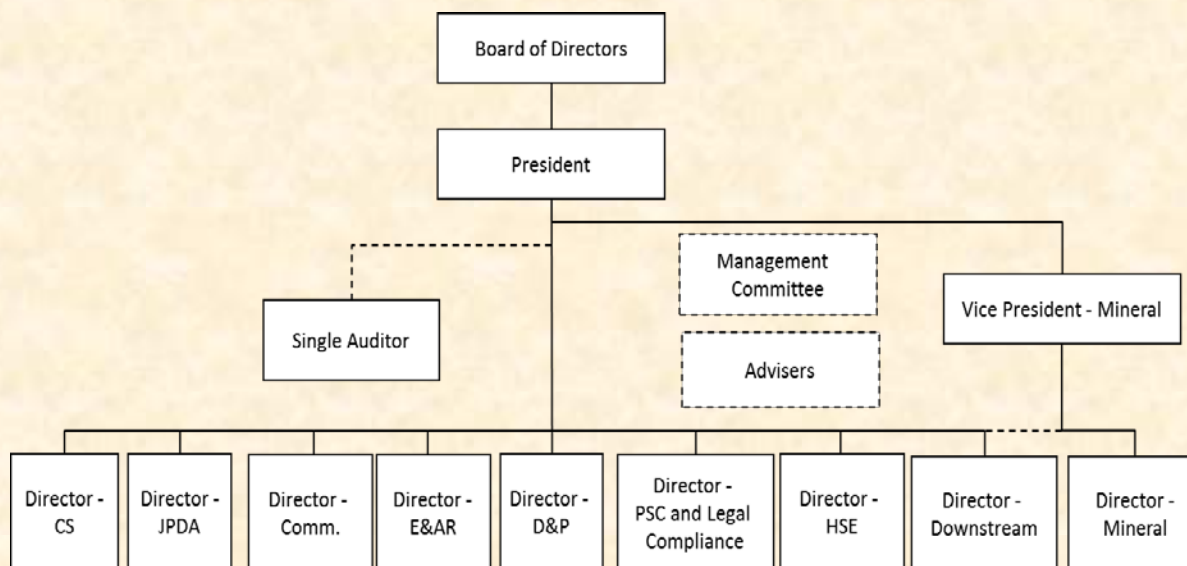
- To maximize the participation of Timor-Leste in the development of its petroleum and mineral sectors;
- To promote best health, safety and environmental practices;
- To develop the institutional capacity of the Timor-Leste petroleum and mineral sectors.

ANPM Goals

- Ensure that petroleum and mineral resources are effectively explored, developed, managed and regulated;
- Ensure that economic benefits are delivered to the contracting states and government of Timor-Leste;
- Maximize employment opportunities for Timor-Leste nationals;
- Develop organizational excellence;
- Promote and ensure best Health Safety and Environment (HSE) practices;
- Regulate all downstream petroleum activities in Timor-Leste;
- Maximize economic activities of petroleum and mineral sectors in Timor-Leste.

ANPM MANAGEMENT OPERATING MANUAL

Organizational, Structure and Development



I. Board of Directors

As stated under Article 7.2 of the Decree-Law No. 01/2016, board of directors are entrusted to:

- consolidate with ANPM's overall budget the budget dedicated to activities developed within and in association with the JPDA, once said budget has been duly approved by the Joint Commission;
- Define the mission and general orientation and direction of the ANPM, within the limits of the public nature of the institution;
- Approve ANPM strategic and business plans and ensure compliance therewith;
- Approve the internal regulations of the ANPM and any other external regulations necessary for the Authority's supervisory and regulatory activity notwithstanding Article 3.9 (i);
- Approve for submission to the member of the Government supervising the ANPM its annual work plan and budget, pursuant to Article 2.2 (a);

- Commission an annual external audit of the institution, or pursuant to Article 2.2.

II. President

As stated under Article 10 of the Decree-Law No. 20/2008 of ANP and amendment of Decree-Law No.01/2016 of the ANPM, president is the chairperson of the board of directors and the president is responsible for day-to-day management and administration of the organisation.

III. Vice President

As stated under Article 11 of the Decree-Law No.01/2016, the Vice President is responsible for coordinating the current activities related to the regulation and administration of Mineral Exploration under the jurisdiction of ANPM.

IV. Single Auditor

As stated under Articles 12 and 14 of the Decree-Law No. 20/2008 of ANP and amendment of Decree-Law No. 1/2016 of the ANPM, the Single Auditor is responsible for monitoring legality, regularity and proper financial and patrimonial management of the ANPM.

V. Management Committee

The management committee is established under the ANP Decree-Law No.20/2008 and amendment of Decree-Law No. 1/2016 of the ANPM. The Management Committee is headed by the President of ANPM and the members include the Vice President, all of the Executive Directors established under the ANPM organisational structure. The Committee holds meeting at least once in a month to address the day-to-day management of ANPM activities encompassing petroleum activities in the JPDA and the Timor-Leste Offshore and onshore areas, the activities related to the mineral sector in Timor-Leste.

ANPM DIRECTORATES OPERATING MANUAL

In order to operate the ANPM Directorates in a professional manner, there are a number of critical roles that oversee the governance and operational activities on day-to-day basis. These roles are described below.

I. CORPORATE SERVICES DIRECTORATE

Roles and Functions:

Corporate Services Directorate is responsible for the all functions of ANPM's corporate matters including corporate Training and Human Resources (TH&R), Information and Technology (IT), corporate Finance, and Procurement and Administration. The Corporate Services roles and function include:

- Develop and review policies and procedures related to T&HR, IT, Finance and Procurement and Administration;
- Communicate and Implement the Corporate Services policies and Procedures to all the ANPM staff;
- Revise the Corporate Services policies and procedures;
- Prepare annual planning including the ANPM budget and annual budget expenditure, procurements, recruitments and training management, employees' conditions and workplace behaviour and information, communication and technology;
- Ensure the ANPM – Corporate Services policies and procedures are well implemented within the ANPM.

II. JOINT PETROLEUM DEVELOPMENT AREA (JPDA) DIRECTORATE

Roles and Functions:

The JPDA directorate is responsible for liaising and communicating JPDA matters to all stakeholders both internally within the ANPM and external parties, including:

- Report to Joint Commissions (Timor-Leste and Australia) and President of the ANPM on the petroleum activities related to the JPDA in accordance with the Timor Sea Treaty ;
- Submit the Annual business planning and report to the Joint Commission;

- Keep the Joint Commission well informed on the result of the ANPPM's inspections and audits of contractors' books and accounts for approval; and annual report for approval;
- Ensure effective and timely response to meet requirements under the Annex C of the Timor Sea Treaty (TST);
- Coordinate and supervise administration of JPDA affairs with operational directorates;
- Secure and provide key approvals for JPDA operations.

III. MINERAL DIRECTORATE

Roles and Functions:

The Mineral Directorate is responsible for regulating mineral sector in Timor-Leste. In doing so, Mineral Directorate's responsibilities include:

- Promoting a prudent management and efficient use of mineral resources, administer, granting licenses, authorizations and permits, supervise compliance and carrying out inspections and audits;
- Providing advice to the Government in all mineral resources-related issues, including the issuance of opinions and recommendations on management and efficient use of mineral resources, classification of certain minerals as strategic minerals and the establishment of special measures in case of national emergency and pricing policies.

IV. EXPLORATION & ACREAGE RELEASE DIRECTORATE

Roles and Functions:

The E&AR Directorate is responsible for:

- Promoting the petroleum resources in the Joint Development Area (JPDA) and offshore and onshore Timor-Leste jurisdictional area, and mineral resources;
- Directing and coordinate oil and gas exploration activities in the JPDA and the in consistent with the Timor-Leste Petroleum Activities Law, petroleum Mining Code, the Timor Sea Treaty arrangements;

- Supervising, monitoring and administering petroleum exploration activities, and prospecting Activities and Geological & Geophysical (G&G) Surveys including exploration related technical data and information;
- Establishing relevant policies, procedures, guidelines and manuals for the directorate operational activities and developing geological models in house based on the available G&G data.

V. DEVELOPMENT & PRODUCTION (D&P) DIRECTORATE

Roles and Functions:

The D&P directorate is to be responsible for:

- Monitoring and reporting on production performance, measurement, reservoir and drilling performances;
- Carrying out metering inspection of production facilities and review on the reservoir model of producing fields;
- Monitoring and conducting inspection of drilling rigs.

VI. HEALTH, SAFETY AND ENVIRONMENT (HSE) DIRECTORATE

Roles and Functions:

Health, Safety and Environment Directorate is responsible for the regulations of HSE upstream oil and gas operators in the JPDA and Timor-Leste jurisdictional area. The HSE directorate roles and functions include:

- Carry out review of HSE documents submitted by the upstream operators in the Timor-Leste and JPDA;
- Grant approval, acceptance, authorisation, and consent as required by the upstream HSE legal framework applicable in Timor-Leste and JPDA;
- Carry out HSE inspection in oil and gas facilities;
- Monitoring of upstream operators' compliance to HSE legislation;
- Investigates upstream petroleum incidents;
- Assisting in developing new HSE laws and carry out review of HSE upstream legal framework;

- Coordinate with Timor-Leste environment authority and other stakeholder for issuance of environmental license for upstream petroleum activities in Timor-Leste and other petroleum HSE relevant matters;
- Working together with other ANPM directorates to ensure integrated system internally and when regulating and enforcing laws to the operators.

VII. COMMERCIAL DIRECTORATE

Roles and Functions:

The Commercial directorate is responsible for:

- The full function of commercial directorate that covers the revenue management, product marketing and pricing, operator's WP&B, AFE, annual audit of books and accounts, fees management;
- Ensure project modelling is updated and provide assistant on state bi-annual revenue forecasting and project economics analysis and update.

VIII. DOWNSTREAM DIRECTORATE

Roles and Functions:

The Downstream directorate is responsible for the full functions of Downstream petroleum sectors including:

- Monitoring the performance of downstream activities conducted within the ANPM's jurisdiction;
- Developing and maintaining downstream policies related to downstream regulation and decree law in order to facilitate downstream activities;
- Providing guidance in preparing guideline, codes and standards for establishing downstream facilities;
- Conducting inspection of Downstream business activities and ensuring compliances with Decree-Law, regulations, standards procedures and Guidelines, including ad hoc inspection when required;
- Preparing sampling schedule and drawing samples from retail outlets/fuel storage facilities according to established regulations and procedures;
- Assisting in maintaining and updating all Health Safety and Environment system and procedures related to Downstream business activities;

- Reviewing downstream activity project design and documenting for licensing purposes;
- Reviewing licenses applications and documentation for trading activity, including Filling stations and fuel storages;
- Ensuring appropriate documentation for requesting transaction authorization of Fuel, Biofuel and Lubricants in line with Regulation on trading activity.

IX. PSC & LEGAL COMPLIANCE DIRECTORATE

Roles and Functions:

The PSC & Legal directorate responsible for all PSC & Legal, and the Local Content functions, including:

- Advising on the application of relevant laws, including Timor-Leste Petroleum Activities Law, the Timor Sea Treaty, PMC, Timor-Leste and Australian Laws, and Guidelines;
- Administratively competent, include liaising with government agencies, operators, and stakeholders;
- Managing all legal commercial and compliance issues in relation to ANPM, including the Joint Petroleum Development Area - JPDA and the Timor-Leste jurisdictional area including report regularly to line management;
- Ensuring the Legal Commercial and Compliance meets all the strategic goal requirements of the ANPM;
- Developing policies and procedures as part of an integrated Management System and ensuring a properly managed legal database;
- Providing legal opinion on all legal aspects in relation to the Petroleum sectors including its activities in the Downstream;
- Developing and maintaining local content Management and policies and procedures for ANPM's local content;
- Participating in reviewing and commenting on annual program and budget of PSCs contracts to ensure compliance of local content;
- Coordinating discussions on Education, Employment and Training opportunities for Timor-Leste nationals associated with Petroleum Sharing Contracts under the ANPM jurisdiction;

- Maintaining and ensuring the implementation and good management of PSCs Procurement related Database and PSCs procurement policies and procedures.

CONCLUSION

The ANPM has developed this manual to provide at-a-glance reference of roles and function of ANPM directorates. This manual serves as scope of work for each ANPM directorate to specify the responsibilities of the directorates.

In sum, underpins by its “COURAGE” value, the spirit of enthusiasm, and the positive energy of work from each of the elements in the institution, it is confident that the ANPM will best utilise all resources entrusted to it and skills in place to achieve its goals as the leading regulatory authority in petroleum and mineral industries as well as the model for the institutional development in the region.