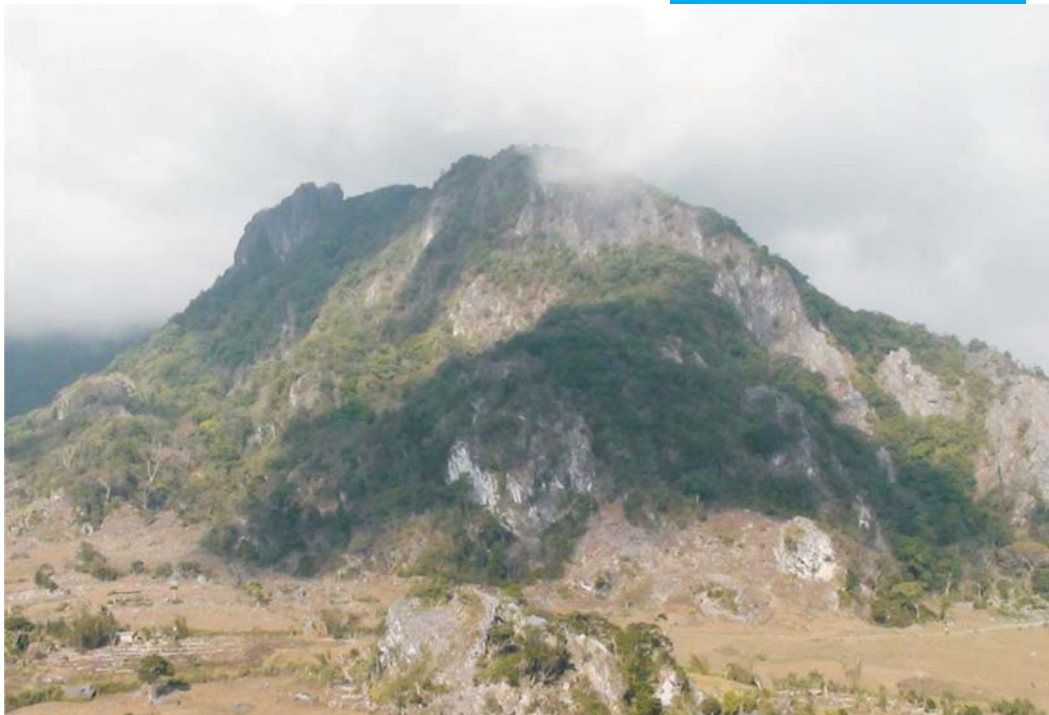


TL-EITI

**Timor-Leste
Extractive
Industry
Transparency
Initiative**



**Deloitte
Compilation Report**

Timor-Leste Extractive Industries Transparency Initiative

for the year ended
31 December 2008

Secretariat of State for Natural Resources

Democratic Republic of Timor Leste

LANGUAGE :

ENGLISH

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31 December 2008

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for the year ended 31 December 2008**

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Message from Alfredo Pires – Secretary of State for Natural Resources

In 2003 Timor-Leste made a commitment to the EITI process, in 2009 we present the first EITI report. The results are very encouraging for this new nation, it confirms that we have a solid, secure and very transparent system in place in regards to the flow of petroleum revenues from companies to Government. Every dollar has been accounted for.

Congratulations to Timor-Leste in particular to the members of the EITI Multi-Stakeholder Group (MSG), comprising of Civil Society, Companies and various Government entities.



Alfredo Pires

Alfredo Pires
Secretary of State for Natural Resources



Civil Society is important element in the EITI process, in this picture we see representative of local NGO from 13 Districts in Timor-Leste participating in one of the many EITI Workshops held in Timor-Leste.



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**Compilation Report
to the Ministry of Finance, Democratic Republic of Timor-Leste in respect of
The Extractive Industries Transparency Initiative Report
for the year ended
31 December 2008**

On the basis of information provided to us by the Government or Extractive Companies ("the reporting parties"), we have compiled, in accordance with the International Standard on Related Services applicable to compilation engagements, the attached Appendices A to E which reconcile the payments and revenues reported to us by the reporting parties for the year ended 31 December 2008.

Information was provided to us initially in the form of the templates completed by the reporting parties, prepared in the format as set out in the Government of The Democratic Republic Of Timor-Leste Extractive Industries Transparency Initiative Guidelines for Reporting to the EITI Aggregating Body Published in March 2009 ("Guidelines"). Additional information was provided, by the relevant reporting party, where reconciling items were identified. The reporting parties are responsible for the information contained in the attached Appendices A to E. As this is a Compilation Report we do not express a review statement or an audit opinion thereon.

DELOITTE TOUCHE TOHMATSU
Chartered Accountant
Darwin 27/11/09

Appendix A

Timor Leste Extractive Industries Transparency Initiative
 Summary Reconciliation of
 Amounts reported as paid by the Extractive Companies (Guidelines Template 1)
 to
 Amounts reported as received by The Government of Timor Leste (per Guideline Templates)
 For the year ended 31 December 2008

Total for all companies	Appendix	Amounts reported as paid by Companies - Template 1				Amounts reported as received by the Government of Timor Leste (Per guideline Templates)				Difference		
		Cash US\$	Value US\$	Kind	Description	Cash US\$	Value US\$	Kind	Description	Cash US\$	Value US\$	
												Kind
Petroleum Taxes	B	880,709,827	-	-	-	880,709,827	-	-	-	-	-	-
FTP / Royalties / Profit Oil & Gas	C	1,624,803,871	-	-	-	1,624,803,871	-	-	-	-	-	-
JPDA Fee:												
- Application fee	D	-	-	-	-	-	-	-	-	-	-	-
- Seismic data fee	D	-	-	-	-	-	-	-	-	-	-	-
- Development fee	D	2,995,000	-	-	-	2,995,000	-	-	-	-	-	-
- Contract service fee	D	1,040,000	-	-	-	1,040,000	-	-	-	-	-	-
Timor-Leste Exclusive Area:												
- Application fee	D	-	-	-	-	-	-	-	-	-	-	-
- Seismic data fee	D	-	-	-	-	-	-	-	-	-	-	-
- License fee/Surface fee	D	23,840	-	-	-	23,840	-	-	-	-	-	-
		<u>2,509,572,538</u>	-	-	-	<u>2,509,572,538</u>	-	-	-	-	-	-

Timor Leste Extractive Industries Transparency Initiative
Reconciliation of
The petroleum taxes reported as paid by the Extractive Companies (Guidelines Template 1 Section 2 a)
to
The petroleum taxes reported as received by the Petroleum Tax Directorate (Guidelines Template 2)
For the year ended 31 December 2008

Name of Company	Petroleum Taxes reported as paid by Companies - Template 1 (Section 2a)			Petroleum Taxes reported as received by the Petroleum Tax Directorate- Template 2			Difference	
	Cash US\$	Value US\$	Description	Cash US\$	Value US\$	Description	Cash US\$	Kind
ConocoPhillips (Emet) Pty Ltd (Revised)	8,195,630	-		8,195,630	-		-	-
ConocoPhillips JPDA Pty Ltd	138,400,815	-		138,400,815	-		-	-
ConocoPhillips (03-13) Pty Ltd	47,549,819	-		47,549,819	-		-	-
ConocoPhillips (03-12) Pty Ltd	256,414,380	-		256,414,380	-		-	-
ConocoPhillips (Timor Sea) Pty Ltd	69,502,442	-		69,502,442	-		-	-
Conoco Phillips (03-19) Pty Ltd (Revised)	5,373	-		5,373	-		-	-
Conoco Phillips (03-20) Pty Ltd	-	-		-	-		-	-
PC (Timor Sea 06-102) Ltd (Revised)	1,967,441	-		1,967,441	-		-	-
Santos JPDA (91-12) Pty Ltd	96,413,949	-		96,413,949	-		-	-
ENI JPDA 03-13 Limited	90,201,900	-		90,201,900	-		-	-
ENI Timor - Leste S.P.A (PSC 1-5)	3,587,192	-		3,587,192	-		-	-
ENI JPDA 06-105 PTY LTD (Revised)	4,735,334	-		4,735,334	-		-	-
MINZA OIL & GAS LIMITED	-	-		-	-		-	-
Oilex (JPDA 06-103) Ltd (Revised)	2,592,332	-		2,592,332	-		-	-
Tokyo Timor Sea Resource Pty Ltd	69,566,444	-		69,566,444	-		-	-
Inpex Sahul Co. Ltd (Revised)	91,445,803	-		91,445,803	-		-	-
Woodside Petroleum (Timor Sea 19) Pty Ltd (Revised)	73,956	-		73,956	-		-	-
Woodside Petroleum (Timor Sea 20) Pty Ltd (Revised)	-	-		-	-		-	-
Reliance Exploration & Production DMCC (Revised)	57,017	-		57,017	-		-	-
Total	880,709,827	-		880,709,827	-		-	-

Timor Leste Extractive Industries Transparency Initiative
Reconciliation of

The First Tranche Petroleum / Royalties and Profit Oil & Gas reported as paid by the Extractive Companies (Guidelines Template 1 Section 2 b i & ii)
to

The First Tranche Petroleum / Royalties and Profit Oil & Gas reported as received by the National Petroleum Authority (Guidelines Template 3)
For the year ended 31 December 2008

Name of Company	The First Tranche Petroleum / Royalties and Profit Oil & Gas reported as paid by Companies - Template 1 (Section 2b i & ii)		The First Tranche Petroleum / Royalties and Profit Oil & Gas reported as received by the National Petroleum Authority - Template 3		Difference	
	Cash US\$	Value US\$	Cash US\$	Value US\$	Cash US\$	Kind
		Description		Description	Value US\$	Value US\$
ConocoPhillips (Emet) Pty Ltd	13,226,265		13,226,265		-	-
ConocoPhillips JPDA Pty Ltd	221,114,059		221,114,059		-	-
ConocoPhillips (03-13) Pty Ltd	77,397,524		77,397,524		-	-
ConocoPhillips (03-12) Pty Ltd	573,204,288		573,204,288		-	-
ConocoPhillips (Timor Sea) Pty Ltd	112,142,344		112,142,344		-	-
Conoco Phillips (03-19) Pty Ltd	-		-		-	-
Conoco Phillips (03-20) Pty Ltd	-		-		-	-
ENI JPDA 03-13 Limited	158,457,474		158,457,474		-	-
ENI JPDA 06-105 PTY LTD	-		-		-	-
Woodside Petroleum (Timor Sea 19) Pty Ltd	-		-		-	-
Woodside Petroleum (Timor Sea 20) Pty Ltd	-		-		-	-
PC (Timor Sea 06-102) Ltd	-		-		-	-
Santos JPDA (91-12) Pty Ltd	161,424,724		161,424,724		-	-
ENI Timor - Leste S.P.A (PSC 1-5)	-		-		-	-
MINZA OIL & GAS LIMITED	-		-		-	-
Oilex (JPDA 06-103) Ltd	-		-		-	-
Tokyo Timor Sea Resource Pty Ltd	132,668,436		132,668,436		-	-
Impex Sahul Co. Ltd (Revised)	175,168,757		175,168,757		-	-
Reliance Exploration & Production DMCC	-		-		-	-
Total	1,624,803,871		1,624,803,871		-	-

Timor Leste Extractive Industries Transparency Initiative
Reconciliation of
Other payments reported as paid by the Extractive Companies (Guidelines Template 1 Section 2 b iii)
to
Other payments reported as received by the National Petroleum Authority (Guidelines Template 3)
For the year ended 31 December 2008

Total for all companies	Other payments reported as paid by Companies - Template 1 (Section 2b iii)			Other payments reported as received by the National Petroleum Authority- Template 3			Difference	
	Cash US\$	Kind		Cash US\$	Kind		Cash US\$	Kind
		Value US\$	Description		Value US\$	Description		
ConocoPhillips (03-13) Pty Ltd								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	160,000	-	-	160,000	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
ConocoPhillips (03-12) Pty Ltd								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	2,814,000	-	-	2,814,000	-	-	-	-
	160,000	-	-	160,000	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
ENI JPDA (06-105) (Revised)								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	181,000	-	-	181,000	-	-	-	-
	160,000	-	-	160,000	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Oilex (JPDA 06-103) Ltd								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	80,000	-	-	80,000	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
PC (Timor Sea 06-102) Ltd (Revised)								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	80,000	-	-	80,000	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Reliance Exploration & Production DMCC (Revised)								
JPDA Fee:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Timor-Leste Exclusive Area:								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	23,840	-	-	23,840	-	-	-	-

Woodside Petroleum (Timor Sea 19) Pty Ltd

JPDA Fee:

- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- Development fee	-	-	-	-	-	-
- Contract service fee	160,000	-	160,000	-	-	-
Timor-Leste Exclusive Area:						
- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- License fee/Surface fee	-	-	-	-	-	-

Woodside Petroleum (Timor Sea 20) Pty Ltd

JPDA Fee:

- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- Development fee	-	-	-	-	-	-
- Contract service fee	160,000	-	160,000	-	-	-
Timor-Leste Exclusive Area:						
- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- License fee/Surface fee	-	-	-	-	-	-

MINZA OIL & GAS LIMITED

JPDA Fee:

- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- Development fee	-	-	-	-	-	-
- Contract service fee	80,000	-	80,000	-	-	-
Timor-Leste Exclusive Area:						
- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- License fee/Surface fee	-	-	-	-	-	-

TOTAL

JPDA Fee:

- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- Development fee	2,995,000	-	2,995,000	-	-	-
- Contract service fee	1,040,000	-	1,040,000	-	-	-
Timor-Leste Exclusive Area:						
- Application fee	-	-	-	-	-	-
- Seismic data fee	-	-	-	-	-	-
- License fee/Surface fee	23,840	-	23,840	-	-	-
Total	4,058,840	-	4,058,840	-	-	-

Timor Leste Extractive Industries Transparency Initiative
Summary Reconciliation of
Original Reported Figures
to
Final Report Figures
For the year ended 31 December 2008

Summary	Per Companies			Per Government		
	Original US\$	Adjustments US\$	Final US\$	Original US\$	Adjustments US\$	Final US\$
1. Benefit Stream be reported by International Companies only	0	0	0	0	0	0
1 a) National State-Owned/ Joint Venture Company equity share of Host Government Production	0	0	0	0	0	0
1 b) Production received by National State-Owned/ Joint Venture Company	0	0	0	0	0	0
1 c) National State-Owned/ Joint Venture Company production entitlement	0	0	0	0	0	0
1 d) Production entitlement received on behalf of the Host Government	0	0	0	0	0	0
2. Payments to Host Government						
2 a) Petroleum Tax Department	879,276,194	1,433,633	880,709,827	880,710,260	-433	880,709,827
i) Income tax payments	351,335,139	87,319	351,422,458	351,422,458	0	351,422,458
ii) Additional profits tax payments/Supplemental Petroleum Tax payments	503,621,766	-279,538	503,342,228	503,342,228	0	503,342,228
iii) Branch profits tax payments	87,319	-87,319	0	0	0	0
iv) VAT payments	10,447,674	1,017,830	11,465,504	11,465,504	0	11,465,504
v) With Holding Tax payments	8,609,932	704,386	9,314,318	9,324,881	-10,563	9,314,318
vi) Wages Tax	5,044,997	-9,045	5,035,952	5,025,822	10,130	5,035,952
vii) Penalty/ Interest	129,367	0	129,367	129,367	0	129,367
viii) Other Payments	0	0	0	0	0	0
2 b) National Petroleum Authority						
* For the purpose of the returns, all payments made by Extractive Industries to the National Petroleum Authority are regarded as payments made to the Government of Timor Leste	1,627,470,634	1,392,077	1,628,862,711	1,628,991,041	-128,330	1,628,862,711
i) First Tranche Petroleum Payments (FTP)						
- Condensate	114,442,820	-3,887	114,438,933	114,438,933	0	114,438,933
- Liquefied Petroleum Gas	37,285,867	1,475,964	38,761,831	38,761,831	0	38,761,831
- Gas	39,293,618	0	39,293,618	39,293,618	0	39,293,618
ii) Profit oil & gas payments	1,432,309,489	0	1,432,309,489	1,432,309,489	0	1,432,309,489
iii) Other Payments:	0	0	0	0	0	0
JPDA Fee:						
- Application fee	0	0	0	0	0	0
- Seismic data fee	0	0	0	0	0	0
- Development fee	2,995,000	0	2,995,000	3,001,500	-6,500	2,995,000
- Contract service fee	1,120,000	-80,000	1,040,000	1,040,000	0	1,040,000
Timor Leste Exclusive Area:						
- Application fee	0	0	0	0	0	0
- Seismic data fee	0	0	0	0	0	0
- License fee/Surface fee	23,840	0	23,840	145,670	-121,830	23,840
2c. Other	0	0	0	0	0	0
a) Other payments to Government/ Person	0	0	0	0	0	0
Government agency/ National State-Owned/ Joint Venture Company name:	0	0	0	0	0	0
Government agency/ National State-Owned/ Joint Venture Company Representative name:	0	0	0	0	0	0
Payment description:	0	0	0	0	0	0
4. Total						
Total Payments	2,506,746,828	2,825,710	2,509,572,538	2,509,701,301	-128,763	2,509,572,538

TL-EITI

**Timor-Leste
Extractive
Industry
Transparency
Initiative**



**Summary Compilation Report
By EITI Working Group**

Timor-Leste Extractive Industries Transparency Initiative

for the year ended
31 December 2008

Secretariat of State for Natural Resources

Democratic Republic of Timor Leste

LANGUAGE :

ENGLISH

Background

The Extractive Industries Transparency Initiative (EITI) was launched in 2002 and now is the global standard for promoting greater transparency and accountability in countries rich in oil, gas, or mineral resources. The initiative is supported by an international coalition of developing countries, donors, extractive industry companies, civil society organizations, investors, and international organizations.

The Government of Timor-Leste was one of the first to state its commitment to the Principles and Criteria of the Extractive Industries Transparency Initiative (EITI) on the occasion of the first international conference on EITI in London in June 2003. Adherence to EITI is aligned with the country's pursuit, from the outset, of transparency in the petroleum and mining sectors.

In late 2006, government invited Civil Society and the Industry to form the Timor-Leste EITI Working Group (WG) and the first meeting of the WG took place in May 2007.

Working Group comprises the following members:

- Secretary of State for Natural Resources/Public Servant EITI Focal Point (Chairperson)
- Two representatives of the Ministry of Finance
- One representative of the Banking and Payments Authority (BPA)
- Two representatives of the State Secretariat of Natural Resources
- Three representatives of civil society
- Three representatives of petroleum companies

Content of the EITI Report

The EITI Report shows the petroleum revenues paid by the Extractive Industry Companies and received by various Government agencies respectively. The purpose is to provide maximum transparency about revenue streams from the petroleum sector in Timor-Leste and to identify, discrepancies between the payments made by the Industry and received by the Government. This is the first fundamental step to ensure transparency in the management of the petroleum resources. The report provides disaggregate information about petroleum revenue payments made and received during 2008. According to the Petroleum Fund Law all revenues from any petroleum operations, including any amount received from the Designated Authority (Autoridade Nacional do Petróleo) are defined as petroleum receipts and are payable to the Petroleum Fund. As the EITI is limited to the Extracting Industry, payments made by subcontractors contracted by oil companies, are not included in the reported figures under the EITI Report.

Currently there is no other extractives industry except from the petroleum business and therefore the EITI report includes solely revenues within the petroleum sector.

Payments regarded as normal routine business payments, such as vehicle licenses, visas, work and residence permits, electricity and water charges and similar fees and charges, are not included in the EITI Report.

The Reporting Process

The EITI Working Group agreed on Reporting Guidelines and Templates in its meeting May, 18 2009 after an extensive process within the EITI Working Group. The Independent Auditor of the Petroleum Fund, Deloitte Touche Tohmatsu, was engaged to assist the Working Group to draft guidelines and to design templates for the reporting process.

Deloitte Touche Tohmatsu was also hired as the Aggregating Body in the reporting process and collated information from the reporting parties, reconciled and analyzed the data received, identified any discrepancies in the initial reporting and resolved them through a process involving the reporting parties. On November, 11 2009 Deloitte Touche Tohmatsu issued the EITI Report for Timor-Leste for 2008.

The Independent Auditor of the Petroleum Fund was chosen as the Aggregating Body in order to avoid duplication of work, as they have been collating similar information from the Companies as required under the Petroleum Fund Law for several years, including the issuance of Revenue Receipt Reports for the Petroleum Fund and an report following the templates provided by the International EITI Secretariat. These reports are included in the Annual Report of the Petroleum Fund. Moreover, using the Independent Auditor ensured that the legal framework already in place through the Petroleum Fund Law could be used for the EITI Report.

The petroleum sector in Timor-Leste

Timor-Leste petroleum sector consists of two different jurisdictions with relevant legal and fiscal regimes; Joint Petroleum Development Area (JPDA), which is jointly managed by Australia and Timor-Leste, and Timor-Leste Exclusive Area (TLEA) and onshore prospects.

The Autoridade Nacional do Petróleo (ANP), which was established by Decree Law no. 20/2008, is the official institution to administer the petroleum activities in both jurisdictions (JPDA and TLEA).

According to the Petroleum Sharing Contracts (PSCs) ANP is entitled to the share of revenue which derives as Royalties and Profit Oil & Gas. Royalties are revenues resulting from petroleum operations before cost recovery takes place and are shared between the ANP and the Operator. Profit Oil & Gas are revenues shared between the Joint Venture Partners and the ANP once the Joint Venture Partners have recovered their expenditures including investment credit/uplift. While Royalties are paid by the Operator, Profit Oil & Gas are paid to the ANP by each Joint Venture Partner. Moreover, oil companies operating in JPDA and TLEA are paying Contract Service Fees as license fees of the contract area and Development Fees once commercial discovery is declared.

The only field currently in operation, Bayu Undan, is located in the JPDA and the ANP's share of revenue from this field is transferred to Timor-Leste and Australia in accordance with Timor Sea Treaty (90% to Timor-Leste and 10% to Australia).

The Government of Timor-Leste levies petroleum taxes on the oil companies according to applicable Tax Law. The oil companies pay Income tax, additional profit tax, value added tax (VAT), wages tax and withholding tax.

The National Directorate for Petroleum Revenue (NDPR) in the Ministry of Finance administers the petroleum taxes.

Key findings

The total petroleum revenues paid by the Companies and received by the Government for 2008 are presented in table 1.

Table 1. Total Petroleum Revenues 2008 *US Dollars*

Revenue Items	Paid by Companies	Received by Government	Differences
Petroleum Taxes	880,709,827	880,709,827	-
Royalties/Profit Oil & Gas	1,624,803,871	1,624,803,871	-
Fees	4,058,840	4,058,840	-
Total	2,509,572,538	2,509,572,538	-

The petroleum taxes and royalties/profit oil & gas were approximately 35% and 65% of the total petroleum revenues in 2008 respectively. Although the various fees paid to the ANP in 2008 amounted to US\$ 4,058,840, they were only 0.2% of the total petroleum revenues during this period.

There were no discrepancies between the final figures reported by the Companies and Government for 2008.

Petroleum Taxes

Sixteen legal entities defined as Extractives Industry paid petroleum taxes to the Government of Timor-Leste in 2008. The petroleum taxes were paid directly to the Petroleum Fund. The operator, ConocoPhillips, of the only field in production, Bayu Undan, paid 60% of the total petroleum taxes received by the Government. The Joint Venture Partners Eni, Inpex, Santos and Tokyo Timor Sea are the other companies providing two-digit percentage numbers of petroleum taxes during this period.

Table 2 shows a list of all Extracting Industry Companies that paid petroleum taxes to the Government of Timor-Leste in 2008.

Table 2. Petroleum Tax Revenues 2008 *US Dollars*

Name of Companies	Paid by Companies	Received by Government	Differences
ConocoPhillips (Emet) Pty Ltd	8,195,630	8,195,630	-
ConocoPhillips JPDA Pty Ltd	138,400,815	138,400,815	-
ConocoPhillips (03-13) Pty Ltd	47,549,819	47,549,819	-
ConocoPhillips (03-12) Pty Ltd	256,414,380	256,414,380	-
ConocoPhillips (Timor Sea) Pty Ltd	69,502,442	69,502,442	-
ConocoPhillips (03-19) Pty Ltd	5,373	5,373	-
PC (Timor Sea 06-102) Ltd	1,967,441	1,967,441	-
Santos JPDA (91-12) Pty Ltd	96,413,949	96,413,949	-
ENI JPDA 03-13 Limited	90,201,900	90,201,900	-
ENI Timor - Leste S.P.A (PSC 1-5)	3,587,192	3,587,192	-
ENI JPDA 06-105 PTY LTD	4,735,334	4,735,334	-
Oilex (JPDA 06-103) Ltd	2,592,332	2,592,332	-
Tokyo Timor Sea Resource Pty Ltd	69,566,444	69,566,444	-
Inpex Sahul Co. Ltd	91,445,803	91,445,803	-
Woodside Petroleum (Timor Sea 19) Pty Ltd	73,956	73,956	-
Reliance Exploration & Production DMCC	57,017	57,017	-
Total	880,709,827	880,709,827	-

Royalties and Profit Oil & Gas

The operator of the Bayu Undan field pays the royalties on behalf of the Joint Venture Partners, while each Partner pays its share of Profit Oil & Gas. ConocoPhillips paid 61% of the total royalties and profit oil & gas received by Autoridade Nacional do Petróleo in 2008.

In accordance with the Petroleum Fund Law the Autoridade Nacional do Petróleo transferred the receipts to the Petroleum Fund Account held by the Banking and Payments Authority (BPA).

The Royalties and Profit Oil & Gas paid by the Companies and received by the Government are included in Table 3.

Table 3 Royalties/Profit Oil & Gas 2008 *US Dollars*

Name of Company	Paid by Companies	Received by Government	Differences
ConocoPhillips (Emet) Pty Ltd	13,226,265	13,226,265	-
ConocoPhillips JPDA Pty Ltd	221,114,059	221,114,059	-
ConocoPhillips (03-13) Pty Ltd	77,397,524	77,397,524	-
ConocoPhillips (03-12) Pty Ltd	573,204,288	573,204,288	-
ConocoPhillips (Timor Sea) Pty Ltd	112,142,344	112,142,344	-
ENI JPDA 03-13 Limited	158,457,474	158,457,474	-
Santos JPDA (91-12) Pty Ltd	161,424,724	161,424,724	-
Tokyo Timor Sea Resource Pty Ltd	132,668,436	132,668,436	-
Inpex Sahul Co. Ltd	175,168,757	175,168,757	-
Total	1,624,803,871	1,624,803,871	-

Fees

Development fee and contract service fee are fees applicable within the Joint Development Petroleum Area (JPDA), while license fee/surface fee applies within Timor-Leste Exclusive Area. 95% of the fees received by the Autoridade Nacional do Petróleo is from the JPDA while 5% of the revenues is from TLEA. All fees, except from contract service fees which is retained by the ANP according to the Petroleum Sharing Contracts, are transferred to the Petroleum Fund.

A complete list of fees paid by the companies and received by the Government in 2008 is included in Table 4.

Table 4 Fees 2008

US Dollars

Name of Company	Paid by Companies	Received by Government	Differences
ConocoPhillips (03-13) PtyLtd			-
- Contract service fee	160,000	160,000	-
ConocoPhillips (03-12) PtyLtd			-
- Development fee	2,814,000	2,814,000	-
- Contract service fee	160,000	160,000	-
Eni JPDA (06-105)			-
- Development fee	181,000	181,000	-
- Contract service fee	160,000	160,000	-
Oilex(JPDA 06-103) Ltd			-
- Contract service fee	80,000	80,000	-
PC (Timor Sea 06-102) Ltd			-
- Contract service fee	80,000	80,000	-
Reliance Exploration & Production DMCC			-
- License fee/Surface fee	23,840	23,840	-
Woodside Petroleum (Timor Sea 19) PtyLtd			-
- Contract service fee	160,000	160,000	-
Woodside Petroleum (Timor Sea 20) PtyLtd			-
- Contract service fee	160,000	160,000	-
Minza Oil & Gas Ltd			-
- Contract service fee	80,000	80,000	-
Total	4,058,840	4,058,840	-