

DEZENVOLVIMENTU LOROSAE NO TROVADOR

DEVELOPING SUNRISE AND TROUBADOUR in 5 phases

Phase 1: preliminary measures

Urgently prohibit conversion of the Bayu Undan reservoir into a CO2 dumping site

Santos currently plans to use the Wickham Point LNG plant for Barossa.
Barossa gas reservoir displays an exceptionally high CO2 content.

For technical reasons, Barossa's CO2 must be removed
at a very high cost, and disposed of underground for
environmental and regulatory reasons.
There is currently no alternative to the Bayu Undan reservoir.

Allowing the conversion of Bayu Undan into a CO2 landfill would:
1. lock the field forever; 2. disallow any production of residual gas;
3. assign Wikham Point LNG facility to others and bar Sunrise from using it;
4. help the competition, for fields compete for customers

In addition to pointlessly helping the competition,
the few benefits derived from allowing the conversion of Bayu Undan into a
CO2 landfill would be edipsed by the benefits derived from this
development project

to Phase 2

DEVELOPING SUNRISE AND TROUBADOUR in 5 phases

Phase 2: Negotiation of maritime boundaries with Indonesia

No East Timorese territorial waters are currently defined.
These must be urgently defined prior to any development.
Without well defined boundaries no country can possibly enforce any sovereignty over territorial waters.

No East Timorese EEZ (Exclusive Economic Zone) is currently defined.
The EEZ must be urgently defined prior to any development.
Without well defined boundaries no country can possibly enforce any sovereignty over its EEZ.

According to the 2018 Treaty, the extents of the Sunrise and Troubadour fields are shared as follows:
Seabed: East Timor 70%; Australia 30%
Water column / EEZ: East Timor 20%; Indonesia 80%

Any offshore development will take place primarily in Indonesian waters.
An agreement with Indonesia must be reached prior to any development.

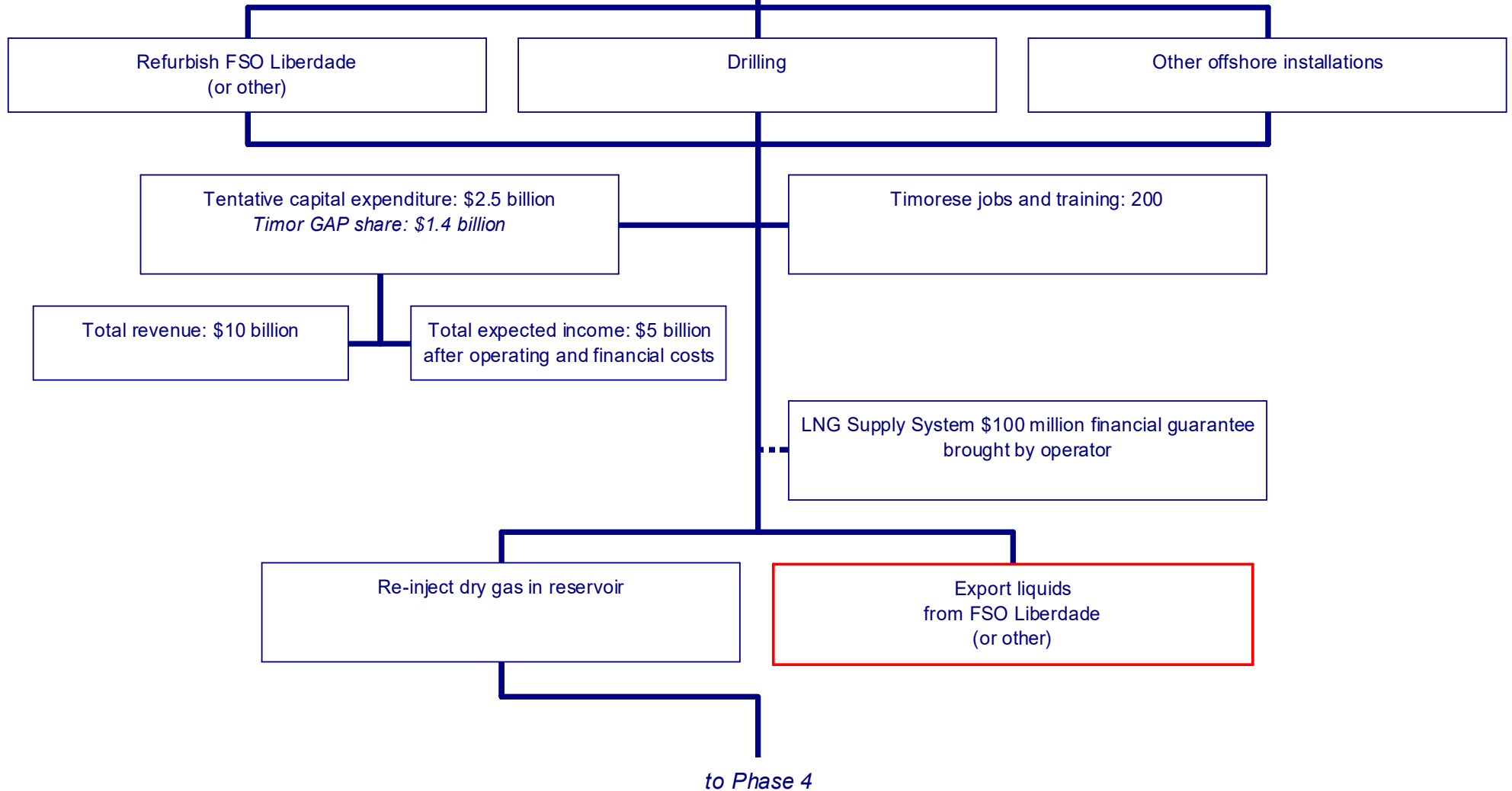
The potential Water Column / EEZ sharing is based on future delineation along pure median lines.

See guidelines and recommendations at
<https://hydrographer.org>
1. Maritime boundaries of East Timor
An updated graphical presentation of some historical and current issues

to Phase 3

DEVELOPING SUNRISE AND TROUBADOUR in 5 phases

Phase 3: development of Sunrise liquids offshore



DEVELOPING SUNRISE AND TROUBADOUR in 5 phases

Phase 4: acquisition of assets in Australia

Acquire a 25% interest in Darwin LNG plant and Bayu Undan infrastructure and pipeline for \$250 million

or swap a 20% interest in Sunrise for a 25% interest in Darwin LNG plant and Bayu Undan infrastructure and pipeline

or acquire a 25% interest in Darwin LNG plant and Bayu Undan infrastructure and pipeline and a 25% interest in Caldita-Barossa for \$500 million

Santos acquired all of ConocoPhillips' assets for \$2 billion and sold to SK E&S a 25% stake in Bayu Undan and Wickham Point LNG facilities or \$390 million

The value of SK E&S' assets decreases in line with the gradual depletion of Bayu Undan.

The existing infrastructure includes: LNG plant, pipeline, roads, and port facilities

The acquisition would justify Timor GAP's \$650 million acquisition of 56.6% of Sunrise from ConocoPhillips

to Phase 5

DEVELOPING SUNRISE AND TROUBADOUR

in 5 phases

Phase 5: development of Sunrise and Troubadour natural gas Segment 1

Stretches Bayu Undan production life by providing a main supply of gas to Wickham Point LNG plant

Postpones Bayu Undan decommissioning until total exhaustion of reservoir

Lay 210 km shallow water pipeline spur to Bayu Undan pipeline

Other offshore installations

Refurbish LNG plant at Wickham Point

Tentative capital expenditure: \$1.5 billion
Timor GAP share: \$900 million

For reference, Tasi Mane capital expenditure: \$15 to \$20 billion, 100% Timor GAP

Total revenue: \$25 billion

Total expected income: \$10 billion
after operating and financial costs

Total revenue: \$25 billion

Total expected Tasi Mane income: **NET LOSS** of \$15 to \$25 billion
after operating and financial costs

Timorese jobs and training: 100 to 200

to Wickham Point

DEVELOPING SUNRISE AND TROUBADOUR in 5 phases

**Phase 5: development of Sunrise and Troubadour natural gas
Segment 2**

from Sunrise and Troubadour

Natural gas is piped to Wickham Point
through 210 km shallow water pipeline spur and Bayu Undan pipeline

Opportunity to develop Chuditch (500 BCF)
since field is on pipeline spur route

Bayu Undan continues production
albeit at a reduced rate, which would
not be sufficient by itself to sustain
the Wickham Point LNG plant

LNG production
at Wickham Point facility

Earn extra 10% royalty
(80% instead of 70%)

Negotiate local Australian taxes

Timorese jobs and training: 100 to 200

Export LNG
from Wickham Point LNG Port

BENEFITS OF THIS PLAN
TO DEVELOP SUNRISE AND TROUBADOUR IN 5 PHASES

**EAST TIMOR OWNS A COMMANDING STAKE
IN ALL FACILITIES, PART OFFSHORE
AND PART OVERSEAS**

**300 TO 400 LONG TERM POSITIONS AND
TRAINING OPPORTUNITIES ARE CREATED**

**AS MUCH AS 10% OF GAS PRODUCTION
IS SHIPPED BACK TO EAST TIMOR
FOR ELECTRICITY GENERATION**

*OPERATORS PROVIDE A \$100 MILLION
FINANCIAL GUARANTEE FOR THE
EAST TIMORESE NATURAL GAS SUPPLY SYSTEM*

**CAPITAL EXPENDITURE IS LIMITED:
EAST TIMOR'S BURDEN IS \$2.3 BILLION ONLY**

**EXCELLENT RETURN ON INVESTMENT:
4 DOLLARS NET INCOME FOR EACH
1 DOLLAR INVESTED**

**BAYU UNDAN CONTINUES PRODUCING
DESPITE A REDUCED PRODUCTION RATE
THAT WOULD OTHERWISE HAVE FORCED
A SHUT-DOWN**

**A SUBSTANTIAL EXTRA INCOME IS GENERATED
AT BAYU UNDAN**

BAYU UNDAN'S DECOMMISSIONING IS POSTPONED

**AN OPPORTUNITY EXISTS FOR DEVELOPING
AN ADDITIONAL FIELD ALONG THE
PIPELINE ROUTE**

**MOST FACILITIES ALREADY EXIST:
LNG PLANT, LNG STORAGE, LNG DEEPWATER
PORT, FSO, PART OF THE PIPELINE,
ROADS, POWER INFRASTRUCTURE, ETC.**

**LEAD-TIME FROM DECISION TO IMPLEMENTATION
AND TO CASH FLOW COLLECTION IS SHORTER
THAN ALTERNATIVES**

*IT IS URGENT TO JUMP-START SUNRISE AT ROCK BOTTOM
COST RIGHT NOW: IF AND WHENEVER IMPORTING NATIONS
INTRODUCE LEGISLATION RESTRICTING FOSSIL FUEL
USAGE, EXPECT A STEEP DROP OF OIL & GAS PRICES*

