



H.E. Prime Minister Dr. Rui Araujo, receiving the Annual Report 2014 from TIMOR GAP's President & CE, Mr. Francisco Monteiro

## TIMOR GAP, E.P.

“CAN DO” spirit

To be an integrated oil and gas company and partner of choice

Edition of May 2015

### TIMOR GAP PRESENTS ITS 2014 ANNUAL REPORT TO THE COUNCIL OF MINISTERS

TIMOR GAP, E.P. represented by its President & CEO, Mr. Francisco Monteiro, Vice-President, Mr. Antonio de Sousa, and the Board Member, Mr. Dino Gandara, presented the 2014 Annual Report of Timor-Leste to the Council of Ministers, on the last 26th of May.

President & CEO, Mr. Francisco Monteiro, updated the Council of Ministers about the vision and mission of the Company and the progress in the on-going projects, including its three subsidiaries (GAP-MHS, PSC 11-106 and TIMOR GAP Oil & Gas Marine and Logistics).

Timor-Leste is mandated by the Government to manage and administer the Tasi Mane Project on the South Coast, therefore during the presentation in the Council of Minister, TIMOR GAP updated progress on the Suai Supply Base, Suai Airport, Betano Refinery and Petrochemical Industry and Beço LNG.

On 2014, TIMOR GAP under instructions from Ministry of Petroleum and Mineral Resources, held meetings with CPLP members' countries and reported its progress on going to forming a consortium to explore onshore hydrocarbon resources in the south western part of the country.

According with the law, TIMOR GAP's Board of Directors commissioned an independent audit (Deloitte) to review the Company' accounting activities during the year of 2014, and submitted its reports to the "Tribunal das Contas". This Annual Report will be disclosed to the public on mid-2015, which will be also available for public consultation on the company's website, [www.timorgap.com](http://www.timorgap.com), similarly to the previous annual reports of 2012 and 2013.

TIMOR GAP is compliant with the Petroleum Fund Law, Petroleum Taxation Law and all other relevant legal frameworks, including the Timor-Leste Transparency Model and is a member of EITI's Multi-Stakeholder Group.

Minister of State Dr. Agio Pereira, the spokesperson for the Government mentioned that "TIMOR GAP, E.P. holds a significant position of trust and it is good to have this annual report to review the activities the company has undertaken in 2014. The Government commends the activities of TIMOR GAP that can maximize Timorese inclusion, income and opportunity in the petroleum sector".



**TIMOR GAP - FUEL STATION Bid Process**

TIMOR GAP held a Pre-Bid Meeting regarding the Fuel Station and Gasoil Storage Project in Timor-Leste on 27<sup>th</sup> of April.

Furthermore, the site visit was compulsory and was successfully held on 29<sup>th</sup> of April.

Both location and project design of the Fuel Station and Gasoil Storage project were approved by Autoridade Nacional do Petroleo (ANP) Downstream in accordance with Regulation No. 1/2013 "Construction and Operation of Fuel Filling Station to start constructing. This means that both met the requirement of location and minimum requirement for construction of Posto Rodaviariu Abasteseментu Kombustivel (Fuel Filling Station).

On 15<sup>th</sup> of May, TIMOR GAP proceeded with the Technical Bid Opening and later on 27<sup>th</sup> of May, TIMOR GAP proceeded with Financial Bid Opening. After the completion of the project package, ANP downstream will issue the operational license.

Based on the project timeline the project package will be executed on 3<sup>rd</sup> quarter 2015 and the Gasoil storage will be ready to operate on first month of the 4<sup>th</sup> quarter 2015. Meanwhile the Fuel Station will be operated in the end of this year.



Site Visit - 29th of April 2015 /Suai – Covalima TL

Site location - future Fuel Station

May, 27th TIMOR GAP proceeded w/ Financial Bid Opening

**FIDIC IN-HOUSE TRAINING**



On 28<sup>th</sup> and 29<sup>th</sup> of May, E&P and Suai Supply Base Unit organized a FIDIC In-House Training focus in Design & Build Contracts. The Course provided by AntaVaya Convex from Indonesia was delivered by a FIDIC certified trainer, Dr. Sebastian Hök from Germany.

The main purpose of FIDIC Conditions of Contract is to define the contractual relationship between the parties and to apportion risks between the contractor and the employer. This In-House Training Course was mainly focused on the "Yellow Book" – FIDIC Conditions of Contract.

This type of contract is recommended for provision of electrical and /or mechanical plant, and for the design and execution of building or engineering works. The course will help TIMOR GAP's staff to have a good understanding of the practical use of FIDIC Conditions of contracts.

TIMOR GAP's team is currently required to deal with Procurement & construction under D&B (Design & Build, FIDIC-Yellow book).

**COMPANIES SEEKS FOR OPPORTUNITIES TO WORK WITH TIMOR GAP AS A PARTNER OF CHOICE**



TIMOR GAP became one of the partner of choice in Timor-Leste. May was another busy month for the National Oil & Gas Company, as the company received several international and national potential partners and investors.

On 18<sup>th</sup> of May, TIMOR GAP received a visit from Intersismet-Asia, an international company with an office in Dili (East-Timor) that seeks opportunity to work together with TIMOR GAP. Intersismet-Asia belongs to the Intersismet Group inheriting a large experience in countries like Angola, Mozambique, Portugal, Cape-Verde and Brazil.

Intersismet is a consulting firm specialized in Public Institutions Management regarding administrative modernization, information and technology solutions and training.



## "TASI MANE" MEGA PROJECT - WORK IN PROGRESS

A MEGA PROJECT like TASI MANE requires a inter-ministerial service, parliament approval, community involvement, coordination with local authorities, cultural ceremonies and many other requirements and procedures that most of the people have no idea.

Behind this Mega Project "TASI MANE" we do have TIMOR GAP responsible for its management.

TIMOR GAP's Business & Development Unit gives a work progress report on three of the several infrastructure projects that are at in different stages of construction regarding:

1. Suai Airport
2. Bairru Foun
3. Highway

New airport and highway projects, in addition to the building of new villages and cities, will contributed to generate income especially in the private sector. What is more, Timor-Leste had a major role in the CPLP, providing of an international range that it is crucial for the proposal of the Timorese Government to create a CPLP Onshore Exploration Consortium. Regarding the Suai area, one of the three clusters of "Tasi Mane" mega project, the work progress until date has been report by the team as follow:

**Suai Airport** –On this stage the company Waskita Karya completed around 20% of the construction but to complete the project totally it will be necessary to deal with 3 main issues inside airport project area as it will be necessary the resettlement for affected community The existence of a cemetery in the airport area it is another serious issue that we are facing as it must be removed, requiring a complex negotiation process due to the cultural and religion issues. To proceed with the ICAO (International Civil Aviation Organization) standard, it will be necessary to cut some trees located just in front of the runway but to proceed with that operation it is mandatory to follow the cultural ceremony.

**Bairru Foun** – "Lohorai" it is a neighborhood inside the future restrict area of Suai airport and therefore it was necessary to negotiate and build new houses for the families that must move to a new area. The first 25 houses new under construction of a total of 72 houses have the participation of some members of theses affected families. The new area and Holbelis village with a total of 64 houses that must be built in a second stage. They will build a total of 72 houses that will be the new homes for Lohorai and Holbelis village people. The construction is divided by two stages based on project priorities and 25% of the construction is done at the moment.

**Highway** – The first 30km of the highway, from Suai to Fatukai will be construct by COVEC & Joint Venture with China Railway First Group. To proceed with the highway construction required a long process of land identification and acquisition that has been completed this month. On the field have been a team formed by 5 groups divide by each 10 km of the first stage (30 km) of the highway:

- Group One - Identify land & properties from Debos Village to Has Ain Village (10 km).
- Group Two - Identify land & properties from Has Ain Village to Tasilin Village (10 km).
- Group Three - Identify Land and Properties from Tasilin Village to Rai Mea Village (10 Km).
- Group Four - MOPTC identify affected housings from Debos Village to Raimea Village.
- Group Five – Environment, Cultural and livestock, identify the Environmental, cultural heritage and livestock issues in project site.

Timor-Leste expects to achieve a massive growth with the increase of working companies in the market that still climbed every day the number of investors looking for business opportunity. Spending on infrastructure projects is the highest and take a prime position.

TASI MANE is synonymous of progress, peace and future of the Timorese economy.



Minister of Petroleum , Mr. Pires and TIMOR GAP Engr. Mr. Belo on the field.



Socialization at Beaco Village



Bairru Foun - under construction



Airport area under construction



Suai Airport - Work on progress



TIMOR GAP informing the Community about Highway



CAN DO TEAM WINS TOURNAMENT

TIMOR GAP's Football Team "CAN DO" won the Football Tournament "Loron Mundial Meio Ambiente" (World Environment Day). This Tournament was an initiative of Directorate-General for the Environment (DGA) on behalf of Ministry of Commerce, Industry and Environment of RTDL (MCIA) and seeks to make a bigger Ministerial call and mobilization for action on 5th of June, when World Environment Day is celebrated. TIMOR GAP supported this initiative and played the final match on 30th of May, becoming the Champion. The company in compliance with its Quality, Health, Safety and Environment Policy, includes environmental requirements in its strategy in order to minimize potential adverse impacts on the environment and the effects of climate change.



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Agenda of June 2015

TIMOR GAP, will participate at the "First Conference on Energy for the Development of the CPLP" that will be in Lisbon on 23<sup>rd</sup> to 25<sup>th</sup> of June 2015.



TIMOR GAP, E.P.

SOUTHERN COAST PROJECTS



Today, The Company is focused on the Southern Coast (Tasi Mane) Project as the main activity in the formation of a Company Portfolio in the future. The project will focus on the development of the coastal zone from Suai to Beaco that requires infrastructure to support a growing domestic petroleum industry. Following on from this development, the company will diversify into other areas of operations, such as E&P sector and downstream activities.

Level 3, Timor Plaza  
 Rua Presidente Nicolao  
 Lobato Comoro  
 P. O. Box 003  
 Dili  
 Timor-Leste  
 Tel: +670 3310953  
 www.timorgap.com  
[Info@timorgap.com](mailto:Info@timorgap.com)

