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## Press Release

Dili, 9<sup>th</sup> May 2024

### **BRIEFING NOTE REGARDING ENERPROCO'S CONTRACTUAL DISPUTE WITH TIMOR GAP, E.P.**

In reference to the article published by HATUTAN.com on 4<sup>th</sup> of May 2024, titled "*Konsidera Viola Akordu Komtratural, ENERPROCO Lori TIMOR GAP bá Tribulal Internasional Arbritajen*", TIMOR GAP, E.P. hereby clarifies the following:

It was with absolute surprise that TIMOR GAP was made aware of the article published by HATUTAN concerning an alleged dispute between TIMOR GAP and ENERPROCO and mentioning facts that are false or that are described in a biased and incorrect manner. TIMOR GAP's current management and staff were not contacted by HATUTAN and did not provide any information to the latter relating to the alleged dispute. It has also come to TIMOR GAP's attention that a press release was issued by ENERPROCO on the same matter, the content of which appears to be mirrored by HATUTAN's article.

In light of the deceitful and misleading nature of such publications, TIMOR GAP's management, in a spirit of full transparency, has decided to issue this press release to restore the truth and clarify some basic facts in connection with the alleged dispute, defending the honour and reputation of TIMOR GAP.

In 2020 a Service Agreement was signed between the previous management of TIMOR GAP and ENERPROCO following direct award.

ENERPROCO is a consulting services company based in Houston (Texas) in United States of America. ENERPROCO is not, and was never, an investor in Timor-Leste.

As part of the Service Agreement TIMOR GAP and ENERPROCO subsequently entered into a sub-Service Agreement for Technical Evaluation of Bayu Undan (BU) Field Phase 2 CCS on 16 May 2023. The duration of this subsequent contract was 19 months (from May 2023 to December 2024).

Due to what appear to be serious irregularities in the procurement process in the award of the contract to ENERPROCO, and other relevant factors, and in accordance with its contractual rights, on 18 October 2023 TIMOR GAP issued a termination letter to ENERPROCO, exercising its rights provided under the Service Agreement. In the same letter of termination, TIMOR GAP also requested the **immediate suspension** of all activities related to the Agreement for Technical Evaluation of Bayu Undan (BU) Field Phase 2 CCS. The termination letter was acknowledged and accepted by ENERPROCO on 25 October 2023.

Following the termination letter, in order to adequately protect the rights and interests of TIMOR GAP, TIMOR GAP requested ENERPROCO to submit reports with reference to the agreed scope of work for TIMOR GAP technical review and to confirm if the work claimed by ENERPROCO had indeed been carried out under the scope of the agreement, and the payments could be processed. As of today, TIMOR GAP has paid all undisputed invoices issued by ENERPROCO under the agreement, having TIMOR GAP's new management made payment of 5 invoices to ENERPROCO since it was appointed.

ENERPROCO also benefitted from other TIMOR GAP projects from October 2020 to October 2023.

TIMOR GAP was surprised to see ENERPROCO issue a public press release informing that ENERPROCO has filed an arbitration request with the Court of the International Chamber of Commerce, in Singapore, especially considering that discussions and clarifications between the ENERPROCO and TIMOR GAP technical teams were still ongoing regarding deliverables of works performed after the issuance of the suspension of work notice.

TIMOR GAP repudiates ENERPROCO's statements concerning TIMOR GAP and the underlying commercial relationship and ENERPROCO's alleged rights, which was unlawfully conveyed to the public with the sole purpose of harming TIMOR GAP. Therefore, TIMOR GAP will firmly and relentlessly assert its rights in the appropriate forum.

END.