
New Timor Sea Areas 'Open For Business'

The remainder of the Joint Petroleum Development Area of the Timor Sea is now open for business with the Australian and East Timorese governments finalising a Petroleum Mining Code and model Production Sharing Contract.

Australian Industry Minister, Ian Macfarlane, on behalf of the Australian Government, has agreed to the documents with East Timorese Prime Minister Mari Alkatiri. The 2002 Timor Sea Treaty, along with the Code and model Contract, governs the exploration, development and exploitation of petroleum within the JPDA.

"In practical terms, agreement to the Code and model Contract ensures companies

have certainty of conditions under which to take up acreage for exploration and development within the JPDA", Macfarlane said. "This announcement opens the door to business in an area which is estimated to hold recoverable gas reserves of more than 5 Tcf and 500 MMbbl of oil, condensate and liquefied petroleum gas."

The new PMC and PSC will apply to new contract areas currently advertised in the Timor Sea Designated Authority's Acreage Release 2006. The interim PMC and PSCs will continue to regulate the exploration, development and exploitation of petroleum within existing releases.

"Implementation of these two instruments will benefit both countries as companies begin to develop the remainder of the JPDA", Macfarlane said. "In particular, the documents will assist the development and economic prosperity of one of our closest neighbours. This is the certainty investors have been seeking and I look forward to hearing of companies exploring the opportunity this development provides."

Natural gas is the fastest growing fossil fuel in the world, accounting for one quarter of the world's primary energy consumption. The PMC and model PSC may be accessed through the Timor Sea Designated Authority website at www.timorseada.org ■