



Vote for FRETILIN!

2007 Parliamentary Elections

“Defending Timor-Leste’s independence”

Media release

21 June 2007

FRETILIN outlines measures to further protect sovereignty over petroleum

FRETILIN will promote two measures to ensure the people of Timor-Leste get maximum benefit from the country’s gas and oil reserves in parliament and when it forms government said FRETILIN’s Secretary General, Dr. Mari Alkatiri, who is also former Timor-Leste Prime Minister and Minister for Natural Resources, Minerals and Energy Policy.

Alkatiri said today that FRETILIN wanted exploration and development of onshore oil and gas to be reserved for a national company, and gas from the offshore Greater Sunrise field to be processed in Timor Leste.

“In the upcoming parliament and government, FRETILIN will do everything it can under the constitution to ensure that Timor-Leste’s natural resources wealth is exploited with sustainability for the maximum benefit of Timor-Leste and its people,” Alkatiri said.

Alkatiri said that FRETILIN governments have always fought hard to bring the pipeline and LNG Plant from Greater Sunrise onshore Timor-Leste.

“We have advocated that it is Timor-Leste’s absolute and sovereign right to have the pipeline and LNG Plant from Greater Sunrise onshore Timor-Leste. We have always insisted that Timor-Leste as a sovereign state will decide what happens to our share of the resources in Greater Sunrise. A future FRETILIN government and parliament will continue to always put our national interests first – this is why we fought so long and hard for independence. Only by advocating such positions will we attain the just results for our people.”

On the 30th of May 2007 the Australian press reported public comments by the Australian Minister for Natural Resources Mr. Ian McFarlane, that he was upbeat on the Greater Sunrise proceeding, but that: “Australia has lost its place in a queue which already features Browse, already features Pluto and already features the Chevron project at Barrow Island in Western Australia. The proponents of Sunrise are going to cooperate with the Timorese request. Once that is done, Sunrise is a very big project that will go ahead.”

Alkatiri said, “This is the direct result of persistent efforts by the first constitutional government which I led on this issue. My government always strongly defended the rights of the Timorese people to have the pipeline and LNG Plant brought onshore Timor-Leste and now we see the results of our persistence advocacy for our rights. But other parties and leaders did not share our commitment that we could achieve this. Whenever FRETILIN governments needed their support in dealing with Australia and the oil and gas companies on the issue, they could only criticize our work. They could not see through the fact that their support could help the government to find results that would bring greater benefits for our people and nation’s future. Now our people can see for themselves that we have always governed for our people and our nation’s paramount interest.”

Alkatiri also said that he and the FRETILIN governments until now have always made their view clear to all stakeholders that exploration and development of onshore oil and gas should be reserved for Timor-Leste’s national oil company.

“The current Minister for Natural Resources, Minerals and Energy Policy in this FRETILIN government, José Teixeira three months ago released draft proposed laws for the establishment of a national oil company and regulation of the downstream industry for public comment. He tells me the government has received a lot of feedback from civil society, industry and other stakeholders. The government will now produce another draft that will incorporate all the concerns and suggestions raised in the submissions received from Timor-Leste civil society groups. That second draft will then be released for further public comment and consultation and will be left for the next government to take further. FRETILIN wants these laws to improve on the model of transparency and progressiveness already enshrined in the current laws, which have been widely applauded by the international community. FRETILIN does not intend to erode in any way the transparency in the petroleum sector measures that are already a part of our laws; laws FRETILIN put in place.

“Setting up a national oil company is one way to ensure we keep control of our resources for our people. It is also a way of involving national private sector investors as shareholders. The other is to control the processing and use of resources in order to create other industries and more jobs. This will be done by properly regulating the downstream industry in a way which ensures processing occurs in Timor-Leste and not elsewhere. But we must work hard to bring gas from the Greater Sunrise field to Timor-Leste to ensure a fast tracking of the downstream industry.”

Alkatiri also said that in parliament and in the next government FRETILIN will do all it can to enshrine the safeguards and transparency measures of the petroleum laws in the constitution, to protect Timor-Leste’s wealth for future generations. The FRETILIN majority in Parliament and the FRETILIN Government has done everything possible to ensure that natural resources, especially petroleum, remain under the control of the Timorese people.

“Our Petroleum Exploration Law was approved without a vote against it and the Petroleum Fund Law was approved unanimously after thorough public consultation and scrutiny. This indicates the consensus amongst all parties and our people for these laws. FRETILIN commits itself to protecting the consensus reached on these laws,” he said.

“Timor-Leste’s Petroleum Exploration Laws have been widely acclaimed as being amongst the most modern, transparent and progressive laws in the world, embodying ‘world’s best practice’ standards.

“The laws allow for retention of national ownership and national interest by providing transparent and appropriate safeguards for a National Petroleum Company (State owned or mixed state/private owned) to participate in both downstream and upstream operations.

“I was the minister in the FRETILIN government who had principal responsibility for elaborating the laws. I oversaw the inaugural bid round. Timor-Leste has awarded Production Sharing Contracts for offshore exploration areas to reputable international companies following transparent and competitive international bidding. We resisted the pressure by many to hand out concessions to international companies without an international competitive bidding process. Our resistance resulted in Timor-Leste becoming renowned for its unrivalled transparency in the petroleum industry. I am very proud of our achievements. We must continue to build on these achievements to protect our resources for our people.”

For more information contact:

Jose Teixeira (+670) 728 7080

www.timortruth.com, www.fretilin-rdtl.blogspot.com