

Latest

**East Timor Could Go It Alone on Greater Sunrise**

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The tiny Southeast Asian nation of East Timor is likely to go it alone in the development of a pair of major gas fields off its southern coast. The Sunrise and Troubadour gas and condensate fields, known as the Greater Sunrise Fields, are located in the Timor Sea and hold around 5.13 Tcf of contingent gas resources and 225.9 million bbl of condensate. East Timor, also known as Timor Leste, has long favored building an onshore liquefaction plant in the country to boost the economy, while its minority partner, Australia's Woodside, prefers either a floating concept or sending the gas to backfill existing LNG facilities in Australia. "We only have two options ... one is a pipeline to Australia, one is a pipeline to Timor Leste," Antonio de Sousa, president and CEO of state energy company Timor Gap, told Energy Intelligence this week in Washington.

"With our national aspiration, we only have one option — a pipeline to Timor to guarantee development" of the country. Sousa also dismissed the possibility of using floating liquefaction, asserting that the most viable, economical option is a pipe to a East Timor-based liquefaction plant. "The maritime boundary treaty made it clear that those were the only two options that were going to be considered," explained Ron Cormick, an industry veteran and senior adviser to Sousa. Darwin Option Not the Fittest "It is worthwhile to keep in mind that there is an overlying political reason," for the pipeline to head for East Timor, said Cormick, but "it should still stand on its own two feet in terms of economic viability, and that study has been done." He said that economically, onshore liquefaction in East Timor comes out ahead of taking the gas to Australia's 3.7 million ton per year Darwin LNG. "Darwin is completely full ... to expand Darwin is not as cost-effective as starting right from scratch with modern technology," Cormick said, noting that Santos-owned Darwin now has access to Australia's Browse and Barossa fields. If you're going to deliver the Greater Sunrise gas to a liquefaction train, "why not put it into a nice clean brand-new properly designed facility rather than bolt it on to something that's quite inefficient." That facility, however, does need some designing. There is an "old development concept, but it has to be updated and refreshed," noted Cormick. Tight Timeline East Timor wants the project started this year as it watches its key Bayu-Undan field wind down production in 2023. The country is aiming for first gas production in 2028-30, which means construction — which could easily take five years — needs to start this year or next. "This momentum [for Greater Sunrise] was there before the conflict in Ukraine," he said, "but that helps. There's compelling reason why this project, after 48 years, is really going to go forward." Going It Alone Woodside is still not onboard with the pipe-to-Timor options. "If they [Woodside] do get off the bus, we're busy working on who will replace them on the bus," said Cormick. "It may be that we shore up all the capabilities of Timor Gap, it already has nuts and bolts of being a very effective, low-cost, low overhead, truly capable operator, all we need to do is insert a number of very experienced personnel which we have full access to," he said. How about another partner? "We don't really need an IOC [international oil company] or an NOC [national oil company] — if it turns out that Woodside has to fade back, and/or sell their interest, so be it, under the existing rights Timor Gap could become the operator." As for financing, East Timor has a \$19 billion-plus sovereign wealth fund, which could help. Coming to America Sousa was in the US this week seeking technical as well as political leverage. "You guys are ahead of us by more than 100 years — you can make this happen," he said in an interview. Among others, Sousa's team met with the University of Texas' **Bureau of Economic Geology**. "We need an updated reservoir study that goes back to raw data, all the way back 48 years ... so that we drill it properly and extract the maximum hydrocarbons that God left us," Cormick said. Sousa's team would also like the US to use its influence with Australia to smooth over any remaining issues with East Timor; he was not more specific on that point. The country also plans to play the China card. "Our location geographically is very important to the US," said Sousa, citing a recent dispute between China and the US over the Solomon Islands. Cormick drove home the point. "You don't get many more chances here to draw a line in the ocean and say, 'your advancement, Mr. China, has come to an end, you're not going to take over this country.'"

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