

**LAW No. 6 /2019
of 4 December 2019**

**SECOND AMENDMENT TO LAW No. 13/2005, OF SEPTEMBER 2
(PETROLEUM ACTIVITIES LAW)**

Since the restoration of Timor-Leste's independence, oil prospecting, exploration and production activities in the Timor Sea, in an area beyond the territorial sea to the south, were conducted under the regime contained in the Timor Sea Treaty, which provided for the shared development of petroleum resources there with Australia, and the existence of a structure for this purpose, which included not only the Joint Petroleum Development Area (JPDA), but also a sharing of regulatory functions by various national and supranational entities created under those regulations. This regulatory structure was, of course, reflected in the Petroleum Activities Law.

The Treaty between the Democratic Republic of Timor-Leste and Australia Establishing Respective Maritime Borders in the Timor Sea, signed in New York on March 6, 2018, proceeded to the final delimitation of our maritime border in the Timor Sea with Australia, extinguishing from the date of its entry into force the JPDA and all related supervisory and coordination structures, passing all regulatory and supervisory functions of maritime areas transiting into the exclusive jurisdiction of Timor-Leste to national authorities.

It is therefore necessary to amend the Petroleum Activities Law in order to reflect this new reality, in addition to adapting, on some points, the legal regime applicable to petroleum activities in Timor-Leste to the requirements arising from the current state of development of the industry in the country, as well as making the Law compatible with the regulatory regime already approved for operations at sea (offshore) and to be enacted soon for onshore operations.

In particular, this intervention is used to enshrine principles capable of creating the conditions for contracting goods and services from Timor-Leste and the employment of national citizens in petroleum activities.

Thus,

The National Parliament decrees the following under the terms of Article 95(1) of the Constitution of the Republic, to be enforced as law:

**Article 1
Object and scope**

1. This Law approves the second amendment to Law No. 13/2005, of 2 September, on Petroleum Activities.
2. The provisions added by Article 3 do not apply to Petroleum Operations conducted under Decree-Laws of Implementation of Annex D of the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing Respective Maritime Borders in the Timor Sea, hereinafter referred to as the Treaty, unless expressly agreed by the respective Contracting Parties.

Article 2

Amendment to Law No. 13/2005, of 2 September 2005

Articles 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 37, 38, 39, 41, 42, 45 of Law no. 13/2005, of September 2, are hereby amended to read as follows:

"Article 2

Definitions

For the purposes of this Law, the following definitions shall apply:

[...]

[...]

[...]

"Special Regime Area" means the area of the continental shelf described in Annex C of the Treaty to which the Greater Sunrise Special Regime applies;

[...]

[...]

[...]

[...]

"Code" means the Petroleum Mining Code adopted pursuant to Article 11 of the Treaty Article 11 of the Greater Sunrise Special Regime, with any repeals, derogations, modifications and additions thereto, as well as regulations made and directives issued thereunder;

[...]

[...]

[...]

[...]

[...]

[...]

[...]

[...]

[...]

"Decree-laws of Implementation of Annex D of the Treaty" means the Decree-laws adopted under Article 14 of this Law to effect the transition of rights as provided in Annex D of the Treaty or in exchange of correspondence between Timor-Leste and Australia, with any repeals, derogations, modifications and additions to which they may be subject, as well as regulations made and directives issued, or deemed to have been issued, under it;

"Decommissioning", in respect of an Authorized Area or part thereof, as the case may be, the abandonment, decommissioning, transfer, removal and disposal for scrap or waste of structures, installations, facilities, equipment and other property, and other works, used in Petroleum Operations in the Authorized Area, for the purpose of cleaning up the Authorized Area, so as to leave it in good and safe condition, and for the protection of the environment;

"Government Official" means an official of the Public Administration or its equivalent, including officials and consultants of the State or any public entity, or member of Parliament, Government, Courts and Public Prosecution Service;

[...]

"Government" means the Government of the Democratic Republic of Timor-Leste, including any public entity;

[...]

"Law" means this Petroleum Activities Law of Timor-Leste, with any repeals, derogations, modifications and amendments thereto, as well as regulations made and directives issued under it;

[...]

"Ministry" means the Ministry or any department or entity with attributions and powers in relation to this Law or other legislation applicable to petroleum operations, namely the petroleum sector regulator;

"Petroleum Operations" means activities directed at:

- Prospecting for Petroleum;
- Exploration for, evaluation, development, exploration, sale or export of Petroleum; or
- Construction, installation or operation of any structures, facilities or installations for the development, exploration and export of Petroleum, or decommissioning or removal of any such structures, facilities or installations, but does not include projects or proposals for liquefaction of Natural Gas or further processing or treatment of Petroleum after the point of export from the field, which requires prior express agreement or licensing in accordance with the legislation applicable to the Downstream Sector, as well as the approval of any additional legislation necessary for the implementation of such projects;

"Operator" means the Authorized Person or other Person appointed in an Authorization, unitization agreement, or joint operations agreement to organize and supervise Operations and approved by the Ministry;

[...]

[...]

[...]

[...]

"Oil." (i) Any hydrocarbon of natural origin, in gaseous, liquid or solid form; (ii) any mixture of hydrocarbons of natural origin, whether in a gaseous, liquid or solid state; or (iii) Any mixture of one or more naturally occurring hydrocarbons, whether in gaseous, liquid or solid form, and other gaseous substances produced in association with such hydrocarbons, including, but not limited to, helium, nitrogen, hydrogen sulphide and carbon dioxide; and includes any Petroleum as defined in subparagraphs (i), (ii) or (iii) that has been returned to a natural deposit;

[...]

"Well" means a hole in the earth's surface excavated or drilled for the purpose of discovering, evaluating or producing Petroleum;

"Greater Sunrise Special Regime" means the special regime established under the Treaty, provided for in Article 7 of the Treaty, which has been extended to include any Petroleum that has been produced in connection with such hydrocarbons.

"Treaty" means the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing Respective Maritime Borders in the Timor Sea, signed in New York on March 6, 2018.

Article 3

Space Scope of Application

1. [...]

2. [Revoked]

Article 5

Title on Petroleum

1. The legal title on Petroleum existing in the Territory of Timor-Leste, and the control of that Petroleum, belongs to Timor-Leste, constituting the same an asset in the public domain of the State.
2. The legal title to Petroleum may only be acquired by a Person after it has been legally extracted and recovered under this law or a Decree Law implementing Annex D of the Treaty.

Article 6

Legal title

Exercise by the Ministry of its Powers and Functions

1. [...]
 - a) [...]
 - b) [...]
 - c) [...](d) is consistent with all applicable laws and regulations and with Best Oil Field Practice.
2. [...]

Article 8

Graticulation

For the purposes of this Law, the Territory of Timor-Leste, or part of it, may be divided into blocks in accordance with a geographical grid, proposed by the Ministry and approved by the member of the Government responsible for the petroleum sector.

Article 9

Prospecting Authorizations

1. [...]
2. [previous paragraph 2(a)].
3. [former paragraph 2(b)].
4. [former paragraph 2(c)].
5. Data resulting from activities conducted under a Prospecting Authorization shall remain the property of the State of Timor-Leste, although the Authorization may establish rules regarding the sharing of revenues from the sale of such data to third parties.
6. [former paragraph 3].
7. [former subsection 4 (a)].
8. [former paragraph 4(b)].

Article 10

Petroleum Contracts

1. [...]
2. [...]
3. [previous paragraph 3(a)].
4. The subject matter of the Petroleum Contract may be limited to Crude Oil, Natural Gas or other components of Petroleum, or to production activities only.
5. [former paragraph 4(a)].
6. [former paragraph 4(b)].

7. [former paragraph 5].
8. Failure to comply with the provisions of paragraphs 5 to 7 of this Article shall constitute a serious breach of the Contractor's obligations and may result in termination of the Petroleum Contract.
9. The provisions of the preceding paragraph shall not apply to Petroleum Contracts entered into under the Decrees implementing Annex D of the Treaty.

Article 11

Access Authorizations

1. [previous paragraph 1(a)].
2. [former paragraph 1(b)].
3. [former paragraph 2(a)].
4. [former paragraph 2(b)].
5. [former paragraph 3(a)].
6. [former paragraph 3(b)].
7. [former paragraph 4].

Article 12

Seepage Use Authorizations

1. The Ministry may grant a Seepage Use Authorization in respect of a particular area, subject to the following conditions:
 - a) the area in question has already been the subject of a Petroleum Contract previously;
 - b) exploration activities have been conducted under the contract referred to in paragraph (a) above without a commercial discovery having been declared; and
 - c) the Authorized Person under the Petroleum Contract has permanently left the area.
2. After verifying the assumptions referred to in the preceding paragraph, the Ministry shall make an announcement in the Official Gazette, in a nationally widely circulated written communication medium and on the internet portal, that any interested person may submit an application for a Seepage Use Authorization for the area concerned, under the terms set out in such announcement.
3. [previous paragraph 1(b)].
4. [former paragraph 2(a)].
5. [former paragraph 2(b)].
6. A Permission to Use Seepage:
 - a) may be surrendered by its holder by written notice to the Ministry, provided that the Authorized Person has fulfilled all obligations to which it was bound by virtue of that Authorization; and
 - b) may be revoked or terminated by the Ministry at any time by written notice to the holder, if the holder has not fulfilled any condition or obligation under the Authorization.
7. The Ministry shall give written notice of the surrender, repeal or termination of a Seepage Use Authorization to the Authorized Person who has been authorized to operate under that Seepage Use Authorization.

Article 13

Submission of Proposals

1. The invitation to tender for Authorization shall be the subject of a public tender to be determined by the Ministry, after authorization by the member of the Government responsible for the petroleum sector.

2. Notwithstanding the provisions of the preceding paragraph, the Ministry may decide, after authorization from the member of the Government responsible for the petroleum sector, to grant Authorization, by direct negotiation:
 - a) in the case of Access Authorization; or
 - b) in the case of all other types of authorization, when it is in the public interest to do so.
3. In the case of proceeding under the terms of the preceding paragraph, the Government shall substantiate its decision in appropriate terms by means of a Resolution published in the Official Gazette.
4. [former paragraph 1(d)].
5. [former paragraph 2(a)].
6. [former paragraph 2(b)].
7. [former paragraph 3(a)].
 - a) [former paragraph 3(a)(i)].
 - b) [former paragraph 3(a)(ii)]
 - c) [former paragraph 3(a)(iii)]
 - d) [former paragraph 3(a)(iv)]
8. An Authorization granted to a tenderer shall oblige it to comply with the tenders mentioned in the previous paragraph.
9. [previous paragraph 4].

Article 14

Petroleum Operations after the Termination of the Timor Sea Treaty

The Ministry shall enter into a Petroleum Contract with Persons who conduct Petroleum Operations under the terms of the Timor Sea Treaty, or whose areas transit to the jurisdiction of Timor-Leste under Annex D of the Treaty, under conditions equivalent to those applicable to them, with the necessary amendments arising from the provisions of Article 22, where applicable.

Article 15

Petroleum Operations in General

1. [...].
2. [previous paragraph 2(a)].
3. In respect of a Petroleum Contract, the Contractor by the State and its affiliates shall be exempt from the requirement of the preceding paragraph.
4. [former paragraph 3].

Article 16

Restitution and Repairs

1. [...]
 - a) shall return to the State of Timor-Leste an amount equal to the market value of Petroleum developed, exploited, exported or sold, plus default interest at a rate to be determined by the Ministry, but not exceeding the legal rate in force;
 - b) [...]; and
 - c) shall carry out the clean-up of pollution resulting from such Petroleum Operations, or shall reimburse the State of Timor-Leste for all costs it has incurred as a result of such clean-up.
2. The measures provided for in the foregoing paragraph shall apply cumulatively, or otherwise, in accordance with a determination by the Ministry, with a view to restoring the State of Timor-Leste to the situation it would have been in had such Petroleum not been illegitimately subtracted and such Petroleum Operations not been undertaken.
3. [...]

Article 17**Restrictions on the exercise of rights**

1. [previous paragraph 1 (a)]
 - a) any immovable property in the public domain without the consent of the responsible authority, or under the terms laid down in the respective authorization;
 - b) [previous paragraph 1(a)(ii)];
 - c) any immovable property in private ownership without the establishment of an agreement ensuring the payment of fair and reasonable compensation to the owner.
2. Unless otherwise agreed between the Authorized Person and the owner, the owner of any immovable property situated in an Authorized Area shall remain the owner of the right to use and enjoy its property, to the extent that such use and enjoyment does not interfere with Petroleum Operations.
3. [previous paragraph 1(c)];
4. [previous paragraph 1(d)].
5. Without prejudice to the Authorized Person's right to establish a safety zone around any wells, platforms, infrastructure, ships or equipment, used in Petroleum Operations, an Authorized Person may not exercise any of the rights under an Authorization or this Law in a manner that interferes with fishing, navigation or any other lawful maritime activity without the written consent of the responsible authority.
6. An Authorized Person shall be liable to pay fair and reasonable compensation if, in the course of Petroleum Operations:
 - a) it disrupts the rights of the owner of any immovable property, or causes him any damage; or
 - b) clearly interfere with fishing, navigation or any other lawful maritime activity, without prejudice to the right to control navigation within and access to the safety zone referred to in the preceding paragraph.
7. [previous paragraph 3 (b)].
8. [former paragraph 4].

Article 18**Approval by the Ministry**

1. [...].
2. [previous paragraph 2(a)].
3. [former paragraph 2(b)].
4. The provisions of paragraph 2 shall not apply if the change in Control is the direct result of an acquisition of shares or other securities listed on a recognized capital market.
5. For the purposes of this Article, change in Control includes situations where a Person ceases to exercise Control, whether or not Control is exercised by another Person, and a Person obtains Control, whether or not Control was previously held by another Person.
6. [former paragraph 3].

Article 19**Unitization Contract**

1. [former paragraph 1(a)]
 - a) The Ministry shall by written notice require the Contractors to enter into a unitization agreement with each other for the purpose of securing more effective and optimized production of Petroleum in that Oil field; and
 - b) If the Contractors have not reached agreement within eighteen (18) months of receipt of the notice referred to in paragraph (a), the Ministry shall decide on the terms of the unitization agreement.

2. [former paragraph 1(b)]
 - a) The Ministry shall by written notice require the Contractor to enter into a unitization agreement with the Ministry for the purpose of securing more effective and optimized production of Petroleum in relation to that Oil field; and
 - b) [former paragraph 1(b)(ii)].
3. Without prejudice to the regulation of other matters deemed appropriate, the unitization agreement shall define the quantity of Petroleum in each of the areas covered by the unitization agreement, and shall appoint the Operator responsible for producing the Petroleum covered by the unitization agreement.
4. The Ministry may not approve the development or exploitation of the Oil field until the unitization agreement has been approved or decided in accordance with paragraphs 1 and 2 of this Article.
5. Any amendments to the unitization contract shall be subject to approval by the Ministry.

Article 20

Settlement of Disputes

1. [former paragraph 1(a)]:
 - a) [former paragraph 1(a), (i)]
 - b) [former paragraph 1(a), (ii)]
2. [previous paragraph 1(b)].
3. [former paragraph 1(c)].
4. [former paragraph 2(a)].
5. [former paragraph 2(b)].

CHAPTER III

STATE PARTICIPATION, LOCAL CONTENT AND USE OF OIL INFRASTRUCTURES

Article 22

Participation of the State and other public legal persons in Petroleum Operations

1. [...].
2. [...].
3. Each Authorization shall provide for the right of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, to participate in Petroleum Operations, up to a maximum of twenty percent (20%) of the Authorization.
4. The limit of twenty percent (20%), provided for in the preceding paragraph, shall not apply where the participation of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, results wholly or in part from a commercial transaction or an award under the law.
5. [...].
6. In the situations provided for in paragraph 3, the State's share of the Contractor's Exploration and Development expenses shall be financed by the other members of the Contractor, under terms to be established through a financing contract the essential terms of which shall be made available in the announcement of the call for tenders mentioned in Article 13.
7. In the event of a commercial discovery and subsequent Development and Production of Petroleum, the State's share of the Contractor's expenses funded under the provisions of the preceding paragraph shall be reimbursed to funders through Petroleum for cost recovery.
8. In entering into Petroleum Operations under this Article, the State shall release the Contractor from obligations relating to the provision of guarantees, insurance and other obligations of a similar nature required of other Contractors.

9. The Petroleum Fund may be applied directly in Petroleum Operations, in national territory or abroad, by entering into commercial transactions, through Timor Gap, EP, in accordance with the provisions of the Petroleum Fund Law.
10. [previous paragraph 7].

Article 25
Data and Information

1. [...].
2. The data and information obtained in the course of the Petroleum Operations may be freely exported by Authorized Persons, provided that an original, or in the case of a tarol (core), rock, fluid or any other physical sample, usable portion of the original, of all such data and information, whether physical or electronic, is kept in Timor-Leste.

Article 26
Audit and Inspection

1. The Ministry may appoint a person to assume the functions of Inspector for the purposes of this Act and complementary legislation.
2. [previous paragraph (1)(b)]
3. [former subsection 2].

Article 27
Extinction of Authorizations

1. [previous paragraph 1(a)].
2. [former paragraph 1(b)].
3. [Former paragraph 2(a)].
4. If the Ministry determines the termination of an Authorization under the preceding paragraph, the remaining Authorized Persons, in proportion to their respective shares, shall have the right of first refusal to acquire the terminated Authorization, reversing any part of the terminated Authorization not acquired by the remaining Authorized Persons for Timor-Leste.

Article 28
Extinguished Authorization

Liability and Subrogation in Respect of Civil Liability:

1. The State of Timor-Leste, including the Government and the Ministry, shall not be liable for any costs, indemnity, or any other charges arising out of or in connection with the conduct of Petroleum Operations, including agreements for the sale of Petroleum on its behalf or representation.
2. An Authorized Person:
 - a) is exclusively responsible for all claims, civil liability issues, complaints, pretensions and any other requests, made by third parties, arising directly or indirectly from Petroleum Operations; and
 - b) It shall be covered by objective liability insurance in respect of any claims, ccomplaints or demands referred to in paragraph (a) above, in such amount as the Ministry may at any time require, unless the Ministry considers, after consultation with the Authorized Person, that the potential liability under paragraph (a) above may be covered by other means.

Article 29
Publication by the Ministry

1. [...].
 - a) [...]
 - b) [...]
 - c) [...]

2. The Ministry shall publish invitations to tender for Authorizations under Article 13(1) in the media, on its Internet portal and in the international specialized press, in the manner laid down in its own regulations.

Article 30
Public Register

1. [former paragraph 1(a)]:
 - a) [former paragraph 1(a)(i);
 - b) [former paragraph 1(a)(ii)];
 - c) [former paragraph 1(a)(iii)].
2. [former paragraph 1 (b)].
 - a) all the Authorizations, and amendments thereto, whether or not in force, and unitization contracts, referred to in the preceding paragraph;
 - b) [former paragraph 1 b) ii)];
 - c) [former paragraph 1 b) iii)];
 - d) All Authorizations, and respective modifications, whether or not in force, and unitization contracts, which are granted or signed in compliance with a Decree-Law implementing Annex D of the Treaty, the Code or the Treaty;
 - e) Petroleum Operations carried out under a Decree-Law implementing Annex D of the Treaty; and
 - f) Petroleum Operations in the area covered by the Special Regime of Greater Sunrise, provided in compliance with the Code.
3. [former paragraph 2]:
 - a) the granting of an Authorization arising from an invitation to tender under Article 13(1);
 - b) granting of an Authorization by direct negotiation under Article 13(2);
 - c) approval of a development plan under a Petroleum Contract;
 - d) waivers granted, and agreed changes or suspensions, under Article 21; and
 - e) any decisions, concessions or approvals which, under an Authorization, require publication.
4. Authorized Persons shall be required to report on their compliance with the obligations and requirements to which they are subject under the Law and the Authorizations in the manner and in the detail required by the respective Authorization and in their own regulations.
5. The Ministry shall make available to the public the reports referred to in the preceding paragraph.
6. The Ministry shall make available to the public the reports submitted by Authorized Persons in relation to payments relating to Petroleum Operations made to the Government of Timor-Leste, as required by law or international agreements, treaties, or initiatives to which the State of Timor-Leste is a party.
7. [former paragraph 5].
8. The information referred to in paragraphs 1 and 2 of this Article shall be made available to the public in at least one of the official languages of Timor-Leste.

Article 31
Regulations

1. [...]:
 - a) [...];
 - b) [...];
 - c) [...];
 - d) [...];
 - e) [...];

- f) [...];
 - g) [...];
 - h) [...];
 - i) [...];
 - j) [...];
 - k) [...];
 - l) [...];
 - m) [...];
 - n) [...];
 - o) [...];
 - i. Training and employment of nationals of Timor-Leste;
 - ii. [...];
 - iii. [...];
 - iv. [...].
 - p) [...];
 - q) [...].
2. [...].

Article 32

Directives

In addition to the competence to issue directives under paragraph 7, article 11 and paragraph 3, article 20, the Ministry may issue directives to Authorized Persons:

- a) In relation to any matter referred to in subsection 31.1; or
- b) Demanding by any other way compliance with the Law, the Decree-Law of Implementation of Annex D of the Treaty, complementary legislation or regulation or its Authorization.

Article 33

Spatial Scope and Material for the Application of this Chapter

- 1. [Repealed]
- 2. [...]

Article 35

Danger to People, Property and the Environment

Whoever, through conduct that violates the provisions of this Law, legislation or complementary regulations, or a Decree Law implementing Annex D of the Treaty, or the Code or Special Regime of Greater Sunrise, creates danger to the life or physical integrity of others, or to property of high value, or creates serious danger to the environment, is punished with:

- a) [...]
- b) [...]

Article 37

False or Misleading Information

- 1. Whoever,
 - a) in the submission of proposals under this Law, complementary legislation or regulations, or under a Decree-Law implementing Annex D of the Treaty, the Code or the Greater Sunrise Special Regime, or in connection with such proposals, to provide, willfully or negligently, any information that is materially false or misleading, or
 - b) deliberately or negligently include or permit to be included in any report, tax return, or sworn statement submitted under any provision of this Act, additional legislation or regulation, or a Decree-

Law implementing Annex D of the Treaty, the Code or the Greater Sunrise Special Regime, or an Authorization, any information that is false or misleading, shall be punished with imprisonment for up to three (3) years or a fine of not less than seventy-five (75) days.

2. [...].

Article 38

Non-compliance with Regulations and Directives

1. In the event of non-compliance, even if negligent, by a Person with complementary legislation or the regulations referred to in Article 31, and/or the directives referred to in Article 32, the Ministry may require immediate compliance with all regulatory obligations and/or carry out any material acts appropriate and necessary to comply with such obligations, the costs and expenses being charged to the Person concerned.
2. The State shall have a right of recourse in respect of costs and expenses incurred pursuant to the preceding paragraph, plus default interest at a rate to be determined by the Ministry, the amount in question constituting a debt owed to the State.

Article 39

Accessory penalties

[...]:

- a) [...];
- b) [...];
- c) [...];
- d) [...];
- e) provision of a performance bond;
- f) [...];
- g) [...];
- h) [...].

Article 41

Fines to Legal and Similar Persons

1. In the case of legal persons, companies, mere de facto associations and any other legal entities, including those without legal personality, each day of fine corresponds to an amount between USD \$5.00 (five United States dollars) and USD \$10,000.00 (ten thousand United States dollars) to be determined by the court according to the economic and financial situation of the legal person or equivalent, the seriousness of the infraction, the degree of fault and its charges.
2. [...].

Article 42

Supervision

The Ministry and the Inspectors, and any other organs of the Public Administration to whom such competence is delegated, shall be responsible for supervising compliance with the rules contained in this Law, without prejudice to the powers attributed by law to other public entities.

CHAPTER IX

FINAL ARRANGEMENTS

Article 45

Transitional Provision

[Repealed]."

Article 3
Addendum

Articles 22-A, 22-B and 22-C are added to Law no. 13/2005, of September 2, with the following wording:

"Article 22-A

The Contracting of Goods and Services

1. Authorized Persons, including the State-Owned Contractor, who conduct Petroleum Operations or related activities are not subject to the general rules of public procurement and shall comply with the provisions of this Article and other legislation applicable to the petroleum sector.
2. Authorized Persons shall hold competitive tenders for the acquisition of goods and services for their Petroleum Operations at sea or onshore, in accordance with the legislation in force, the provisions of the respective Authorizations, and the following principles:
 - a) All bids shall be advertised in Timor-Leste so as to give effective opportunity to suppliers based in Timor-Leste to bid for them;
 - b) Goods and services shall be contracted from suppliers based in Timor-Leste whenever available on competitive terms;
 - c) The procurement of goods and services shall always require the approval of the Ministry;
 - d) Outsourcing or any other contractual practice that results in circumvention of the rules for procurement of goods and services from Timor-Leste-based suppliers is prohibited.
3. Contracts and subcontracts for the procurement of goods and services for Petroleum Operations that violate applicable rules on local content and public procurement shall be null and void and the costs incurred with the same costs shall not be recoverable under the respective Authorizations, or deductible for tax purposes.
4. The Ministry may approve a list of goods and services for which procurement is reserved for suppliers based in Timor-Leste.
5. Non-resident sub-contractors who are awarded contracts to provide goods and services to Petroleum Operations shall comply with all legal obligations relating to commercial and tax registration in Timor-Leste, as well as with the other legislation of Timor-Leste.

Article 22-B

Carrying out maritime operations

1. The performance of maritime operations, directly or indirectly, related to Petroleum Operations, on a permanent basis, is reserved to companies registered or incorporated in Timor-Leste, and duly licensed to carry out such activities.
2. The maritime operations referred to in the preceding paragraph include, namely:
 - a) the import of vessels and equipment, including drill rigs and drilling vessels;
 - b) the provision of services directly related to the conduct of Petroleum Operations, including, namely:
 - i. assistance and support services to drilling and production facilities (including ships) in maritime areas;
 - ii. transportation between the port bases and the maritime facilities of passengers, equipment, goods, supplies, and other cargo, including fuels, oils, water, foodstuffs, and other goods and equipment used in the operations;
 - iii. activities intended for well drilling and completion;
 - iv. diving operations assistance;
 - v. ship towing, rescue, and wreck removal services;
 - vi. activities related to anchoring and mooring;
 - vii. laying of gas and oil pipelines at sea; and
 - viii. Seismic and marine survey services, including vertical seismic profiles, (Vertical Seismic Profile - VSP).

- c) Any other services included by the Ministry in the list of reserved services mentioned in paragraph 4 of Article 22-A.
3. For the purposes of subsection 1, the performance of maritime operations with a permanent character shall be deemed to be the performance of services in Timor-Leste for more than 1 year, or the award of a contract with a term of more than 1 year.
4. For duly justified reasons of public interest, the Ministry may exempt each sub-contractor, for a maximum period of 1 year, from complying with the requirements of this Article.

Article 22-C

Use of Suai Logistics Base and respective Petroleum Facilities

1. Unless otherwise expressly authorized by the member of the Government responsible for the petroleum sector, all Authorized Persons and all suppliers of goods and services to Petroleum Operations in the Territory of Timor-Leste shall use the Logistics Base of Suai and its respective petroleum facilities as a base of operations.
2. Notwithstanding the provisions of the preceding paragraph, Authorized Persons and suppliers of goods and services may elect to maintain their head office and administrative support offices at another location in Timor-Leste".

Article 4

Repeal

Article 3(2), Article 33(1) and Article 45 of Law 13/2005 of 2 September are hereby repealed.

Article 5

Republication

Law 13/2005, of September 2, as amended by Law 1/2019, of January 18 and by this Law, is republished in its current wording as an annex to this Law, of which it is an integral part.

Article 6

Entry into force

This law shall enter into force on the day following its publication.

Approved on October 8, 2019.

The President of the National Parliament,

Aaron Noah of Jesus of the Coast Amaral

Promulgated on November 25, 2019.

Be it published.

The President of the Republic,

Francisco Guterres Lú Olo

ANNEX (referred to in Article 5)

Republication of Law 13/2005, of September 2, Petroleum Activities Law

LAW No. 13 /2005

ON PETROLEUM ACTIVITIES

Preamble

Pursuant to international law, Timor-Leste has sovereign rights for the purpose of exploring, exploiting and managing its natural resources, including Petroleum resources. Timor-Leste has title to all Petroleum resources existing in the subsoil of its territory, both onshore and offshore.

The objective of this Law on Petroleum activities (the Law) is to provide as many benefits to Timor-Leste and its people as possible by establishing a regulatory regime that will allow petroleum companies to develop such petroleum resources.

The Law empowers the Ministry to authorize petroleum companies to explore for and exploit Petroleum resources. Other petroleum regimes have been taken into consideration in order to establish a regime that is internationally competitive and helps attract investments in the development of petroleum activities.

The Petroleum resources owned by Timor-Leste are a strategic component of its economy, have a high-potential value and are expected to generate significant revenues for the country. In addition to aiming to maximize Timor-Leste's oil revenues, the Law also envisages assisting in achieving the country's broad development goals. Oil revenues, and the development of this resource, will allow Timor-Leste to more effectively deal with developmental needs and priorities, further strengthen its human resources, consolidate the advancements made thus far, speed up and sustain economic growth, reduce poverty, and improve the well-being of the Timorese people.

Another objective of the Law is to ensure stability and transparency in regulating the development of Petroleum resources. In this respect, the Law is complemented with transparency requirements already being applied in Timor-Leste, or yet to be established, including those relating to the publication of information and the saving of oil revenues.

Thus, pursuant to subsections 95.1 and 139 of the Constitution of the Republic, the National Parliament enacts the following to be enforced as law:

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Shortened title**

This Law may be referred to as the "Law on Petroleum Activities".

Article 2

Definitions

For the purposes of this Law:

“Access Authorization” means an Authorization granted under the terms of article 11;

“Affiliate” means, in respect of an Authorized Person (or, if more than one Person, in respect of each such Person), a Person that Controls, is Controlled by, or is under common Control with, the Authorized Person or any such Person, as the case may be;

“Authorization” means an Access Authorization, a Petroleum Contract, a Prospecting Authorization or a Seepage Use Authorization or any Contract entered into in respect of such an Authorization or Contract;

“Authorized Area” means the area from time to time the subject of an Authorization;

“Authorized Person” means:

- in respect of a Petroleum Contract, the Contractor; and
- in respect of any other Authorization, the Person to whom such other Authorization has been granted;

“Petroleum” means:

- any naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;
- any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or
- any Petroleum, as defined above, which has been returned to a reservoir;

“Calendar Year” means a period of 12 months commencing on January 1 and ending on the following December 31, according to the Gregorian calendar;

“Code” means the Petroleum Mining Code adopted pursuant to Article 11 of the Treaty Article 11 of the Greater Sunrise Special Regime, with any repeals, derogations, modifications and additions thereto, as well as regulations made and directives issued thereunder;

“Contract Area” means the Authorized Area under a Petroleum Contract;

“Contractor” means a Person or, in the case of more than one Person, the group of Persons with whom the Ministry has entered into a Petroleum Contract;

“Control” means, in relation to a Person, the power of another Person to ensure:

- by means of the holding of shares or the possession of voting power, in or in relation to the first Person or any other Person; or
- by virtue of any powers conferred by the articles of association of the first Person or any other Person or of any document that is likely to confer similar powers, that the affairs of the first Person are conducted or managed in accordance with the directions or decisions of that other Person;

“Crude Oil” means crude mineral oil and all naturally occurring hydrocarbons in a liquid state or obtained from wet gas by condensation or extraction;

“Decommissioning”, in respect of an Authorized Area or part thereof, as the case may be, the abandonment, decommissioning, transfer, removal and disposal for scrap or waste of structures, installations, facilities, equipment and other property, and other works, used in Petroleum Operations in the Authorized Area, for the purpose of cleaning up the Authorized Area, so as to leave it in good and safe condition, and for the protection of the environment;

"Decree-Laws of Implementation of Annex D of the Treaty" means the Decree-laws adopted under Article 14 of this Law to effect the transition of rights as provided in Annex D of the Treaty or in exchange of correspondence between Timor-Leste and Australia, with any repeals, derogations, modifications and additions to which they may be subject, as well as regulations made and directives issued, or deemed to have been issued, under it;

"Government" means the Government of the Democratic Republic of Timor-Leste, including any public entity;

"Government Official" means an official of the Public Administration or its equivalent, including officials and consultants of the State or any public entity, or member of Parliament, Government, Courts and Public Prosecution Service;

"Good Oil Field Practice" has the same meaning as set out in sub-article 23.1;

"Greater Sunrise Special Regime" means the special regime established under the Treaty, provided for in Article 7 of the Treaty, which has been extended to include any Petroleum that has been produced in connection with such hydrocarbons;

"Inspector" has the same meaning as set out in sub-article 26.1;

"Law" means this Petroleum Activities Law of Timor-Leste, with any repeals, derogations, modifications and amendments thereto, as well as regulations made and directives issued under it;

"Ministry" means the Ministry or any department or entity with attributions and powers in relation to this Law or other legislation applicable to petroleum operations, namely the petroleum sector regulator;

"Natural Gas" means all gaseous hydrocarbons and inerts, including wet mineral gas, dry mineral gas, casing head gas and residue gas remaining after the extraction of liquid hydrocarbons from wet gas, but not crude oil;

"Oil" (i) Any hydrocarbon of natural origin, in gaseous, liquid or solid form; (ii) any mixture of hydrocarbons of natural origin, whether in a gaseous, liquid or solid state; or (iii) Any mixture of one or more naturally occurring hydrocarbons, whether in gaseous, liquid or solid form, and other gaseous substances produced in association with such hydrocarbons, including, but not limited to, helium, nitrogen, hydrogen sulphide and carbon dioxide; and includes any Petroleum as defined in subparagraphs (i), (ii) or (iii) that has been returned to a natural deposit

"Operator" means the Authorized Person or other Person appointed in an Authorization, unitization agreement, or joint operations agreement to organize and supervise Operations and approved by the Ministry;

"Parliament" means the National Parliament of Timor-Leste;

"Person" includes a corporation or any other legal entity, even if it has no legal personality;

"Petroleum Contract" means a contract, license or any other type of Authorization entered into or granted pursuant to Article 10;

"Petroleum Operations" means activities directed at:

- Prospecting for Petroleum;
- Exploration for, evaluation, development, exploration, sale or export of Petroleum; or
- Construction, installation or operation of any structures, facilities or installations for the development, exploration and export of Petroleum, or decommissioning or removal of any such structures, facilities or installations, but does not include projects or proposals for liquefaction

of Natural Gas or further processing or treatment of Petroleum after the point of export from the field, which requires prior express agreement or licensing in accordance with the legislation applicable to the Downstream Sector, as well as the approval of any additional legislation necessary for the implementation of such projects;

“Prospecting Authorization” means an Authorization granted pursuant to Article 9;

“Public Officer” means a civil servant or an individual with a similar status, members of Parliament or of Government, judicial magistrates, and public prosecutors;

“Reservoir” means a porous and permeable underground formation containing an individual and separate naturally occurring accumulation of producible hydrocarbons (in a liquid and/or gaseous state), that is confined by impermeable rock and/or water barriers, and is characterized by a single natural pressure system;

“Seep” means, in respect of Petroleum, Petroleum which is seeping to the surface, naturally, through natural conduits;

“Seepage Use Authorization” means an Authorization granted pursuant to Article 12;

“Special Regime Area” means the area of the continental shelf described in Annex C of the Treaty to which the Greater Sunrise Special Regime applies;

“State-Owned Contractor” means the Contractor incorporated under the laws of Timor-Leste, which is controlled, whether directly or indirectly, by Timor-Leste;

“Territory of Timor-Leste” consists of the territory of Timor-Leste, including its territorial sea, together with its exclusive economic zone and continental shelf where, under international law, Timor-Leste has sovereign rights for the purposes of exploring for and exploiting its natural resources;

“Timor-Leste” means the Democratic Republic of Timor-Leste;

“Treaty” means the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing Respective Maritime Borders in the Timor Sea, signed in New York on March 6, 2018.

“Well” means a hole in the earth's surface excavated or drilled for the purpose of discovering, evaluating or producing Petroleum; and

“Wellhead” means the point where Petroleum exits the confines of the Well and associated systems;

Article 3

Territorial Scope of Application

1. This Law applies to the Territory of Timor-Leste.
2. [Repealed]

Article 4

Material scope of application

1. This Law applies to Petroleum Activities.
2. The existence of an Authorization in force in a given area does not prevent Authorization of the exploration and exploitation of mineral substances other than Petroleum, insofar as such other activity does not hinder or interfere with the proper performance of the Petroleum Operations.

Article 5
Title to Petroleum

1. The legal title on Petroleum existing in the Territory of Timor-Leste, and the control of that Petroleum, belongs to Timor-Leste, constituting the same an asset in the public domain of the State.
2. The legal title to Petroleum may only be acquired by a Person after it has been legally extracted and recovered under this law or a Decree Law implementing Annex D of the Treaty.

Article 6
Exercise by the Ministry of its competencies and functions

1. The Ministry shall exercise its competencies and functions under the present Law, including under Authorizations granted hereunder, in such a manner as:
 - a) to ensure a balanced and sound resource management;
 - b) to ensure that Petroleum is exploited and developed in a way that minimizes damage to the environment, is economically sustainable, promote further investment and contributes to the long-term development of Timor-Leste;
 - c) is reasonable; and
 - d) is consistent with all applicable laws and regulations and with Best Oil Field Practice.
2. Before exercising any such competency or discharging any such function, the Ministry may give opportunity to the Persons likely to be affected to make representations to it, and shall give consideration to the relevant representations received by it.

Article 7
Restrictions on rights of public officers

1. A Public Officer shall not acquire, attempt to acquire or hold:
 - a) an Authorization or an interest, whether direct or indirect, in an Authorization; or
 - b) a share in a corporation, or an affiliate thereof, that holds an Authorization.
2. Any instrument that grants or purports to grant, to a Public Officer, an interest, whether direct or indirect, in an Authorization shall, to the extent of the grant, be void.
3. The acquisition or holding of an Authorization, interest or share by the spouse or minor children of a Public Officer shall be deemed to be an acquisition or holding by the Public Officer.

Article 8
Graticulation

For the purposes of this Law, the Territory of Timor-Leste, or part of it, may be divided into blocks in accordance with a geographical grid, proposed by the Ministry and approved by the member of the Government responsible for the petroleum sector.

CHAPTER II
AUTHORISING PETROLEUM ACTIVITIES

Article 9
Prospecting Authorizations

1. The Ministry may grant a prospecting Authorization, in respect of a specific area, to a Person or group of Persons.
2. A prospecting Authorization confers the right to undertake geological, geophysical, geochemical and geotechnical surveys in the Authorized Area;

3. The prospecting Authorization shall require the Authorized Person to report to the Ministry on the progress and results of such prospecting activities, and to maintain confidentiality with respect thereto;
4. Nothing in the prospecting Authorization authorizes the holder to drill a Well or to have any preference or right to enter into a Petroleum Contract.
5. Data resulting from activities conducted under a Prospecting Authorization shall remain the property of the State of Timor-Leste, although the Authorization may establish rules regarding the sharing of revenues from the sale of such data to third parties
6. Prior to granting a Prospecting Authorization in respect of an area that is the subject of an existing Authorization, the Ministry shall give written notice to the holder of the existing Authorization.
7. The holder of a prospecting Authorization may surrender it at any time by written notice to the Ministry, provided that the Authorized Person has fulfilled all its obligations thereunder.
8. If the holder has failed to meet any of the conditions or to fulfil any of its obligations under the Prospecting Authorization, the Ministry may revoke or terminate such an Authorization by written notice to the holder.

Article 10 **Petroleum contracts**

1. The Ministry may enter into a Petroleum Contract, in respect of a specific area, with a Person or group of Persons, provided that if a group, such group has entered into a joint operating agreement approved by the Ministry under sub-article 18.1
2. In order to be eligible to enter into a Petroleum Contract, a Person must:
 - a) have, or have access to, financial capability, and the technical knowledge and technical ability to carry out the Petroleum Operations in the Contract Area;
 - b) not have a record of non-compliance with principles of good corporate citizenship; and
 - c) be a limited liability corporation or entity with limited liability.
3. Without prejudice to Articles 11 and 12, a Petroleum Contract grants to the Contractor the exclusive right to carry out Petroleum Operations in the Contract Area.
4. The subject of the Petroleum Contract may be limited to Crude Oil, Natural Gas or other constituents of Petroleum.
5. An Authorized Person shall give written notice to the Ministry within twenty-four (24) hours of any discovery of Petroleum in the Authorized Area.
6. The Contractor shall provide such information relating to the discovery as may be required by the Ministry.
7. A Petroleum Contract shall oblige the Contractor to carry on Petroleum Operations only in accordance with work programs, plans and budgets approved by the Ministry.
8. Failure to comply with the provisions of paragraphs 5 to 7 of this Article shall constitute a serious breach of the Contractor's obligations and may result in termination of the Petroleum Contract.
9. The provisions of the preceding paragraph shall not apply to Petroleum Contracts entered into under the Decrees implementing Annex D of the Treaty.

Article 11

Access Authorizations

1. The Ministry may grant an Access Authorization, in respect of a specific area, to a Person or a group of Persons.
2. The Ministry may not grant an Access Authorization in respect of an area that is the subject of a Petroleum Contract, a Prospecting Authorization or a Seepage Use Authorization until it has taken into consideration any submissions made by the holders of such Authorizations in such a way that there is no encroachment upon the rights of that other Authorized Person.
3. An Access Authorization, while it remains in force, authorizes the holder to carry out one or more of the following activities:
 - a) construct, install and operate structures, facilities and installations, and
 - b) carry out other works,
as specified in the Authorization, in respect of the Authorized Area.
4. Nothing in an Access Authorization authorizes the holder to drill a Well.
5. An Access Authorization:
 - a) may be surrendered by the holder by written notice to the Ministry, provided that the Authorized Person has fulfilled all its obligations thereunder; and
 - b) may be revoked by the Ministry at any time by written notice to the holder, if the holder has not fulfilled a condition or an obligation to which the Authorization is subject.
6. The Ministry shall give written notice of the surrender, revocation or termination to any Authorized Person in whose Authorized Area operations were Authorized to be carried on by the Access Authorization concerned.
7. The Ministry may issue a directive to the holders of Access Authorizations and to other Authorized Persons regarding the coordination of their respective Petroleum Operations.

Article 12

Seepage use Authorizations

1. The Ministry may grant a Seepage Use Authorization in respect of a particular area, subject to the following conditions:
 - a) the area in question has already been the subject of a Petroleum Contract previously;
 - b) exploration activities have been conducted under the contract referred to in paragraph (a) above without a commercial discovery having been declared; and
 - c) the Authorized Person under the Petroleum Contract has permanently left the area.
2. After verifying the assumptions referred to in the preceding paragraph, the Ministry shall make an announcement in the Official Gazette, in a nationally widely circulated written communication medium and on the internet portal, that any interested person may submit an application for a Seepage Use Authorization for the area concerned, under the terms set out in such announcement.
3. The Ministry may grant a Seepage Use Authorization to a Person who is acting for this purpose on behalf of a class of Persons specified in the Authorization.
4. A Seepage Use Authorization grants an exclusive right to exploit a Seep in a specified area.
5. A Seepage Use Authorization shall require the Authorized Person to report to the Ministry on the progress and results of such exploitation.

6. A Permission to Use Seepage:
 - a) may be surrendered by its holder by written notice to the Ministry, provided that the Authorized Person has fulfilled all obligations to which it was bound by virtue of that Authorization; and
 - b) may be revoked or terminated by the Ministry at any time by written notice to the holder, if the holder has not fulfilled any condition or obligation under the Authorization.
7. The Ministry shall give written notice of the surrender, repeal or termination of a Seepage Use Authorization to the Authorized Person who has been authorized to operate under that Seepage Use Authorization.

Article 13

Invitation to apply

1. The invitation to tender for Authorization shall be the subject of a public tender to be determined by the Ministry, after authorization by the member of the Government responsible for the petroleum sector.
2. Notwithstanding the provisions of the preceding paragraph, the Ministry may decide, after authorization from the member of the Government responsible for the petroleum sector, to grant Authorization, by direct negotiation:
 - a) in the case of Access Authorization; or
 - b) in the case of all other types of authorization, when it is in the public interest to do so.
3. In the case of proceeding under the terms of the preceding paragraph, the Government shall substantiate its decision in appropriate terms by means of a Resolution published in the Official Gazette.
4. Proposals shall be submitted in an official language of Timor-Leste or, if in another language, shall be accompanied by an official translation into an official language of Timor-Leste, and shall be submitted in a sealed envelope.
5. The tender shall specify the area to which it relates, the activities involved, the criteria against which the bids will be evaluated, the fees to be paid upon submission of the bid, where applicable, as well as the time frame in which such bids must be submitted and how they will be made.
6. Unless otherwise stated in the terms of the tender, the Ministry may decide not to grant Authorization to any of the bids submitted.
7. A bid for an Authorization shall include proposals for:
 - a) securing the health, safety and welfare of the persons engaged in or affected by the Petroleum Operations;
 - b) protecting the environment, preventing, minimizing and remedying pollution, and other environmental harm that might be caused by the Petroleum Operations;
 - c) training of, and giving preference in employment in the Petroleum Operations to, nationals of Timor-Leste; and
 - d) the procurement of goods and services from Persons based in Timor-Leste
8. An Authorization granted to a tenderer shall oblige it to comply with the tenders mentioned in the previous paragraph.
9. The Ministry shall not grant an Authorization in respect of an area until it has given due consideration of all applications made in response to, and in compliance with, an invitation.

Article 14
Petroleum Operations after the Termination
of the Timor Sea Treaty

The Ministry shall enter into a Petroleum Contract with Persons who conduct Petroleum Operations under the terms of the Timor Sea Treaty, or whose areas transit to the jurisdiction of Timor-Leste under Annex D of the Treaty, under conditions equivalent to those applicable to them, with the necessary amendments arising from the provisions of Article 22, where applicable.

Article 15
Petroleum operations generally

1. Every Petroleum Contract, Access Authorization and Seepage Use Authorization shall require that third-party access be granted on reasonable terms and conditions.
2. If there is more than one Authorized Person in respect of a particular Authorization, the obligations and liabilities of each Authorized Person under the Authorization are the obligations and liabilities of them all, jointly.
3. In respect of a Petroleum Contract, the Contractor by the State and its affiliates shall be exempt from the requirement of the preceding paragraph.
4. An Authorization is void *ab initio* if secured in contravention of the laws of Timor-Leste, including laws on corruption.

Article 16
Restitution and reparation

1. Without prejudice to any criminal liability of that Person, a Person who engages in Petroleum Operations other than pursuant to an Authorization shall:
 - a) return to the State of Timor-Leste an amount equal to the market value of Petroleum developed, exploited, exported or sold, plus default interest at a rate to be determined by the Ministry, but not exceeding the legal rate in force;
 - b) either forfeit the right over any infrastructure and equipment used in engaging in those Petroleum Operations, or remove such infrastructure and equipment or be liable for the payment of such a removal; and
 - c) shall carry out the clean-up of pollution resulting from such Petroleum Operations, or shall reimburse the State of Timor-Leste for all costs it has incurred as a result of such clean-up.
2. The liabilities under sub-article 16.1 above shall apply cumulatively, or not, as is determined to be appropriate by the Ministry, with a view to place Timor-Leste in the position in which it would have been were it not for the Petroleum Operations engaged in other than pursuant to an Authorization.
3. The measures provided for in the foregoing paragraph shall apply cumulatively, or otherwise, in accordance with a determination by the Ministry, with a view to restoring the State of Timor-Leste to the situation it would have been in had such Petroleum not been illegitimately subtracted and such Petroleum Operations not been undertaken.

Article 17
Restrictions on exercise of rights

1. An Authorized Person shall not exercise any of the rights granted under an Authorization or under this Law:

- a) any immovable property in the public domain without the consent of the responsible authority, or under the terms laid down in the respective authorization;
 - b) on any immovable property in the state's private domain without the consent of the responsible authority;
 - c) any immovable property in private ownership without the establishment of an agreement ensuring the payment of fair and reasonable compensation to the owner.
2. Unless otherwise agreed between the Authorized Person and the owner, the owner of any immovable property situated in an Authorized Area shall remain the owner of the right to use and enjoy its property, to the extent that such use and enjoyment does not interfere with Petroleum Operations.
 3. A Authorization may restrict or otherwise control the use by an Authorized Person of public infrastructure, as well as the use and/or consumption, by that Person, of other natural resources, including trees, sand, gravel, stones and water;
 4. Nothing in an Authorization exempts the Authorized Person from applying for and obtaining any other Authorizations, approvals or licenses as required by law.
 5. Without prejudice to the Authorized Person's right to establish a safety zone around any wells, platforms, infrastructure, ships or equipment, used in Petroleum Operations, an Authorized Person may not exercise any of the rights under an Authorization or this Law in a manner that interferes with fishing, navigation or any other lawful maritime activity without the written consent of the responsible authority.
 6. An Authorized Person shall be liable to pay fair and reasonable compensation if, in the course of Petroleum Operations:
 - a) it disrupts the rights of the owner of any immovable property, or causes him any damage; or
 - b) clearly interfere with fishing, navigation or any other lawful maritime activity, without prejudice to the right to control navigation within and access to the safety zone referred to in the preceding paragraph.
 7. Where the value of any rights has been increased as a result of Petroleum Activities, compensation payable in respect of such rights shall not exceed any amount that would be payable if the value had not been so increased.
 8. What constitutes fair and reasonable compensation, payable under this Article 17, shall be decided by the Ministry, after having considered representations by interested parties.

Article 18

Approvals by the Ministry

1. A joint operating agreement, a lifting arrangement and any other agreement related to Petroleum Operations, as well as any amendments to such agreements, shall be subject to prior approval by the Ministry.
2. All changes in Control of an Authorized Person shall be subject to prior approval by the Ministry;
3. Where a change in Control occurs without the prior approval by the Ministry, the Ministry may revoke the applicable Authorization;
4. The provisions of paragraph 2 shall not apply if the change in Control is the direct result of an acquisition of shares or other securities listed on a recognized capital market.

5. For the purposes of this Article, change in Control includes situations where a Person ceases to exercise Control, whether or not Control is exercised by another Person, and a Person obtains Control, whether or not Control was previously held by another Person.
6. Except with the prior written consent of the Ministry, or as explicitly provided for under the Authorization, no assignment, transfer, conveyance, novation, merger, encumbrance or any other dealing in respect of an Authorization shall be of any force or effect.

Article 19

Unitization

1. Whenever an Oil Field is partly within a Contract Area and partly in another Contract Area:
 - a) The Ministry shall by written notice require the Contractors to enter into a unitization agreement with each other for the purpose of securing more effective and optimized production of Petroleum in that Oil field; and
 - b) If the Contractors have not reached agreement within eighteen (18) months of receipt of the notice referred to in paragraph (a), the Ministry shall decide on the terms of the unitization agreement.
2. Where a Reservoir is partly within a Contract Area and partly in an area that is not the subject of a Petroleum Contract:
 - a) The Ministry shall by written notice require the Contractor to enter into a unitization agreement with the Ministry for the purpose of securing more effective and optimized production of Petroleum in relation to that Oil field; and
 - b) the Ministry may require by written notice the Contractor to enter into a unitization agreement with the Ministry for the purpose of securing a more effective and optimized production of Petroleum from the Reservoir.
3. Without prejudice to the regulation of other matters deemed appropriate, the unitization agreement shall define the quantity of Petroleum in each of the areas covered by the unitization agreement, and shall appoint the Operator responsible for producing the Petroleum covered by the unitization agreement.
4. The Ministry may not approve the development or exploitation of the Oil field until the unitization agreement has been approved or decided in accordance with paragraphs 1 and 2 of this Article.
5. Any amendments to the unitization contract shall be subject to approval by the Ministry.

Article 20

Dispute resolution

1. The Ministry may inquire into and decide all disputes involving Persons engaged in Petroleum Activities, either:
 - a) among themselves, where agreements between them do not specify a dispute resolution mechanism, or
 - b) in relation to third parties (other than the Government) not engaged in such Petroleum Activities, as long as these third parties accept the jurisdiction of the Ministry for the resolution of the dispute.

2. The Ministry may refuse to decide any dispute referred to it and, if it does so, it shall notify the parties to the dispute in writing.
3. The Ministry may, taking into consideration all relevant circumstances, issue any directive that may be necessary for the purpose of giving effect to its decision in proceedings pursuant to this Article 20, including ordering the payment, by any party to a dispute, to any other party to the dispute, of such compensation as may be fair and reasonable.
4. If a dispute arises relating to the interpretation and/or application of the terms of an Authorization, or the execution thereof, between an Authorized Person and the Ministry, the parties shall attempt to resolve that dispute by means of negotiation.
5. If the dispute cannot be resolved by negotiation, either party may refer the dispute to arbitration or to the competent judicial authority.

Article 21

Exemption from or amendment to conditions and obligations

The Ministry may exempt an Authorized Person from complying with the conditions and obligations of its Authorization and may also agree to amend or suspend such conditions and obligations, either with or without conditions and either temporarily or permanently.

CHAPTER III

PARTICIPATION BY THE STATE

Article 22

Participation by the State in petroleum activities

1. The decision regarding the participation of Timor-Leste or other Timorese public legal persons, including through entities wholly owned or controlled by them, in Petroleum Operations is approved by the Council of Ministers, which may delegate this competence to the Prime Minister.
2. This Law applies to the Contractor by the State in the same terms as it applies to any other Contractor, with the necessary adaptations.
3. Each Authorization shall provide for the right of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, to participate in Petroleum Operations, up to a maximum of twenty percent (20%) of the Authorization.
4. The limit of twenty percent (20%), provided for in the preceding paragraph, shall not apply where the participation of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, results wholly or in part from a commercial transaction or an award under the law.
5. The participation of Timor-Leste or any other Timorese public legal person or entities wholly owned or controlled by them, can take place at any stage of Petroleum Operations, in accordance with the terms and conditions to be established by contract.
6. In the situations provided for in paragraph 3, the State's share of the Contractor's Exploration and Development expenses shall be financed by the other members of the Contractor, under terms to be established through a financing contract the essential terms of which shall be made available in the announcement of the call for tenders mentioned in Article 13.

7. In the event of a commercial discovery and subsequent Development and Production of Petroleum, the State's share of the Contractor's expenses funded under the provisions of the preceding paragraph shall be reimbursed to funders through Petroleum for cost recovery.
8. In entering into Petroleum Operations under this Article, the State shall release the Contractor from obligations relating to the provision of guarantees, insurance and other obligations of a similar nature required of other Contractors.
9. The Petroleum Fund may be applied directly in Petroleum Operations, in national territory or abroad, by entering into commercial transactions, through Timor Gap, EP, in accordance with the provisions of the Petroleum Fund Law.
10. Contracts for the purchase and sale, acquisition, assignment, transfer, re-transfer, novation, merger, encumbrance or any other legal business entered into or payments made by Timor-Leste or by any other Timorese public legal person, including through wholly owned entities or controlled by them, intended to allow the participation of Timor-Leste, any other public Timorese legal person, including through entities wholly owned or controlled by them, or the Petroleum Fund, in Petroleum Operations and, as well, for the conduct of these, they are not subject to prior inspection by the Chamber of Accounts of the Superior Administrative, Tax and Audit Court.

Article 22-A

Contracting of Goods and Services

1. Authorized Persons, including the State-Owned Contractor, who conduct Petroleum Operations or related activities are not subject to the general rules of public procurement and shall comply with the provisions of this Article and other legislation applicable to the petroleum sector.
2. Authorized Persons shall hold competitive tenders for the acquisition of goods and services for their Petroleum Operations at sea or onshore, in accordance with the legislation in force, the provisions of the respective Authorizations, and the following principles:
 - a) All bids shall be advertised in Timor-Leste so as to give effective opportunity to suppliers based in Timor-Leste to bid for them;
 - b) Goods and services shall be contracted from suppliers based in Timor-Leste whenever available on competitive terms;
 - c) The procurement of goods and services shall always require the approval of the Ministry;
 - d) Outsourcing or any other contractual practice that results in circumvention of the rules for procurement of goods and services from Timor-Leste-based suppliers is prohibited.
3. Contracts and subcontracts for the procurement of goods and services for Petroleum Operations that violate applicable rules on local content and public procurement shall be null and void and the costs incurred with the same costs shall not be recoverable under the respective Authorisations, or deductible for tax purposes.
4. The Ministry may approve a list of goods and services for which procurement is reserved for suppliers based in Timor-Leste.
5. Non-resident sub-contractors who are awarded contracts to provide goods and services to Petroleum Operations shall comply with all legal obligations relating to commercial and tax registration in Timor-Leste, as well as with the other legislation of Timor-Leste.

Article 22-B
Carrying out maritime operations

1. The performance of maritime operations, directly or indirectly, related to Petroleum Operations, on a permanent basis, is reserved to companies registered or incorporated in Timor-Leste, and duly licensed to carry out such activities.
2. The maritime operations referred to in the preceding paragraph include, namely:
 - a) the import of vessels and equipment, including drill rigs and drilling vessels;
 - b) the provision of services directly related to the performance of Petroleum Operations, including, namely:
 - (i) Assistance and support services to drilling and production facilities (including ships) in maritime areas;
 - (ii) Transport between port bases and maritime facilities of passengers, equipment, goods, supply items, and other cargo, including fuels, oils, water, supplies, and other goods and equipment used in the operations;
 - (iii) Activities intended for well drilling and completion;
 - (iv) Diving operations assistance;
 - (v) Ship towing, rescue, and wreck removal services;
 - (vi) Activities related to anchoring and mooring;
 - (vii) Laying of gas and oil pipelines at sea;
 - (viii) Seismic and marine survey services, including vertical seismic profiles, (Vertical Seismic Profile - VSP).
 - c) Any other services included by the Ministry in the list of reserved services mentioned in paragraph 4 of Article 22-A.
3. For the purposes of subsection 1, the performance of maritime operations with a permanent character shall be deemed to be the performance of services in Timor-Leste for more than 1 year, or the award of a contract with a term of more than 1 year.
4. For duly justified reasons of public interest, the Ministry may exempt each sub-contractor, for a single time and for a maximum period of 1 year, from complying with the requirements of this Article.

Article 22-C
**Use of Suai Logistics Base and respective
 Petroleum Facilities**

1. Unless otherwise expressly authorized by the member of the Government responsible for the petroleum sector, all Authorized Persons and all suppliers of goods and services to Petroleum Operations in the Territory of Timor-Leste shall use the Logistics Base of Suai and its respective petroleum facilities as a base of operations.
2. Notwithstanding the provisions of the preceding paragraph, Authorized Persons and suppliers of goods and services may elect to maintain their headquarters and administrative support offices at another location in Timor-Leste.

CHAPTER IV
DEVELOPMENT OF PETROLEUM ACTIVITIES

Article 23
Working practices

1. Petroleum Operations shall be conducted in compliance with the Good Oil Field Practice, that is, in compliance with such techniques, practices and procedures employed in the petroleum industry worldwide by prudent and diligent operators, under circumstances and conditions similar to those experienced in connection with the relevant aspects of the Petroleum Operations, principally aimed at guaranteeing:
 - a) conservation of petroleum resources, which implies the utilization of adequate methods and processes to maximize the extraction and recovery of hydrocarbons in a technically and economically sustainable manner, with a corresponding control of the decline in reserves, and to minimize losses at the surface;
 - b) operational safety, which entails the use of methods and processes that promote occupational security and the prevention of accidents;
 - c) environmental protection, that calls for the adoption of methods and processes that minimize the impact of Petroleum Activities on the environment;
2. Production of Petroleum shall take place:
 - a) in such a manner that as much as possible of the Petroleum in place in each individual Petroleum deposit, or in several deposits in combination, will be produced;
 - b) in accordance with the Good Oil Field Practice and with sound and balanced economic principles; and
 - c) in such a manner that waste of Petroleum or reservoir energy is avoided.
3. The Contractors shall carry out an ongoing evaluation of the production strategy and of the technical solutions, shall adopt all necessary measures in order to achieve this, and shall inform the Ministry of any relevant changes, in accordance with the Good Oil Field Practice.

Article 24
Decommissioning

An Authorized Person shall decommission on the earlier of:

- a) termination of the Authorization; or
- b) when no longer required for Petroleum Activities; and, in either case:
- c) except with the written consent of the Ministry and in accordance with the conditions of that consent; or
- d) unless otherwise provided for in the Authorization.

PART V
INFORMATION AND RESEARCH

Article 25
Data and information

1. Timor-Leste shall have title to all data and information, be they raw, derived, processed, interpreted or analyzed, obtained under any Authorization.

2. The data and information obtained in the course of the Petroleum Operations may be freely exported by Authorized Persons, provided that an original, or in the case of a tarol (core), rock, fluid or any other physical sample, usable portion of the original, of all such data and information, whether physical or electronic, is kept in Timor-Leste.

Article 26

Auditing and inspection

1. The Ministry may appoint a person to assume the functions of Inspector for the purposes of this Act and complementary legislation.
2. The Inspector shall have such powers and rights as established by specific regulation.
3. On request, an Authorized Person shall make its books and accounts available to the Ministry for auditing.

Article 27

Cancellation of Authorizations

1. Termination of a Authorization for any reason is without prejudice to rights and obligations under this Law or the Authorization to survive termination, or to rights and obligations accrued thereunder prior to termination, and all provisions of an Authorization reasonably necessary for the full enforcement of such rights and obligations shall remain applicable for such a period of time as deemed necessary.
2. The Ministry has the competence to cancel a Authorization in conformity with the terms established in the Authorization.
3. Should there exist more than one Authorized Person, in respect of a particular Authorization, and circumstances arise in which the Ministry may cancel that Authorization, the Ministry may elect to cancel it in part, in respect of those Authorized Persons whose acts or omissions (or in relation to whom such acts, omissions or events have occurred) have led to such circumstances, and shall so notify the remaining Authorized Persons.
4. If the Ministry determines the termination of an Authorization under the preceding paragraph, the remaining Authorized Persons, in proportion to their respective shares, shall have the right of first refusal to acquire the terminated Authorization, reversing any part of the terminated Authorization not acquired by the remaining Authorized Persons for Timor-Leste.

Article 28

Subrogation in respect of civil liability

Liability and Subrogation in Respect of Civil Liability:

1. The State of Timor-Leste, including the Government and the Ministry, shall not be liable for any costs, indemnity, or any other charges arising out of or in connection with the conduct of Petroleum Operations, including agreements for the sale of Petroleum on its behalf or representation.
2. An Authorized Person:
 - a) is exclusively responsible for all claims, civil liability issues, complaints, pretensions and any other requests, made by third parties, arising directly or indirectly from Petroleum Operations; and
 - b) It shall be covered by objective liability insurance in respect of any claims, ccomplaints or demands referred to in paragraph (a) above, in such amount as the Ministry may at any time require, unless the Ministry considers, after consultation with the Authorized Person, that the potential liability under paragraph (a) above may be covered by other means.

CHAPTER VI
PUBLIC INFORMATION

Article 29
Publication by the Ministry

1. The Ministry shall publish, in the Official Gazette:
 - a) notices of grant or issuance of Authorizations, and a summary of such Authorizations;
 - b) invitations to apply for Authorizations under subarticle 13.1, and
 - c) notices of cancellation of Authorizations.
2. The Ministry shall publish invitations to tender for Authorizations under Article 13(1) in the media, on its Internet portal and in the international specialized press, in the manner laid down in its own regulations.

Article 30
Public register

1. The Ministry shall make available to the public:
 - a) copies of all Authorizations and amendments thereto, whether terminated or not;
 - b) details of exemptions from, or variations or suspensions of, the conditions or obligations made under article 21;
 - c) copies of all unitization agreements.
2. The Ministry shall make available to the public, within a reasonable period of time of a request having been made therefor, the summary details pertaining to:
 - a) All the Authorizations, and their modifications, whether or not in force, and unitization contracts, referred to in the previous paragraph;
 - b) Development plans approved under a Petroleum Contract;
 - c) All transmissions and other authorized business relating to Authorizations, subject to confidentiality and commercial terms;
 - d) All Authorizations, and amendments thereto, whether or not in force, and unitization contracts, which are granted or signed pursuant to a Decree implementing Annex D of the Treaty, the Code or the Treaty;
 - e) Petroleum Operations carried out under a Decree Law implementing Annex D of the Treaty; and
 - f) Petroleum Operations in the area covered by the Special Regime of Greater Sunrise, provided in compliance with the Code.
3. The Ministry shall make available to the public, within a reasonable period of time of a request having been made therefor, the summary details pertaining to Petroleum Operations in the area covered by the Treaty, provided in compliance with the Code.
 - a) the granting of an Authorization arising from an invitation to tender under Article 13(1);
 - b) granting of an Authorization by direct negotiation under Article 13(2);
 - c) approval of a development plan under a Petroleum Contract;
 - d) waivers granted, and agreed changes or suspensions, under Article 21; and
 - e) any decisions, concessions or approvals which, under an Authorization, require publication.

4. Authorized Persons shall be required to report on their compliance with the obligations and requirements to which they are subject under the Law and the Authorizations in the manner and in the detail required by the respective Authorization and in their own regulations.
5. The Ministry shall make available to the public the reports referred to in the preceding paragraph.
6. The Ministry shall make available to the public the reports submitted by Authorized Persons in relation to payments relating to Petroleum Operations made to the Government of Timor-Leste, as required by law or international agreements, treaties, or initiatives to which the State of Timor-Leste is a party.
7. The information alluded to in this Article 30 shall be available to any Person on payment of the fee therefor, to be determined to that effect in specific regulation.
8. The information referred to in paragraphs 1 and 2 of this Article shall be made available to the public in at least one of the official languages of Timor-Leste.

CHAPTER VII REGULATIONS AND DIRECTIVES

Article 31 Regulations

1. The Government may make regulations under this Law relating to the following:
 - a) graticulation of the territory of Timor-Leste;
 - b) the exploration for and the production of Petroleum;
 - c) the use and disclose of data, information, records and reports;
 - d) the measurement and sale or disposal of Petroleum;
 - e) health and security;
 - f) protection and restoration of the environment;
 - g) resource management;
 - h) structures, facilities and installations;
 - i) the clean-up or other remedying of the effects of the leakage of Petroleum;
 - j) abandonment and decommissioning;
 - k) the control of movement into, within and out of Timor-Leste of persons, vessels, aircraft, vehicles and any other structures and platforms;
 - l) work programs and budgets;
 - m) the control of tariffs charged for third-party access
 - n) the auditing of an Authorized Person and of its accounts and records;
 - o) reporting by Authorized Persons on compliance with obligations set out in the Law and Authorizations, including those relating to:
 - (i) the training and employment of Timorese nationals;
 - (ii) procurement of Timor-Leste goods and services;
 - (iii) occupational health and safety; and
 - (iv) environmental protection;
 - p) fees to be paid, including by applicants for Authorizations, Authorized Persons and
 - q) any other matters relating to this Law.
2. The Ministry shall publish the regulations in the Official Gazette.

Article 32**Directives**

In addition to its power to issue directives under subarticle 11.4 and paragraph (c) of sub-article 20.1, the Ministry may issue directives to Authorized Persons:

- a) relating to any matter referred to in sub-article 31.1; or
- b) otherwise requiring compliance with this Law or their Authorizations.

CHAPTER VIII**PENALISING PROVISIONS****Article 33****Territorial and material scope of the application of this Chapter**

1. *[Repealed]*
2. The provisions of this Chapter are without prejudice to criminal and civil liability under the general law.

Article 34**Un-Authorized activities**

1. Whoever engages in Petroleum Operations other than pursuant to an Authorization shall be punished with imprisonment of no less than three (3) months but not exceeding five (5) years or a fine of no less than one hundred (100) days.
2. Where the estimated damage caused to the state is in excess of fifty thousand American Dollars (US\$ 50,000.00), the penalty shall be one (1) to eight (8) years' imprisonment or a fine of no less than one hundred and fifty (150) days.

Article 35**Danger to people, property and the environment**

Whoever, through conduct that violates the provisions of this Law, legislation or complementary regulations, or a Decree Law implementing Annex D of the Treaty, or the Code or Special Regime of Greater Sunrise, creates danger to the life or physical integrity of others, or to property of high value, or creates serious danger to the environment, is punished with:

- a) one (1) to eight (8) years' imprisonment or a fine of no less than two hundred (200) days, where the conduct and the creation of danger are malicious;
- b) up to five (5) years' imprisonment or a fine of no less than one hundred (100) days, where the conduct is malicious and the creation of danger results from negligence.

Article 36**Impeding or disrupting the exercise of functions by the Inspector**

1. Whoever, whether directly or indirectly, to any extent or by any means, impedes or disrupts, or leads someone else to impede or disrupt, the exercise of inspection powers and functions by the Inspector, is punished with imprisonment of no less than three (3) months but not exceeding four (4) years or a fine of no less than one hundred (100) days.
2. An attempt is punishable.

Article 37**False or misleading information**

1. Whoever,
 - a) in the submission of proposals under this Law, complementary legislation or regulations, or under a Decree-Law implementing Annex D of the Treaty, the Code or the Greater Sunrise Special Regime, or in connection with such proposals, to provide, willfully or negligently, any information that is materially false or misleading, or
 - b) deliberately or negligently include or permit to be included in any report, tax return, or sworn statement submitted under any provision of this Act, additional legislation or regulation, or a Decree-Law implementing Annex D of the Treaty, the Code or the Greater Sunrise Special Regime, or an Authorization, any information that is false or misleading, shall be punished with imprisonment for up to three (3) years or a fine of not less than seventy-five (75) days.
2. An attempt is punishable.

Article 38**Non-compliance with regulations or directives**

1. In the event of non-compliance, even if negligent, by a Person with complementary legislation or the regulations referred to in Article 31, and/or the directives referred to in Article 32, the Ministry may require immediate compliance with all regulatory obligations and/or carry out any material acts appropriate and necessary to comply with such obligations, the costs and expenses being charged to the Person concerned.
2. The State shall have a right of recourse in respect of costs and expenses incurred pursuant to the preceding paragraph, plus default interest at a rate to be determined by the Ministry, the amount in question constituting a debt owed to the State.

Article 39**Accessory penalties**

The following accessory penalties shall be applied in connection with the offences provided for in this Law:

- a) temporary deprivation of the right to participate in public tenders in respect of Petroleum Operations, in particular those relating to Authorizations and the procurement of goods and services;
- b) embargo of any construction works, in such cases as they may result in irreversible damage to relevant public interests;
- c) disability, up to a maximum of two (2) years, of the exercise of activities, if the Person has, within the period of one (1) year starting from the date of the first contravention, committed three (3) contraventions of any of the provisions of this Law;
- d) termination of Authorizations;
- e) provision of a performance bond;
- f) deprivation of the right to subsidies or grants awarded by public entities or services;
- g) publication of the sentence; and/or
- h) other writs of prevention deemed appropriate taking into account the circumstances of the case in question.

Article 40**Liability of legal persons, corporations and other legal entities**

1. Legal persons, corporations, mere de-facto partnerships or any other legal entities, including those without legal personality, are liable for contraventions provided for in this Chapter when committed by its organs or representatives in its name and in the collective interest.
2. Liability is excluded when the agent has acted against express orders or instructions properly issued.
3. The liability of the entities mentioned to in sub-article 40.1 above does not exclude the individual liability of the respective agents.
4. The entities mentioned in sub-article 40.1 above are jointly liable, as provided for in civil law, for the payment of any fines or compensations, or for the fulfilment of any obligations, arising from facts or with incidence on matters covered by the scope of application of this Law.

Article 41**Fines to legal persons, corporations and other legal entities**

1. In the case of legal persons, companies, mere de facto associations and any other legal entities, including those without legal personality, each day of fine corresponds to an amount between USD \$5.00 (five United States dollars) and USD \$10,000.00 (ten thousand United States dollars) to be determined by the court according to the economic and financial situation of the legal person or equivalent, the seriousness of the infraction, the degree of fault and its charges.
2. If the fine is applied to an entity without legal personality, its payment shall be guaranteed by the entity's assets and, in the event of non-existence of such assets or undercapitalization, jointly, the assets of each of the associates.

Article 42**Inspection**

The Ministry and the Inspectors, and any other organs of the Public Administration to whom such competence is delegated, shall be responsible for supervising compliance with the rules contained in this Law, without prejudice to the powers attributed by law to other public entities.

Article 43**Extrajudicial writ of execution**

For the purposes of coercive collection under general law, a certification issued by the Ministry in relation to a debt constituted, or amount due, as a result of the application of the provisions of this Law, which is not paid within a reasonable period to be determined by the Ministry, and which shall be notified in writing to the debtor, constitutes an extrajudicial writ of execution.

Article 44**Subsidiary legislation**

Criminal law, as well as relevant administrative and civil legislation, is applicable, in a subsidiary manner, with the required adaptations, to give effect to the provisions of this Chapter.

CHAPTER IX**OTHER PROVISIONS AND FINAL PROVISIONS****Article 45****Transitional Provisions**

[Repealed]

Article 46
Non-transferability

Unless expressly permitted by the Ministry, an Authorization granted to an individual cannot be transferred by inheritance, without prejudice to the ability of the value of that Authorization to be transferred by inheritance.

Article 47
Entry into force

This Law shall come into force on the day following the date of its publication in the *Official Gazette*.

Approved on 29 July 2005.

The Speaker of the National Parliament

[Signed]

Francisco Guterres “Lu-ÓLo”

Enacted on 23 August 2005

To be published.

[Signed]

Kay Rala Xanana Gusmão