

Bayu-Undan and Timor-Leste Developing Together

March 2017

ConocoPhillips



CONOCOPHILLIPS AND THE BAYU-UNDAN PROJECT

ConocoPhillips operates the Bayu-Undan gas and condensate field on behalf of the Bayu-Undan joint venture partners, ConocoPhillips, Santos, Eni, INPEX, Tokyo Timor Sea Resources and the governments of Timor-Leste and Australia. We are proud to continue to deliver opportunities for Timorese to participate in the project and build their capacity, through "local content". This includes opportunities for employment, training, local Timorese suppliers and support of community programs. We hope you enjoy reading some recent highlights.

TARGETED PROCUREMENT IN TIMOR-LESTE

In 2016, ConocoPhillips launched a Targeted Procurement (TP) initiative, aimed at creating more opportunities for Timor-Leste vendors to supply goods and services to Bayu-Undan. Following a study that assessed potential supplier capabilities, scopes of work were re-assessed to identify elements that could be unbundled into specific scopes, allowing targeted procurement for Timor-Leste suppliers. These include:

- General hardware & consumables
- Personal Protective Equipment
- Electrical materials
- Instrumentation tubing
- Low risk fabrication work

ConocoPhillips and our Bayu-Undan contractors continue to assess opportunities to apply the TP approach to scopes of work, with expectations that the quantity of local goods and services provided from Timor-Leste suppliers will increase.

In early 2017, ConocoPhillips completed its assessment for the supply of electrical materials and instrument tubing for the Bayu-Undan Infill Wells project, and awarded purchase orders to Oceania Unipessoal Lda, a distributor located in Dili, for the supply of these materials. The project team worked closely with Oceania in establishing contacts with the manufacturers of these items, to ensure the materials continue to meet the specifications and quality required for the offshore oil and gas industry.

SUPPLY BASE IN DILI, TIMOR-LESTE

ConocoPhillips and the Autoridade Nacional do Petróleo e Minerais identified that establishing a supply base for Bayu-Undan in Dili was an important enabler in the Targeted Procurement (TP) initiative, to allow more Timor Leste suppliers to provide goods and services to Bayu-Undan operations.

The objective was to establish a fit-for-purpose supply base in a timeframe to support the planned provision of local dry goods and consumables associated with the Bayu-Undan catering and cleaning contract. This was achieved in quarter four 2016. Following a competitive tender process, Altus was awarded the contract for the Timor-Leste supply base. At this stage, the facility provides a 200m² yard and 50m² of internal space which can accommodate the handling and packing of catering goods and other materials to supply to Bayu-Undan on a regular basis. As Timor-Leste supply grows, there is capacity to increase the service and work scope of the facility.

Bayu-Undan Supply Base Dili, Timor-Leste



SUPPLIER WORKSHOP IN DILI

ConocoPhillips is committed to continued engagement with potential Timor-Leste suppliers, to help them understand our requirements and help us keep abreast of their capacity as it develops. In August 2016, ConocoPhillips held a local industry workshop for interested Timor-Leste businesses. The workshop was held to provide information on Bayu-Undan activities and associated upcoming opportunities for businesses based in Timor-Leste. The workshop also enabled Timor-Leste businesses to register their interest with ConocoPhillips so that their company may have the opportunity to compete for Bayu-Undan's future supply chain requirements.



Supplier workshop Dili

ESS PROVIDES CATERING SERVICES FOR BAYU-UNDAN

ESS has been a long term provider of catering services to ConocoPhillips, and through joint revisions to their local content plan, and application of the Targeted Procurement approach, an assessment of local goods and provisions was carried out in 2016. An objective was set to supply a series of dry goods and consumables from Timor-Leste to Bayu-Undan by the end of the year. This objective was achieved in December 2016 when ESS loaded the first container of local dry goods and consumables delivered to the Dili Supply Base.

NEW CONOCOPHILLIPS OFFICE IN TIMOR-LESTE

In January 2017, ConocoPhillips Timor-Leste office re-located to Timor Plaza level 4 CBD 3 in Dili. The office relocation is intended to improve workflow by accommodating ConocoPhillips employees and personnel associated to the maintenance and engineering services contracts, that had previously been located in different facilities.

The new office arrangement will increase work synergies, save costs, and provide more efficient telecommunications.

New availability of a modern office space represents a positive increase in the capacity of the country providing good and services. This increased capacity complements our Targeted Procurement initiative to increase Timor-Leste local content in the Bayu-Undan project.



New ConocoPhillips office reception area

TIMOR-LESTE EMPLOYMENT PROGRESSION

FOUR TIMORESE QUALIFIED AS AUSTRALIAN LICENSED AIRCRAFT MAINTENANCE ENGINEERS

The helicopter services scope for Bayu-Undan has included Timor-Leste employment and development initiatives from the onset.

In 2016, after successful completion of their program, four aircraft engineers became the first Timorese to earn their Diploma of Aero Skills, achieving stringent Australian Civil Aviation Safety Authority accreditation requirements to become licensed Airframe Maintenance Engineers.



Qualified Timorese licensed Aircraft Maintenance Engineers

CAREER DEVELOPMENT OPPORTUNITIES BY WOOD GROUP PSN



Wood Group PSN provides engineering services for Bayu-Undan and currently employs 15 Timorese nationals in various positions.

The team is integrated with the ConocoPhillips Dili Engineering hub. As part of the agreed development program, the Timor-Leste branch Office Administrator Joice Nay has been promoted to a Team Lead role.

SEAFOX TRANSITIONED TIMORESE TO TRAINEE MECHANIC

SEAFOX provides the accommodation support vessel for Bayu-Undan, and they currently employ sixteen Timorese nationals. In 2016, Joao Marques transitioned from Deck

Crew to the Mechanical Team, becoming a Trainee Mechanic. This role involves a mechanical traineeship under supervision and mentoring by the Chief Engineer.

Joao commenced his traineeship as a Trainee Mechanic in July 2016, showing a willingness to learn and ability to work that has surpassed expectations.

CALLIDUS PROMOTE TIMORESE TO DARWIN BRANCH MANAGER

Callidus provides valve Off/Onshore field services for Bayu-Undan/DLNG and a fully equipped valve maintenance workshop located in Darwin. Callidus employs four Timorese nationals under their local content plan, and have developed Nelson Babtista, who joined Callidus in 2011, from a fitter/machinist workshop Team Leader to the Darwin Area Manager.



Joao Marques - SEAFOX Trainee Mechanic

TIMOR-LESTE TRAINING PROGRESSION

THREE TIMORESE TRAINEES TO COMPLETE CERT III IN WAREHOUSING AT DARWIN SUPPLY BASE

Qube Ports Pty Ltd services the Darwin supply base for Bayu-Undan. As part of their local content commitment, they enrolled three Timorese nationals (Matilde, Zelio and Elnuno) who have completed a Certificate III Warehouse Operations training course.

The Certificate III in Warehousing Operations is a nationally accredited course within the Australian Qualifications Framework.

This training will enable them to work in a wide variety of logistics roles.



Matilde, Zelio and Elnuno on site at Darwin Supply Base

STUDENTS COMPLETE FOUNDATION SKILLS PROGRAM AT CNFP BECORA



Subsea 7 foundation skills program

Subsea 7 provides replacement 18 - inch subsea spools for Wellhead Platform 1 at Bayu-Undan. As part of their capacity building commitment, they provided a 6-month foundation skills training course (Numeracy, Literacy and English) to 25 Timorese nationals. They successfully completed the foundation skills Certificate Level 1 in a variety of Timor-Leste and Australian accredited VET courses.

The courses were held by Centro Nacional de Formação Profissional (CNFP) Becora, in Dili and facilitated by the Northern Territory Department of Education.

TWO TIMORESE NATIONALS COMMENCED INTERNSHIP WITH HALLIBURTON IN PERTH

Halliburton provides Well Intervention services for Bayu-Undan. Currently they provide two internships for Timor-Leste graduate engineers under their local content plan. The internship program commenced in October 2016. Both interns are working in Perth, at the Halliburton Wireline and Slickline workshop.

The internship/work experience will comprise a mix of learning opportunities. Both interns will be able to participate in the preparation, servicing and maintenance of equipment utilised in oil field operations, including slickline and wireline tools and technology.



Halliburton interns

TIMORESE JOIN FIRST STEP TRAINING IN PERTH

A successful First Step training course was held in Perth, for six Timorese members of the Clough AMEC Bayu-Undan JV project team. The course helped to support a strong safety culture throughout the project.

Following the First Steps course, the trainees then attended a 3-day Safety Leadership program at the ERGT training facility in Perth. This course further builds on the leadership aspects of safety, team management, and the responsibilities of supervisors. A further six trainees will attend both courses in early 2018. The courses form part of the leadership development program currently underway.



Clough AMEC trainees

CONOCOPHILLIPS SIGNS TWO YEAR VOCATIONAL TRAINING PROGRAM WITH TIMOR-LESTE GOVERNMENT

ConocoPhillips are proud to continue working with the government of Timor-Leste to deliver training programs that build capacity of Timorese.

On 15 December 2016, ConocoPhillips signed a Memorandum of Understanding with the Government of Timor-Leste, represented by the Autoridade Nacional do Petróleo e Minerais (ANPM) and the Secretaria de Estado Para a Política de Formação Profissional e Emprego (SEPFPOE). The signing ceremony was held at the Centro Nacional de Emprego e Formação Tibar, Liquica District, Timor-Leste. This vocational training program was co-funded by the Timor-Leste and Australian Governments, and the Bayu-Undan Joint Venture.

The objective of this program is to equip 40 trainees with useful electrical and instrumentation skills that can be applied across various industries in Timor-Leste. The program also facilitates six dedicated Timorese Trainers from CNEFP to work alongside the international trainers from Cegelec Oil & Gas throughout the two-year program, to ensure skills are successfully transferred.

Timor-Leste government officials including Minister of State & Coordinator of Economic Affairs Sr. Estanislau da Silva, Minister of Petroleum & Minerals Sr. Alfredo Pires, Secretary of State of SEPFPOE Sr. Ildio Ximenes da Costa, and Timor-Leste Joint Commissioner Sr. Antonio Loiola attended the signing ceremony along with other invited guests and local media.



Vocational Training Signing Ceremony

The Timor-Leste government commended ConocoPhillips' commitment to the delivery of local content through upskilling of young Timorese, equipping them with the capabilities to meet industry demand in the country.

SUCCESSFUL FULBRIGHT-SERN GRADUATES RETURN TO TIMOR-LESTE

ConocoPhillips continues to support Timorese development through provision of scholarships for post-graduate studies in energy related fields at universities across the USA.

Fifteen graduates have successfully completed their studies and returned to Timor-Leste for employment in their respective fields, while four students continue to progress well with their academic programs in the US.

Among those who have returned is Fulbrighter, Venancio Pinto. He went to the US in February 2014 to pursue a Masters of Public Health at Georgia State University, graduating in August 2016. Venancio was very pleased to be a graduate of such a prestigious program. He is now working as a Data Analyst for AusAID contractor CARDO in Timor-Leste.

"Thank you, Fulbright SERN and ConocoPhillips, for giving me the opportunity to increase my knowledge and gain useful experience in the US which I never would have thought possible by myself. Apart from the educational accomplishments and cultural experiences I had, I've also expanded my network of friends and connections around the globe" said Venancio.

This program is made possible through the cooperation between ConocoPhillips, the Ministry of Petroleum and Minerals, the Autoridade Nacional do Petróleo e Minerais (ANPM), and the implementing partner US Embassy based in Dili. The scholarship program is co-funded by the Timor-Leste and Australian Governments and the Bayu-Undan project.



Fulbright Graduate Venancio Pinto