

What proportion is the oil and gas revenue from the Timor Sea to the annual budget of East Timor?

According to East Timor's budget for 2006-07, East Timor is expected to receive approximately \$870 million from revenue related to petroleum activities in the Joint Petroleum Development Area (JPDA). This makes up 92 per cent of total revenue for the year. The 2006-07 budget expenditure is approximately \$400 million. The expected revenue from petroleum activities is around 215 per cent of planned expenditure, generating a large surplus.

All revenues received by East Timor from petroleum activities are deposited in the Petroleum Fund, established by law in East Timor, which is designed to provide a sustainable income for East Timor into the future. The budget provides that approximately \$338 million (about 82 per cent of budget expenditure) is to be withdrawn from the Petroleum Fund to fund the budget in 2006-07.

The most recent East Timor Petroleum Fund Quarterly Report stated that as at 31 December 2006 the Fund had a net asset value of approximately \$1.3 billion from revenues received from projects within the JPDA.

All figures are in Australian dollars.