

**ANNEX: COMPARATIVE ESTIMATES FOR T-LNG AND D-LNG**

	TIMOR-LNG CASE	DARWIN-LNG CASE (WITH OPERATIONS FROM TIMOR-LESTE)
<b>Investment Required</b>		
Investment by Timor-Leste	Timor-Leste required to finance or arrange capital financing of US\$7,142,000,000	US\$0
Estimated return on investment	Negative 4% return on 100% TL equity (Direct subsidy of US\$5.6 billion necessary to secure debt finance or operator equity)	2.7% equity in Darwin LNG (0.9% free) 9% equity in Sunrise JV (3% free)
<b>Development Benefits</b>		
Location of LNG Plant	Beaço, Timor-Leste	Darwin, Australia
Pipeline	LNG pipeline to Beaço, Timor-Leste	Domestic gas pipeline to Timor-Leste; LNG pipeline to Darwin
Additional revenue to Timor-Leste pursuant to Treaty	US\$0	10% of government take (approx. US\$3.134 to US\$3.539 billion) available for development investment
Downstream operations	In Timor-Leste (estimated US\$280,000,000 in OPEX per year)	In Australia
Offshore operations and logistics support		Operated from Timor-Leste (estimated US\$282,000,000 in OPEX per year)
Fabrication		Fabrication facility in Timor-Leste (approximately US\$6,000,000 per year)
Sourcing of supplies		Commitment to prioritize Timorese supply, plus up to US\$10,000,000 per year to support business development in Timor-Leste
Employment and training		Commitment to prioritize Timorese employment, plus up to US\$10,000,000 per year for training and technical education in Timor-Leste
Support for Timor-Leste Petroleum Industry (JV)		US\$200,000,000 for domestic gas pipeline; US\$50,000,000 for Suai supply base
Gas and condensate stream		50M cu ft per day gas at gas transfer price; 10% of condensate at market value
Support for Timor-Leste Petroleum Industry (Australia)		US\$100,000,000 for domestic gas pipeline; and commitment to facilitate use of Timor-Leste facilities to supply Australian offshore fields, and facilitate Timorese employment in Darwin
<b>Certainty of Implementation</b>		
Assessment of commercial viability	Considered commercially viable by Timor-Leste only	Considered commercially viable by all parties
Estimated project return (IRR) Integrated Project	7.0%	N/A (Darwin facility would charge a tolling fee)
Segmented Project (Upstream) Estimated return (IRR)	11.82% at US\$4.00 tolling fee 13.18% at US\$3.00 tolling fee 14.44% at US\$2.00 tolling fee	14.52% at US\$3.00 tolling fee 16.08% at US\$2.00 tolling fee 17.27% at US\$1.20 tolling fee
Segmented Project (Upstream) Maximum viable tolling fee	Below US\$2.00 per MMbtu to achieve 15% IRR	US\$2.50 per MMbtu to achieve 15% IRR
Segmented Project (Downstream) Estimated return (IRR)	4.51% at US\$4.00 tolling fee 2.69% at US\$3.00 tolling fee negative 4% at US\$2.00 tolling fee	N/A (Darwin-LNG would handle downstream)
Segmented Project (Downstream) Minimum viable tolling fee	US\$3.57 toll to achieve 4% IRR (govt equity) US\$4.51 toll to achieve 7% IRR (debt finance)	N/A (Darwin-LNG would handle downstream)