

TREASURY EXECUTIVE MINUTE

Minute No.

20 August 2008

Treasurer

MEETING WITH MS EMILIA PIRES, TIMOR-LESTE MINISTER FOR FINANCE

Timing: For your meeting on Monday, 25 August at 9:30am

Recommendation/Issue:

- That you note the attached background briefing and suggested talking points.

Noted

Signature:/...../2011

KEY POINTS

**Section 22
not relevant**

John Burch
Manager
PNG and Cooperation Unit

Contact Officer: Glen Maher

**Section 22
not relevant**

ADDITIONAL INFORMATION

**Section 22
not relevant**

**Section 22
not relevant**

SECTION 33

INTERNATIONAL RELATIONS

THE PETROLEUM FUND

- The Petroleum Fund was established in 2004 to manage revenue from Timor-Leste's oil and gas reserves. The Petroleum Fund held US\$3.2 billion as of 30 June 2008.
- All revenue from the oil and gas reverses is automatically placed into the Fund and invested in US securities, primarily US Treasury bonds.

SECTION 33 INTERNATIONAL RELATIONS

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- The Petroleum Fund law only allows funds to be withdrawn in a sustainable manner unless otherwise mandated by parliament.
 - The Estimated Sustainable Income (ESI) is currently \$US294 million per year. The ESI is equal to the interest earned by the fund, and its use aims to ensure a continual income stream into the future.
- Australia recognises that the Petroleum Fund is renowned for its sound governance arrangements and management performance.

**Section 22
not relevant**

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