

## **TITLE: Timor Leste, Australia in spying row over energy deal**

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DILI: Timor Leste and Australia will go to a tribunal over a deal on sharing energy revenues after the half-island nation accused Canberra of spying during negotiations, the Timorese prime minister has said.

The accord, which came into force in 2007, stipulated oil and gas revenues from the Greater Sunrise field in the Timor Sea should be shared equally between the two countries.

Timor Leste is demanding the treaty be torn up, claiming Australia spied on Timorese officials during talks to broker the deal. Several months ago, Timor Leste demanded a process of arbitration.

Australia, which refuses to confirm or deny the allegations but insists the treaty is valid, has now agreed to the arbitration.

Timor Leste Prime Minister Xanana Gusmao reiterated his claim this week that Australia resorted to "espionage" during negotiations on the deal, without going into details.

"The Australian government and I are ready to go to the arbitration tribunal," Gusmao told reporters in the Timorese capital Dili.

"I believe that we will win in this process."

A spokesman for Australia's Attorney-General Mark Dreyfus confirmed that on June 19 "Australia responded to (Timor Leste's) notice and appointed an arbitrator".

The Timorese and Australian arbitrators now have 60 days to pick a third member of the tribunal, Dreyfus added. The three members will then decide where and when the tribunal will sit, he said.

Tensions have centred on plans by Australia's Woodside Petroleum, which is leading a consortium to develop the Greater Sunrise field.

Woodside wants to process billions of dollars worth of gas on a floating processing platform, but Timor Leste wants the gas delivered to its soil via a pipeline and liquefied there.

Under the deal -- called the Treaty on Certain Maritime Arrangements in the Timor Sea -- Timor Leste is also gagged from disputing maritime borders.

Current maritime boundaries put the vast majority of the Sunrise field in Australian territory, but these were drawn up before Timor Leste gained its independence in 2002.

In a statement after Timor Leste first demanded arbitration on the treaty, Australian Foreign Minister Bob Carr and Dreyfus said that the allegations were "not new and it has been the position of successive Australian governments not to confirm or deny such allegations".

Timor Leste, which gained its independence in 2002 following years of Indonesian occupation, has a sluggish economy that is heavily dependent on oil and gas.

- AFP/nd