<u>Australian Minister for Foreign Affairs</u> Senator the Hon Bob Carr

Arbitration under the Timor Sea Treaty

Joint media release:

Senator the Hon. Bob Carr, Minister for Foreign Affairs

The Hon. Mark Dreyfus QC MP, Special Minister of State, Attorney General, Minister for Emergency Management, Minister for the Public Service and Integrity

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Timor-Leste notified Australia on April 23 that it has initiated arbitration under the 2002 *Timor Sea Treaty* of a dispute related to the 2006 *Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS)*.

The arbitration relates to the validity of the CMATS treaty. Timor-Leste argues that CMATS is invalid because it alleges Australia did not conduct the CMATS negotiations in 2004 in good faith by engaging in espionage.

These allegations are not new and it has been the position of successive Australian Governments not to confirm or deny such allegations.

However, Australia has always conducted itself in a professional manner in diplomatic negotiations and conducted the CMATS treaty negotiations in good faith.

Australia considers that the CMATS treaty is valid and remains in force.

Australia remains committed to the Timor Sea treaty framework, including the CMATS treaty. The treaties provide certainty for investors and deliver benefits to both countries from our shared resources including equal sharing of upstream revenue from the Greater Sunrise area.

The Australian Government is considering its response to Timor-Leste's arbitration notification.

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