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U.S.

## East Timor Primed for Legal Tussle With Australia

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NEW YORK — Thirteen years after winning independence from Indonesia, East Timor has to wage another struggle for justice with a more powerful neighbor — but this time in the courts, the nation's prime minister says.

After two years of inconclusive technical talks, East Timor last week announced it was initiating arbitration with Australia on jurisdiction of a seabed petroleum field — the latest round of litigation in a messy dispute between the two countries over how they split lucrative oil and gas revenues.

"We are claiming what belongs to us. It's an issue of sovereignty and an issue of justice," said Prime Minister Rui Maria de Araujo, who took office in February after independence hero Xanana Gusmao resigned to make way for a new generation of Timorese leaders.

Araujo spoke to The Associated Press Wednesday on the sidelines of the annual meeting of world leaders at the U.N.

East Timor, an impoverished nation of 1.1 million, became a sovereign state in 2002. It depends on petroleum revenues for 90 percent of its economy and is concerned that funds could dry up within years.

In the new litigation, East Timor is disputing Australia's exclusive right to the jurisdiction and taxation of the pipeline leading into a joint petroleum development area.

Australia said last week it will defend against the legal action. It said that the treaty under which the two nations divide the revenues states that jurisdiction depends on where the pipeline lands, which is in northern Australia.

East Timor has already challenged the validity of the 2006 treaty.

It contends that Australia spied on it during negotiations for the treaty. And in 2013, it launched a legal action at the International Court of Justice after Australian police seized documents from a lawyer representing East Timor who allegedly witnessed the spying. The court banned Australia from using the seized documents and it returned them to East Timor.

Araujo said the crux of the dispute with Australia is over where the maritime border in the Timor Sea lies. The territory jointly administered by the two countries currently follows a boundary set in 1972 when East Timor was still occupied by Indonesia. That boundary is much closer to the coast of East Timor than

Australia. East Timor wants it to be set at a median line between them, so more of the petroleum fields would lie in its waters, so it would earn more revenue.

In June, Australian Foreign Minister Julie Bishop told parliament that Australia would resist East Timor's effort to redraw the sea border between the nations as delineated under the 2006 treaty. She said the treaty was already generous enough.

Under the current arrangements, revenues from the Bayu Undan gas and condensate field that has been being exploited for the past decade are divided up 90-10 in East Timor's favor. But Araujo said the field has passed its peak production and is expected to dry up within five to ten years.

Revenues from the planned Greater Sunrise field would be split 50-50, but 80 percent of the field lies in Australian waters so it would earn the lion's share if production starts.

Araujo says despite the political disagreement over the oil revenues and maritime border, relations with Australia are good, and he has invited new Prime Minister Malcolm Turnbull to visit East Timor.

Still, Araujo likens the long-running legal travails to the 24-year armed struggle against Indonesian occupation that had left more than 170,000 dead — a struggle that few outsiders expected East Timor to win, until a U.N.-administered referendum in which its people voted for independence in 1999.

"People were pessimistic, saying that Indonesia will never go out from East Timor because all the big Western powers were supporting Indonesia. The only thing we used as a strong moral and political motivating factor was international law," he said.

"It may sound rhetorical, but we think that we are in the right side again."