

Australia, Timor Leste work on border dispute

Court expects deal on maritime boundary in resource-rich waters by September

AMSTERDAM • Australia and Timor Leste are aiming for an agreement over the disputed maritime boundary in resource-rich waters between their countries, a court said, signalling that a deal could be reached by next September.

Confidential meetings between the two countries have been "very productive" and would continue next year, the Permanent Court of Arbitration in The Hague said in a statement. The court is the world's oldest arbitration tribunal.

The court ordered compulsory arbitration in the case last month after Timor Leste requested the process against objections from Australia, which negotiated a revenue-sharing agreement that gave it until 2056 to settle the boundary issue.

Australia played a critical role in Timor Leste's independence from Indonesia in 2002 and shortly after that negotiated the revenue-sharing deal for the large Greater Sunrise oil and gas field.

Timor Leste calls the deal unfair. "All agreed we should aim to reach agreement within the time frame of the conciliation process," the court said, referring to the compulsory arbitration. That process has a deadline of Sept 19 next year.

"I was very pleased to see a sincere willingness on both sides to come together in a spirit of cooperation," said Mr Peter Taksoe-Jensen, who headed the arbitration talks. "Both sides are to be commended for being willing to move beyond past differences and work hard to create conditions conducive to achieving an agreement."

Timor Leste last month urged the court to help end the dispute, which had soured relations between both countries, saying negotiations had so far failed. Timor Leste is an impoverished nation heavily dependent on oil and gas exports.

It appealed to the court for the arbitration that could determine the border through the Greater Sunrise oil and gas field. It has said that Australian espionage on its diplomats rendered recent agreements on it flawed.

Timor Leste says the boundary should fall halfway between it and Australia, which had argued that defining the border that way could prompt Indonesia to also seek to shift its sea border and gain ownership of disputed oilfields.

Greater Sunrise contains an estimated 144 billion cubic m of gas and 226 million barrels of condensate, although the border dispute and low gas prices mean its development is on hold.

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