

East Timor, Australia discuss sea boundary

Paul Osborne, AAP Senior Political Writer, Australian Associated Press
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Australia and East Timor have committed to finding a solution to the dispute over oil and gas fields in the Timor Sea by September this year.

On January 9, East Timor and Australia agreed to end a maritime treaty governing the Greater Sunrise oil and gas fields.

The fields are estimated to hold nine trillion cubic feet of gas and 300 million barrels of condensate and liquefied petroleum gas worth about \$53 billion - almost 30 times East Timor's annual GDP.

The Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS) will now end on April 10.

The January 9 agreement opened the way for Australian and East Timor officials to meet in Singapore between January 16 and 20 for confidential talks to try to resolve the differences over maritime boundaries in the Timor Sea.

In a statement on Tuesday, the two countries reaffirmed their commitment to good faith talks with the aim of settling maritime boundaries by September.

East Timor has also withdrawn its claims in two tribunals - the last step in a series of "confidence-building measures" agreed in October last year.

"The commission and the parties recognise the importance of providing stability and certainty for petroleum companies with current rights in the Timor Sea," the two countries and the conciliation commission of the Permanent Court of Arbitration said in the statement.

In a bid to provide a stable framework for existing petroleum operations, Australia and East Timor agreed the 2002 Timor Sea Treaty and its regulations would remain in force in its original form until a final delimitation of maritime boundaries has come into effect.

East Timor adviser, Fr Frank Brennan, said the country had taken a huge gamble.

"From here the stakes are high," he said.

"The Timorese may get the whole of Sunrise but then they will need to find a developer willing to incur the added cost and uncertainty of a pipeline across the Timor Trough and subsequent development in Timor.

"Then again, they may be left with only a 20 per cent share in any future Sunrise development rather than the 50 per cent presently on the table."

They could also lose lucrative exclusive fishing rights, he said.

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