

Australia, Timor to sign new deal after sea border row

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Australia and East Timor will sign a new treaty next year setting maritime boundaries in an effort to settle lingering disputes over lucrative oil and gas fields in the East Timor Sea.

The accord "addresses the legal status of the Greater Sunrise gas field... a pathway to the development of the resource, and the sharing of the resulting revenue," the Hague-based Permanent Court of Arbitration said on Tuesday.

"The two governments agreed that they will proceed with signature in early March 2018," the PCA said in a statement.

East Timor in 2016 dragged Australia before the PCA -- the world's oldest arbitration tribunal -- to help end the dispute that has soured relations between the two countries.

East Timor, which gained independence from Indonesian occupation in 2002, is impoverished and depends heavily on oil and gas exports.

In 2006, it signed the Certain Maritime Arrangements in the Timor Sea (CMATS) treaty with Australia, which also covers the vast Greater Sunrise gas field between the two nations, worth billions of dollars.

But East Timor wanted that treaty torn up after accusing Australia of spying to gain commercial advantage during the negotiations.

Dili officially dropped a separate spying case against Canberra before the UN's highest International Court of Justice in June 2015 after Australia returned sensitive documents.

In January, the two neighbours announced that the CMATS treaty would be terminated and a new pact negotiated through the PCA.

They agreed on a new draft treaty in October, after months of behind-closed-doors talks.

"In broad terms, the draft treaty delimits the maritime boundary between Timor-Leste and Australia in the Timor Sea and establishes a Special Regime for the area comprising the Greater Sunrise gas field," the PCA said.

"The draft treaty also establishes revenue sharing arrangements where the shares of upstream revenue allocated to each of the Parties will differ depending on downstream benefits associated with the different development concepts for the Greater Sunrise gas field," it said.

The precise details of the treaty are expected to be made public once Australia and East Timor have finished "consulting with private actors potentially affected by the new boundary."