

# Australia and Timor-Leste strike deal on maritime boundary dispute

Agreement with East Timor clarifies legal status of Greater Sunrise gas field and establishes regime to develop and share resource, after long dispute



The former president of Timor-Leste Xanana Gusmao described the maritime boundary agreement as 'historic'. Photograph: AFP/Getty Images

**Paul Karp**

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Australia and Timor-Leste have reached a historic agreement, concluding a long-running and bitter maritime boundary dispute over the Timor Sea through conciliation.

The deal clarifies the legal status of the Greater Sunrise gas fields, and establishes a regime to develop and share revenue from the resource, according to a statement released by the conciliation commission of the permanent court of arbitration in Copenhagen on Saturday.

The dispute over the Timor Sea concerns lucrative oil fields estimated to hold 9tn cubic feet of gas and 300m barrels of condensate and liquefied petroleum gas worth about \$53bn.

Details of the deal remain confidential while Australia and Timor-Leste formalise the agreement and address “remaining issues and points of detail”, the statement said.

“Nevertheless the parties agree that the agreement reached on 30 August 2017 marks a significant milestone in relations between them and in a historic friendship between the peoples of Timor-Leste and Australia.”

Former Timor-Leste president, and head of its delegation, Xanana Gusmao, thanked the conciliation commission for helping to resolve “a long and at times difficult process, to help achieve our dream of full sovereignty and to finally settle our maritime boundaries with Australia”.

“This is an historic agreement and marks the beginning of a new era in Timor-Leste’s friendship with Australia,” he said.

In 2013 it was revealed the Australian government had bugged the Dili cabinet room of the Timor-Leste government in 2004, which Timor-Leste claimed was aimed at giving Australia an unfair advantage in negotiations of the maritime boundary.

In January Timor-Leste terminated the controversial Certain Maritime Arrangements in the Timor Sea (CMats) treaty that split oil and gas revenues equally with Australia, citing the unfairness of the alleged Australian espionage.

This commenced a fresh round of negotiations for a permanent maritime boundary in which Timor-Leste dropped espionage claims in the permanent court of arbitration as a “confidence-building measure”.

In May the former Timor-Leste president José Ramos-Horta told the Australian government to abandon its “unsubstantiated” legal case to extend its borders into the Timor Sea, arguing that Australia’s case that the border should follow the edge of its continental shelf “unsustainable law” that bordered on bad faith.

The foreign affairs minister, Julie Bishop, hailed the breakthrough as a “landmark day in the relationship” between Timor-Leste and Australia.

“This agreement, which supports the national interest of both our nations, further strengthens the long-standing and deep ties between our governments and our people,” she said.

Labor’s shadow foreign minister, Penny Wong, said the opposition “warmly welcomes the breakthrough agreement” between the two states.

“The maritime boundary dispute has strained our bilateral relations and has gone on too long. In my visit to Timor-Leste earlier this year it was clear that the relationship would substantially benefit from its resolution,” she said.

Wong said Labor had committed to reach a binding resolution, so the agreement amounted to a “vindication” of its position. She also committed Labor to multilateralism and the rules-based international system.

“If we want to insist that other nations play by the rules, we should adhere to them.”