

Timor-Leste and Australia to sign border agreement on 6 March in New York

LUSA, February 05, 2018. [La'o Hamutuk translation from Portuguese]

Timor-Leste and Australia will sign the new maritime boundary treaty between the two countries on March 6, but the model of development of the Greater Sunrise fields may not be resolved by that date, according to sources familiar with the case.

“Australia has formally confirmed that it will sign the treaty with Timor-Leste on March 6 in front of the Secretary-General of the United Nations in New York,” the source familiar with the negotiation process told LUSA.

The agreement, whose exact contours are not yet known, puts the border line in the position defended by Timor-Leste, that is half way between the two countries, as Timor-Leste has always demanded.

The median line almost definitively resolves the borders in the area, although Timor-Leste then needs to conclude the delimitation of other border areas with Indonesia.

Timor-Leste negotiating teams, led by Xanana Gusmão, and Australia - whose delegation this time was led by Minister of Foreign Affairs Julie Bishop – met last week in Sydney, Australia.

During an “intense week of negotiations” the main emphasis was on the “Greater Sunrise development concept,” the field that could guarantee, when developed, the financing of Timor-Leste for decades.

Despite progress in the meetings held under the auspices of a United Nations Conciliation Commission, and the meetings with the partners in the joint venture that holds the Greater Sunrise contract, “there is still no agreement” on Sunrise development.

Three potential scenarios are being discussed, one of floating processing - advocated by the oil companies who hold the Greater Sunrise concession: Woodside, ConocoPhillips, Royal Dutch Shell and Osaka Gas – connecting to the pipeline that links existing wells in the area to Darwin, or a new pipeline to the south coast of Timor-Leste.

The decision will determine the model of revenue sharing, with Timor-Leste receiving 70% if the pipeline comes to Timorese territory and 80% if it goes to Darwin, according to a source familiar with the negotiations.

The two sides will meet again in Kuala Lumpur for a week of meetings from February 19 to 24, and formally, the work of the committee officially ends on March 1.

“The ‘deadline’ to reach an agreement is March 1,” explained LUSA’s knowledgeable source, explaining that the treaty has provisions to allow the issue to be dealt with after ratification.

After the signing, remember, the treaty will still have to be ratified by the parliaments of the two countries, a process that can only be completed after the election of the next National Parliament, in date yet to be known.

In January, the President of the Republic announced the dissolution of the National Parliament, and he will call elections on a date which he may announce this week.

Initially the expectation was that Xanana Gusmão – the principal Timorese negotiator - would sign the agreement in name of Timor-Leste, but for this he should be nominated by the Government - the country is currently under management government [pending new elections].

Mari Alkatiri, the prime minister, had stated that Xanana Gusmão could be sworn in as president of a new High Authority for the south coast - whose development is directly related to the Greater Sunrise and the Timor Sea.

Sources knowledgeable about the process explained to Lusa Agio Pereira could sign the document instead of Xanana Gusmão. Pereira is the number two in the negotiations, and Minister of State in the current executive.

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