

Australia, East Timor agreement over \$50 billion oil and gas field

By Lindsay Murdoch

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Bangkok: Australia and East Timor will sign a landmark agreement to carve up revenue from the \$50 billion Greater Sunrise oil and gas field in the Timor Sea next week amid secrecy over the details.

A report by the Permanent Court of Arbitration at The Hague, which has overseen negotiations between the neighbouring countries, is not expected to be released until mid-April.

United Nations Secretary-General Antonio Guterres is set to witness the signing of a new Maritime Boundaries agreement in New York on March 6.

The agreement will then have to be ratified by the parliaments of both East Timor and Australia.

East Timor's Parliament has been dissolved after a months-long political impasse and fresh elections are scheduled for May.

The signing in New York will end bitter disagreement over the field.

Successive Australian governments refused to negotiate the boundary for years.

The Portuguese news agency Lusa reported in early February from Dili that East Timor could receive up to 80 per cent of revenue from the field which would secure its economic future for decades if the field is developed.

Lusa quoted sources saying East Timor would receive 70 per cent of the revenue if gas is piped to a yet-to-be built industrial complex on East Timor's south coast.

Neither Australia or East Timor have commented on the report.

A Woodside Petroleum-led consortium has been involved in negotiations over the treaty which concluded in Kuala Lumpur last week.

The consortium initially said it wanted to build a floating LNG platform to process gas from the field.

Another option is the pipe the gas to an existing processing plant in Darwin.

But East Timor's former prime minister and president Xanana Gusmao, who has led his country's negotiations, has insisted the gas to be piped to East Timor.

Donald Rothwell, Professor of International Law at the Australian National University, said the ongoing lack of detail could create political difficulties in Dili "especially with respect to onshore processing in Timor".