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Committee Secretary
Joint Standing Committee on Treaties
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INQUIRY SUBMISSION: CONSEQUENCES OF TERMINATION OF THE TREATY BETWEEN AUSTRALIA AND THE DEMOCRATIC REPUBLIC OF TIMOR LESTE ON CERTAIN MARITIME ARRANGEMENTS IN THE TIMOR SEA (CMATS). DATE REFERRED: 13 FEBRUARY 2017.

On behalf of the Sunrise Joint Venture (Woodside Energy Ltd, ConocoPhillips STL Pty Ltd, Shell Australia Pty Ltd and Osaka Gas Australia Pty Ltd), I refer to the announcement on the Australian Parliament House website inviting interested parties to make a submission to the inquiry on the consequences of termination of CMATS.

Noting CMATS formed part of the framework for the development of the Greater Sunrise natural gas and oil resources, the Sunrise Joint Venture thanks the Joint Standing Committee on Treaties for the opportunity to contribute to this process.

The Sunrise Joint Venture acknowledges the strong relationship that exists between the governments and people of Timor-Leste and Australia. This bond naturally extends to the oil and gas industry, which has provided investment, revenue and jobs for both countries to support future economic growth and prosperity.

Background

Discovered by Woodside in 1974, the Greater Sunrise fields hold contingent resources (2C) of 5.13 trillion cubic feet of gas and 225.9 million barrels of condensate. The fields overlap a combined area of exclusive Australian jurisdiction and the Joint Petroleum Development Area (JPDA), an area administered jointly by Australia and Timor-Leste in accordance with the Timor Sea Treaty.

In this context, the Sunrise Joint Venture continues to honour its obligations under production sharing contracts in the JPDA (JPDA 03-19; JPDA 03-20) and retention leases in Australia (NT/RL2 and NT/RL4). Moreover, the Sunrise Joint Venture has developed productive working relationships with both governments, including the Sunrise Commission, to understand how future production of oil and natural gas from Greater Sunrise can deliver economic and social benefits to all stakeholders involved.

As part of an ongoing commitment to our stakeholders in Timor-Leste, the Sunrise Joint Venture has maintained an office in Timor-Leste and proudly supports a program of social investment through local partnerships in Dili and surrounding regions.

Termination of CMATS

One feature of CMATS was that it established a moratorium on maritime boundary negotiations between Australia and Timor-Leste for the duration of the term of the treaty. Recognising the moratorium will cease to be in force with the termination of CMATS, the Sunrise Joint Venture is encouraged by steps being taken by both governments to work in good faith towards a permanent agreement on maritime boundaries.

In this respect, the Sunrise Joint Venture welcomes the commitment of the governments of Timor-Leste and Australia made in the Joint Statements by Timor-Leste and Australia and the Conciliation Commission (9 January 2017 and 24 January 2017) that they will provide ongoing stability and certainty for petroleum companies with current rights in the Timor Sea. We also welcome the decision taken by the governments that the 2002 Timor Sea Treaty would remain in force until a final delimitation of maritime boundaries had come into effect and the commitment by the governments that the current rights of companies with interests in the Timor Sea would be respected.

A permanent agreement on maritime boundaries between Australia and Timor-Leste has the potential to unlock Greater Sunrise, provided the Sunrise Joint Venture is given the fiscal and regulatory certainty necessary for a commercial development to proceed and our rights of ownership and operatorship are unequivocally preserved on equivalent terms. On this basis, the Sunrise Joint Venture remains committed to developing the Greater Sunrise fields.

Regards,

Richard van Lent
Senior Vice President Browse and Sunrise
Woodside Energy Ltd on behalf of the Sunrise Joint Venture