

Timor rejects Woodside's oilfield claims

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EAST Timor has rejected a claim that its leaders are failing their mainly impoverished people by blocking development of the Greater Sunrise oil and gas field, saying the multibillion-dollar project will go ahead.

The nation has also reaffirmed that it will honour the outcome of stalled and bitter negotiations over the field in the Timor Sea.

Hitting back at comments by Woodside Petroleum chief executive Don Voelte, East Timor government spokesman Agio Pereira said "to be perfectly clear, the government and the people of Timor-Leste want Sunrise to be built. The nation looks forward to the benefits that can and will flow to the Timorese people."

While insisting that piping the gas to a processing plant in East Timor was the best outcome for East Timorese, Mr Pereira said that "as far as the government of Timor-Leste is concerned, negotiations continue with the Australian government through the frameworks set up by treaties ... These mechanisms are to ensure the integrity of the process and are not to be subverted."

East Timor has consistently said it will keep legal commitments in treaties and contracts it has signed over Greater Sunrise.

But Mr Pereira's comments could kick-start negotiations, following a walkout by officials at a meeting of the Sunrise Commission last December, then the cancellation of a meeting in March after months of bitter claims and counter-claims over the project.

Perth-based Woodside announced early last year it would build a floating LNG platform above the field, rejecting East Timor's demand for the plant to be built on its south coast, which Woodside says would cost an extra \$US5 billion.

In March, East Timor's chief petroleum negotiator, Francisco da Costa Monterio, said East Timor would seriously consider terminating the treaty if the dispute remained unresolved.

Appearing to lose patience over the project, Mr Voelte last week accused East Timor of reneging on the terms of the treaty it signed in 2007 to allow Greater Sunrise to be developed to the best economic, and good oilfield, practice. He said building a floating platform would deliver \$US13 billion to East Timor over the project's life.

"By objecting to Sunrise being built, they must be objecting to promoting the quality of life and improving the livelihood of their people," said Mr Voelte, who will soon step down from Woodside and return to the US. "And we've done everything right. We're trying to get a meeting with the guy that's stopped this - we can't get a meeting. Let me just say, something's broken."

But at the weekend Mr Pereira described Mr Voelte's comments as "ill-suited and inappropriate". He said that despite Mr Voelte's claims, project delays occurred because of the company's cited issues of non-compliance. "One of the most significant of these was caused by Woodside's reluctance to prepare and deliver the development materials as required by the regulator," Mr Pereira said.

The Treaty on Certain Maritime Arrangements in the Timor Sea, which covers Greater Sunrise, runs for 50 years from February 2007 but Australia or East Timor can terminate it in 2013 if there is still no development approval.

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