Horta offers Woodside hope on Sunrise project

East Timor President Jose Ramos Horta in Dili. Picture: Jordao Henrique.
Source: Supplied

EAST Timor's Gusmao government should be more flexible in talks with Australian oil giant Woodside over development plans for the resource-rich Greater Sunrise prospect in the Timor Sea.

President Jose Ramos Horta made the call, saying his country should not remain reliant on one Timor Sea petroleum field, Bayu Undan, for oil and gas royalties.

Negotiations for developing Greater Sunrise remain deadlocked over demands by Dili that Woodside pipe oil and gas from the field to East Timor for onshore processing -- a demand rejected as uneconomical by Woodside.

Woodside plans to use a floating liquefied natural gas vessel to process the gas, which it says is the most economical option.

The Greater Sunrise project is predominately in Australian waters, however an agreement signed between the two countries will see royalties split evenly.

Speaking in Dili, Mr Horta urged the government not to close the door on talks.

- with staff writers