



PRESS RELEASE

CONCILIATION BETWEEN THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE AND THE COMMONWEALTH OF AUSTRALIA

THE HAGUE, 23 NOVEMBER 2017

Timor-Leste and Australia continue engagement with Greater Sunrise Joint Venture and progress towards signature of maritime boundary treaty

The Conciliation Commission held meetings during the last week in Singapore with the Democratic Republic of Timor-Leste (“**Timor-Leste**”) and the Commonwealth of Australia (“**Australia**”), as well as with the Greater Sunrise Joint Venture, in order to review progress on the pathway to the development of the Greater Sunrise gas fields.

This meeting was convened further to the Comprehensive Package Agreement reached between the Parties on 30 August 2017 regarding maritime boundaries in the Timor Sea, which includes an “Action Plan” for engagement regarding the development of the resource. As part of this Action Plan, the governments of Timor-Leste and Australia and the Greater Sunrise Joint Venture have engaged in intensive meetings and discussions since September of this year, culminating in two trilateral meetings held this month in Brisbane and Singapore. During these meetings, the governments and Joint Venture have sought to elaborate and reach agreement on a development concept for the Greater Sunrise gas fields.

The Commission and the two governments also discussed the coordination of the public disclosure of the text of the draft treaty on maritime boundaries, finalized in The Hague last month. The two governments have now commenced engagement with private stakeholders in the Timor Sea regarding the effect of the treaty on private interests, as well the transitional arrangements envisaged by the two governments.

These meetings are part of a structured dialogue in the context of the conciliation between the Timor-Leste and Australia being conducted by a Conciliation Commission pursuant to the UN Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration (the “**PCA**”). In the course of the conciliation proceedings, the Parties have reached agreement on the text of a treaty which delimits the maritime boundary between them in the Timor Sea and addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, a pathway to the development of the resource, and the sharing of the resulting revenue.

Next Steps

The Parties continue to pursue their domestic approval processes in order to proceed with the signing of the treaty. The Commission will convene a further stocktaking session in December of this year, in order to review progress with respect to the development concept for Greater Sunrise and to coordinate steps regarding the disclosure and signature of the treaty. While continuing to facilitate the Parties’ engagement regarding the development of the Greater Sunrise resource, the Commission has also now turned to preparing its report on the proceedings in accordance with the UN Convention on the Law of the Sea. The Commission’s report will be finalized and made public in early 2018.

Background on the Conciliation Process

The Commission was constituted on 25 June 2016 pursuant to the procedure set out in Annex V of the Convention. The five-member Commission is chaired by H.E. Ambassador Peter Taksøe-Jensen (Denmark). The other members of the Commission are Dr. Rosalie Balkin (Australia), Judge Abdul G. Koroma (Sierra Leone), Professor Donald McRae (Canada and New Zealand), and Judge Rüdiger Wolfrum (Germany). With the agreement of the Parties, the Permanent Court of Arbitration acts as Registry in the proceedings.

These conciliation proceedings were initiated by Timor-Leste on 11 April 2016 by way of a “Notification Instituting Conciliation under Section 2 of Annex V of UNCLOS” addressed to Australia.

On 2 May 2016, Australia submitted “Australia’s Response to the Notice of Conciliation”.

On 28 July 2016, the Conciliation Commission held a procedural meeting with the Parties at the Peace Palace in The Hague, the Netherlands.

On 29, 30, and 31 August, the Commission convened the Opening Session of the Conciliation and a Hearing on Competence at the Peace Palace in The Hague, the Netherlands.

On 19 September 2016, the Commission rendered its Decision on Competence, finding that the Conciliation would continue.

From 10 to 13 October 2016, the Commission met with the Parties in Singapore.

On 9 January 2017, the Foreign Ministers of Timor-Leste and Australia, together with the Commission, issued a Trilateral Joint Statement on the termination of the Treaty on Certain Maritime Arrangements in the Timor Sea.

From 16 to 20 January 2017, the Commission met with the Parties in Singapore.

From 27 to 31 March 2017, the Commission met with the Parties in Washington, D.C.

From 5 to 9 June 2017, the Commission met with the Parties in Copenhagen.

From 24 to 28 July 2017, the Commission met with the Parties in Singapore.

From 28 August to 1 September 2017, the Commission met with the Parties in Copenhagen.

On 30 August 2017, the Parties reached a Comprehensive Package Agreement on the central elements of a maritime boundary delimitation between them in the Timor Sea (the “**30 August Agreement**”). In addition to boundaries, the Comprehensive Package Agreement addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, a pathway to the development of the resource, and the sharing of the resulting revenue.

On 13 October 2017, following meetings in The Hague, the Parties reached agreement on the complete text of a draft treaty as anticipated in the 30 August Agreement. This draft treaty delimits the maritime boundary between them in the Timor Sea and addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, a pathway to the development of the resource, and the sharing of the resulting revenue.

Further information about the conciliation may be found at www.pca-cpa.org/en/cases/132/, including the full text of the Commission’s Decision on Competence, a video recording and transcript of the

Opening Session, the presentations of the Parties, and previous press releases and Trilateral Joint Statements.

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Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 121 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering 5 interstate disputes, 76 investor-State arbitrations, and 45 cases arising under contracts involving a State or other public entity. More information about the PCA can be found at www.pca-cpa.org.

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