ASIO officers have allegedly detained a man and raided the office of a lawyer who claims that Australian spies bugged the cabinet room of East Timor’s government during negotiations over oil and gas deposits.

Attorney-General George Brandis confirmed last night that he had issued a search warrant for a Canberra address and that ASIO had executed it, seizing a number of documents “on the grounds that [they] contained intelligence related to security matters”.

The current director general of ASIO, David Irvine, was head of ASIS when the alleged bugging operation against East Timor took place.

Lawyer Bernard Collaery is representing the East Timorese government in the Hague as it seeks arbitration over a treaty it signed with Australia over the lucrative deposits, which it has since declared invalid.

East Timor, also known as Timor Leste, will tender evidence of the eavesdropping as part of its case.

Mr Collaery, who has just arrived in the Hague, told Fairfax Media the raids were a “disgrace”. He said the man ASIO had detained in Australia was a whistleblower who had led the Australian Secret Intelligence Service operation to bug the cabinet room in East Timor.

“How dare they,” Mr Collaery said. “These tactics are designed to intimidate the witness and others from coming forward. It’s designed to cover up an illegal operation in 2004 by ASIS.”

But Mr Brandis said the allegation that the raid was intended to affect or impede the arbitration at The Hague was wrong.

“I have instructed ASIO that the material taken into possession is not under any circumstances to be communicated to those conducting those proceedings on behalf of Australia,” he said.

Prime Minister Tony Abbott said: “We don’t interfere in cases, but we always act to ensure that our national
security is being properly upheld."

"That's what we're doing."

The Greens on Wednesday called on Senator Brandis to give a full explanation as to why he authorised raids, with Greens MP Adam Bandt saying he was disturbed by the news.

"If it is true it seems that George Brandis seems to think he's J. Edgar Hoover and is able to throw warrants around like confetti," Mr Bandt said.

Senator Brandis needed to give a "full explanation" for the raids, he said.

Labor frontbencher Richard Marles cautioned all those "who have been in government and those who are in government" not to comment on the raids, saying it would undermine Australia's national security.

"It doesn't help anyone to be walking down the path of pulling apart and commenting on these intelligence matters," he told Sky News on Wednesday.

But his Labor colleague Kelvin Thomson said he was troubled by both the spying allegations and Wednesday's ASIO raids, questioning how East Timor could be considered a national security threat.

East Timor alleges that former foreign minister Alexander Downer dispatched a team of ASIS officers to East Timor's capital, Dili, to bug the government's cabinet room and Prime Minister's office in 2004.

The alleged incursion was a breach of international law and Timorese sovereignty, Mr Collaery added. It was not properly authorised and amounted to a criminal conspiracy.

At the time of the alleged ASIS operation, the two countries were negotiating a treaty covering the Greater Sunrise oil and gas deposits, worth many billions of dollars and the fledgling country's major source of revenue.

Mr Collaery told Fairfax Media the whistleblower had been in charge of the operation for ASIS.

"We have irrefutable evidence from the person who was in charge of the operation," he said. "This is not a maverick whistleblower like Edward Snowden."

Mr Collaery added he had the evidence of eavesdropping with him in the Hague.

He said his office in Canberra was raided by two men who identified themselves as ASIO agents but refused to show their search warrant, citing national security.

The officers, he said, seized documents and electronic files.

Mr Collaery, a former ACT attorney-general, said he had been unable to contact the whistleblower but believed he was still being detained at his house and questioned late Tuesday.

ASIO declined to comment.

Mr Collaery said the alleged ASIO action was unprecedented, but would not derail his case.

The negotiations over the Greater Sunrise were tense and Mr Downer was eventually forced to give East Timor a greater share of the deposits after public outrage here and in East Timor.

But resentment lingered in East Timor that it had come off second best.

As it sought to renegotiate the treaty, the East Timorese government informed then prime minister Julia Gillard of the alleged bugging by ASIS.

"We offered Gillard the opportunity to tear the treaty up and renegotiate it, but she refused," Mr Collaery said.

After her refusal to do so earlier this year, East Timor went public with the espionage allegations, declared the treaty – formally known as the Treaty on Certain Maritime Arrangements in the Timor Sea (CMATS) – invalid and took it to The Hague for arbitration.