

Arbitration hearings to start over Sunrise LNG claims

By Russell Searancke 12 September 2014 00:00 GMT

A round of hearings is scheduled to start later this month in the arbitration between Timor-Leste and Australia linked to the Sunrise liquefied natural gas project.

Timor-Leste initiated the surprise legal action last May, accusing Australia of “covert operations” during the 2006 negotiations for the Certain Maritime Arrangements in the Timor Sea (CMATS) treaty, which sets the fiscal framework for the development of the Sunrise project.

Timor-Leste argues that, as a result, Australia had information that assisted it during negotiations.

It is understood that Timor-Leste presented its first substantive arguments and evidence in February, and Australia responded in May. A second round was filed by Timor-Leste in July and by Australia in August.

These would provide the basis for hearings between 27 September and 2 October before the panel makes its ruling, said sources.

The operator of the Sunrise project, Woodside Petroleum, said recently it expects an outcome to the arbitration in late 2014 and that, in expectation of a settlement, it “has recommenced efforts to identify and progress an economic development”.

Prior to the launch of the arbitration, Timor-Leste and Woodside were at loggerheads over the development concept for Sunrise.

Timor-Leste wants an LNG processing facility on its own soil, while Woodside wants to deploy a floating LNG vessel.

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