Australia’s maritime arrangements with Timor-Leste

Australia and Timor-Leste have entered into three treaties governing maritime arrangements in the Timor Sea, including access to oil and gas resources. These arrangements are consistent with international law, including the United Nations Convention on the Law of the Sea.

2002 Timor Sea Treaty
- This treaty established the Joint Petroleum Development Area (JPDA) to enable petroleum development in an area claimed by both Australia and Timor-Leste.
- It apportions 90 per cent of JPDA petroleum to Timor-Leste and 10 per cent to Australia.
- It established a Joint Commission to oversee management of the resources cooperatively.
- As a result of joint oil and gas development in the JPDA (as of May 2015):
  o Timor-Leste has received US$11.57 billion in revenue and accrued a National Petroleum Fund worth US$16.5 billion
  o Australia has received US$1.29 billion.

2003 International Unitisation Agreement for Greater Sunrise
- This agreement created the framework to develop the Greater Sunrise fields as a single unit.
- This was necessary because 20.1 per cent of Greater Sunrise lies within the shared JPDA and 79.9 per cent in exclusive Australian seabed jurisdiction.
- Under the agreement, companies may propose development plans for Greater Sunrise, and the Australian and Timor-Leste Governments are to approve a plan that, amongst other things, develops the Greater Sunrise resources “to the best commercial advantage consistent with good oilfield practice.” To date, no plan has been approved.

2006 Treaty on Certain Maritime Arrangements in the Timor Sea
- This treaty splits Greater Sunrise petroleum revenue 50/50 between Australia and Timor-Leste.
- It deferred establishment of a permanent maritime boundary for 50 years or five years after exploitation of the Greater Sunrise gas fields ceases, whichever occurs earlier.
- It provides Timor-Leste with water column jurisdiction (for activities such as fishing) within the JPDA.