



## East Timor accuses Australia of colluding with companies over Greater Sunrise oil and gas deal

PM By Peter Lloyd

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**East Timor's chief negotiator Xanana Gusmao has accused Australia of essentially colluding with oil companies to ensure Greater Sunrise oil and gas gets piped to Darwin instead of East Timor.**

In a letter to the United Nations Conciliation Commission, obtained by PM, Mr Gusmao, who was previously the prime minister and president of East Timor, excoriated both Australia and the process before the UN commission.

"The Commission instead opted for the easiest way out, which is a shame as in my perception it reveals a lack of impartiality on your behalf!"

Australia and East Timor will sign a treaty in New York tomorrow to confirm the first maritime boundary between the countries.

The ABC can confirm the treaty places the border in the position advocated by East Timor halfway between the two countries.

But they have failed to agree on how to develop the vast Greater Sunrise oil fields, with deposits worth an estimated \$50 billion.

There is a deep sense of disquiet in Dili over the treaty conditions imposed by Australia.

Australia is proposing a split of 80/20 in favour of the Timorese if the oil and gas is processed in Darwin.

That is a deal-breaker for East Timor, which says it will take a 70/30 split if the oil and gas comes to East Timor.

Dili says oil and gas is only of great value to the country if it is processed there.

There are many downstream advantages and economic growth that come with having processing take place on the south coast of East Timor, where a "petroleum hub" has been developed with the expectation of creating hundreds of jobs and potentially tens of billions of dollars in development, as well as education, health, infrastructure and knowledge transfer.

"Australia's offer may appear generous [but]...it amounts to around a week's worth of revenue," Mr Gusmao wrote.

East Timor says if the processing takes place in Darwin, there is potentially a downstream benefit to Australia of \$25 billion, which it says should rightly go to East Timor, for the development of the country.

East Timor has accused Australia of colluding with companies Woodside Petroleum and Conoco Philips to put forward this proposal.

It has also criticised the Conciliation Commission, saying the technical experts knew nothing about East Timor and describing their assessment as "shockingly superficial" and advantaging Australia.

In the past, the Australian Government and the extractive industries have not been explicit about their views on East Timor's claims.

Australia has said previously that it is not colluding with the companies, but simply doing what is in Australia's best national interest, with the \$25 billion also going to local jobs in Darwin and producing tax revenue.

"Civil society could potentially perceive this as a 'form' of collusion between the Government of Australia and Darwin LNG Partners and/or the Sunrise J," Mr Gusmao said.

East Timor will sign the maritime boundary treaty tomorrow in New York, and will continue working towards a deal with Australia.

But there is a very plain bottom line for the Timorese — they want the pipeline in East Timor.

The country is under some pressure because its existing oil and gas fields are expected to run dry by the end of the decade, and observers predict the country could run out of money in less than a decade at current rates of spending.

It could take up to 10 years for Greater Sunrise development to get underway once the deal is struck.

**Topics:** world-politics, oil-and-gas, economic-and-social-development, australia, east-timor

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