The nation’s spy watchdog is carefully considering a complaint alleging Australia broke the law when it bugged Timor-Leste’s cabinet during lucrative oil and gas negotiations, documents show.

Earlier this month, a group of prominent crossbenchers wrote to Margaret Stone, the inspector general of intelligence services (IGIS), asking her to investigate whether the 2004 mission to spy on Timor-Leste broke intelligence laws.

The operation, mounted by Australian Secret Intelligence Service (Asis) agents, helped give Australia an edge during talks with the fledgeling nation to carve up the vast oil and gas reserves in the Timor Sea.

The two men who helped reveal the existence of the operation – former Asis agent, Witness K, and his lawyer, Bernard Collaery – are currently being prosecuted for disclosing intelligence secrets.

In an early response to the complaint, Stone said she was working through the issues raised by the crossbenchers.

“The matters you raise deserve careful consideration and a thorough review of the legal position. I will contact you again as soon as I have done this,” she wrote to the crossbenchers.

When asked about the matter, Stone told Guardian Australia she was unable to comment on ongoing investigations.

The complaint was made jointly by Andrew Wilkie, Rex Patrick, Nick McKim and Tim Storer.
“We would urge you to undertake a prompt inquiry, including examination of all relevant records as well as interviews of relevant persons, to determine whether Asis’s actions or associated planning, preparation and approvals were in conformity with the purposes of the agency as set out in the Intelligence Services Act,” they wrote.

The crossbenchers had made a previous complaint to the Australian federal police alleging Australia had conspired to defraud Timor-Leste. They were told the matter was best directed to the IGIS.

Patrick said he was heartened that the IGIS was taking the complaint seriously. The Centre Alliance senator is currently in Timor-Leste discussing the prospect of an award for Witness K and Collaery. He said “officials have been open to this idea”.

“This illegal and very un-Australian affair must be looked into properly and the perpetrators brought before the courts,” he said.

“It is my very strong and considered view that Witness K and Collaery are simultaneously Australian and Timor-Leste heroes.”

Wilkie said: “I’m pleased the IGIS is taking our approach seriously and considering the matter.”