

Timor-Leste ex-leader Jose Ramos-Horta expects Australia to pay back 'millions' in oil revenue

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One of the founding fathers of Timor-Leste is confident that Australia will return millions of dollars generated from oil fields that belong to the developing South-East Asian country under an international agreement signed one year ago but yet to be ratified.

Australia and Timor-Leste signed the long-awaited treaty at the United Nations in New York in March 2018, settling a formal maritime border between the two nations after more than four decades of dispute.

The treaty defines which oil and gas fields belong to each country, with an area worth billions in a yet-to-be-mined gas field to be shared.

The treaty confirmed Timor-Leste's ownership of several disputed fields, some of which have been depleted.

But because the Australian Parliament has not yet ratified the treaty, Australia has continued to claim a 10 per cent stake in an oil field that under the treaty now fully belongs to Timor-Leste. The Timor-Leste Governance Project said the field could have generated an estimated \$60 million in the past 12 months.

It is worth almost two-thirds of the \$96.1 million in aid Australia provided in 2017-2018.

Jose Ramos-Horta, who led the newly independent country as president between 2007 and 2012, is confident that Australia will return the missing millions.

"We are losing, on a monthly basis, millions of dollars, so I hope that Australia really consider in good faith [and] back pay the amount due to Timor-Leste as of the signing of the agreement in New York," he told the ABC.



PHOTO: Jose Ramos-Horta, the former Timor-Leste president, believes Australia will act in "good faith". (Reuters: Chip East)

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Key points:

- Australia and Timor-Leste signed a maritime border treaty at the United Nations in 2018
- The two countries have been in dispute over ownership of rich oil and gas fields in the Timor Sea for decades
- Dr Jose Ramos-Horta does not believe the current dispute will negatively affect relations between the two countries



PHOTO: Australia and Timor-Leste agreed on a maritime border in March 2018, resolving years of bitter wrangling. (AP: Seth Wenig)

Dr Ramos-Horta said he had faith in Australia paying back the estimated \$60 million because "the national trait of Australia is being fair".

He rejected suggestions that Australia had deliberately delayed ratification in order to continue to profit from the Timor-Leste-owned oil field.

"I don't think Australia would do that, but it is strange to me that we have been waiting over one year since the signing of the maritime boundary agreement."

The Coalition Government initiated the first steps in ratifying the treaty in November when it introduced new legislation, however that process is on hold during the federal election. Both Labor and the Coalition have been called on to commit to swiftly ratify the treaty and pay back the millions in revenue earned since March 2018.



PHOTO: Ownership of the highly prized oil and gas fields has been an issue since the 1970s. (Supplied: ConocoPhillips)

Minister for Foreign Affairs Marise Payne and the Department of Foreign Affairs and Trade have been contacted for comment.

Opposition foreign affairs spokeswoman Penny Wong on Monday refused to commit to a repayment, saying "those issues would have to wait for consideration until after the election".

However, she voiced her support for ratifying the treaty as soon as possible.

"We are obviously an important partner for Timor-Leste and that would continue under a Labor government. We have also made some commitments around overseas development assistance," she said.

Long-running dispute: Timor-Leste 'treated badly'?



PHOTO: Timor-Leste's leaders have been hoping to secure the country's future with new pipelines. (Supplied: Sarina Locke, file)

Australia and Timor-Leste for decades had been in dispute over the ownership of the highly prized oil and gas fields found in the Timor Sea, which are worth many billions of dollars. Despite their long-disputed status, Australia has mined several of these fields, some as far back as the 1960s.

Australia has already mined three Timor Sea fields, Buffalo, Laminaria and Corallina, to depletion.

As part of the treaty, some aspects of the border are still open to negotiation and are dependent on future negotiations between Timor-Leste and Indonesia on their respective border. However, ownership of oil and gas fields — including those yet to be mined — have been clearly marked.

"The Maritime Boundary Treaty is an historic agreement for Australia and Timor-Leste," then foreign affairs minister Julie Bishop said.

"We have settled a long-running dispute, delimited our maritime boundaries, and laid the foundation for a new chapter in our relationship with one of our closest neighbours."

The treaty did not include a timeline for ratification for either country.

Tom Clarke, spokesman for the Timor Sea Justice Campaign, told the ABC that Australia had tried "every trick in the book" to stall ratifying the treaty.

"This is millions of dollars that should be going to Timor-Leste; every day the treaty remains unratified, the more money they're losing out on," he said.

History of Timor Sea treaties

- In 1989 Australia and Indonesia signed the Timor Gap Treaty when East Timor was still under Indonesian occupation.
- East Timor was left with no permanent maritime border and Indonesia and Australia got to share the wealth in what was known as the Timor Gap.
- In 2002 East Timor gained independence and the Timor Sea Treaty was signed, but no permanent maritime border was negotiated.
- East Timor has long argued the border should sit halfway between it and Australia, placing most of the Greater Sunrise oil and gas field in their territory.
- In 2004 East Timor started negotiating with Australia again about the border.
- In 2006 the CMATS treaty was signed, but no permanent border was set, and instead it ruled that revenue from the Greater Sunrise oil and gas field would be split evenly between the two countries.

"The Timorese have been incredibly forgiving and forward looking and want to maintain a good relationship, but it's incredibly to think what the Australia has attempted to get away with.

"It's almost impossible to think that we would treat another neighbour like New Zealand like this. It makes you think about why Australia has done this with one neighbour and not any other."

Under the treaty's terms, Timor-Leste cannot claim for the estimated billions of dollars that Australia has generated from mining the Timor Sea since the 1960s.



PHOTO: Feelings ran high during negotiations with Australia in March 2018 over control of the oil and gas reserves. (AAP/EPA: Antonio Dasiparu)

Timorese human rights organisation La'o Hamutuk reported that the Laminaria-Corallina area alone, located outside of the Joint Petroleum Development Area and geographically significantly closer to Timor-Leste than Australia — has produced 203 million barrels of oil since 1999 and that Australia has earned more than \$US2.2 billion (\$3.08 billion) in revenue.

"Timor-Leste has not received one cent."

Undeveloped gas field 'worth billions'

At the time of the treaty's signing, Ms Bishop said both countries would jointly develop the shared "Greater Sunrise" gas field — separate to Buffalo, Laminaria and Corallina — with up to 80 per cent of revenue to go to Timor-Leste.

The field, discovered in 1974, holds an estimated 5.13 trillion cubic feet of gas and depending on market value, could be worth about \$65 billion.

Timor-Leste is one of the poorest nations in the world, with more than 40 per cent of the population living in poverty, the Asian Development Bank reported.

Dr Ramos-Horta believes that the relationship between Australia and Timor-Leste will remain strong, even if there is a further delay in ratifying the treaty.

"The relationship today is very solid, it is wide-ranging and I believe after the coming election, whoever will win, we will see exponential increase development in relation with Timor-Leste," he said.

Deal could 'unravel' borders

