The government has been urged to drop its prosecution of Witness K and lawyer Bernard Collaery. (AAP)

Scott Morrison is leaving the door open to dropping spy charges against a former intelligence officer who exposed an Australian operation against East Timor.

Prime Minister Scott Morrison is not ruling out dropping spying charges in a commonwealth case involving East Timor.

The former president of East Timor, Xanana Gusmao, has urged the federal government to abandon its prosecution against a former spy known as Witness K and Canberra lawyer Bernard Collaery.

"These are matters that obviously get considered within the government and with the attorney-general," Mr Morrison told ABC radio on Friday.

"Based on that advice, we'll continue to consider all those matters very cautiously."

Independent senator Rex Patrick, a staunch supporter of the accused men, said the prime minister had a chance to "shine".

"Dropping Witness K and Collaery's charges would not only be good from a foreign relations perspective, but would also be a strong affirmation on the importance of protecting whistleblowers," he tweeted

"It's an opportunity for Scott Morrison to shine."

The pair are charged with exposing an Australian spying operation against East Timor.

Mr Gusmao, who is now a senior minister, has described the charges as an injustice.

His comments come at a sensitive time, as Australian officials prepare to head to Dili to celebrate the 20th anniversary of East Timor's referendum independence.

The prime minister could also travel to Dili for the anniversary celebrations.

Source AAP