

Timor-Leste warns it will work with China if Australia insists on pumping Timor Sea gas to Darwin

Exclusive: President José Ramos-Horta says his country's leadership 'has to make decisions ... if necessary a trip to China'



📷 China's foreign minister Wang Yi with Timor-Leste's president José Ramos-Horta during a visit to Dili in June. Photograph: Antonio Dasiparu/EPA

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Timor-Leste's [president, José Ramos-Horta](#), has warned his nation will seek Chinese support if Australia and Woodside Energy fail to back a gas pipeline between the resource-rich Timor Sea and his country's southern shore, rather than Darwin.

Ramos-Horta has warned [Timor-Leste](#) - Australia's neighbour and ally - would "absolutely" look to Chinese investment to secure what he says is the "national strategic goal" of piping gas from the Greater Sunrise fields to his nation's coast. The comments are likely to heighten concerns about Chinese influence in the Indo-Pacific.

“Timor-Leste would favourably consider partnership with Chinese investors if other development partners refuse to invest in bringing gas via pipeline to Timor-Leste,” Ramos-Horta told Guardian Australia.

“Timor-Leste would be in a financial cliff if Greater Sunrise is not operating within the next 10 years. So, very soon, [Timor-Leste’s] leadership has to make decisions ... if necessary a trip to [China](#).”

The Greater Sunrise oil and gasfields, worth an estimated \$71bn, are critical to Timor-Leste’s future. The resources - which sit in the Timor Sea about 150km south of Timor-Leste - have been the source of much tension between the two allies.

The former Coalition government’s [pursuit of lawyer Bernard Collaery](#) and former intelligence officer Witness K, who revealed Australia had spied on Timor-Leste’s government during 2004 negotiations over access to the lucrative resources, caused continued frustration and anger among key Timor-Leste leadership figures, including Ramos-Horta and the former prime minister Xanana Gusmão.

A new agreement was struck between Australia and Timor-Leste on the [Timor Sea maritime boundary](#) in 2019, but progress on the development of the Greater Sunrise resources has been slow.

The current preference of Woodside Energy, the Australian corporate giant seeking to exploit the gasfields, is to pipe the gas through Darwin for processing.

But the Australian Financial Review [reported this week](#) that Timor-Leste’s petroleum minister, Vítor da Conceição Soares, viewed the construction of a pipeline to Timor-Leste’s southern coast as the “only acceptable option for the people of Timor-Leste”.

Ramos-Horta’s comments go further still, giving an explicit warning that Timor-Leste will seek Chinese investment to help it achieve what he described as a “national strategic goal of a wide spectrum of Timorese political leadership”.

“I wouldn’t consider this to be detrimental to Australia’s strategic interests,” he said. “After all, the Chinese literally own the Darwin port and this does not seem to concern too much Canberra.”

The Department of Foreign Affairs and Trade said Australia recognised the “importance to Timor-Leste of developing the Greater Sunrise gas and condensate fields”.

“The Australian government is committed to developing Greater Sunrise in a way that is commercially viable, supports the economic development of Timor-Leste and maximises the benefits to all parties, consistent with the maritime boundary treaty between Timor-Leste and Australia,” a spokesperson said.

The decision on where to build the pipeline is ultimately a commercial one, though the Australian government is working with Timor-Leste on regulatory and taxation arrangements under the maritime boundary signed in 2019.

As it stands, Woodside has a 33.44% stake in Greater Sunrise, while Timor GAP – the Timor-Leste national oil company – holds a stake of 56.56%, after buying out ConocoPhillips and Shell. Japan’s Osaka [Gas](#) holds a 10% stake.

The Greater Sunrise fields are much closer to Timor-Leste, sitting about 150km south of the nation’s coastline, compared with 450km to Darwin. The new maritime boundary agreement puts most of the resources within Timor-Leste’s jurisdiction.

Woodside has generally argued that piping the gas to Darwin would be more commercially viable.

The Greater Sunrise gasfields are split from the Timor-Leste coast by the 3,300 metre-deep Timor Trench, which experts have argued would complicate efforts to pipe the gas there.

But Florentino Soares Ferreira, president of Timor-Leste’s National Authority of Petroleum and Minerals, told the AFR this week that independent reports have shown “that it is technically viable”.

“Ultimately, now they [Woodside] are just blindly rejecting the Timor projects, but they’re not the majority shareholder.”

Woodside said it understood the broader interest in the pipeline’s development but such discussions may be premature.

Woodside’s current focus was striking a production sharing contract, something required under the 2019 maritime boundary agreement, a spokesperson said. That contract would act as a precursor to any “future development activities being contemplated”.

“Woodside remains committed to the development of Greater Sunrise provided there is fiscal and regulatory certainty necessary for a commercially viable development to proceed,” the spokesperson said.

“We understand and respect Timor-Leste’s desire to process Sunrise gas in Timor-Leste, however any development plan will need to be assessed against the criteria established in the maritime boundary treaty.”