

SBS-AAP 30 July 2019

Australia approves controversial oil and gas deal with Timor-Leste

Australian parliament has approved a new treaty with Timor-Leste governing how the two nations carve up rich oil and gas deposits.

Impoverished Timor-Leste and Australia signed a treaty in March last year ending a long-running ocean border dispute.

Legislation passed federal parliament on Monday to create a new regime to share oil and gas under the Timor sea, in an area known as the Greater Sunrise fields.

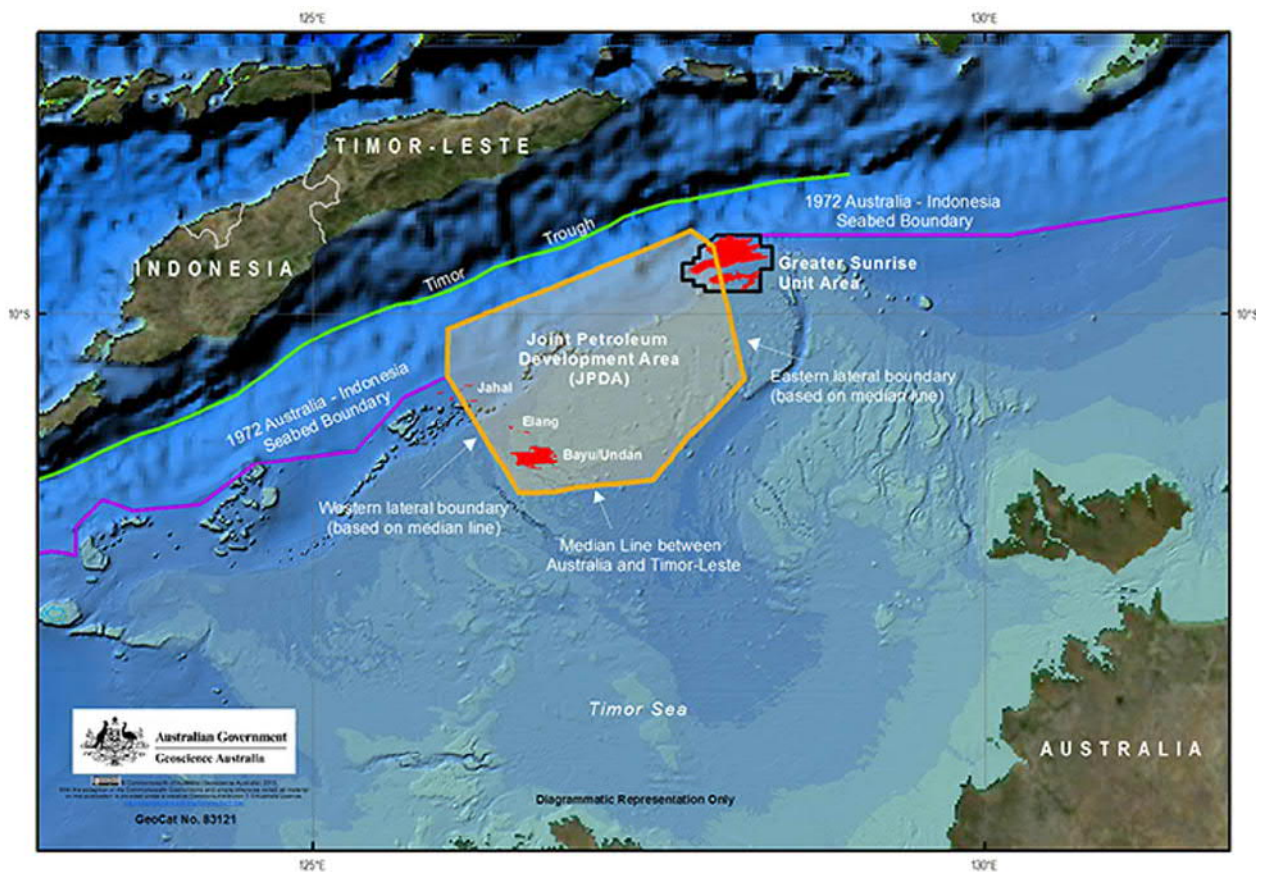


Prime minister Scott Morrison this week. -- AAP

An authority will be established to act on behalf of Australia and Timor-Leste to facilitate joint management of the new area.

Australia backed the treaty days after Timor-Leste's parliament did the same, paving the way for Prime Minister Scott Morrison to make a historic visit later this year to the tiny nation, which gained independence from Indonesia in 2002.

Under the treaty, Timor-Leste will get the biggest share of revenue from exploiting Greater Sunrise.



Undated map shows Australia's maritime arrangements with Timor-Leste and the Greater Sunrise gas field. --Department of Foreign Affairs and Trade

It will be split 80-20 if gas is piped to Australia for processing or 70-30 if it is piped to Timor-Leste.

Mr Morrison said the government had worked with Timor-Leste's government and offshore petroleum operators on arrangements to provide commercial certainty.

"With the passage of the treaty's implementing legislation today, Australia is now ready to partner with Timor-Leste to jointly develop the Greater Sunrise gas fields for the benefit of both countries," he said in a joint statement with senior cabinet colleagues.

"Greater Sunrise will provide new opportunities for income, and commercial and industrial development in Timor-Leste, and is an important part of Timor-Leste's economic future."