



PRESS RELEASE

CONCILIATION BETWEEN THE DEMOCRATIC REPUBLIC OF TIMOR-LESTE AND THE COMMONWEALTH OF AUSTRALIA

KUALA LUMPUR, 25 FEBRUARY 2018

Conciliation Commission concludes engagement on development pathway for Greater Sunrise gas fields at final conciliation session with Timor-Leste and Australia

The Conciliation Commission held its final set of meetings during the week of 19 February 2018 in Kuala Lumpur with the Democratic Republic of Timor-Leste (“**Timor-Leste**”) and the Commonwealth of Australia (“**Australia**”), as well as with the Greater Sunrise Joint Venture. In keeping with the action plan arising out of the Comprehensive Package Agreement of 30 August 2017 between the governments of Timor-Leste and Australia, the Conciliation Commission presented its conclusions to the two governments, with a view to providing them with an informed basis to take a decision on the development of the shared resource.

These meetings are part of a structured dialogue in the context of the conciliation between the Timor-Leste and Australia being conducted by a Conciliation Commission pursuant to the United Nations Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration (the “**PCA**”).

Signature of Treaty on Maritime Boundaries

In the course of the conciliation proceedings, the Parties have reached agreement on a treaty which delimits the maritime boundary between them in the Timor Sea and addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, and a pathway to the development of the resource. The treaty also establishes revenue sharing arrangements between the governments of Timor-Leste and Australia where the shares of upstream revenue allocated to each of the Parties will differ depending on downstream benefits associated with the different development concepts for the Greater Sunrise gas field.

Having now concluded their respective domestic processes, the two governments have agreed to convene at 5:00pm on 6 March 2018 in New York for the signature of their new Maritime Boundaries Treaty. The Secretary-General of the United Nations, H.E. António Guterres, has graciously agreed to host the signing ceremony at United Nations Headquarters and to witness the signature of the treaty along with the Chairman of the Conciliation Commission, H.E. Ambassador Peter Taksøe-Jensen.

Next Steps

The Commission will now proceed to finalize its report regarding the proceedings, to be deposited with Secretary-General of the United Nations in accordance with Annex V of the Convention. The report is expected to be made public in mid-April 2018.

Background on the Conciliation Process

The Commission was constituted on 25 June 2016 pursuant to the procedure set out in Annex V of the Convention. The five-member Commission is chaired by H.E. Ambassador Peter Taksøe-Jensen (Denmark). The other members of the Commission are Dr. Rosalie Balkin (Australia), Judge Abdul G. Koroma (Sierra Leone), Professor Donald McRae (Canada and New Zealand), and Judge Rüdiger Wolfrum (Germany). With the agreement of the Parties, the Permanent Court of Arbitration acts as Registry in the proceedings.

These conciliation proceedings were initiated by Timor-Leste on 11 April 2016 by way of a “Notification Instituting Conciliation under Section 2 of Annex V of UNCLOS” addressed to Australia.

On 2 May 2016, Australia submitted “Australia’s Response to the Notice of Conciliation”.

On 28 July 2016, the Conciliation Commission held a procedural meeting with the Parties at the Peace Palace in The Hague, the Netherlands.

On 29, 30, and 31 August, the Commission convened the Opening Session of the Conciliation and a Hearing on Competence at the Peace Palace in The Hague, the Netherlands.

On 19 September 2016, the Commission rendered its Decision on Competence, finding that the Conciliation would continue.

From 10 to 13 October 2016, the Commission met with the Parties in Singapore.

On 9 January 2017, the Foreign Ministers of Timor-Leste and Australia, together with the Commission, issued a Trilateral Joint Statement on the termination of the Treaty on Certain Maritime Arrangements in the Timor Sea.

From 16 to 20 January 2017, the Commission met with the Parties in Singapore.

From 27 to 31 March 2017, the Commission met with the Parties in Washington, D.C.

From 5 to 9 June 2017, the Commission met with the Parties in Copenhagen.

From 24 to 28 July 2017, the Commission met with the Parties in Singapore.

From 28 August to 1 September 2017, the Commission met with the Parties in Copenhagen.

On 30 August 2017, the Parties reached a Comprehensive Package Agreement on the central elements of a maritime boundary delimitation between them in the Timor Sea (the “**30 August Agreement**”). In addition to boundaries, the Comprehensive Package Agreement addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, a pathway to the development of the resource, and the sharing of the resulting revenue.

On 13 October 2017, following meetings in The Hague, the Parties reached agreement on the complete text of a draft treaty as anticipated in the 30 August Agreement. This draft treaty delimits the maritime boundary between them in the Timor Sea and addresses the legal status of the Greater Sunrise gas field, the establishment of a Special Regime for Greater Sunrise, a pathway to the development of the resource, and the sharing of the resulting revenue.

On 18 November 2017, the Commission met with the Parties and the Joint Venture in Singapore.

From 12 to 14 December 2017, the Commission met with the Parties and the Joint Venture in Singapore.

From 29 January to 2 February 2018, the Commission met with the Parties and the Joint Venture in Sydney.

From 19 to 23 February 2018, the Commission held its final negotiating session with the Parties and the Joint Venture in Kuala Lumpur.

Further information about the conciliation may be found at www.pca-cpa.org/en/cases/132/, including the full text of the Commission's Decision on Competence, a video recording and transcript of the Opening Session, the presentations of the Parties, and previous press releases and Trilateral Joint Statements.

* * *

Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 121 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering 4 interstate disputes, 87 investor-State arbitrations, and 49 cases arising under contracts involving a State or other public entity. More information about the PCA can be found at www.pca-cpa.org.

Contact: Permanent Court of Arbitration
E-mail: bureau@pca-cpa.org