GOVERNMENT OF TIMOR-LESTE

FACT SHEET

9 September 2026

Lighthouse Corporation Limited & Anor v Democratic Republic of Timor-Leste & Anor — Supreme Court of Victoria

ABOUT THE DISPUTE

This dispute relates to events that took place in Timor-Leste well over a decade ago, in 2010 and 2011, in respect of an alleged contract for the supply of fuel and generators in Timor-Leste.

In 2010, Timor-Leste was experiencing significant electricity shortages, leading to blackouts. Additional energy sources were urgently needed. The government of Timor-Leste investigated a number of options to address this shortfall. In early 2010, Lighthouse commenced discussions with the Government to supply diesel fuel to Timor-Leste.

These discussions continued throughout 2010 and by September 2010 had taken the form of a proposal for the supply of fuel and eight generators to meet urgent electricity shortages and to address power blackouts in Dili.

Lighthouse made a number of false representations about itself, its credentials and its relationships designed to mislead the Timor-Leste government and its ministers.

After further discussions in October 2010, Lighthouse gave assurances in a signed proposal to supply, free of charge, eight generators which could be used to meet the power supply shortages causing electricity blackouts in Dili. There were also further signed proposals regarding fuel storage and the building of port facilities.

Lighthouse's false representations

In discussing the proposals from Lighthouse, the Timor-Leste government was relying on representations made by Lighthouse. Many of the representations relied on were in fact false, and this was discovered by the Timor-Leste government when it made further investigations into Lighthouse. The false representations about itself, its credentials and its relationships included:

- That Lighthouse had been incorporated for 30 years and had capacity, expertise and experience in crude oil and diesel supply.
- That Lighthouse was one of Europe's largest privately-owned oil and gas companies and had commercial relationships with major oil companies, including Exxon Mobil, BP and Caltex.
- That Lighthouse had the capacity and expertise to invest in the capital infrastructure of Timor-Leste.
- That Lighthouse owned substantial oil reserves in its own right.
- That Lighthouse Corporation had the financial capacity to deliver on proposed arrangements (it sought to bolster this representation with an altered bank account statement purporting to show a balance of more than $55 million).

During the course of 2011, it became apparent that Lighthouse was little more than a $2 shelf company with no assets, experience or capacity of the kind it had repeatedly represented to the Government.

Lighthouse subsequently sought to use legal action to enforce what it claimed was a contract between the parties.

The Timor-Leste government consistently maintained that no contract was ever entered into, only a proposal to be discussed and then subjected to the Government's procurement processes. The Government further maintained that, even if the court did find that a contract existed, it was validly rescinded and/or void at law. This is based on Lighthouse's many and repeated fraudulent misrepresentations about, among other things, their capacity, standing and ability to supply the fuel and generators and the proposed fuel supply.

THE LITIGATION HISTORY

This has been a drawn-out dispute over more than a decade, unnecessarily consuming Government time and resources.

ICSID arbitration

In 2015 Lighthouse commenced proceedings against the Timor-Leste Government in the International Centre for the Settlement of Investment Disputes (ICSID), claiming in part that the ICSID Tribunal had jurisdiction to hear and determine the proceedings. The Timor-Leste government did not accept that ICSID had jurisdiction to hear the dispute.

In December 2017 the Tribunal determined that ICSID had indeed no jurisdiction. The Tribunal required Lighthouse to pay the Government of Timor-Leste US $1.3 million to cover its costs.

Supreme Court of Victoria

After losing its case at ICSID, in February 2018 Lighthouse re-enlivened a statement of claim before the Supreme Court of Victoria.

Between 2018 and 2022 the Government challenged the jurisdiction of the Supreme Court of Victoria to decide the case and was not successful. The proceeding then continued through the usual steps of pleadings and discovery, with ongoing interlocutory disputes.

In 2022 the Government tendered evidence that Lighthouse appeared to have doctored a statement from the Commonwealth Bank of Australia to suggest an account with $25,072.74 in credit in fact held $55,325,072.74.

Shortly after the Government shared this evidence of apparent fraud with lawyers for Lighthouse in August 2022, Lighthouse's lawyers notified the court they were ceasing to act for Lighthouse. Law firm Johnson Winter Slattery stepped down on 6 September 2022 and counsel Chris Young KC and Paul Annabell also ceased to act in early September 2022.

Lighthouse then consistently failed to meet numerous court deadlines, including for payment of security for costs and filing all its lay evidence by late 2023. It again changed legal counsel in late 2024. These failures, as well as its third change of law firms in 18 months, caused extensive delays to the litigation.

Given Lighthouse's failure to progress the case, and failure to comply with various court orders against it, the Timor-Leste government brought an action for dismissal of Lighthouse's claim in 2025. After that application was filed, Lighthouse belatedly lodged the security for costs ordered by the court. The Court did not dismiss the proceeding, but considered Lighthouse's conduct up to June 2025 and stated in the judgment:

> "The proceeding from will now be case managed in the most intense fashion. Having regard to the recent history, Lighthouse will be given short shrift if it fails to comply with any further procedural orders and the Court will be open to making self-executing [orders] in respect of such further interlocutory steps as may be required to be observed by Lighthouse."

In February 2026, the court ordered Lighthouse to pay into court more than $2.6 million as further security for the Government's legal costs in the event Lighthouse lost the case at trial and the Government became entitled to its costs. The payment of $2.6 million was to be made in two instalments, the first in April 2026 and the second in August 2026 (extended from July).

In June 2026, Lighthouse changed its legal team again, to its fourth set of solicitors and counsel.

Successful dismissal application

Lighthouse then again failed to lodge a $1.3 million security for costs with the court in August 2026.

Due to Lighthouse's failure to pay that security in breach of the court's order, the Government applied for an order to dismiss the proceeding. The application was heard in Melbourne on 2 September 2026 and on 4 September 2026 the Court issued judgment in favour of the Government and dismissed the case. The Court stated in the judgment:

> "In short, the evidence that funds are 'expected' to be available from an unknown overseas source by 18 September 2026 is entirely unsatisfactory. Contrary to the Lighthouse submissions, the evidence does not support a finding that there is a reasonable likelihood that Lighthouse will or even might be able to provide security for costs in the sum of [AU]$1.3 million by 18 September 2026."
>
> "Lighthouse has prosecuted its claim in stops and starts for more than a decade. The proceeding has been stayed on multiple occasions, and the Court has afforded Lighthouse multiple indulgences in respect of its failures to comply with Court orders."
>
> "This is not the first occasion on which Lighthouse has failed to comply with orders… The failure to comply with the [order] is history repeating itself.
>
> …
>
> As I said in [another case], orders of the Court are not guidelines."
>
> "For the reasons discussed, the application by Lighthouse for an extension of time for the provision of security for costs is refused. The proceeding is dismissed."

The 33-page judgment is comprehensive and outlines in extensive detail the reasons why the Government was successful in its application.