



Press Release

Supreme Court of Victoria dismisses the Lighthouse Case

The Supreme Court of Victoria (Court) on Friday handed down judgment in favour of the Government of Timor-Leste's application to dismiss a proceeding commenced in 2018 by Lighthouse Corporation (Lighthouse) against Timor-Leste and its electricity public entity, EDTL.

The dispute relates to events that took place in Timor-Leste in 2010 and 2011 in respect of an alleged contract for the supply of fuel and generators in Timor-Leste. The Government of Timor-Leste has always maintained that no binding contract was entered into.

Lighthouse claimed damages against the Government of Timor-Leste of approximately AU\$500 to AU\$600 million. The Government's position was that Lighthouse's claims were worthless and valued at zero. The Government says that Lighthouse attempted to perpetrate a major fraud against Timor-Leste but ultimately failed.

The Court dismissed the proceeding due to Lighthouse's failure to pay AU\$1.3 million in security for costs in accordance with the Court's previous order. That security was ordered to be paid by 21 August 2026 and Lighthouse failed to do so.

In dismissing the proceeding, the Court refused Lighthouse's request for an extension of time to make the payment by 18 September 2026. The Court also considered Lighthouse's history of non-compliance with court orders, the Court's warnings to Lighthouse and the multiple indulgences the Court had afforded Lighthouse on previous occasions of non-compliance.

The public judgment of the Honourable Justice Delany included the following:

"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."





PRESIDENCY OF THE
**COUNCIL OF
MINISTERS**
NINTH CONSTITUTIONAL GOVERNMENT



Spokesperson's
Office

"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 Government of Timor-Leste has consistently maintained that the claim made by Lighthouse against Timor-Leste, which Lighthouse first brought before the International Centre for the Settlement of Investment Dispute (ICSID) 12 years ago, has always been without merit.

In December 2017 the Tribunal determined that ICSID had no jurisdiction to hear the case and ordered Lighthouse to pay the Government US\$1.3 million for its costs. Lighthouse then proceeded with the litigation it had earlier commenced before the Supreme Court of Victoria, which has now been dismissed.

The Government of Timor-Leste welcomes the decision by the Court, and is pleased that litigation is now at an end.

The Court's decision also means that the five-week trial that was due to commence on 19 October 2026 has been vacated and there will be no trial.

The Government of Timor-Leste extends its thanks to its legal team for their tireless work and ongoing support throughout the ICSID arbitration and the Court proceedings.

Like many young nations, Timor-Leste is often targeted by people and businesses seeking to take advantage of us and our systems. The Government remains vigilant against these threats.

The Prime Minister, Kay Rala Xanana Gusmão, said "the Government of Timor-Leste will never waver when it comes to protecting Timor-Leste's national interest". **END**

