

PRESS RELEASE

Conciliation between the Democratic Republic of Timor-Leste and the Commonwealth of Australia

SINGAPORE, 13 October 2016

Optimism Pervades Recent Meetings with Conciliation Commission

Delegations from both Timor-Leste and Australia held a series of confidential meetings with the Conciliation Commission in Singapore this week, in the conciliation initiated between the Democratic Republic of Timor-Leste ("**Timor-Leste**") and the Commonwealth of Australia ("**Australia**") under Annex V of the United Nations Convention on the Law of the Sea (the "**Convention**").

This conciliation concerns the maritime boundary between Timor-Leste and Australia and was initiated by Timor-Leste by way of a Notice addressed to Australia pursuant to Article 298 and Annex V of the Convention. The conciliation is being conducted under the auspices of the Permanent Court of Arbitration (the "PCA").

Both Parties and the Commission agreed that the meetings were very productive. All agreed we should aim to reach agreement within the timeframe of the conciliation process.

"I was very pleased to see a sincere willingness on both sides to come together in a spirit of cooperation," remarked the Chairman of the Conciliation Commission, H.E. Ambassador Peter Taksøe-Jensen. "Both sides are to be commended for being willing to move beyond past differences and work hard to create conditions conducive to achieving an agreement, as well as stability in the meantime for all other stakeholders in the Timor Sea."

Mr. Gary Quinlan AO, Deputy Secretary, Australian Department of Foreign Affairs and Trade, head of the Australian delegation added, "Australia is engaged in good faith in the conciliation process with the Commission and Timor-Leste. The process is confidential and so I can't go into the detail of the discussions underway. Australia certainly sees these proceedings with the Commission and Timor-Leste as constructive, and we will continue to engage seriously." "I share the optimism of our Australian friends," said H.E. Minister Xanana Gusmão, Chief Negotiator for Timor-Leste. "The atmosphere was very positive and we are now on the right path. But we have agreed to a strictly confidential process. So, I cannot say much more right now."

The meetings were agreed by the Parties and the Commission to be strictly confidential, and that no further press statements will be made by either side regarding what has been discussed so far.

Next Steps

A number of further meetings between the Parties and the Commission are expected to take place over the course of the next year. The Commission anticipates that future meetings will continue to be conducted largely in a confidential setting in order to provide an environment conducive to facilitating the eventual success of the conciliation, although further joint public statements may be made from time to time.

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 conciliation.

This conciliation was 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 could proceed.

Further information about the case may be found at www.pcacases.com/web/view/132, including the full text of the Commission's Decision on Competence, earlier Press Releases, a video recording and transcript of the Opening Session, and the presentations of the Parties.

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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 Member States. 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 8 interstate disputes, 75 investor-State arbitrations, and 34 cases arising under contracts involving a State or other public entity. More information about the PCA can be found at www.pca-cpa.org.

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