



**JOINT STATEMENT BY THE GOVERNMENTS OF TIMOR-LESTE AND AUSTRALIA AND THE
CONCILIATION COMMISSION CONSTITUTED PURSUANT TO ANNEX V OF THE UNITED NATIONS
CONVENTION ON THE LAW OF THE SEA**

Delegations from both Timor-Leste and Australia participated in a series of confidential meetings with the Conciliation Commission in Singapore from 16 to 20 January 2017. These meetings are part of an ongoing, structured dialogue in the context of the conciliation between the Democratic Republic of Timor-Leste and the Commonwealth of Australia being conducted pursuant to the UN Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration. These meetings will continue over the course of the year in an effort to resolve the differences between the two States over maritime boundaries in the Timor Sea.

In October 2016, the Conciliation Commission reached agreement with the Parties on certain confidence-building measures, which included a series of actions by both Timor-Leste and Australia to demonstrate each Party's commitment to the conciliation process and to create the conditions conducive to the achievement of an agreement on permanent maritime boundaries.

As part of this integrated package of confidence-building measures, the Foreign Ministers of Timor-Leste and Australia and the Conciliation Commission issued a Trilateral Joint Statement on 9 January 2017, noting Timor-Leste's intention to terminate the *Treaty on Certain Maritime Arrangements in the Timor Sea* and setting out the Parties' agreement on the legal consequences of such termination. On 10 January 2017, Timor-Leste formally notified Australia of the termination of the Treaty, which shall cease to be in force on 10 April 2017, in accordance with its terms.

Over the course of the week, the Commission met with the Parties to explore their negotiating positions on where the maritime boundary in the Timor Sea should be set with a view to identifying possible areas of agreement for discussion in future meetings. Both Timor-Leste and Australia agreed that the meetings were productive, and reaffirmed their commitment to work in good faith towards an agreement on maritime boundaries by the end of the conciliation process in September 2017. The Commission intends to do its utmost to help the Parties reach an agreement that is both equitable and achievable.

Recognizing that the Parties are undertaking good faith negotiations on permanent maritime boundaries, and in continuation of the confidence-building measures and the dialogue between the Parties, on Friday, 20 January 2017, Timor-Leste wrote to the tribunals in the two arbitrations it had initiated with Australia under the *Timor Sea Treaty* in order to withdraw its claims. These arbitrations had previously been suspended by agreement of the two governments following the Commission's meeting with the Parties in October 2016. The withdrawal of these arbitrations was the last step in the integrated package of confidence-building measures agreed during the Commission's meetings with the Parties in October 2016.

The Commission and the Parties recognise the importance of providing stability and certainty for petroleum companies with current rights in the Timor Sea. The Parties are committed to providing a stable framework for existing petroleum operations. They have agreed that the 2002 *Timor Sea Treaty* and its supporting regulatory framework will remain in force between them in its original form until a final delimitation of maritime boundaries has come into effect. As this process continues, the Commission and the Parties will ensure that the issue of transitional arrangements for any new regime will be included in the program of work for the conciliation with a view to ensuring that current rights of these companies are respected.

Timor-Leste and Australia enjoy a close and strong friendship. The governments of both countries are committed to their important relationship and working together on many shared interests.

This statement is being issued simultaneously by the Government of Timor-Leste, the Government of Australia, and the Permanent Court of Arbitration on behalf of the Conciliation Commission.

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