Annex 24:
Press Releases Nos. 9 to 14
PRESS RELEASE

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

COPENHAGEN, 1 September 2017

Timor-Leste and Australia Achieve Breakthrough in Maritime Boundary Conciliation Proceedings

Through a series of confidential meetings with the Conciliation Commission in Copenhagen this past week, Timor-Leste and Australia have reached agreement on the central elements of a maritime boundary delimitation between them in the Timor Sea. The Parties’ agreement constitutes a package and, in addition to boundaries, 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.

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

The Parties and the Commission will now turn to formalizing the Parties’ agreement and to addressing a number of remaining issues and points of detail. Until all issues are resolved, the details of the Parties’ agreement will remain confidential. Nevertheless, the Parties agree that the agreement reached on 30 August 2017 marks a significant milestone in relations between them and in the historic friendship between the peoples of Timor-Leste and Australia.

The leader of Timor-Leste’s delegation, Chief Negotiator and former President Xanana Gusmão, hailed the agreement and stated:

I thank the Commission for its resolve and skill in bringing the Parties together, through a long and at times difficult process, to help us achieve our dream of full sovereignty and to finally settle our maritime boundaries with Australia. This is an historic agreement and marks the beginning of a new era in Timor-Leste’s friendship with Australia.

Timor-Leste’s Agent in these proceedings, Minister Agio Pereira, echoed these sentiments, noting:

This agreement was made possible because of the strength and leadership of the father of our nation, the Chief Negotiator, Xanana Gusmão, who worked with the Commission and Australia to secure the political and economic sovereignty of our nation and secure the future of our people. With our joint success at resolving our dispute through this conciliation process, Timor-Leste and Australia hope to have set a positive example for the international community at large.
The Minister for Foreign Affairs of Australia, the Hon. Julie Bishop MP, stated:

This is a landmark day in the relationship between Timor-Leste and Australia. This agreement, which supports the national interest of both our nations, further strengthens the long-standing and deep ties between our Governments and our people. I thank the Commission for its role in bringing the Parties together.

The Chairman of the Commission, Ambassador Peter Taksøe-Jensen of Denmark, speaking on behalf of the Commission, made the following statement:

I commend the Parties for being able to reach an equitable and balanced solution that benefits both Timor-Leste and Australia. These negotiations have been challenging, and this agreement has only been possible because of the courage and goodwill shown by leaders on both sides. The key moment in these negotiations transpired on the evening of 30 August, and the significance of that date is not lost on the Commission. Both countries will now look back on this date fondly.

Next Steps

The Parties will continue to meet with the Commission in order to finalize their agreement in October 2017. At the same time, the Parties will begin to engage with other stakeholders in the Timor Sea regarding the implications of their agreement, in particular with respect to the Greater Sunrise resource.

The Commission will continue to conduct its meetings in a confidential setting in order to provide an environment conducive to maintaining and finalizing the agreement reached in Copenhagen this week. Further public statements will be made from time to time.

Following its engagement with the Parties in October of this year, the Commission will prepare and issue a report on the proceedings as anticipated by the UN Convention on the Law of the Sea.

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.

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

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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 6 interstate disputes, 77 investor-State arbitrations, and 46 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
Press Release

Conciliation Between
The Democratic Republic of Timor-Leste and the Commonwealth of Australia

The Hague, 15 October 2017

Timor-Leste and Australia reach agreement on treaty text reflecting 30 August Comprehensive Package Agreement

Through a series of confidential meetings with the Conciliation Commission in The Hague this past week, Timor-Leste and Australia have reached agreement on the complete text of a draft treaty as anticipated in the Comprehensive Package Agreement of 30 August 2017 (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. The Parties will now pursue their domestic approval processes in order to proceed with the signing of the Treaty. In order to accelerate the Parties’ engagement with the Greater Sunrise Joint Venture and to invite the Joint Venture to provide the information necessary to ensure the rapid development of the Greater Sunrise gas fields, the Parties and the Commission also met with representatives of the Joint Venture during the course of the week.

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

The Parties agreed in Copenhagen that the essential elements of the 30 August Agreement were the agreement on a maritime boundary and a process of engagement leading to an early decision on the utilisation of the Greater Sunrise Resource. Having reached agreement on maritime boundaries, engagement with the Greater Sunrise Joint Venture and the development of Greater Sunrise will now become the principal focus of the Parties. To that end, the 30 August Agreement provides for the Commission to remain involved to facilitate this engagement and ensure that an informed decision is taken on the Development Concept for the Greater Sunrise field.

The Chairman of the Commission, Ambassador Peter Taksøe-Jensen, speaking on behalf of the Commission, made the following statement:

The Conciliation Commission has met regularly with the governments of Timor-Leste and Australia over the last year and has come to know their representatives very well. I can say without hesitation that, from the Commission’s perspective, the meetings this week were the easiest since we began this process in the summer of 2016. The true breakthrough in these proceedings occurred in Copenhagen on 30 August of this year. This week has involved the translation of that agreement into the form of a draft treaty, and I am pleased to note that this has been done in a bilateral setting, without the need for intervention by the Commission. The Parties’ engagement has been efficient and constructive.
I am encouraged regarding the spirit with which the Parties are approaching the joint development of resources. It has been a pleasure to see the governments of Timor-Leste and Australia forming a common position and standing together to ensure that the resources of the seabed are developed to the benefit of both peoples.

Next Steps

The Parties will continue to engage with the Greater Sunrise Joint Venture regarding the development of the Greater Sunrise gas field, as well as with other stakeholders with resource interests in the Timor Sea. As agreed in the Comprehensive Package Agreement, the Commission will remain engaged to facilitate this process as necessary. The parties will be meeting in Singapore before the end of November with the Commission in order to review progress on the CPA pathway to the development of the resource, and set a date for signing by the end of the year or early 2018 if satisfied with progress. There will be a further meeting between the Parties and the Commission in December 2017.

This ongoing engagement will take place in a confidential setting. In light of the implications for other stakeholders with rights or interests in the Timor Sea, the specifics of the Parties’ agreement on maritime boundaries will be disclosed in a coordinated process, following consultations with affected parties.

While continuing to facilitate the Parties’ engagement with the Greater Sunrise Joint Venture, the Commission will also now turn to preparing a report on the proceedings as anticipated by the UN Convention on the Law of the Sea. The Commission anticipates that this report will be finalized and made public in early 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.

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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. 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.

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, earlier Press Releases, a video recording and transcript of the Opening Session, the presentations of the Parties and previous press releases and Trilateral Joint Statements.

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PRESS RELEASE

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

THE HAGUE, 23 NOVEMBER 2017

Timor-Leste and Australia continue engagement with Greater Sunrise Joint Venture and progress towards signature of maritime boundary treaty

The Conciliation Commission held meetings during the last week in Singapore 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 order to review progress on the pathway to the development of the Greater Sunrise gas fields.

This meeting was convened further to the Comprehensive Package Agreement reached between the Parties on 30 August 2017 regarding maritime boundaries in the Timor Sea, which includes an “Action Plan” for engagement regarding the development of the resource. As part of this Action Plan, the governments of Timor-Leste and Australia and the Greater Sunrise Joint Venture have engaged in intensive meetings and discussions since September of this year, culminating in two trilateral meetings held this month in Brisbane and Singapore. During these meetings, the governments and Joint Venture have sought to elaborate and reach agreement on a development concept for the Greater Sunrise gas fields.

The Commission and the two governments also discussed the coordination of the public disclosure of the text of the draft treaty on maritime boundaries, finalized in The Hague last month. The two governments have now commenced engagement with private stakeholders in the Timor Sea regarding the effect of the treaty on private interests, as well the transitional arrangements envisaged by the two governments.

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 UN Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration (the “PCA”). In the course of the conciliation proceedings, the Parties have reached agreement on the text of 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, a pathway to the development of the resource, and the sharing of the resulting revenue.

Next Steps

The Parties continue to pursue their domestic approval processes in order to proceed with the signing of the treaty. The Commission will convene a further stocktaking session in December of this year, in order to review progress with respect to the development concept for Greater Sunrise and to coordinate steps regarding the disclosure and signature of the treaty. While continuing to facilitate the Parties’ engagement regarding the development of the Greater Sunrise resource, the Commission has also now turned to preparing its report on the proceedings in accordance with the UN Convention on the Law of the Sea. The Commission’s report will be finalized and made public in early 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.

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.

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Background on the Permanent Court of Arbitration

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PRESS RELEASE

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

THE HAGUE, 26 DECEMBER 2017

Timor-Leste and Australia continue engagement with Greater Sunrise Joint Venture and agree timeframe for signature of maritime boundary treaty

The Conciliation Commission held meetings during the week of 11 December 2017 in Singapore with the Democratic Republic of Timor-Leste (“Timor-Leste”) and the Commonwealth of Australia (“Australia”), as well as with the Greater Sunrise Joint Venture. The purpose of these meetings was both to review progress on the pathway to the development of the Greater Sunrise gas fields and to fix a timeframe for the signature of the maritime boundary treaty agreed between the two governments.

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 UN Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration (the “PCA”). In the course of the conciliation proceedings, the Parties have reached agreement on the text of 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, a pathway to the development of the resource, and the sharing of the resulting revenue.

Treaty on Maritime Boundaries

On 30 August 2017, the governments of Timor-Leste and Australia reached agreement on Comprehensive Package Agreement regarding maritime boundaries in the Timor Sea. This agreement was formalized into a draft treaty and initialled by the agent of each government in October 2017 in The Hague.

In broad terms, the draft treaty delimits the maritime boundary between Timor-Leste and Australia in the Timor Sea and establishes a Special Regime for the area comprising the Greater Sunrise gas field. The draft treaty also establishes revenue sharing arrangements 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 agreed that they will proceed with signature in early March 2018.

Development of Greater Sunrise

As part of a comprehensive package, the 30 August Agreement included an “action plan” for engagement regarding the development of the Greater Sunrise gas field. Pursuant to this action plan, the two governments and the Greater Sunrise Joint Venture (the licence holder to the resource) have engaged in intensive meetings and discussions since September of this year, including three trilateral meetings in November and December 2017 in Brisbane, Singapore, and Melbourne. During these
meetings, the governments and Joint Venture have sought to elaborate and reach agreement on a 
development concept for Greater Sunrise.

Having considered the progress made in the trilateral engagement to date, the governments agreed that the Commission would engage directly with them and with the Joint Venture to resolve certain outstanding matters and that a decision on the development concept would be taken by 1 March 2018.

Next Steps

The Commission, the two governments, and the Joint Venture have agreed to a supplemental action plan to resolve certain outstanding matters to allow for a decision on the development concept to be taken by 1 March 2018. As part of this supplemental action plan, the Commission envisages several further meetings with the governments and Joint Venture in January and February 2018.

In parallel with this process, the two governments will identify a precise date for the signature of the treaty in early March 2018. The two governments are presently preparing certain materials relating to the transition and consulting with private actors potentially affected by the new boundary, prior to making public the terms of the treaty.

The Commission anticipates that its report will be finalized and made public in 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.

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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.

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.

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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 Taksoe-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

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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.

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PRESS RELEASE

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

NEW YORK, 6 MARCH 2018

Timor-Leste and Australia sign new Maritime Boundaries Treaty

The Democratic Republic of Timor-Leste (“Timor-Leste”) and the Commonwealth of Australia (“Australia”) have today signed their new Maritime Boundaries Treaty. The signing ceremony, which took place at 5:00pm today at United Nations Headquarters in New York, constitutes the culmination of the international conciliation proceedings between Timor-Leste and Australia being conducted by a Conciliation Commission pursuant to the UN Convention on the Law of the Sea and under the auspices of the Permanent Court of Arbitration (the “PCA”). The signing of the new Maritime Boundaries Treaty was hosted by Secretary-General of the United Nations, H.E. Antonio Guterres, who witnessed the signature of the treaty along with the Chairman of the Conciliation Commission, H.E. Ambassador Peter Taksøe-Jensen, and the members of the Conciliation Commission, Dr. Rosalie Balkin, Judge Abdul G. Koroma, Professor Donald McRae, and Judge Rüdiger Wolfrum.

The new Maritime Boundaries Treaty delimits the maritime boundary between Timor-Leste and Australia in the Timor Sea. The agreement on the boundaries is comprehensive and final. It encompasses the delimitation of both the ‘continental shelf’ (which entails rights to exploit seabed resources, such as petroleum) and the ‘exclusive economic zone’ (which entails rights to exploit resources in the water column, such as fisheries).

The Treaty also 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. Upstream revenue from Greater Sunrise will be shared 70/30 in Timor-Leste’s favour if the field is developed by a pipeline to Timor-Leste, or 80/20 in Timor-Leste’s favour if the field is developed by a pipeline to Australia.

The Treaty signed by Timor-Leste and Australia forms part of the Comprehensive Package Agreement of 30 August 2017 concluded between them (the “30 August Agreement”). An integral part of the 30 August Agreement was the “action plan” for engagement leading to a decision on the development of the Greater Sunrise gas field. Pursuant to this action plan, the two governments and the Greater Sunrise Joint Venture (the licence holder to the resource) have engaged in intensive meetings and discussions since September of last year. With a view to providing the two governments with an informed basis to take a decision on the development of the shared resource, the Commission also engaged an independent expert with their agreement. At its final session in Kuala Lumpur last month, the Conciliation Commission presented its conclusions to the two governments on the basis of the expert advice received, in order to allow for a timely decision on the development of the shared resource.

Copies of the 30 August Agreement, the Maritime Boundaries Treaty, the Commission’s paper regarding the development of the shared resource, and the remarks delivered by the Chairman of the Conciliation Commission, H.E. Ambassador Peter Taksøe-Jensen, at the signing ceremony are enclosed herewith.
Next Steps

The Commission’s full report regarding the conciliation proceedings is expected to be made public in mid-April 2018, and will be deposited with Secretary-General of the United Nations in accordance with Annex V of the Convention.

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 Greater Sunrise 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.

On 6 March 2018, the new Maritime Boundaries Treaty between Timor-Leste and Australia was signed in New York in the presence of the Secretary-General of the United Nations, H.E. Antonio Guterres, and the Conciliation Commission.

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.

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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 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.

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