



PRESS RELEASE

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

THE HAGUE, 9 MAY 2018

Conciliation Commission issues Report and Recommendations

On 9 May 2018, the Conciliation Commission issued its *Report and Recommendations* in the compulsory 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**”).

These compulsory conciliation proceedings concerned the maritime boundary between Timor-Leste and Australia and were initiated by Timor-Leste by way of a Notice addressed to Australia pursuant to Article 298 and Annex V of the Convention. The conciliation has been conducted under the auspices of the Permanent Court of Arbitration (the “**PCA**”).

In its *Report and Recommendations*, the Commission records the agreement reached between the two governments regarding their maritime boundary in the Timor Sea and recalls the context of the proceedings through which this agreement was reached. The Parties’ agreement was reached in Copenhagen on 30 August 2017 and was formalized earlier this year in the Maritime Boundaries Treaty signed on 6 March 2018 at United Nations Headquarters in New York in the presence of the Secretary-General of the United Nations, H.E. António Guterres, and the Conciliation Commission.

In accordance with Article 7(1) of Annex V to the Convention, the Commission’s *Report and Recommendations* were deposited with the Secretary-General of the United Nations. A copy of the Commission’s *Report and Recommendations* has also been made public on the website of the PCA at www.pca-cpa.org/en/cases/132/.

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 Report and Recommendations, annexed documents, the Maritime Boundaries Treaty, a video recording of the treaty signing ceremony, 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 5 interstate disputes, 88 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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