

# What is in the Maritime Boundary Treaty?

On 6 March 2018, Timor-Leste and Australia signed an historic Maritime Boundary Treaty at the United Nations Headquarters in New York. The Treaty establishes for the first time permanent maritime boundaries between Timor-Leste and Australia in the Timor Sea. The signing of the Treaty concludes the compulsory conciliation process, under the United Nations Convention on the Law of the Sea, which was initiated by Timor-Leste in April 2016. The Treaty sets permanent maritime boundaries in the Timor Sea based on international law, bringing an end to Timor-Leste's long-running maritime boundary dispute with Australia. In giving recognition to Timor-Leste's rights over its seas, the Treaty signing marks a momentous step for the Timorese people in their struggle towards full sovereignty and independence.

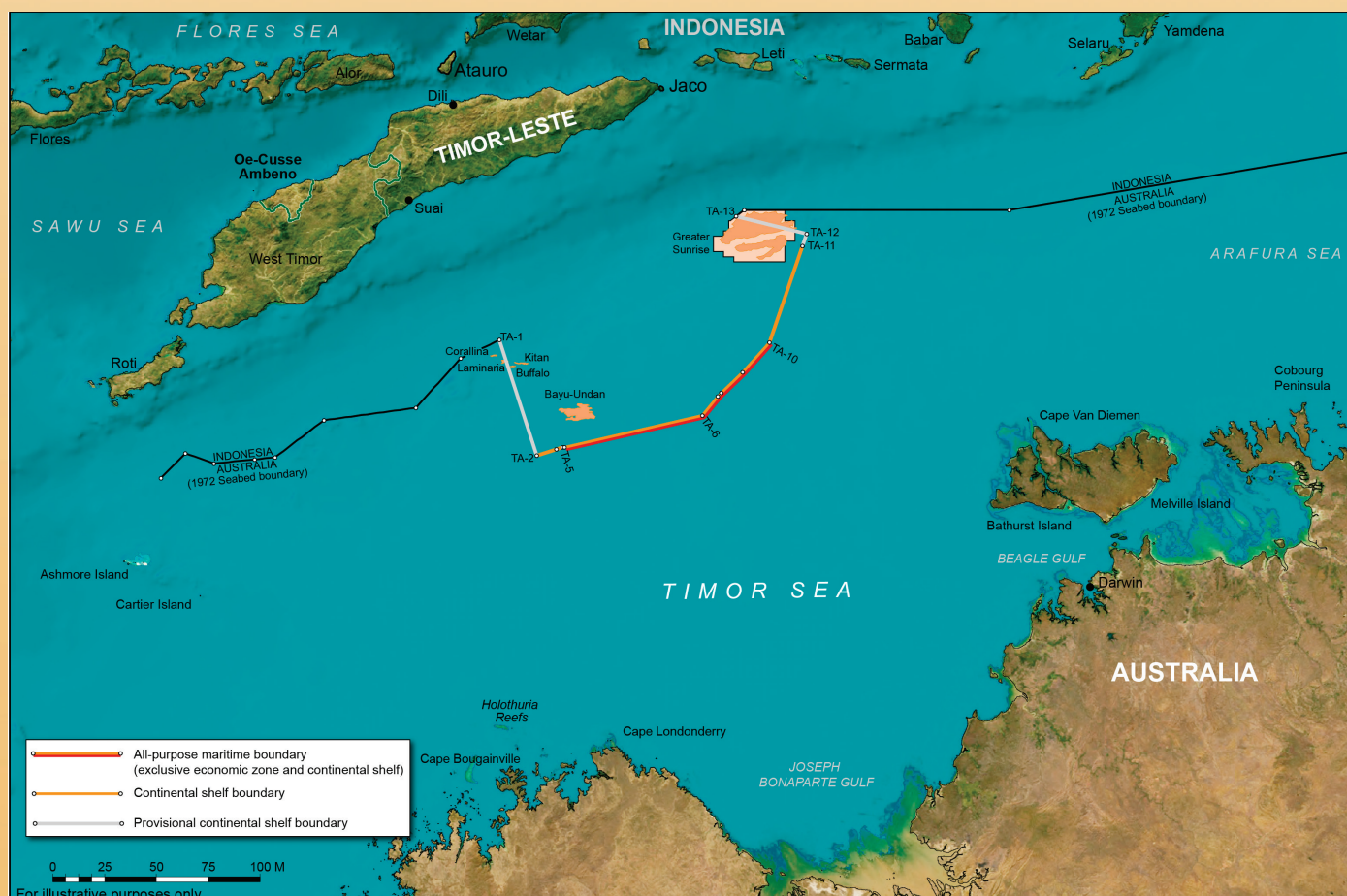
The Maritime Boundary Treaty sets, for the first time, permanent maritime boundaries between Timor-Leste and Australia in the Timor Sea. The Treaty secures a median line in the Timor Sea with only a slight adjustment to achieve an equitable result as required by international law.

The maritime boundaries drawn between Timor-Leste and Australia, as shown in the illustrative map, consist of the following:

- An all-purpose median line boundary between points TA-5 and TA-10 (shown in red). 'All-purpose' means that it encompasses 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).
- All other boundary lines shown relate to the continental shelf only. Under the new Treaty, Timor-Leste's permanent continental shelf (shown in red and yellow) covers essentially the entire former Joint Petroleum Development Area and extends further west and east.
- The maritime boundary delimited is final and permanent, apart from the following provisional boundaries in the west and east

(shown in grey). These boundaries are subject to automatic adjustment, and only become permanent once certain events occur:

- The continental shelf boundary between points TA-1 and TA-2 in the west is provisional until a continental shelf boundary between Timor-Leste and Indonesia enters into force and the existing Corallina and Laminaria fields are decommissioned. At this time, that boundary may pivot further west from TA-1 until it meets the point at which the continental shelf boundary agreed between Timor-Leste and Indonesia meets the 1972 Treaty between Indonesia and Australia.
- The continental shelf boundary between points TA-11 and TA-13 in the east is provisional until a continental shelf boundary between Timor-Leste and Indonesia enters into force and the existing Greater Sunrise (Sunrise and Troubadour) fields are decommissioned. At this time, the boundary may pivot further east from TA-11 until it meets the point at which the continental shelf boundary agreed between Timor-Leste and Indonesia meets the 1972 Treaty between Indonesia and Australia.



Maritime boundaries between Timor-Leste and Australia in the Timor Sea, as agreed in the new Treaty

## Why are there provisional boundaries? Does this mean that Timor-Leste and Australia will need to keep negotiating on maritime boundaries?

The provisional seabed boundaries form part of the negotiated agreement. They are important as they allow for the exploitation of key resource fields, including the joint development of Greater Sunrise, and also leave room for the Timor-Leste-Australia boundary to connect with a future boundary agreement between Timor-Leste and Indonesia.

The provisional seabed boundaries in the north-east and the west could swing outwards to meet the trilateral points agreed in the upcoming negotiations with Indonesia (as explained above). This means that, depending on the outcome of negotiations with Indonesia, Timor-Leste could look to extend its maritime area even further.

While the Treaty includes both permanent and provisional boundary lines, the agreement is a comprehensive and complete resolution of Timor-Leste's boundary dispute with Australia. No further negotiations are needed, since the provisional lines under the Treaty are subject to automatic adjustment once certain events occur (see above).

## How was the agreement reached?

The Timor-Leste Government initiated compulsory conciliation under the United Nations Convention on the Law of the Sea in April 2016. After a long-running dispute, Timor-Leste triggered this process to bring Australia to the negotiating table so that it could pursue its sovereign rights and secure permanent maritime boundaries in the Timor Sea. In taking this step, Timor-Leste became the first country to use this mechanism under the Convention.



The Agent for Timor-Leste in the Conciliation Agio Pereira and the Australian Foreign Minister Julie Bishop sign the Maritime Boundary Treaty at the United Nations Headquarters, New York, on 6 March 2018, in the presence of the UN Secretary-General and the Chair of the Conciliation Commission

## What does this Treaty mean for other States with maritime entitlements in the Timor Sea?

The Treaty is expressly 'without prejudice' to the rights of other States with regard to maritime delimitation. This means that the Treaty delimits the maritime boundaries between Timor-Leste and Australia within a limited maritime area, so that Indonesia's potential rights under international law would not be affected or infringed upon.

## What resources does Timor-Leste gain as a result of this Maritime Boundary Treaty?

The agreed maritime boundaries put nearly all of the Joint Petroleum Development Area within Timor-Leste's continental shelf, as well as further areas to the east and west (the area above the red line in the map). All future revenue from the Buffalo field in the west and the fields in the Joint Petroleum Development Area, including the Bayu-Undan and Kitan fields, will transfer to Timor-Leste.

Under the Treaty, the Greater Sunrise resource is shared by Timor-Leste and Australia, with the majority sitting in Timor-Leste's maritime area and the majority of revenue flowing to Timor-Leste. Timor-Leste will receive 70% of revenue from this field if the pipeline goes to Timor-Leste, or 80% of revenue if the pipeline goes to Australia.

The Treaty sets out a Greater Sunrise Special Regime for the joint development, exploitation and management of the resource. Having agreed the Treaty terms, the two countries are now engaging in a separate process to negotiate and agree on the commercial terms for the development of Greater Sunrise.

The Maritime Boundary Treaty supersedes all previous resource-sharing arrangements between Timor-Leste and Australia.

The Timor Sea Treaty, which established the Joint Petroleum Development Area, and the International Unitisation Agreement will automatically terminate when the Maritime Boundary Treaty enters into force. The Certain Maritime Arrangements in the Timor Sea (CMATS) agreement was terminated before negotiations began. The previous resource arrangements gave Timor-Leste only 50% of upstream revenues from Greater Sunrise, and only 90% from the Joint Petroleum Development Area.