

Timor Sea Treaty Ratified At Last

The Timor Sea Treaty was officially ratified between the East Timorese and Australian governments in Dili on April 2nd.

The treaty provides the basis for development of the major oil and gas deposits in the Timor Sea between Australia and East Timor, called the Joint Point Petroleum Development Area (JPDA). The Bayu-Undan development in the JPDA is expected to have a life of some 20 years and its gross value is estimated to be around \$20 BB. Gas from the project will be processed in Darwin for export, providing substantial downstream benefits for Australia and, in particular, the Northern Territory.

A joint statement issued by Foreign Affairs Minister, Alexander Downer, Industry and Resources Minister, Ian Macfarlane, Treasurer, Peter Costello and Attorney General, Daryl Williams, said government revenues from oil and gas production in the JPDA will be shared 90% East Timor, 10% Australia. "These

revenues will be crucial in promoting the long-term stability and prosperity of East Timor", the statement said.

The treaty also provides for development of the Greater Sunrise reservoirs that lie partly within the JPDA. Under the treaty, production will be shared on the basis that 20.1% of the field is attributed to the JPDA.

"The treaty provides for a comprehensive regulatory framework covering matters such as development and production, the marine environment, employment, health and safety of workers, surveillance, security, search and rescue, and air traffic services, as well as the application of taxation and criminal law", the statement said.

The JPDA will be jointly managed by Australia and East Timor, with a Joint Ministerial Council overseeing that management.