

Politics

Timor President Finds No Progress With Australia on Gas Project

- Says Australia remains preferred partner for the gas pipeline
- Ramos-Horta says he'd reject hosting a Chinese military base



Jose Ramos-Horta *Photographer: Ore Huiying/Bloomberg*

By [Philip Heijmans](#)

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Timor-Leste President Jose Ramos-Horta said that Australia has shown no signs moving forward with a long-stalled gas pipeline project that runs through the Southeast Asian country, leaving around \$100 billion in potential revenue untapped.

Ramos-Horta, 72, said it was in Canberra's interest to partner up on the project to develop a gas field in the Timor Sea rather than settle on an alternative under consideration that would go through Darwin.

"Prime Minister Anthony Albanese has not said a word whether he agrees or not with the pipeline coming to Timor-Leste," Ramos-Horta told Bloomberg News in an interview in Singapore on Friday. "He's very sympathetic, but so far in regard to the development of the gas field called Greater Sunrise, we have not seen any change of attitude on the part of Australia."

The island nation has been requesting assistance from Australian companies to help build a gas pipeline and export plant to tap a large offshore LNG reserve, known as Greater Sunrise, though logistical complications have delayed the project.

The gas fields are located approximately 280 miles northwest of Darwin in Australia and 93 miles south of Timor-Leste. Ramos-Horta estimated the overall revenue from the pipeline was expected to be around \$100 billion over time, well beyond his country's \$2 billion GDP. Timor-Leste is a developing, Southeast Asian country of 1.3 million people which gained independence in 2002.

China Ties

In August, Timor-Leste warned it would consider working with China if Australia didn't move quickly to assist with its development. There have been growing concerns in Canberra about China's relations with Australia's neighbors ever since the Solomon Islands signed a security agreement with Beijing in April.

Ramos-Horta downplayed any such partnership in the energy space while also resolutely ruling out any deal that would see Beijing establish a military base in his country.

"There have been approaches with China, but nothing has come out of it," he said regarding an energy exploration partnership. "It was mostly informal discussions, explorations of ideas."

Australia, he said, remains Timor-Leste's preferred partner for the project, though there have also been negotiations with South Korea and Japan. Plans for the pipeline could be shelved if rich donors seeking to wean countries off fossil fuels wanted to pay full freight or they can go a further step in compensating Timor-Leste for stopping oil and gas exploration.

"Billions and billions are found quickly to support Ukraine," he said. "To all of this I said give us at minimum \$100 billion and we'll follow your passionate approach to stop digging for oil and gas."

Timor Will Scrap Gas Plans if Rich Nations Fork Out \$100 Billion

Timor-Leste's economy grew 1.5% last year, showing tentative signs of recovery after slumping in 2020 due to pandemic restrictions and floods, according to preliminary government data. Inflationary pressures however remain high compared to the rest of the region, and is set to rise 7.4%, according to an Asian Development Bank projection.

Asean Ascent

Timor-Leste is set to become the 11th member of the Association of Southeast Asian Nations after regional leaders agreed to admit it in principle last month. While there's no firm timeline to formally join, Ramos-Horta reiterated he'd like for it to happen next year.

Joining under Indonesia's chairmanship of the bloc in 2023, would be "highly symbolic" given the country had annexed Timor-Leste nearly five decades ago when the Portuguese left, Ramos-Horta said. In the meantime, Timor-Leste would stay out of thorny regional issues like military rule in Myanmar.

"We are far too concerned with our own national development," he said. "Far too concerned with the development of the country – job creation – to have the time and energy to deal with foreign issues."

East Timor urges PM to back Woodside's shift on Greater Sunrise

Emma Connors, Australian Financial Review, 14 December 2022

Singapore | East Timor President Jose Ramos-Horta has welcomed Woodside Energy's new position on the Greater Sunrise project, but wants Prime Minister Anthony Albanese to publicly support an East Timor pipeline as well.

Earlier this month, Woodside Energy chief executive Meg O'Neill told analysts the company would reassess its view that piping gas from the Greater Sunrise field to the undeveloped south coast of East Timor was not viable.

"We feel it's appropriate to reopen the concept evaluation," Ms O'Neill said. She noted new technology, such as modular LNG, had emerged to challenge Woodside's previous view that the only commercially feasible option was to process gas in Darwin, which is already home to two LNG plants.

East Timor has a 56.56 per cent stake in the massive Greater Sunrise field 150 kilometres from East Timor and 450 kilometres from Darwin. Woodside owns 33.44 per cent and Japan's Osaka Gas holds the remaining 10 per cent.

Discussions on how and when to tap into the resource wealth of Greater Sunrise, which has an estimated worth of \$US50 billion, were revived after a maritime border dispute between East Timor and Australia was resolved with a treaty in 2018.

The production-sharing contract stipulated by that treaty is still to be finalised. East Timor believes development could proceed in parallel with those negotiations.

Mr Ramos-Horta praised Ms O'Neill's willingness to reconsider on the pipeline. Writing on his Facebook page, he said she had "showed greater management wisdom than her predecessors by stating that the Timor-Leste option should be put on the table even if there are concerns about costs. These concerns can be discussed and resolved."

Waiting for PM's backing

In an effort to help break the impasse, the Albanese government has appointed former Victorian premier Steve Bracks as a special representative. However, Mr Ramos-Horta believes Canberra should do more.

"No Australian PM has visited Timor-Leste in many years. We are still waiting," he wrote in the post.

In Singapore on Friday, Mr Ramos-Horta doubled down. "Prime Minister Anthony Albanese has not said a word whether he agrees or not with the pipeline coming to Timor-Leste," he told Bloomberg.

Mr Albanese was “very sympathetic, but so far in regard to the development of the gas field called Greater Sunrise, we have not seen any change of attitude on the part of Australia”.

East Timor politicians have recently hardened their stance on where Greater Sunrise gas should be processed, saying the country needs the development kick-start that would come with such a massive project.

Woodside appears to have listened. “The Timorese are very keen to have that development in country, and we recognise it is an important national project for them, so we feel like it’s appropriate to reopen the concept evaluation, understand the technologies, understand the technical challenges,” Ms O’Neill told analysts.

“Timor-Leste has a lot of international friends. International friends may want to help with some of that infrastructure that doesn’t exist today in Timor that would exist if we went to Darwin.”

[The International Monetary Fund has warned East Timor faces a “fiscal cliff” if Greater Sunrise is not developed soon.](#)

Dili would reject any option that waters down its stake. Timor Gap, the state-owned company charged with developing East Timor’s oil and gas resources, has indicated other parties are interested in Greater Sunrise, but it will not compromise any future revenues. East Timor is entitled to at least 70 per cent of Greater Sunrise royalties.

A source close to Timor Gap said: “Timor Gap is not interested in diluting its shareholding. The focus needs to be on bringing the gas to Timor Leste and there are multiple major oil and gas companies who have expressed interest in the project on that basis.”