

Timor-Leste: Greater Sunrise a sticking point in relations with Australia

Dili, Jan. 27, 2026 (Lusa) - The relationship between Timor-Leste and Australia has been complex, with ups and downs, but the development of the Greater Sunrise gas field has remained a thorn in the side of relations between the two countries for years.

Australia supported Indonesia's occupation of Timor-Leste in 1975 with its eyes on the resources of the Timor Sea.

But in 1999, it participated in the mission to organise the 1999 referendum and led the International Force for Timor-Leste, which put an end to the violence that erupted in the country after the Timorese chose independence.

The tense political relationship reached its peak with the Australian Government's espionage case in Timor-Leste in 2004 during negotiations over the resources of the Timor Sea, when it installed listening devices in the Government Palace in Dili.

The dispute over resources was settled with the permanent maritime border agreement between Timor-Leste and Australia, signed in 2018, which determined that the Greater Sunrise field, a resource shared by both countries, will have to be divided, with 70% of the revenue going to the Timorese in the case of a gas pipeline to the country, or 80% if the pipeline goes to Darwin.

Despite the defined borders, how Greater Sunrise, located 150 kilometres from Timor-Leste and 450 kilometres from Darwin, will be developed is still unknown.

Dili continues to advocate for the construction of a gas pipeline to the south of the country, while Australia's Woodside, the consortium's second largest partner after Timor Gap, is leaning towards a connection to the existing facility in Darwin.

At the end of 2024, a joint statement by the Timorese and Australian governments announced Australia's intention to provide US\$50 million to train Timorese workers and create an infrastructure fund with its share of the profits from Greater Sunrise.

The proposal, which aims to support Timor-Leste's aspirations to ensure long-term economic growth, states that the infrastructure fund would be established to support "any commercially viable solution proposed by the commercial parties, which had been agreed by the States in accordance with the requirements of the 2018 Maritime Boundary Treaty".

The Timorese authorities consider the gas pipeline connection to the south of Timor-Leste to be strategic for the country's economic growth.

The Timorese's aspirations gained new momentum at the end of this year after the Timor-Leste Ministry of Petroleum and Mineral Resources and Woodside Energy signed a cooperation agreement to conduct studies and activities to develop the concept of Liquefied Natural Gas in the country.

The agreement represents a significant milestone in the long-standing efforts between Timor-Leste and Woodside to unlock the value of the Greater Sunrise gas fields.

Under the agreement, studies will be carried out for the Liquefied Natural Gas project in Timor-Leste with a capacity to produce around five million tonnes per year, including gas supply for domestic use and a unit to extract helium.

According to the Timorese government, the development of the project could generate more than US\$78 billion (around €62 billion) in direct taxes and royalties for the country and more than 17,000 jobs.

The Timorese hope that Australian Prime Minister Anthony Albanese's visit to the country on Wednesday will bring "good results" and "accelerate the processes underway," Timorese Minister of Petroleum and Natural Resources Francisco Monteiro told reporters on Tuesday.

In terms of development cooperation, Australia is Timor-Leste's largest bilateral cooperation partner with programmes to promote human development, diversify the economy and strengthen the defence and security sectors.

Timor-Leste also benefits from the Labour Mobility in Australia and the Pacific (PALM) programme, which offers job opportunities to Timorese nationals.

According to programme data, in July last year there were more than 4,100 Timorese in Australia under PALM. Australian government data indicate that remittances sent to Timor-Leste by these workers since 2012 have exceeded AU\$104 million.

In 2024, bilateral trade in goods between Australia and Timor-Leste reached AU\$288.7 million.