

East Timor Renews Claim on Lucrative Oil and Gas Pipeline

By Phil Mercer
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The president of East Timor has urged Australian resources giant, Woodside Petroleum, to support its plan to base a multi-billion-dollar oil and gas plant in his impoverished nation rather than in the Australian city of Darwin. From Sydney, Phil Mercer reports.

The East Timorese government is drawing up plans to develop a pipeline and petrochemicals facility to process oil and gas from the Greater Sunrise field. Experts think the field, which lies in waters claimed by both East Timor and Australia, could be worth \$90 billion.

East Timor's plan competes with one by Australian company Woodside Petroleum, which wants to build a 500-kilometer pipeline to Darwin in Australia's Northern Territory.

Woodside executives say that laying the oil and gas pipeline to East Timor would make supplies vulnerable to political uncertainties in the tiny nation.

Under a licensing agreement, neither country can develop the field without permission from the other, and they must finalize a development plan within five years.

The East Timor president presented his arguments this week in an address to the Northern Territory parliament.



Jose Ramos-Horta (file)

Jose Ramos-Horta says that East Timor is the logical destination for an oil and gas pipeline, because it is closer to the field than Darwin is.

"While Timor Leste is eternally grateful to Australia for its steadfast support since '99, our sincere sense of gratitude cannot be such that we surrender all to Darwin," he said. "The pipeline will go where it should go, the shortest route and the cheapest."

Mr. Ramos-Horta was seriously wounded in an assassination attempt earlier this year and was flown to Darwin for life-saving surgery.

The attack prompted Australia to send an additional troops and police officers to the East Timor capital Dili because of fears of further unrest.

Peacekeepers from Australia, New Zealand, Malaysia and Portugal were sent to East Timor more than two years ago when fighting broke out between disaffected members of the military and units loyal to the government.

The impoverished former Portuguese colony voted to secede from Indonesia in 1999 and became an independent country three years later.