

**Agreement Between the Government of the Commonwealth of Australia and the Government of the Republic of Indonesia Establishing Certain Seabed Boundaries in the Area of the Timor and Arafura Seas, Supplementary to the Agreement of 18 May 1971 (9 October 1972)**

The Government of the Commonwealth of Australia and the Government of the Republic of Indonesia,

Recalling the Agreement between the two Governments, signed on the eighteenth day of May One thousand nine hundred and seventy-one, establishing seabed boundaries in the Arafura Sea and in certain areas off the coasts of the island of New Guinea (Irian),

Recalling further that in the aforesaid Agreement the two Governments left for later discussion the question of the delimitation of the respective areas of adjacent seabed in the Arafura and Timor Seas westward of Longitude 133° 23' East,

Resolving, as good neighbours and in a spirit of co-operation and friendship, to settle permanently the limits of the areas referred to in the preceding paragraph within which the respective Governments shall exercise sovereign rights with respect to the exploration of the seabed and the exploitation of its natural resources,

Have agreed as follows:

**Article 1**

In the area to the south of the Tanimbar Islands, the boundary between the area of seabed that is adjacent to and appertains to the Commonwealth of Australia and the area of seabed that is adjacent to and appertains to the Republic of Indonesia shall be the straight lines shown on the Chart annexed to this Agreement commencing at the Point of Latitude 8°53' South, Longitude 133° 23' (Point A 12 specified in the Agreement between the two countries dated the eighteenth day of May One thousand nine hundred and seventy-one), thence connecting in a westerly direction the points specified hereunder in the sequence so specified:

- A 13. The point of Latitude 8° 54' South, Longitude 133° 14' East
- A 14. The point of Latitude 9° 25' South, Longitude 130° 10' East
- A 15. The point of Latitude 9° 25' South, Longitude 128° 00' East
- A 16. The point of Latitude 9° 28' South, Longitude 127° 56' East

**Article 2**

In the area south of Roti and Timor Islands, the boundary between the area of seabed that is adjacent to and appertains to the Commonwealth of Australia and the area of seabed that is adjacent to and appertains to the Republic of Indonesia shall be the straight lines, shown on the Chart annexed to this Agreement commencing at the point of Latitude 10°28' South, Longitude 126° 00' East (Point A 17), and thence connecting in a westerly direction the points specified hereunder in the sequence so specified:

- A 18. The point of Latitude 10° 37' South, Longitude 125° 41' East
- A 19. The point of Latitude 11° 01' South, Longitude 125° 19' East
- A 20. The point of Latitude 11° 07' South, Longitude 124° 34' East
- A 21. The point of Latitude 11° 25' South, Longitude 124° 10' East
- A 22. The point of Latitude 11° 26' South, Longitude 124° 00' East

- A 23. The point of Latitude 11° 28' South, Longitude 123° 40' East
- A 24. The point of Latitude 11° 23' South, Longitude 123° 26' East
- A 25. The point of Latitude 11° 35' South, Longitude 123° 14' East

#### Article 3

The lines between Points A 15 and A 16 and between Points A 17 and A 18 referred to in Article 1 and Article 2 respectively, indicate the direction of those portions of the boundary. In the event of any further delimitation agreement or agreements being concluded between governments exercising sovereign rights with respect to the exploration of the seabed and the exploitation of its natural resources in the area of the Timor Sea, the Government of the Commonwealth of Australia and the Government of the Republic of Indonesia shall consult each other with a view to agreeing on such adjustment or adjustments, if any, as may be necessary in those portions of the boundary lines between Points A 15 and A 16 and between Points A 17 and A 18.

#### Article 4

The Government of the Commonwealth of Australia and the Government of the Republic of Indonesia mutually acknowledge the sovereign rights of the respective Governments in and over the seabed areas within the limits established by this Agreement and that they will cease to claim or to exercise sovereign rights with respect to the exploration of the seabed and the exploitation of its natural resources beyond the boundaries so established.

#### Article 5

For the purpose of this Agreement, "seabed" includes the subsoil thereof, except where the context otherwise requires.

#### Article 6

1. The co-ordinates of the points specified in Articles 1 and 2 of this Agreement are geographical co-ordinates, and the actual location of these points and of the lines joining them shall be determined by a method to be agreed upon by the competent authorities of the two Governments.

2. For the purpose of paragraph 1 of this Article, the competent authorities in relation to the Commonwealth of Australia shall be the Director of National Mapping and any person acting with his authority, and in relation to the Republic of Indonesia shall be the Chief of the Co-ordinating Body for National Survey and Mapping (Ketua Badan Koordinasi Survey Dan Pemetaan Nasional) and any person acting with his authority.

#### Article 7

If any single accumulation of liquid hydrocarbons or natural gas, or if any other mineral deposit beneath the seabed, extends across any of the lines that are specified or described in Articles 1 and 2 of this Agreement, and the part of such accumulation or deposit that is situated on one side of the line is recoverable in fluid form wholly or in part from the other side of the line, the two Governments will seek to reach agreement on the manner in which the accumulation or deposit shall be most effectively exploited and on the equitable sharing of the benefits arising from such exploitation.

#### Article 8

1. Where the Government of the Commonwealth of Australia has granted an exploration permit for petroleum or a production licence for petroleum under the Petroleum (Submerged Lands) Acts of the Commonwealth of Australia over a part of the seabed over which that Government ceases to exercise sovereign rights by virtue of this Agreement, and that permit or licence is in force immediately prior to the entry into force of this Agreement, the Government of Indonesia or its authorised agent shall, upon

application by the registered holder of the permit or licence, or where there is more than one registered holder, by the registered holders acting jointly, be willing to offer and to negotiate a production sharing contract under Indonesian law to explore for and to produce oil and natural gas in respect of the same part of the seabed on terms that are not less favourable than those provided under Indonesian law in existing production sharing contracts in other parts of the seabed under Indonesian jurisdiction.

2. An application for negotiation in accordance with paragraph 1 of this Article must be made by the registered holder or holders within nine months after the entry into force of this Agreement. If no application is made within this period, or if an offer made in accordance with paragraph 1 of this Article is, after negotiation, not accepted by the permittee or licensee, the Government of the Republic of Indonesia shall have no further obligation to the registered holder or holders of a permit or licence to which paragraph 1 of this Article applies.

3. For the purpose of this Article, "registered holder" means a company that was a registered holder of an exploration permit for petroleum or a production licence for petroleum, as the case may be, under the Petroleum (Submerged Lands) Acts of the Commonwealth of Australia immediately prior to the entry into force of this Agreement.

#### **Article 9**

Any dispute between the two Governments arising out of the interpretation or implementation of this Agreement shall be settled peacefully by consultation or negotiation.

#### **Article 10**

This Agreement is subject to ratification in accordance with the constitutional requirements of each country, and shall enter into force on the day on which the Instruments of Ratification are exchanged.

IN WITNESS WHEREOF the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate at Jakarta this ninth day of October 1972 in the English and Indonesian languages.