

# **Oil and Politics Apparently Do Mix: The Role of Multinational Resource Corporations in National Sovereignty**

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## **Abstract**

The interests of multinational resource corporations are often reliant on the host government. Numerous multinational corporations recruit the host government to assist in the negotiation of suitable legal and regulatory regimes to ensure the successful development of the project. This will be briefly considered in this article.

There are also instances where a multinational corporation has requested the assistance of a national government to influence the foreign policy of a third party nation in order to gain a suitable regulatory framework for the development of a natural resource. The Greater Sunrise Gas Project was one such project, where the Australian Government assisted Woodside in attaining a stable legal and regulatory regime for the development of gas resources in the Timor Sea. Woodside negotiated this stable regulatory regime through a series of requests for the Australian government to 'sort out' the maritime boundary issues with East Timor, and ultimately by cancelling the Greater Sunrise project.

This paper examines the role that Woodside played in influencing the Australian Government's policy and negotiations with East Timor, and the role the Australian Government played in looking after the interests of Woodside. Finally, this paper assesses the behaviour of Woodside, concluding that whether or not its efforts in garnishing assistance from Australian Government were intentional or incidental, the effect was that the Australian Government exerted pressure on the East Timor government for the development of petroleum resources.

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