

SENATE-MAHATHIR

BM

KUALA LUMPUR, DEC 15⁸¹ (BERNAMA) --PETRONAS HAS TAKEN STEPS TO REDUCE THE SIZE OF EXPLORATION AREAS OFFERED TO OIL COMPANIES, DATUK SERI DR MAHATHIR MOHAMAD, TOLD THE DEWAN NEGARA TODAY.

TWO AREAS OF 6,200 SQ. MILES AND 4,800 SQ. MILES OFF SARAWAK WERE OFFERED TO SUCH COMPANIES LAST YEAR, THE SARAWAK WERE OFFERED TO SUCH COMPANIES LAST YEAR, THE PRIME MINISTER SAID DURING QUESTION TIME.

REPLYING TO SEN. DATUK HAJI MOHAMED NOR MOHAMMAD, HE SAID THE AREAS WERE SMALLER COMPARED TO THOSE OFFERED IN 1976 UNDER THE PRODUCTION-SHARING CONTRACT, INCLUDING AN AREA OF 13,000 SQ. MILES OFF THE COAST OF PENINSULAR MALAYSIA CONTRACTED BUT TO ESSO.

ANOTHER AREA, COVERING 17,200 SQ. MILES OFF SARAWAK, WAS CONTRACTED OUT TO SARAWAK SHELL.

HE SAID IT WOULD BE PROFITABLE TO REDUCE THE SIZE OF OIL EXPLORATION AREAS OFFERED TO THE COMPANIES BUT ADDED THAT SUCH REDUCTION SHOULD BE WITHIN LIMITS TO AVOID NEGATIVE RETURNS.

--BERNAMA MORE 1910/MD

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DATUK SERI DR MAHATHIR ADDED THAT THE SMALLER THE AREAS WERE REDUCED THE LONGER WOULD BE THE PROCESS OF NEGOTIATION WITH COMPANIES CONCERNED IN VIEW OF THE BIG INVESTMENTS INVOLVED.

REPLYING TO SEN. DATUK ISMAIL HASHIM, HE SAID THE GOVERNMENT WAS STILL STUDYING THE POSSIBILITY OF EXPLORING OIL IN THE STRAITS OF MALACCA.

HOWEVER, HE SAID, NO INTEREST HAD YET BEEN SHOWN BY ANY QUARTER TO CARRY OUT OIL EXPLORATION THERE.

TO SEN. ABDUL RAZAK HAJI ABU SAMAH, THE PRIME MINISTER SAID PETRONAS SOLD ITS KEROSENE AND DIESEL THROUGHOUT THE COUNTRY THROUGH 21 SKID TANK STATIONS AND ALSO DIRECTLY TO GOVERNMENT AGENCIES, FACTORIES AND TRANSPORTATION COMPANIES.

FROM JANUARY UP TO OCTOBER THIS YEAR, A TOTAL OF 28,660 KILOLITRES OF KEROSENE AND 108,710 KILOLITRES OF DIESEL WERE SOLD. --BERNAMA MORE 1913/MD

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THE PRIME MINISTER SAID THAT PETRONAS HAD CONTROLLED ITS SELLING OF DIESEL BASED ON THE LIMIT FIXED BY THE GOVERNMENT AS OF JAN. 1, 1980, THAT IS 25 GALLONS (114 LITRES) TO ALL TYPES OF LORRIES, 27'3" VANS AND OTHER HEAVY VEHICLES, AND EIGHT GALLONS (36 LITRES) OR \$16 TO TAXIS AND MOTORCARS AND FOR JERRY CAN PURCHASES.

HE SAID SUCH A RESTRICTION WAS NECESSARY TO KEEP IN LINE WITH THE NATIONAL DEPLETION POLICY.

DATUK SERI DR MAHATHIR SAID PETRONAS DID NOT SELL ITS CRUDE OIL TO ANY STATE IN THE COUNTRY.

TO SEN. DATUK ISMAIL HASHIM'S SUPPLEMENTARY QUESTION, HE SAID AN OIL REFINERY WOULD BE SET UP IN MALACCA SOON. --BERNAMA 1915/MD