

# Dr M: Royalty for oil found at border will be shared equally

23 MAR 1990

GENTING HIGHLANDS, Thurs. — Royalty for gas and oil production found in an overlapping offshore Thai-Malaysian border area in the South China Sea is to be shared equally between the two countries.

Datuk Seri Dr Mahathir Mohamad said this would be the major point in an agreement to be signed between the two governments to set up a Joint Development Authority (JDA).

The JDA will be carrying out gas and oil exploration in the border area and the agreement covers royalty sharing, the JDA administrative structure and the budget.

"I am confident that exploration for these resources will begin soon," Dr Mahathir told newsmen after opening a meeting with top

government officials.

The area to be jointly developed is about 160km north of Kelantan waters and extends to the border of Thailand's southern province of Songkhla.

The Prime Minister and his Thai counterpart, Gen Chatichai Choonhavan, are expected to sign the agreement at Pattaya, Thailand, during his two-day visit from Saturday.

The agreement has been viewed by both governments as a milestone marking improved Thai-Malaysia economic co-operation.

The Thai-Malaysia Joint Development Authority will be in partnership with the American Triton oil company and Petronas Carigali to explore the oil and gas fields.

Dr Mahathir also said he would discuss with Gen Chatichai various issues relating to bilateral relations and regional development.

He said the two sides would also discuss a ferry link between the two countries from Kota Baru.

"It will be my first visit to Thailand (since Gen Chatichai became the Prime Minister) although Gen Chathichai has come here three times," he added.

Dr Mahathir will lead a 25-member delegation which includes Defence Minister Tengku Ahmad Rithauddeen, Culture and Tourism Minister Datuk Sabbaruddin Chik, Deputy Foreign Minister Datuk Dr Abdullah Fadzil Che Wan and Chief Secretary to the Government Datuk Ahmad Sarji Abdul Hamid.