

Malaysian-Thai approach 'a model for settlement of overlapping claims'

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Joint exploration deals

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KUALA LUMPUR, Thurs. — After 14 years of negotiations and talks, Malaysia and Thailand today signed agreements to jointly explore and exploit oil and gas resources in the Gulf of Thailand.

The agreements, the approach to which Datuk Seri Dr Mahathir Mohamad described as a model for the settlement of overlapping claims, paved the way for the launching of oil explorations at the 7,250 square kilometre area, known as the Joint Development Area, which both countries are claiming.

The area is about the size of Selangor and studies have shown that it can be a source as well as a reservoir of oil and gas. Several oil and gas discoveries have been made near the area.

Four agreements were signed in the presence of Dr Mahathir and his Thai counterpart Chuan Leekpai. The agreements include two production sharing contracts between the Malaysia-Thailand Joint Authority (MTJA) and three contracting companies.

The MTJA awarded contracts to explore for oil and gas to Petronas Carigali Sdn Bhd, PTTEP International Limited and Triton Oil Company (both of Thailand).

The MTJA became a reality after the Parliaments of both countries in 1990 approved legislation to establish the authority following lengthy negotiations which began with the signing of a memorandum of understanding between the two countries on Feb 21, 1979 in Chiang Mai.

Dr Mahathir, speaking at the signing ceremony, said with the conclusion of the agreements, both countries can look towards broadening co-operation in many other fields that would bring benefits to the people as well as contribute towards a peaceful, prosperous and stable Southeast Asia.

He congratulated the three contractors for their spirit of understanding and compromise that had enabled them to reach agreement with all parties concerned for the joint development of the area.

"Both Malaysia and Thailand can now look forward to reaping the benefits of this unique endeavour under the MTJA," he said.

He said the agreements also reflected the foresight and the political will of past leaders with the late Prime Minister Tun Hussein Onn and his then Thai counterpart General Kriangsak Chomanan who, in trying to resolve the problem of overlapping claims in the Gulf of

Of the Joint Development Area, Block A-18 is awarded to Petronas Carigali and Triton Oil while Block B-17 and Block C-19 are awarded to Petronas Carigali and PTTEP International. (Please see *Quicktake*.)

The other two agreements were joint operating agreements signed by Petronas Carigali with PTTEP International and Triton Oil.

Thailand, came out with the novel idea of establishing a joint authority.

The authority is to serve as a mechanism to explore and exploit petroleum resources in the area pending a final resolution of the claims.

Chuan, in his speech at the signing ceremony, expressed confidence that the agreements would boost the

close co-operation between the two countries and added that the agreements were a testimony to a long and fruitful relationship between Thailand and Malay-

sia.

At the signing ceremony, MTJA was represented by its chief executive officer, Charu-Udom Ruangsuvan, and his deputy Ismail Sulai-

man; PTTEP by its chairman, Viset Choopiban; Petronas Carigali by its managing director Datuk Mohamad Idris Mansor; and Triton Oil by its president

Thomas G. Finck.

Also present at the ceremony were the co-chairmen of the MTJA Tengku Ahmad Rithauddeen and Kasem Samosorn Kasemsri, a former

Thai Deputy Premier.

Earlier, Dr Mahathir and Chuan opened the MTJA's head office on the 27th floor of the Empire Tower at Jalan Tun Razak.