

## **Husam: Why a panel if PM says Kelantan has no oil?**

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**By Aidila Razak**

Kelantan executive councillor Husam Musa today questioned the federal government's sincerity in setting up a committee to study oil royalty for east coast states, since Prime Minister Najib Abdul Razak has already said Kelantan has no oil resources.

Speaking at a press conference in Petaling Jaya, Husam noted that the federal government had in 2009 rejected outright Kelantan's request for oil royalty.

"Since May 2009, it 100 percent rejected the existence of petroleum in Kelantan and said the state does not deserve royalty.

"But (three) years later, the PM has bowed down to the might of the Kelantanese people...We also thank the sultan for signing the plaque for oil royalty, thus forcing Umno to relent," Husam said.

Najib had announced in November 2009 that the federal government would pay wang ehsan to Kelantan, instead of oil royalty.

"Currently there is no petroleum production in the waters off Kelantan and Terengganu. So from the legal aspect, the Kelantan state government is not entitled to claim royalty, and neither is Terengganu," the PM told the Dewan Rakyat then.

Najib had then argued that this was because the Emergency Ordinance 1969 defined the state's waters as located not more than three nautical miles from the low watermark or offshore.

According to Husam, this argument no longer stands as the Emergency Ordinance was repealed earlier this year.

'Federal government has no right to intervene'

In any case, he said, the federal government has no locus standi to intervene in matters of oil royalty - including to set up a committee to study it - as the agreement is between Petronas and the state governments.

"The federal government has no right to interfere... the PM's move to intervene is fishy," he said after presenting the Kelantan government's position to the Pakatan Rakyat council today.

Husam said that with the Emergency Ordinance out of the way, the government can directly refer to the Petroleum Act 1974, which clearly states how oil royalty is to be paid.

"The main reference is the Petroleum Act 1974, which states that oil producing states should be paid twice a year straight into the state's accounts, for the state to use as it deems fit," he said.

He said that the letter sent to Kelantan Menteri Besar Nik Aziz Nik Mat states that the committee will convene for six months and the outcome will be deliberated by the cabinet within 80 days henceforth.

"I am confident that a general election will be called within the six months. If Pakatan Rakyat takes over Putrajaya, God willing, oil royalty can be given to Kelantan within two weeks, without the need for a committee," he said.

He added that besides oil royalty, the Kelantan government is also seeking that oil and gas found in Kelantan waters be downstreamed to the state.

Husam said this includes the 1.2 trillion cubic feet of gas reserves found in the Bumi Selatan oil fields, where work began in May 2008.

"The Kelantan MB has sent a letter to the PM months ago to suggest that the gas reserves be downstreamed in Kelantan but there has been no response.

"Pakatan's commitment is to allow Petronas to downstream these gas reserves in Kelantan to spur the economy, create jobs and prosperity for the state," he said.

He said that the same can be said for the Malaysia-Thailand Joint Development Area with Thailand, where gas reserves from Kelantan water are downstreamed in the neighbouring country.

"This is prolonged political discrimination," he said.

He added that while he personally has no objections to former finance minister and BN's Gua Musang MP Tengku Razaleigh Hamzah to represent Kelantan in the committee, he also has "other people in mind".

"But this is my personal view. The state has not decided on who will be our representative on the committee," he said.