

Don't be 'pound foolish', DAP tells Adnan
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Sarawak Chief Minister Adenan Satem has been told not be 'pennywise pound foolish' by being veered from the 20 percent oil and gas royalty demand with the offer of 10 percent equity participation by Petronas in Malaysia Liquefied Natural Gas 4 (MLNG 4).

In saying this, the Opposition leader of Sarawak, Chong Chieng Jen, advised the BN state government to hold firm to the unanimous decision of the Dewan Undangan Negeri in passing the resolution to press for 20 percent oil and gas royalty for Sarawak.

"The Sarawak Government should not be so content with the 10 percent share in MLNG 4 and treat it as a substitute for 20 percent oil and gas royalty," said Chong, the Sarawak DAP chief and the state assemblyperson for Kota Sentosa.

He was commenting on a statement made by Adenan that Petronas is offering Sarawak 10 percent equity in MLNG 4.

Adenan said recently that the 10 percent stake in MLNG 4 was the result of State's negotiation with Petronas to increase the oil and gas royalty to 20 percent.

"The offer is peanuts to the 20 percent oil and gas royalty that we have been demanding from Petronas," asserted Chong.

In explaining his point, Chong (left) said: "If we were to compare the revenue generated from the 10 percent equity and the 20 percent oil and gas royalty, there is a shocking disparity".

The Sarawak government's financial statement published in the 2012 Auditor-General's Report shows those dividends from MLNG 2 and MLNG 3 where the state has 10 percent equity for the year 2012, were RM710,00 million and RM460.50 million respectively.

"For the five percent oil and gas royalty for the year 2012, the revenue received was RM2.6 billion. This amount comprises 5 percent of oil royalty amounting to RM1.2 billion and 5 percent from the gas royalty amounting to RM1.4 billion.

"From past records of dividend and revenue, it is obvious that revenue generated from the 10 percent shareholding in MLNG 2 and 3 is 1/10th of the potential revenue that can be generated from additional 15 percent of the oil and gas royalty," he said.

Moreover, he said that to participate in the 10 percent stake, the Sarawak government is expected to come up with capital contribution which can be in the millions of ringgit.

“So there is nothing to be proud of about the 10 percent equity offered by Petronas,” he concluded.

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