

K'tan to take oil royalty issue to court
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The Kelantan PAS government will bring its oil royalty claim from the federal government to court after failing to resolve the issue with Petronas.

State Economic Planning, Finance and Welfare Committee chairman Husam Musa said the measure would be taken to fulfil the resolution taken by the state government at the last assembly sitting.

He said that at the sitting, the assemblymen agreed that the royalty claim from revenue from oil production in the state's waters be determined through negotiations with Petronas and if these failed, the state government should proceed with legal action.

"Based on this premise, we would definitely take our oil royalty claim to court. When and how will depend on the situation," he told reporters after the handing-over of keys to shophouses and offices in Bandar Baharu Tunjung in Kota Bharu today.

The federal government recently decided not to pay oil royalty to Kelantan but wang ihsan (compassionate payment) for the people instead.

However, Husam, the Kelantan PAS deputy commissioner II, said the state government would try to continue negotiating with Petronas and had already sent a letter to its new chief executive officer Shamsul Azhar Abbas for the purpose.

On former Petronas chairman Tengku Razaleigh Hamzah's statement on his unwillingness to be mediator in the oil royalty claim negotiations, Husam said he accepted the Umno veteran leader's decision and would not offer him again.

He said Tengku Razaleigh's reluctance to be mediator made sense because it would affect his credibility as he would be an important government witness when the case is brought to court.

Husam said the state government had entrusted Tengku Razaleigh to be mediator in the oil royalty claim as it respected him as a former Petronas chairman who had helped formulate the Petroleum Act 1974, which gave the right to oil-producing states to receive oil royalty.

Last week, Tengku Razaleigh said he was not prepared to accept the state government's offer to mediate on its behalf on the issue, but was willing to monitor the wang ihsan given by the federal government to prevent any abuse.

- Bernama