

**Pak Lah gave 'RM320b oil rich areas' to Brunei**  
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A bombshell has been dropped by former prime minister Dr Mahathir Mohamad against his successor Abdullah Ahmad Badawi for allegedly signing away two large potentially oil producing offshore areas to Brunei before his retirement early last year.

In an article on his blog, Mahathir claimed that the total losses in earnings amounted to a whopping US\$100 billion (RM320 billion).

If Mahathir's allegations are true, Abdullah had effectively thrown Brunei - an oil-dependent nation with depleting reserve - a lifeline.

mahathir in heart institute ijn 091106 abdullah ahmad badawi pak lahAccording to Mahathir, Abdullah surrendered 'Block L' and 'Block M' in the South China Sea, ostensibly in exchange for Brunei to drop its claim on Limbang, a strip of land in Sarawak which cuts across the tiny country.

"Block L and Block M had been claimed by Malaysia based on historical facts. Accordingly, Petronas entered into a production-sharing contract with Murphy Oil (Corp) to start drilling to produce oil. It is estimated that the reserves amounted to almost 1 billion barrels.

"Abdullah negotiated with the (Brunei) sultan to get back Limbang in Sarawak. In return, he agreed to surrender the two blocks to Brunei.

oil world market 141008 04" No Petronas representatives were present, only foreign office staff and the foreign affairs adviser to the PM," charged Mahathir.

Following the deal, Abdullah publicly claimed that he had successfully persuaded Brunei to drop its claim over Limbang, but this was promptly denied by the Brunei authorities.

"As we all know, Abdullah triumphantly announced that he had settled the Limbang claim with Brunei. No mention was made of the two blocks.

"Brunei disclaimed that they had agreed to give up Limbang. The foreign office and Abdullah did not rebut Brunei's statement," added Mahathir, who also urged the Foreign Ministry to explain why Abdullah was not stopped from doing so.

Najib must explain

Mahathir's blog post stemmed from a report by The Edge Financial Daily on April 22, which states that Murphy Oil Corp has terminated its production-sharing contract with national oil company Petronas for Blocks L and M because they are "no longer part of Malaysia".

mahathir ikmal presidential lecture 290410The report said that the US-based company stated that it was informed on April 21 by Petronas that the two blocks were no longer part of Malaysia following the execution of the exchange of letters between Malaysia and Brunei on March 16, 2009.

The production-sharing contracts covering Blocks L and M, which were awarded in 2003 to Petronas Carigali Sdn Bhd and Murphy Oil Corp, were formally terminated by letter dated April 7, 2010.

Meanwhile, DAP advisor Lim Kit Siang described Mahathir's revelations, if true, were "most shocking" and "outrageous", pointing out that the alleged deal was done without consent of cabinet, Parliament and the Malaysia people.

In a statement today, Lim also hit out at Prime Minister Najib Abdul Razak, who was deputy prime minister at the time of the deal, for allowing the deal to go through.

He said Najib was duty bound to explain why the cabinet at the time had "agreed to such unilateral and arbitrary sellout of the country's sovereign rights".

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