

PM No 5 explains oil deal to PM No 4
Malaysiakini.com
April 30, 2010

Former premier Abdullah Ahmad Badawi has dismissed his predecessor Dr Mahathir Mohamad's allegations that he had 'given away' two large oil rich areas to Brunei.

In a statement late this afternoon, Abdullah said the resources in the 'Block L and M' oil-rich areas in the South China Sea referred to by Mahathir were now shared by Malaysia and Brunei under a territorial and commercial deal inked on March 16 last year.

abdullah ahmad badawi pm mahathir quits umno pc 190508 03Although Block L and M were now the sovereign rights of Brunei, Malaysia will be allowed to participate in joint efforts to develop oil and gas resources there for 40 years.

According to Abdullah, the deal was meant to resolve protracted land and maritime boundary claims.

He said the cabinet approved of the deal on Feb 11 last year.

"This agreement (also) serves to settle certain overlapping claims which existed in the past which included the area of the concession blocks known before as Block L and Block M.

"Sovereign rights to the resources in this area now belongs to Brunei," said Abdullah.

No sovereign rights, but no loss to us

However, Abdullah explains that the agreement includes a commercial arrangement to allow Malaysia to jointly develop the oil and gas resources in Block L and M for a period for 40 years.

The "financial and operational modalities" for this is still being discussed, he added.

miri brunei limbang lawas highway 270609"This means that in so far as the oil and gas resources are concerned, the agreement is not a loss for Malaysia," he added.

On the land boundary, Abdullah said both sides agreed to undertake a joint survey to demarcate the boundary which shall be final and permanent.

Firstly, the joint survey will confirm the ground boundary in five sectors established in previous agreements in 1920, 1931, 1933 (two separate agreements) and 1939.

Secondly, the joint survey will determine the land boundary on the basis of the 'watershed principle' in sectors where no land boundary agreement exist as yet.

Resolving long standing issue

"When the entire land boundary demarcation exercise is completed, a final and permanent boundary will be established between Sarawak on the Malaysian side and Brunei on the other side.

"When this is accomplished, there will no longer be any land boundary dispute between Brunei and Malaysia as a whole.

mahathir ikmal presidential lecture 290410“This long-standing issue, which had existed in the past as an irritant in the relations between Malaysia and Brunei, will be settled without any disadvantage for Malaysia,” he said.

Abdullah's statement however does not address Mahathir's claim regarding Limbang, which is an area in Sarawak which separates two parts of Brunei.

Mahathir, in his blog post last night, pointed out that the Brunei authorities have denied Abdullah's claims in 2009 that Brunei had dropped its claim on Limbang.

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Source : <http://www.malaysiakini.com/news/130655>