

**Kelantan to sue Petronas over oil royalty**  
**Malaysiakini.com**  
**August 25, 2010**

The Kelantan government is to take national oil and gas company Petronas to court over breach of contract.

The decision to sue was made at an exco meeting today, prompted by Petronas' refusal to pay oil royalty despite operating an oil platform off the state's shores.

husam musa bangsar 080408 rightHusam Musa, the state executive councillor for economic planning, finance and welfare, said the suit would be filed in the commercial division of the High Court in Kuala Lumpur about 9.30am on Monday (Aug 30).

"The suit will not stipulate any quantum, as that will be left to the court to determine," he said.

Menteri Besar Nik Abdul Aziz Nik Mat and his deputy Ahmad Yaacob will be present during the filing, and the state government hopes that other Kelantanese will turn up as well.

Senior civil lawyer Tommy Thomas has been appointed to represent the state.

Former Petronas chairperson Tengku Razaleigh Hamzah, who is also Gua Musang MP, may submit an affidavit to support the application.

The state government does not recognise the federal government's RM25 million "compassionate fund" in lieu of the oil royalty.

It has demanded more than RM1 billion in royalty for the petroleum produced from the waters off its coast since 2004, based on the agreement under the Petroleum Development Act 1974.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
Source : <http://www.malaysiakini.com/news/141084>