

Kelantan sues Petronas over oil royalty
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The Kelantan government, led by menteri besar Nik Abdul Aziz Nik Mat, has filed a suit against national oil and gas company Petronas, to claim unpaid oil royalty since 2004.

The commercial suit against Petronas covers alleged breach of contract and also raises constitutional issues.

Nik Aziz, accompanied by his deputy Ahmad Yaakob and senior excos Husam Musa and Takiyuddin Hassan, witnessed the filing in Kuala Lumpur this morning. Also present was PAS treasurer Mohd Hatta Ramli.

Senior lawyer Tommy Thomas is representing the Kelantan government.

The reliefs sought in the 47-page statement of claim include:

1. Specific performance of the Kelantan Petroleum agreement;
2. An account to be taken or an inquiry ordered requiring Petronas to make full and truthful disclosure of all relevant facts relating to cash payments payable to Kelantan include the period;
3. An order that all arrears of cash payments be paid to Kelantan within one month;
4. An order of all future cash payments be paid to Kelantan;
5. Damages; and
6. Interests and costs along with other relief and liberty to apply.

The police have maintained tight security at the court complex since early this morning.

Long-running dispute

The long-standing issue of oil royalty resurfaced in the middle of last year, during the Manek Urai by-election campaign.

The BN-led federal government went to great lengths to place several advertisements in Malay-language dailies, stating that the state is not entitled to oil royalty but has been granted 'compassionate' payment of RM20 million.

Former Umno vice-president and Petronas founding chairperson Tengku Razaleigh Hamzah, however, trashed the argument, describing it as "an insult to the intelligence".

Husam has also said Kelantan is entitled to RM600 million in oil royalty annually.

The disputed payment is over production from the Cakerawala oil field, said to be located be 130 nautical miles off the Kelantan shore.

It is closer than those off Terengganu, Sabah and Sarawak, which are being paid oil royalty by the federal government.

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