

Malaysia, Brunei end spat over oil blocks
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Malaysia and Brunei Monday signed a deal to jointly develop two oil areas off Borneo, ending a border dispute dating from 2003 which had held up exploration.

The agreement will see the national oil firms of Malaysia and Brunei take part in exploration and production in the potentially oil-and-gas rich blocks over the next 40 years, Malaysian state news agency Bernama said.

The signing ceremony in Brunei was witnessed by Brunei's Sultan Hassanal Bolkiah and Malaysian Prime Minister Najib Razak.

Brunei, a tiny monarchy surrounded by Malaysia's eastern states of Sarawak and Sabah, awarded exploration rights in one offshore block to French oil firm Total and another to the Royal Dutch Shell Group.

But Malaysia's state-owned Petronas awarded the same sites to US firm Murphy Oil and its own subsidiary, Petronas Carigali.

In a bid to end the spat, the two countries agreed in March last year that the disputed areas "are no longer part of Malaysia" but allowed Malaysia's state-owned Petronas to enter into new production-sharing contracts.

- AFP

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