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Malaysia, Brunei agree on oil and gas discoveries split

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PROGRESS: Brunei gets 15pc revenue in 2 blocks off Sabah, Sarawak coasts

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Prime Minister Datuk Seri Najib Razak and Sultan of Brunei Darussalam Sultan Hassanal Bolkiah at Istana Nurul Iman in Bandar Seri Begawan yesterday. Bernama pic

MALAYSIA and Brunei have agreed to split the proceeds from oil and gas discoveries in two blocks — called CA1 and CA2 — off the Brunei, Sabah and Sarawak coasts.

In revealing this yesterday after the 19th Annual Leaders Consultation here with Sultan of Brunei Darussalam Sultan Hassanal Bolkiah, Prime Minister Datuk Seri Najib Razak said it was agreed that Brunei's portion would be 15 per cent.

Najib said the issue was resolved using the Exchange of Letters, implemented by the two nations since 2009.

"This means if we find oil or gas in CA1 or CA2, we will have no problem in terms of division of revenue between Malaysia and Brunei," he said before leaving for Kuala Lumpur.

This was among the encouraging developments under the implementation of the Exchange of Letters, he said, adding that another matter being pursued was the demarcation and survey of the land boundary between the two nations.

"It was agreed by the two nations to continue seeking new cooperation that would benefit the people," he said.

In a joint statement, both leaders expressed satisfaction with the progress made by Petroleum Brunei and Petronas.

"This long-standing partnership is manifested through the collaboration in the commercial arrangement areas, a production sharing agreement, and (collaboration) in other countries, such as Canada and Myanmar."

The leaders noted the significant progress of the Brunei Darussalam-Malaysia Unitisation Joint Working Group on activities related to the Gumusut/Kakap and Geronggong/Jagus East Fields, as well as the Kinabalu West NAG and Maharajalela North Fields.

Agreements for the oil and gas areas are expected by year-end.

On the Pan-Borneo Highway, expected to be completed in six years, Najib said the Brunei government

would look into developing additional facilities along the link.

"We believe economic cooperation between the two nations is running smoothly, and will be looking into investments in hydroelectric generation, livestock, agriculture and halal food production," he said, adding Brunei was considering investing more in Sabah and Sarawak.

The Brunei government will also work closely with the two states to expand its tourism industry.