

**Statement By Tun Abdullah Ahmad Badawi On Two Oil Exploration Fields
Bernama
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KUALA LUMPUR, April 30 (Bernama) -- Following is a statement issued by former prime minister Tun Abdullah Ahmad Badawi on the exchange of letters between Malaysia and Brunei Darussalam dated March 16, 2009.

**STATEMENT BY FORMER PRIME MINISTER TUN ABDULLAH AHMAD BADAWI ON THE
EXCHANGE OF LETTERS BETWEEN MALAYSIA AND BRUNEI DARUSSALAM DATED 16 MARCH
2009**

The Exchange of Letters between the Prime Minister of Malaysia and the Sultan of Brunei signed on 16 March 2009 represents an agreement between the two countries to take certain specific steps which will finally establish a permanent land and sea boundary between Malaysia and Brunei.

Regarding the land boundary, both sides agreed to undertake a joint survey to demarcate the agreed boundary which shall be final and permanent. This work shall be carried out in two ways.

First, the joint survey will confirm on the ground the boundary in five sectors which had already been established by previous agreements in 1920,1931,1933 (two separate agreements) and 1939.

Second, in other sectors where no land boundary agreements exist as yet, the joint survey shall determine the land boundary on the basis of the watershed principle.

When the entire land boundary demarcation exercise is completed, there will be established a final and permanent boundary 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. 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.

Regarding the maritime area, Malaysia and Brunei also agreed to establish a final and permanent sea boundary. This agreement 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. However, for this area the agreement includes a commercial arrangement under which Malaysia will be allowed to participate, on a commercial basis, to jointly develop the oil and gas resources in this area for a period of 40 years. The financial and operational modalities for giving effect to this arrangement will be further discussed by the two sides. This means that in so far as the oil and gas resources are concerned, the agreement is not a loss for Malaysia.

In my capacity as the Prime Minister of Malaysia, I signed the Exchange of Letters with the

Sultan of Brunei after the Malaysian Cabinet approved the deal on 11 February 2009.

Source: http://www.sapp.org.my/archive/miscnews/100430_badawi_oil_exploration.htm