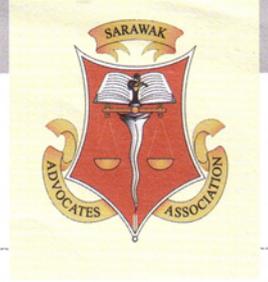


ADVOCATES ASSOCIATION of SARAWAK
PERSATUAN PEGUAMBELA² SARAWAK



ADVOCATES ASSOCIATION OF SARAWAK
SARAWAK'S OIL AND GAS RIGHTS: LET THE COURTS DECIDE

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The Advocates Association of Sarawak (“AAS”) notes the ongoing proceedings involving Petroleum Sarawak Berhad (Petros), Petrolia Nasional Berhad (Petronas), and the constitutional petition filed by the State Government of Sarawak before the Federal Court concerning the applicability of federal petroleum legislation within the State. This matter demands consideration within its proper constitutional, historical, and legal context.

AAS fully supports the Sarawak State Government’s decision to bring this dispute before the Federal Court for a definitive ruling. This is the right and legal thing to do.

His Majesty the Yang di-Pertuan Agong has called on all parties to honour the Malaysia Agreement 1963 (MA63) and to avoid actions that divide the nation. We fully support His Majesty’s Titah. Going to court — rather than letting this dispute fester through commercial pressure and public argument — is precisely the restrained, principled approach the relevant parties ought to be taking.

What Is This Dispute Actually About?

At its heart, this is a question about who has the legal right to regulate Sarawak’s oil and gas resources — the State Government of Sarawak, or the Federal Government through Petronas.

Sarawak had its own oil and gas laws long before Malaysia was formed. The **Sarawak** Oil Mining Ordinance 1958 (“OMO 1958”) was enacted five years before Malaysia Day. When Sarawak joined Malaysia in 1963, the constitutional arrangements agreed at the time — recorded in the Inter-Governmental Committee Report 1962 and given effect through MA63 and the Malaysia Act 1963 — preserved Sarawak’s existing laws. Both Article 162 and Article 161 of the Federal Constitution expressly provide for this. Sarawak has never agreed that those laws were extinguished.

The Federal Government enacted the Petroleum Development Act 1974 (PDA 1974), which — through its Section 2 — handed Petronas ownership and control over petroleum resources across Malaysia. Sarawak’s position is that this law, along with the Continental Shelf Act 1966 and the Petroleum Mining Act 1966, does not validly apply to Sarawak in the way Petronas claims.

The Constitutional Grounds

The petition raises three constitutional grounds. First, that sovereign rights over Sarawak’s petroleum resources were vested in Sarawak — not the Federation — on Malaysia Day, by virtue of MA63 and the constitutional instruments annexed to it. Second, that the Continental Shelf Act 1966 and the Petroleum Mining Act 1966 were extended to Sarawak only under the 1969 Emergency Proclamation and, following the annulment of that Emergency in December 2011, lapsed in their application to Sarawak by June 2012. Third, that the Sarawak Oil Mining Ordinance 1958 was preserved upon the formation of Malaysia and has never been lawfully repealed.

These are questions that go to the heart of Sarawak’s constitutional position within Malaysia. They deserve a clear and authoritative answer from the Federal Court.

Why the Court, and Why Now?

The recent High Court ruling on the bank guarantee between Petros and Petronas was decided on straightforward banking law. The judge made clear that the deeper constitutional questions — about which laws actually apply in Sarawak — were outside the scope of that case and must be decided by the Federal Court.

The State Government has therefore filed its petition under **Articles 4(3) and 128(1) of the Federal Constitution**, which give the Federal Court exclusive original jurisdiction to determine whether federal laws are constitutionally valid and applicable to a particular state. Sarawak has also made clear it will oppose Petronas’ own Federal Court application on jurisdictional grounds, as it does not fall within the scope of **Article 128(1)(a)**. Both matters will now be argued before the nation’s highest court. Filing this petition is not an act of defiance — it is an act of confidence in Malaysia’s constitutional system.

Our Call to All Stakeholders

The strength of Malaysia’s federation lies not in silencing constitutional questions, but in having the confidence to answer them.

The Advocates Association of Sarawak calls on all parties — in government, in the oil and gas industry, and in public life — to respect the judicial process now underway and to allow it to proceed without interference or escalation.

We call on the Federal Government to engage constructively throughout this process. Whatever the outcome, a clear and final ruling from the Federal Court will provide the legal certainty that investors, the industry, and the people of Sarawak deserve.

We remind all parties that honouring MA63 is not a threat to national unity — it is the foundation of it. Sarawak joined Malaysia as an equal partner, with rights that were agreed and recorded. Seeking to uphold those rights through the courts is an expression of faith in Malaysia, not a challenge to it.

Yours faithfully,



GURVIR SINGH SANDHU
President
Advocates Association of Sarawak
28th February, 2026