

**1979 MEMORANDUM OF UNDERSTANDING BETWEEN MALAYSIA
AND THE KINGDOM OF THAILAND ON THE ESTABLISHMENT OF
THE JOINT AUTHORITY FOR THE EXPLOITATION OF THE
RESOURCES OF THE SEA BED IN A DEFINED AREA OF THE
CONTINENTAL SHELF OF THE TWO COUNTRIES IN THE GULF OF
THAILAND**

Adopted in Chiang Mai, Thailand on 21 February 1979

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Adopted in Chiang Mai, Thailand on 21 February 1979

Malaysia and the Kingdom of Thailand,

DESIRING to strengthen further the existing bonds of traditional friendship between the two countries;

RECOGNISING that as a result of overlapping claims made by the two countries regarding the boundary line of their continental shelves in the Gulf of Thailand, there exists an overlapping area on their adjacent continental shelves;

NOTING that the existing negotiations between the two countries on the delimitation of the boundary of the continental shelf in the Gulf of Thailand may continue for some time;

CONSIDERING that it is in the best interests of the two countries to exploit the resources of the sea-bed in the overlapping area as soon as possible; and

CONVINCED that such activities can be carried out jointly through mutual cooperation,

HAVE AGREED AS FOLLOWS:

ARTICLE I

Both parties agree that as a result of overlapping claims made by the two countries regarding the boundary line of their continental shelves in the Gulf of Thailand, there exists an overlapping area, which is defined as that area bounded by straight lines joining the following coordinated points:-

- | | |
|----------------|-------------|
| (A) N 6°50'.0 | E 102°21'.2 |
| (B) N 7°10'.25 | E 102°29'.0 |
| (C) N 7°49'.0 | E 103°02'.5 |
| (D) N 7°22'.0 | E 103°42'.5 |
| (E) N 7°20'.0 | E 103°39'.0 |
| (F) N 7°03'.0 | E 103°06'.0 |
| (G) N 6°53'.0 | E 102°34'.0 |

And shown in the relevant part of the British Admiralty Chart No: 2414 Edition 1967, annexed hereto.

ARTICLE II

Both Parties agree to continue to resolve the problem of the delimitation of the boundary of the continental shelf in the Gulf of Thailand between the two countries by negotiations or such other peaceful means as agreed to by both Parties, in accordance with the principles of international law and practice especially those agreed to in the Agreed Minutes of the Malaysia-Thailand Officials' Meeting on Delimitation of the Continental Shelf Boundary Between Malaysia and Thailand in the Gulf of Thailand and in the South China Sea, 27 February-1 March 1978 and in the spirit of friendship and in the interest of mutual security.

ARTICLE III

- (1) There shall be established a Joint Authority to be known as "Malaysia-Thailand Joint Authority" (hereafter referred to as "the Joint Authority") for the purpose of the exploration and exploitation of the non-living natural resources of the sea-bed and subsoil in the overlapping area for a period of fifty years commencing from the date this Memorandum comes into force.
- (2) The Joint Authority shall assume all rights and responsibilities on behalf of both Parties for the exploration and exploitation of the non-living natural resources of the sea-bed and subsoil in the overlapping area (hereinafter referred to as the joint development area) and also for the development, control and administration of the joint development area. The assumption of such rights and responsibilities by the Joint Authority shall in no way affect or curtail the validity of concessions or licenses hitherto issued or agreements or arrangements hitherto made by either Party.
- (3) The Joint Authority shall consist of:-
 - (a) two joint-chairmen, one from each country, and
 - (b) an equal number of members from each country.
- (4) Subject to the provisions of this Memorandum, the Joint Authority shall exercise on behalf of both Parties all the powers necessary for, incidental to or connected with the discharge of its functions relating to the exploration and exploitation of the non-living natural resources of the sea-bed and subsoil in the joint development area.
- (5) All costs incurred and benefits derived by the Joint Authority from activities carried out in the joint development area shall be equally borne and shared by both Parties.
- (6) If any single geological petroleum or natural gas, structure or field, or other mineral deposit of whatever character, extends beyond the limit of the joint development area defined in Article I, the Joint Authority and the Party or Parties concerned shall communicate to each other all information in this regard and shall seek to reach agreement as to the manner in which the structure, field or deposit will be most effectively exploited; and all expenses incurred and benefits derived therefrom shall be equitably shared.

ARTICLE IV

- (1) The rights conferred or exercised by the national authority of either Party in matters of fishing, navigation, hydrographic and oceanographic surveys, the prevention and control of marine pollution and other similar matters (including all powers of enforcement in relation thereto) shall extend to the joint development area and such rights shall be recognized and respected by the Joint Authority.
- (2) Both Parties shall have a combined and coordinated security arrangement in the joint development area.

ARTICLE V

The criminal jurisdiction of Malaysia in the Joint Development Area shall extend over that area bounded by straight lines joining the following coordinated points:-

(A) N 6°50'.0 E 102°21'.2

(X) N 7°35'.0 E 103°23'.0

(D) N 7°22'.0 E 103°42'.5

(E) N 7°20'.0 E 103°39'.0

(F) N 7°03'.0 E 103°06'.0

(G) N 6°53'.0 E 102°34'.0

The areas of criminal jurisdiction of both Parties defined under this Article shall not in any way be construed as indicating the boundary line of the continental shelf between the two countries in the joint development area, which boundary is to be determined as provided for by Article II, nor shall such definition in any way prejudice the sovereign rights of either Party in the joint development area.

ARTICLE VI

- (1) Notwithstanding Article III, if both Parties arrive at a satisfactory solution on the problem of the delimitation of the boundary of the continental shelf before the expiry of the said fifty-year period, the Joint Authority shall be wound up and all assets administered and liabilities incurred by it shall be equally shared and borne by both Parties. A new arrangement may, however, be concluded if both Parties so decide.
- (2) If no satisfactory solution is found on the problem of the delimitation of the boundary of the continental shelf within the said fifty-year period, the existing arrangement shall continue after the expiry of the said period.

ARTICLE VII

Any difference or dispute arising out of the interpretation or implementation of the provisions of this Memorandum shall be settled peacefully by consultation or negotiation between the Parties.

ARTICLE VIII

This Memorandum shall come into force on the date of exchange of instruments of ratification.

DONE in duplicate at Chiang Mai the Twenty-first day of February in the year One Thousand Nine Hundred and Seventy-Nine in the Malay, Thai and English Languages.

In the event of any conflict among the texts, the English text shall prevail.

For Malaysia:

Datuk Hussein Onn

Prime Minister

For the Kingdom of Thailand:

General Kriangsak Chomanan

Prime Minister