

**1992 MEMORANDUM OF UNDERSTANDING BETWEEN MALAYSIA
AND THE SOCIALIST REPUBLIC OF VIETNAM FOR THE
EXPLORATION AND EXPLOITATION OF PETROLEUM IN A
DEFINED AREA OF THE CONTINENTAL SHELF INVOLVING THE
TWO COUNTRIES**

Adopted in Kuala Lumpur, Malaysia on 5 June 1992

ARTICLE 1	2
ARTICLE 2	3
ARTICLE 3	3
ARTICLE 4	3
ARTICLE 5	4
ARTICLE 6	4
ARTICLE 7	4
ARTICLE 8	4
ANNEX.....	5

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Adopted in Kuala Lumpur, Malaysia on 5 June 1992

MALAYSIA AND THE SOCIALIST REPUBLIC OF VIETNAM,

DESIRING to further strengthen the cooperation between the two countries;

RECOGNIZING that as a result of overlapping claims made by the two countries regarding the boundary lines of their continental shelves located off the northeast coast of West Malaysia and off the southwest coast of Vietnam, there exists an overlapping area of their continental shelves;

CONSISTENT with the agreement reached by the leaders of the two countries to cooperate in that part of the overlapping area involving the two countries only;

MINDFUL of the decision by the leaders of the two countries to resolve peacefully the question of all overlapping claims involving multiple parties with the parties concerned at an appropriate time;

CONSIDERING that it is in the best interests of both countries, pending delimitation of their continental shelves located off the northeast coast of West Malaysia and off the southwest coast of Vietnam, to enter into an interim arrangement for the purpose of exploring and exploiting petroleum in the seabed in the overlapping area;

CONVINCED that such activities can be carried out through mutual cooperation;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

- (1) Both parties agree that as a result of overlapping claims made by the two countries regarding the boundary lines of their continental shelves located off the northeast coast of West Malaysia and off the southwest coast of Vietnam, there exists an overlapping area (the Defined Area), being that area bounded by straight lines joining the following coordinated points:

A	N7°22.0'	E103°42.5'
B	N7°20.0'	E103°39.0'
C	N7°18.31'	E103°35.71'
D	N7°03.0'	E103°52.0'
E	N6°05.8'	E105°49.2'

F N6°48.25 E104°30.0'

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

- (2) The actual location at sea of the points referred to in Clause (1) of this Article shall be determined by a method to be mutually agreed upon by the competent authorities of both parties. The competent authorities in relation to Malaysia means the Directorate of National Mapping Malaysia and includes any person authorized by it and in relation to the Socialist Republic of Vietnam means the Department of Geo-Cartography and the Navy Geo-Cartography Section and includes any person authorized by them.

ARTICLE 2

- (1) Both parties agree, pending final delimitation of the boundary lines of their continental shelves pertaining to the Defined Area, through mutual cooperation, to explore and exploit petroleum in that area in accordance with the terms of, and for a period of the validity of this Memorandum of Understanding.
- (2) Where a petroleum field is located partly in the Defined Area and partly outside that area in the continental shelf of Malaysia or the Socialist Republic of Vietnam, as the case may be, both parties shall arrive at mutually acceptable terms for the exploration and exploitation of petroleum therein.
- (3) All costs incurred and benefits derived from the exploration and exploitation of petroleum in the Defined Area shall be borne and shared equally by both parties.

ARTICLE 3

For the purpose of this Memorandum of Understanding –

- (a) Malaysia and the Socialist Republic of Vietnam agree to nominate PETRONAS and PETROVIETNAM, respectively, to undertake, on their respective behalves, the exploration and exploitation of petroleum in the Defined Area;
- (b) Malaysia and the Socialist Republic of Vietnam shall cause PETRONAS and PETROVIETNAM, respectively, to enter into a commercial arrangement as between them for the exploration and exploitation of petroleum in the Defined Area provided that the terms and conditions of that arrangement shall be subject to the approval of the Government of Malaysia and the Government of the Socialist Republic of Vietnam;
- (c) both parties agree, taking into account the significant expenditures already incurred in the Defined Area, that every effort shall be made to ensure continued early exploration of petroleum in the Defined Area.

ARTICLE 4

Nothing in this Memorandum of Understanding shall be interpreted so as to in any way –

- (a) prejudice the position and claims of either party in relation to and over the Defined Area; and
- (b) without prejudice to the provisions of Article III, confer any rights, interests or privileges to any person not being a party hereto in respect of any petroleum resources in the Defined Area.

ARTICLE 5

This Memorandum of Understanding shall continue for a period to be specified by an exchange of Diplomatic Note between the two parties.

ARTICLE 6

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

ARTICLE 7

This Memorandum of Understanding shall come into force on the date to be specified by an exchange of Diplomatic Notes between the two parties.

ARTICLE 8

For the purpose of this Memorandum of Understanding –

- (a) 'Defined Area' means the area referred to in Article I(1) of this Memorandum of Understanding;
- (b) 'petroleum' means any mineral oil or relative hydrocarbon and natural gas existing in its natural condition and casing head petroleum spirit, including bituminous shales and other stratified deposits from which oil can be extracted;
- (c) 'petroleum field' means an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature, or stratigraphic conditions from which petroleum may be produced commercially;
- (d) 'PETRONAS' is the short form of Petroliaam Nasional Berhad, a company incorporated under the Malaysia Companies Act 1965; and
- (e) 'PETROVIETNAM' is the short form of Vietnam National Oil and Gas Company established by the Decree of No. 250/HDBT of 6 July 1990.

DONE in duplicate at Kuala Lumpur the 5th day of June in the year One Thousand Nine Hundred and Ninety Two in the English Language.

For Malaysia: **H.E. DATUK AHMAD KAMIL JAAFAR**, Secretary-General, Ministry of Foreign Affairs, Malaysia

For the Socialist Republic of Vietnam: **H.E. VU. KHOAN**, Vice Minister of Foreign Affairs, Socialist Republic of Vietnam

ANNEX

