

**Continental Shelf Act 1966**  
**- Act No. 57 of 28 July 1966, as Amended by Act No. 83 of 1972**

1. (1) This Act may be cited as the Continental Shelf Act, 1966.

(2) (Omitted).

2. In this Act, unless the context otherwise requires -

"continental shelf" means the sea-bed and subsoil of submarine areas adjacent to the coast of Malaysia but beyond the limits of the territorial waters of the States, the surface of which lies at a depth no greater than two hundred metres below the surface of the sea, or, where the depth of the superadjacent waters admits of the exploitation of the natural resources of the said areas, at any greater depth;

"natural resources" means -

- (a) the mineral and other natural non-living resources of the sea-bed and subsoil; and
- (b) living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the sea-bed or are unable to move except in constant physical contact with the sea-bed or the subsoil;

"petroleum" includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation.

3. All rights with respect to the exploration of the continental shelf and the exploitation of its natural resources are hereby vested in Malaysia and shall be exercisable by the Federal Government.

4. (1) No person shall explore, prospect or bore for or carry on any operations for the getting of petroleum in the sea-bed or subsoil of the continental shelf except under and in accordance with the Petroleum Mining Act, 1966.

(2) For the purposes of the following subsections, the expression "minerals" shall be construed to mean minerals other than petroleum.

(3) No person shall explore, prospect or bore for or carry on any operations for the getting of minerals in the sea-bed or subsoil of the continental shelf except in pursuance of the licence issued under the following subsections.

(4) The Minister may from time to time, on an application made in that behalf, grant to any person a licence authorising the person to explore, prospect, bore and mine for and to carry on operations for the getting of minerals of any specified kind in any specified area of the continental shelf.

(5) Every application for a licence and every licence granted under subsection (4) shall be in such form and subject to the payment of such fees and other payments as may be prescribed by the Minister and be subject to such conditions as the Minister, when granting the licence, thinks fit to impose in the circumstances of each case, including, but without limiting the generality of the foregoing provisions of this section, conditions requiring the licensee -

- (a) to comply with such conditions as to safety as are specified in the licence; and
- (b) to pay to the Federal Government in respect of any minerals recovered by the licensee from the continental shelf such royalties as are specified in the licence.

(6) The grant of a licence under subsection (4) shall in every case be in the absolute discretion of the Minister and any number of licences may be granted to the same person; and every licence may be so granted that the rights thereunder are to be enjoyed by the licensee in common with other licensees to whom licences under subsection (4) may have been granted or may thereafter be granted.

(7) Any person who explores, prospects, bores or mines for, or carries on operations for the recovery of any minerals in the sea-bed or subsoil of the continental shelf otherwise than in pursuance of a licence under subsection (4) and in accordance with the conditions of the licence (not being a condition relating to the payment of royalties to the Federal Government) shall be guilty of an offence, and shall, on conviction, be liable to a fine not exceeding twenty thousand dollars or to imprisonment for a term not exceeding two years or to both; and all machinery, tools, plant, buildings and other property together with any minerals or other products which may be found upon or proved to have been obtained from the area of the continental shelf so unlawfully explored, prospected or mined shall be liable to forfeiture.

5. (1) Subject to this Act, for the purposes of this Act and of every other written law (whether enacted before or after the passing of this Act) for the time being in force in Malaysia -

- (a) every act or omission which takes place on or under or above, or in any waters within five hundred metres of, any installation or device (whether temporary or permanent) constructed, erected, placed, or used in, on, or above the continental shelf in connection with the exploration of the continental shelf or the exploitation of its natural resources shall be deemed to take place in Malaysia; and
  - (b) every installation or device and any waters within five hundred metres of an installation or device as aforesaid shall be deemed to be situated in Malaysia, and for the purposes of jurisdiction shall be deemed to be situated in that part of Malaysia above highwater mark at ordinary spring tides which is nearest to that installation or device; and
  - (c) every court in Malaysia which would have jurisdiction (whether civil or criminal) in respect of that act or omission if it had taken place in Malaysia shall have jurisdiction accordingly; and
  - (d) every power of arrest or of entry or search or seizure or other power that could be exercised under any written law (whether enacted before or after the passing of this Act) in respect of any such act or omission or suspected act or omission if it had taken place or was suspected to have taken place in Malaysia may be exercised on or in respect of any such installation or device or any waters within five hundred metres thereof as if the installation or device or waters were in Malaysia; and
  - (e) without prejudice to the provisions of the Customs Act, 1967, every installation or device, and any materials or parts used in the construction of an installation or device, which are brought into the waters above the continental shelf from parts beyond the seas shall be deemed to have been imported at the time when the installation or device is constructed, erected, or placed in, on, or above the continental shelf in connection with the exploration of the continental shelf or the exploitation of its natural resources.
- (2) The Yang di-Pertuan Agong may from time to time, by order -
- (a) modify or exclude any of the provisions of any written law (whether enacted before or after the passing

of this Act) to such extent as may be necessary for the purpose of giving full effect to subsection (1);

- (b) declare that the provisions of any written law (whether enacted before or after the passing of this Act), with such modifications or exceptions as he thinks fit, shall apply with respect to the continental shelf or any specified part thereof, or to acts or omissions taking place in, on, or above the continental shelf or any specified part thereof, in connection with the exploration of the continental shelf or of that part or the exploitation of its natural resources, and thereupon the provisions of that written law, with those modifications and exceptions, shall apply as if the continental shelf or that part thereof were within Malaysia.

(3) Nothing in this section shall limit the provisions of any written law relating to the liability of persons in respect of acts done or omitted beyond Malaysia or the jurisdiction of any court in Malaysia under any such written law.

(4) Notwithstanding anything in any other written law, proceedings for the trial and punishment of any person charged with having committed an offence in respect of which the courts in Malaysia have jurisdiction by virtue only of this section shall not be instituted in any court except with the consent of the Public Prosecutor:

Provided that a person so charged may be arrested or a warrant for his arrest may be issued and executed, and any such person may be remanded in custody or released on bail, notwithstanding that the consent of the Public Prosecutor to the institution of a prosecution for the offence has not been obtained, but the case shall not be further prosecuted until the consent has been obtained.

(5) In this section the term "device" includes any ship, floating platform, or aircraft that is used in connection with any installation or device.

6. (1) The Yang di-Pertuan Agong may make regulations for -

- (a) regulating the construction, erection, or use of installations or devices in, on, or above the continental shelf, or any specified part thereof, in connection with the exploration of the continental shelf or that part thereof or the exploitation of its natural resources;
- (b) prohibiting the construction, erection, placing, or use of installations or devices in, on, or above the continental shelf in places where they could cause interference with the use of recognized sea lanes essential to coastwise or international navigation;
- (c) establishing safety zones, extending to a distance not exceeding five hundred metres measured from each point of the outer edge of the installation or device, around any such installations or devices in, on, or above the continental shelf;
- (d) prescribing such measures as he considers necessary in any such safety zone for the protection of the installation or device with respect to which the safety zone is established;
- (e) regulating or prohibiting the entry of ships into any such safety zone;
- (f) prescribing measures to be taken in any such safety zone for the protection of the living resources of the sea and the natural resources of the continental shelf from harmful agents;
- (g) prescribing the notice to be given of the construction, erection, or placing of installations or devices in, on, or above the continental shelf;
- (h) prescribing the permanent means to be installed for the purpose of giving warning to shipping and

aircraft of the presence of installations or devices in, on, or above the continental shelf;

- (i) providing for the removal of installations or devices constructed, erected, or placed in, on, or above the continental shelf which have been abandoned or become disused;
- (j) prohibiting or restricting any exploration of the continental shelf or any specified part thereof or any exploitation of its natural resources which in the opinion of the Yang di-Pertuan Agong could result in any unjustifiable interference with navigation, fishing, or the conservation of the living resources of the sea, or could interfere with national defence or with oceanographic or other scientific research or with submarine cables or pipelines;
- (k) providing for such matters as are necessary for giving full effect to this Act and for the due administration thereof; and
- (l) prescribing penalties for breaches of the regulations, not exceeding five thousand dollars.

(2) In this section the term "continental shelf" includes the sea-bed and subsoil of the submarine areas within the limits of the territorial waters of the States:

Provided that nothing in this section shall affect the rights and powers of the State Authority under the appropriate land law or any other written law in respect of areas within the limits of the territorial waters of the State.

7. (1) Any prospecting licence, mining lease or agreement issued or made under any written law in force in Sabah and Sarawak immediately before the 8th November, 1969, for the exploration, prospecting or mining for minerals other than petroleum on the continental shelf shall continue to be in force subject to subsections (2), (3) and (4).

(2) All rights accrued or due to and all liabilities and obligations imposed on or borne by the Governments of Sabah and Sarawak under or by virtue of any prospecting licence, mining lease or agreement referred to in subsection (1) shall accrue and be due to and shall be imposed on and borne by the Federal Government.

(3) The provisions of the prospecting licence, mining lease or agreement referred to in subsection (1) shall be construed subject to this Act.

(4) The Yang di-Pertuan Agong may at any time before the 31st December, 1972, by order make such further transitional or saving provision as he may consider necessary or expedient.