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MEDIA RELEASE

FOR IMMEDIATE RELEASE

IAGC: IAGC condemns New Zealand Government's passage of the Crown Minerals (Petroleum) Amendment Bill banning offshore exploration and the rushed process used to pass the Bill through Parliament

Houston, Texas, US – Nikki Martin, President of the International Association of Geophysical Contractors (IAGC), today issued the following statement regarding the passage of the Crown Minerals (Petroleum) Amendment Bill in New Zealand's banning new offshore oil and gas exploration.

"The New Zealand Government has decided to halt technological advancements and curtail its citizens' access to future domestic energy supplies, by passing the Crown Minerals (Petroleum) Amendment Bill banning new offshore oil and natural gas exploration. This drastic move has been taken in the face of Government knowledge that there will be no economic benefit for the country and no proven environmental benefit. The Government's own Ministry indicates that the net impact of the Bill on global emissions is more likely to be negative than positive.

"Seismic surveys undertaken by IAGC's members are the gateway to energy investment. The poor decision-making of this Government will result in a disastrous outcome with the nation losing an estimated \$7.9 billion NZD in revenue. It will also threaten the security of energy supply, encourage an increase in the domestic price of oil and gas and remove a significant industry sector resulting in a loss of employment.

Passage of the Bill ensures that IAGC's members will not be able to realise any value on their extensive prospecting investment of more than \$70 million USD since 2013. The Bill will offer no transitional rights or compensation for this significant lost investment. The [IAGC](#) cannot understand how the Government has reached such an outcome and is baffled by the disproportionate approach taken to existing prospecting permit holders.

"Further, it is evident that the process the Government took to pass the Bill was biased, rushed and unfair. The petroleum industry and wider public had just two weeks to submit their views on the Bill. This short submission period not only impacted the ability of the industry to voice its concerns and rally support to present a united voice, but also shows the Government's deliberate intention to push the Bill through no matter the cost. This poor approach is antidemocratic and is compounded by limiting future consultation on changes to the Petroleum Programme.

"Even as the world moves to expanding the use of renewable energy sources, the fact remains that oil and gas will play a significant role in the world's economy for many decades to come, and according to the [International Energy Agency](#), will still make up about half of the energy resources by 2040. Because

the country will still need these affordable sources of energy, the question is, 'Where will New Zealand get its oil and gas and how much will it cost?'

"The IAGC strongly condemns the Government's action to ban new offshore oil and gas exploration. It not only unfairly penalises those participants in New Zealand's oil and gas industry, like IAGC's members, who have invested in collecting offshore seismic data under existing and historical petroleum prospecting permits, but it also disregards the views of the industry, the needs of New Zealand citizens and the nation's economy. Today's action is a clear demonstration of putting extreme environmental politics ahead of the sentiments of the people, the New Zealand economy and good business practice."

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About the IAGC

The IAGC represents more than 110 member companies worldwide from all segments of the geophysical and exploration industry and is the only trade organization solely dedicated to representing the industry. It is the leader in geophysical technical and operations expertise. For more than 45 years, the IAGC has worked to optimize the business and regulatory climate, and enhances public understanding to support a strong, viable geophysical industry essential to discovering and delivering the world's energy resources.

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