

Great South Basin oil and gas quest set to begin

11 July 2007 - The economies of Southland and Otago are to get a major boost from oil and gas exploration, as international investors prepare to spend more than a billion dollars exploring the vast Great South Basin over the next five years, according to Associate Energy Minister Harry Duynhoven.

"The intensity of work proposed for the Great South Basin is unprecedented in New Zealand's history and will effectively double the amount of investment in oil and gas exploration here over the next few years," Harry Duynhoven said.

The government announced today that oil and gas exploration permits for four areas of the Great South Basin (in the southern oceans off Southland) have been awarded to two major groups of investors:

- A consortium led by ExxonMobil New Zealand (Exploration) Limited (USA) which includes local company Todd Exploration Limited (New Zealand)
- A consortium led by OMV New Zealand Limited (Austria) which includes PTTEP Offshore Investment Company Ltd (Thailand), Mitsui Exploration and Production Australia Pty Ltd (Japan)

Harry Duynhoven said the interest of major international oil companies indicated the high potential of the basin.

"It is one of world's hot spots for exploration. The data indicates the potential for commercially viable finds, which could have significant future benefits to New Zealand."

Mr Duynhoven said oil companies were expected to spend \$1.2 billion exploring the Great South Basin, and a share of that money would be spent in the southern region.

Energy Minister David Parker said the work assisted the government's energy goals. "Assuming exploration success, the country stands to earn significant revenue from royalties and taxes flowing from this investment, and it will assist in ensuring security of energy supply."

"Although the world is working to lessen its reliance on fossil fuels, we will be dependent on oil and gas for some time to come. It is in our economic interest that the oil we use comes from local sources if possible.

"As with other fossil fuels, it is important that New Zealand take responsibility for the greenhouse gas emissions that come from its use here, just as Japan does for the emissions that come from coal they import from New Zealand."

For more information, see the [Great South Basin media pack](#).

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