

Exploration Surges Across The Tasman

Foreword

by *Hon Harry Duynhoven*
Associate Minister of Energy for New Zealand

I welcome the opportunity to invite explorers to read about New Zealand's upstream petroleum industry in this issue of *PESA News*.

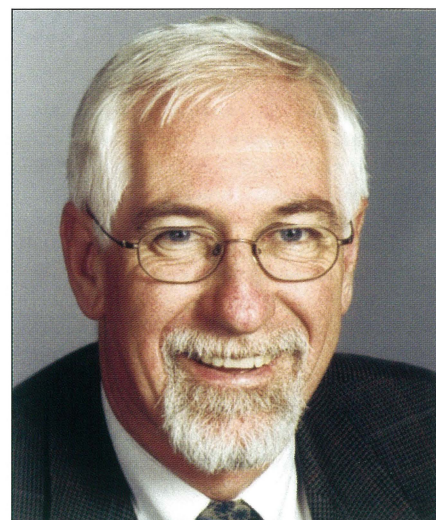
The New Zealand Government is keen to attract explorers and developers to New Zealand. Accordingly, our overriding objective has been to provide an industry climate that is amongst the best in the world for investment in petroleum exploration and development. The Government has put in place a highly competitive regime, and a very open and innovative allocation system. This is underpinned by a business environment designed to attract foreign investment, and a supportive local petroleum infrastructure.

New Zealand has a century-old history of oil exploration, although the modern era of exploration is barely 30 years old. The exploration industry has built up a good local understanding of where to find hydrocarbons with evolving knowledge of sedimentary basins and their petroleum

systems, and a high success level in finding hydrocarbons. The important geological elements and the timing of generation, migration and accumulation of hydrocarbons are now broadly understood, enabling a more methodical approach to identification and appraisal of prospects. Ongoing exploration will certainly lead to further commercial discoveries.

Most of New Zealand's basins have very good potential for the discovery of petroleum but are best classified as 'under-explored'. Even in Taranaki Basin, the most commercially successful hydrocarbon province, exploration continues to turn up surprises in terms of new plays, many of which have already become productive. Further, New Zealand has now been ranked by the IHS Energy Group as the 14th most attractive country in the world for petroleum exploration investment.

Exploration activity in New Zealand is at the highest level for many years, with 30 permits taken out in 2002. New onshore oil and gas discoveries late in the year provided proof that further reserves are there awaiting discovery. I am sure many more pleasant surprises are awaiting explorers as more of the secrets of the country's large acreage are uncovered.



Hon Harry Duynhoven, Associate Minister of Energy for New Zealand.

In this respect, the current permitting round in Canterbury Basin provides an opportunity to explore in an environment where two of the four offshore wells sunk to date have discovered hydrocarbons, one flowing 10 MMscfd gas and 2300 bopd condensate. The current Deepwater Taranaki bidding round also provides an opportunity in a promising thick sequence of Cretaceous sediments which have been compared to Australia's Gippsland Basin.

I invite you to consider the opportunities on offer in New Zealand and to consider joining those of your colleagues already active across the Tasman.

Hon Harry Duynhoven
Associate Minister of Energy



The Kahili-1A rig in the onshore Taranaki Basin. Photo courtesy: Crown Minerals.