

## Origin And OMV Increase Their NZ Profile

The Australian public energy company Origin Energy Ltd and Austrian-domiciled OMV group have added to their New Zealand oil and gas quests by winning the new Northland permits, released in early February.

Origin has broad oil and gas and coal seam gas interests in Australia and its main existing holding in NZ is 50% owner and operator of the consortium holding the Kupe gas and condensate field where a final investment decision is due soon.

NZ's Associate Minister of Energy, Harry Duynhoven, said the permits have been issued as a joint venture to Origin and OMV. The Austrian company increased its Australasian interest by taking over Australian explorer Cultus Petroleum NL in 2000.

"These companies are an important part of the exploration industry in New Zealand, with successful track records in exploration. The exploration programmes are an exciting development for Northland as well as a further step forward to stimulating exploration in oil and gas in NZ," he said.

The permits involve an initial work commitment of \$NZ15 million, with up to a further \$NZ120 million to be expended at subsequent exploration stages.

There was a competitive bidding process for the offshore blocks in Northland, as there was for available offshore Taranaki blocks.

The joint venture has proposed a major search over 11,000 km<sup>2</sup> of acreage including acquisition of significant volumes of new seismic data and drilling of exploration wells. They represent two of five offshore Northland permits that were offered. The other three as well as the offshore Taranaki blocks will be re-offered



as a result of comments made by explorers to Crown Minerals about the stipulated conditions and drilling rig availability issues.

Duynhoven said that the absence of any bids in the neighbouring Outer Taranaki Basin was disappointing, but understandable given the impact of last year's hurricanes on exploration activity in general, and the availability of seismic vessels and drilling rigs in particular.

"We believe that there is still potential interest in the unallocated blocks, and we will therefore be re-offering these blocks for a short period with reduced minimum work requirements in the expectation of additional bids.

"I remain confident regarding interest in the upcoming East Coast and Great South Basin blocks offers."

The Minister said the seismic surveys commissioned by the government for the two most recent blocks offers will significantly aid in preparing bids.

"I am confident that this will result in high quality applications," he said.

The Minister was aware that domestic and overseas international companies were concerned about the international availability of drilling rigs in terms of complying with any permits awarded to them.

"While companies need to honour their bids, we will be taking a reasonable and pragmatic line if worldwide shortages impact on exploration commitments," he said. ■