

9 April 2019

BARQUE WORK PROGRAMME EXTENDED

The deadline for a decision about whether to drill an exploration well in the Clipper permit, east of Oamaru, New Zealand, is to be extended by three years.

Clipper contains the multi-tcf Barque prospect located about 60 kilometres east of Oamaru.

The Energy and Resources Minister has extended the work obligations in the permit. A well commitment decision was due to be made by 11 April 2019 and now needs to be made before 11 April 2022. Other obligations have been extended correspondingly.

The permit is operated by New Zealand Oil & Gas. Chief executive Andrew Jefferies said the Clipper joint venture is keeping a close eye on other exploration acreage in the Canterbury-Great South Basin where wells may be drilled ahead of Barque.

“Those permits have different operators and joint ventures. Progress in those permits will influence the future of the Barque prospect.

“The extended work programme in Clipper will allow a re-set of the marketing campaign to attract partners to the joint venture,” Andrew Jefferies said.

A regional economic impact study published in 2017 showed development of Barque could result in up to \$15 billion in GDP. \$32 billion in royalties and taxes could be generated over the life of the field. In total, up to 5,740 FTE jobs could be created during construction, and around 2,000 enduring jobs in the region as the supply of clean natural gas displaces higher-carbon forms of energy and attracts new manufacturing industry. The study is available here:

[<https://www.nzog.com/projects/new-zealand/#geographical-area>]

The Clipper joint venture comprises:

New Zealand Oil & Gas [operator] 50%

Beach Energy 50%.