

Hon Shane Jones  
Minister for Resources  
Associate Minister for Energy

### Meeting with Energy Resources Aotearoa on 12 March 2026

#### **Key messages**

- *the current **geopolitical situation highlights the criticality of domestic energy security** and the threats to this, but **also presents opportunities to promote New Zealand as a stable market for upstream investment***
- ***recent decisions on LNG can provide insurance cover for dry years** but are **not a long-term substitute for domestic upstream investment***
- ***enabling LNG policies should where possible be applied to domestic gas production***
- ***we welcome the news that the Government is looking at ways to insure investors against policy shifts that place investments at risk***
- ***we appreciate all the Minister's work on solutions that strengthen New Zealand's energy security and support a stable investment environment***
- ***our priorities are focussed on supporting the upstream sector in their efforts to extend the life of existing fields, improve operational efficiency and manage decommissioning responsibly***
- *the **timeframes and outcomes for petroleum permit applications will send signals about the reopening market, which we hope will be positive***

## **Appendix**

### **Implications of the geopolitical situation**

1. The escalating conflict in the Middle East and wider geopolitical upheavals highlight the criticality of domestic energy security. They demonstrate the risks to New Zealand of being exposed to international markets. With the Strait of Hormuz effectively closed now and no end in sight for the hostilities, the impacts are set to flow through into the wider economy.
2. There are, however, potential opportunities for New Zealand to promote itself as a stable market for upstream investment. This could be used to encourage and highlight the importance of investment in domestic gas exploration and other export potential. In this context, the role of domestic oil production to assist with the balance of payments and contribute to regional energy security should also be acknowledged.
3. In our view, New Zealand's promotional agencies, such as New Zealand Trade and Enterprise, could do more to leverage these opportunities and encourage further investment in the upstream sector.

### **LNG**

4. We support the Government's decision to progress options for importing LNG as a practical step to strengthen New Zealand's energy security. Domestic gas remains critical and continued investment is needed in its supply and across the energy system in renewables, storage and other firming capacity.
5. We appreciate the speed at which the Government is working to develop an LNG facility, but it must be cost-effective. We would not want to see domestic gas production unduly disadvantaged in the process of developing the LNG infrastructure, so are keen to explore what enabling policies could flow back into the petroleum sector from the LNG development.

### **Measures to rebuild confidence and enable investment in the energy system**

6. As recently reported in the media,<sup>1</sup> we welcome and appreciate the Government's pledge to engage openly with upstream investors ahead of the development of any formal regulatory framework to reduce policy risk, and that it is prepared to consider commercial and risk-sharing arrangements to unlock the supply of new energy.
7. This is an important shift to ensure that investments today are kept whole under a different government. The need is reinforced by the opposition parties already having indicated that, if re-elected, they will reintroduce the restrictions on new

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<sup>1</sup> See ['Government mulls insuring electricity investors against fossil fuel political U-turn'](#) (24 Feb 2026) NZ Herald.

exploration acreage and cancel the LNG terminal, undermining any progress made. Markets fail to produce optimal outcomes when capital markets cannot price the risk of an absence of policy durability.

8. For this approach to succeed, and quickly, potential investors will require clarity on the outcomes. As we understand it, the Government is looking for commitments to bring new secure energy into the system.
9. Early alignment on objectives will allow credible, commercially grounded proposals to emerge quickly and reduce the risk of protracted negotiation. We look forward to working with the government to help ensure it meets both its current, and longer-term objectives.

### **Priorities for 2026**

10. Our priorities for the upstream sector are focussed on improving regulatory frameworks and reducing the cost of doing business. New Zealand's mostly mature fields are approaching end of life, and decommissioning is looming.
11. The petroleum sector is trying to extend the economic life of fields for as long as possible. It can do this by improving efficiency and reducing costs, but the regulatory environment imposes unnecessary burdens, barriers and costs that are hindering its efforts. We therefore have three specific projects in train to improve regulatory settings:
  - a **decommissioning** – trying to ensure that this can be done in the most cost-efficient way, including exploring the possibility of a one-stop-shop for all decommissioning activity within government (e.g., for consenting, permitting etc.)
  - b **Approved Code of Practice for Pressure Equipment (Excluding Boilers)** – this outdated code has significantly higher requirements than international standards making the costs of operating this equipment much higher than other jurisdictions such as Australia. It needs to be amended as this adds unnecessary costs that impact on the economic life of fields; and
  - c **LNG** – we want to work with government to enable the expeditious building and operation of the LNG facility and explore how similar approaches can be applied to domestic gas production.

### **Timeframes for processing permit applications and changes of conditions**

12. The timeframes for the processing of petroleum permit applications should be a focus of attention. These are critical to the reputation of the permitting regulatory system and ultimately the Government achieving its objectives in terms of stimulating investment in the oil and gas sector in New Zealand.

13. The first new offshore petroleum exploration application is now being considered by MBIE and they expect to make a decision within six months. We understand the need for thorough consideration, but the regulator has had the documentation since October 2025. The outcome of this application will also send a clear signal to the market, and we would hope that this is positive.
14. The timeframes for processing petroleum permits in general should be more ambitious than those now published. Despite being reviewed in June 2025, the average processing time for changes to existing petroleum permits (most crucially to interests, control and duration) still range from 9 to 12 months and new mining permit applications can take up to a year and a half.<sup>2</sup> We ask that more ambitious expectations are set for future key performance indicators for petroleum permit applications.

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<sup>2</sup> See <https://www.nzpam.govt.nz/permits/timeframes-for-applications-enabled-by-the-crown-minerals-amendment-act-2025>