



GREYMOUTH GAS

Greymouth Gas outlines claims against the Crown

Release made in the Bell Block, Taranaki on 27 September 2018

New Zealand owned and operated Greymouth Gas Turangi Limited ('Greymouth') advised today that, in April 2018, it filed High Court claims challenging decisions made by Energy Minister Hon Megan Woods and the Ministers of Government coalition parties.

The Greymouth claims are that:

- the Minister's decision declining to grant an offshore coastal permit to Greymouth following submission of a compliant bid in the 2017 Block Offer was not justified;
- Greymouth's bid for an offshore coastal permit was better than a successful bid for a comparable permit made by a Chinese new entrant with no material standing in the New Zealand petroleum business;
- the Prime Minister's Statement on 12 April 2018, supported by Minister Woods and Ministers of Government coalition parties, halting Crown Offers for Offshore Oil and Gas Blocks was unlawful.

Greymouth regrets having to seek the assistance of the Court but it has not been possible to resolve differences with the Minister or her officials. Greymouth Chairman Mark Dunphy commented: "we are not 'big oil', we are extremely hardworking New Zealanders who are proud of what we do. New Zealand petroleum companies rely on the Block Offer process to ensure transparency, contestability, maintain competitiveness and grow their businesses. It is quite wrong for the Crown to undermine the competitiveness of a New Zealand company whilst favouring a Chinese owned company. The Prime Minister's Statement may represent the preferred policy position but this Statement did not comply with the process required by our law and this will be clarified by the High Court. The policy change is abrupt, counterproductive, comes too soon and will add to current gas shortages and further increase gas and petroleum prices."

Greymouth Gas and Petroleum Companies

Established in 2000, the New Zealand owned and operated Greymouth Gas and Petroleum Companies together rank second amongst New Zealand owned petroleum production companies when measured in barrels of oil equivalent produced per day (today supplying circa 10% of New Zealand's daily gas consumption); and will be in the top three amongst New Zealand and foreign gas and oil production companies, assuming the sale of the Shell interests to OMV achieves remaining regulatory approvals and proceeds to completion.

Greymouth Gas supplies low cost natural gas to industrial and commercial consumers including producers of fertilizer, petrochemicals, wood products, meat products, health foods, beer, sugar, glass and other core New Zealand industries. Greymouth's Block Offer bids and resulting petroleum development efforts are directed to the ongoing provision of low cost gas supply to secure the future of New Zealand manufacturing jobs. Greymouth Gas is a leading participant in New Zealand wholesale, commercial and industrial gas markets, adding to competition in the market and helping deliver lower natural gas prices for New Zealand industry and households.

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