

New Zealand lifts ban, reopens door to oil exploration



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Wellington – July 31 – New Zealand has officially reopened the door to petroleum exploration, reversing a 2018 ban through the Crown Minerals Amendment Bill, announced by Resources Minister Shane Jones.

The legislation, now progressing through parliament, allows oil and gas exploration beyond

onshore Taranaki in the North Island. It also introduces updated rules for shutdown and site restoration in line with international standards, and creates a new permit framework for small-scale, non-commercial gold mining.

Minister Jones said the changes reflect a “pragmatic energy strategy,” positioning natural gas as a crucial bridge in New Zealand’s future energy mix. He argued the earlier ban discouraged investment, contributed to gas shortages, and undermined economic growth and energy security. A key element of the bill is holding previous permit-holders financially responsible for cleanup costs if current operators default – a move aimed at protecting public funds and reassuring investors.

While most of the bill’s provisions are effective immediately, full implementation is expected by September 2025. In addition, the government has allocated NZ\$200 million (around US\$118.6 million) over four years to co-invest in new gas field development.

However, the decision has drawn sharp criticism from the Green Party and climate advocates. They warn that lifting the ban will worsen climate change and make the cost of living crisis worse. Dr. Jen Purdie from the University of Otago urged stronger investment in renewable energy infrastructure and policies to reduce reliance on fossil fuels.

Despite the debate, the government insists the shift is vital to securing energy stability and

boosting investor confidence.