

## Kaikoura wary of oil drilling plan

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Oil giant Anadarko is promising to apply best practice if it goes ahead with plans to explore for oil off the coast of Kaikoura, but many people who rely on the area's marine environment are not convinced.

About 90 people attended a meeting at Takahanga Marae in Kaikoura on Friday to hear Anadarko representatives explain their proposals. The company has been awarded tenders for the two off-shore blocks closest to Kaikoura.

Representatives from New Zealand Petroleum and Minerals, which is a branch of the Ministry of Business, Innovation and Employment, and the Minister of Energy and Resources, Simon Bridges, were also present.

Community members said after the meeting it was good to begin a dialogue with Anadarko, but there were many questions which remained unanswered and some felt the risks associated with exploratory drilling were just too great.

Te Runanga o Kaikoura chairman Sir Mark Solomon opened the meeting by emphasising the importance of the sea to the Kaikoura community.

Mr Bridges said Anadarko had an excellent health and safety track record and it was necessary to maintain this. There was a need to grow the country's economy, which would have a flow-on effect for other businesses.

New Zealand Petroleum and Minerals petroleum director Kevin Rolens said balancing risk and return could be managed by working with reputable operators.

Oil and gas was the fourth largest export commodity, worth \$2.2 billion in New Zealand in 2011, he said. The Government received about 42 per cent of the profits of new developments.

Other countries, such as Norway, had done very well from managing their minerals, and there were also regional benefits including jobs, higher wages, local business growth, improved infrastructure and better schools, Mr Rolens said.

The industry currently employed the equivalent of 3730 full time positions.

Sir Mark asked Anadarko to share its risk management policies, which it agreed to do.

He also questioned the country's ability to clean up any disaster, citing the Rena disaster as revealing insufficient processes to deal with the oil spill.

"I accept the economics of what this means to New Zealand, but with all due respect in this community we place the environment higher than that."

Anadarko director John Gordon said the company was focused on prevention, but did have assets which could be used if needed to help with a cleanup. Ralph Hogan, spokesman for a group of concerned individuals, asked whether Anadarko would be prepared to place a bond ahead of drilling, in light of the cleanup cost in the Deepwater Horizon spill.

"Many of us cannot agree to drilling at that depth with today's technology - we just don't think it is a good idea," he said. "Is there a risk percentage [to this community] which you feel is worth taking?"

Mr Hogan also urged the minister to ensure every drill remain publicly notified, something previous minister Phil Heatley had given assurances of when he visited Kaikoura last year.

Several people pointed out that tourism was one of three main industries in Kaikoura.

Brett Cowan said a worst case scenario would be devastating for the more than 56 eco-tourism operators, and he asked whether there was a contingency for this.

Mr Bridges said he did not believe drilling would affect the town's tourism, however in the worst case scenario he would imagine compensation would be likely.

Anadarko's five year programme includes several options for both it and the Government to pull out of the process, and drilling was not expected to take place until the fifth year, if at all. Prospecting, including seismic testing and mapping of the sea bed, is planned in the initial stages, and the data will be analysed before any decision is made to drill.

The company has promised to continue an open dialogue with the Kaikoura community throughout the next five years.



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