




MINERAL ESTATE



THIS FACT-SHEET PROVIDES A BRIEF INTRODUCTION TO NEW ZEALAND'S MINERALS WHICH ARE OWNED AND ADMINISTERED BY THE CROWN, AND THE ROLE OF NEW ZEALAND PETROLEUM & MINERALS.

WHAT ARE CROWN-OWNED MINERALS?

Crown-owned minerals are those minerals that are owned and administered by the Crown, as set out in the Crown Minerals Act 1991.

Crown-owned minerals include all gold, silver and petroleum (oil and gas) in New Zealand's territory (being onshore and offshore to 12 nautical miles), and about half of the in-ground coal, metallic and non-metallic minerals, industrial rocks and building stones. These resources are referred to as the 'Crown mineral estate'. The Crown also has sovereign rights over, and manages, petroleum and mineral resources in the Exclusive Economic Zone (being offshore between 12 and 200 nautical miles) and the Extended Continental Shelf.

Minerals that are not Crown-owned are owned privately. Privately-owned minerals are, in most cases, owned by the land owner.

Determining mineral ownership in any particular title or land holding is often not an easy task. It will, in many cases, be necessary to search back to the first alienation of the land from the Crown to establish whether or not the minerals continue to be held with the fee simple title, or had been reserved by the Crown, or had been excluded as a result of any subsequent transaction (such as a transfer or a Public Works Act acquisition).

Land Information New Zealand is the Government agency to approach for information on mineral ownership.

NEW ZEALAND PETROLEUM & MINERALS

New Zealand Petroleum & Minerals is a business unit within the Ministry of Economic Development. New Zealand Petroleum & Minerals manages the Government's oil, gas, coal, and other mineral resources. The group's overall aim is to maximise the Crown mineral estate's contribution to the economy, in line with the Government's objectives for energy security and economic growth.

New Zealand Petroleum & Minerals' work includes:

- + Administering the Crown Minerals Act 1991;
- + Allocating prospecting, exploration and mining permits and licences;
- + Management of technical data and reports from petroleum and mineral exploration and development activity;
- + Provision of advice to the Government;
- + Monitoring permit holders' work programme obligations;
- + Promoting investment in the Crown mineral estate; and
- + Collecting royalties, fees and levies.

New Zealand Petroleum & Minerals engages with iwi in relation to much of the above work.

THE ECONOMIC POTENTIAL OF MINERALS

New Zealand is minerals rich. Our mineral estate is a significant national asset with the potential to make a large and long term contribution to our economic prosperity. The mining sector, including oil and gas, directly employs about 6,000 people and thousands more indirectly. The value of our mining sector (which depends on a number of factors, including production rates, the exchange rate and international commodity prices) is in the order of \$4 billion annually.

There is also significant ongoing investment in exploration, prospecting and gathering geotechnical data in New Zealand. In 2010, around \$27 million was spent on minerals prospecting and exploration and around \$246 million was spent on petroleum prospecting and exploration.

The revenue return for the Government in the 2009/2010 year from petroleum and mineral royalty and energy resource levy payments was over \$450 million.

MINERALS IN NEW ZEALAND

PETROLEUM (OIL AND GAS)

Petroleum consists of naturally occurring materials (called hydrocarbons) that may be found in the form of liquid oil, gas and even in solid forms. Petroleum is mainly used as an energy source.

New Zealand's producing petroleum (oil and gas) fields are in the Taranaki Basin, which sits offshore and onshore of the west coast of the North Island.

While New Zealand's other petroleum basins, particularly our deepwater frontier basins, are largely underexplored, they are considered to have significant potential for commercial hydrocarbon discoveries.

COAL

Coal is a fossil fuel rock created from organic matter. In New Zealand the three most widely found coal types are:

- + Bituminous - mainly exported for steel making
- + Sub-bituminous – mainly used domestically for steel making at Glenbrook, power generation at Huntly, and other industrial processes
- + Lignite - low-rank coal with potential for conversion to liquid fuels.

Coal production in New Zealand is centred in the Waikato, the West Coast and Otago/Southland. The majority of production is from Solid Energy's opencast operations at Rotowaro and Stockton and its underground mines at Huntly and Greymouth. About half of our coal production is exported.

GOLD

Gold is a soft, flexible metal, suitable for many and varied uses. For example, gold can be used to make jewellery or can be added to computer-chips and cell-phone electronics.

Significant gold mining sites in New Zealand today include hard rock mines in Waihi, Coromandel and Macraes Flat, Central Otago and alluvial gold mines on the West Coast and Otago.

OTHER MINERALS

Other important minerals developed in New Zealand include aggregates (used largely for roading and construction), limestone (used in fertiliser and industrial processes), silver, and ironsand (used for steel production).

OFFSHORE MINERALS

New Zealand also has significant offshore mineral potential, including ironsands (off the North Island west coast), phosphate (Chatham Rise), gas hydrates (off the Wairarapa coast), and seafloor massive sulphides (Kermadec Arc and Colville Ridge).





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General disclaimer: The Ministry of Economic Development, in providing advice on the Crown Minerals Act 1991, is not to be taken as defining or providing a definite interpretation of the Act. Questions of interpretation are matters for the Courts to decide. Any advice given is intended as a general guide only and you are advised to carefully consider the express provisions of the Act itself. In the event of uncertainty in interpretation, it is advised that independent legal advice is sought.

