

## **MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE**

### **HUSKY ENERGY SIGNIFICANT DISCOVERY LICENSE**

**March 9, 2021**

**MR. O'REILLY:** Merci, Monsieur le President. The former Minister of Industry, Tourism and Investment issued 10 significant discovery licences for oil and gas during the last Assembly. This was a huge post-devolution resource giveaway. The area covered by these licences is almost 2,200 square kilometres, an area about 40 percent the size of Prince Edward Island. Our government will get no revenues, no taxes, no employment, and no benefits from these areas that are now tied up virtually forever.

Significant discovery licences arose in the federal legislation that we inherited for petroleum resources. They allow companies to have exclusive ownership of oil and gas rights without having to do any work or pay any fees forever. Companies used to be able to get these licences without doing anything except being near another significant discovery licence. A Minister could require drilling to take place, but that has never been done.

Our current Minister of Industry, Tourism and Investment has an opportunity to get it right. We heard last week about the buried \$45 million windfall in the main estimates that is a work deposit forfeiture from Husky Energy. We also heard that Husky Energy is asking to convert its Exploration Licence 494 to a significant discovery licence.

Changes to the Petroleum Resources Act made in the last Assembly finally came into force on July 29, 2020. Significant discovery licences are now limited to 15 years but can be renewed forever. Most importantly, the licences "may contain any other terms and conditions... as may be agreed on by the Minister and the interest owner of the significant discovery licence." It's not clear whether that means the Minister can impose work requirements or annual fees that could even rise over time, all to implement the principle of "use it or lose it" and generate some benefits for us. What about the future? Will the Minister consult with Sahtu communities or even regular MLAs before issuing this significant discovery licence to Husky Energy? Will the Minister impose exploration requirements that would create jobs and economic activity for the NWT or will Husky Energy have a veto? I will have questions for the Minister of ITI on what she is doing to protect the public interest in issuing the first significant discovery licence under our amended Petroleum Resources Act. Mahsi, Mr. Speaker.