



Department for the

Economy

An Roinn

Geilleagair

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Our ref: CQ DfE 403/26/412/2026

Your Ref: EC2026:927/958

Date: 03 08 2026

Dear Peter

Petroleum Exploration and Licensing (Repeal) Bill

Further to your letter dated 26 June 2026, seeking clarification from the Department in respect of issues raised by a number of respondents to the Call for Evidence on the Bill. Please see response below which has been cleared by Minister Archibald. In the event of a request for disclosure of information contained in this submission under the FOI Act, the request would be considered in the context of the relevant provisions of the legislation, including any relevant exemptions that may be applicable.

I will address the issues as listed in your letter.

1. Clause 1

A number of respondents have argued that the Bill as drafted creates a regulatory vacuum and that instead of removing the Department's powers to issue oil exploration and extraction licenses, the Bill should be amended

to retain the existing licensing framework and include a specific ban on oil licensing, exploration, appraisal, development and extraction. The following wording was suggested:

"No public authority or person may grant, hold, transfer, exercise or benefit from any licence, permit, consent or authorisation relating to the exploration, appraisal, development, production or extraction of petroleum within Northern Ireland."

Answer

The Executive approved a policy of a temporary moratorium followed by a legislative ban on all forms of onshore petroleum exploration and production. This Bill gives effect to that policy decision.

The Bill introduces a permanent ban on issuing licences for all forms of onshore petroleum exploration and production in Northern Ireland through amendments to the Petroleum (Production) Act (Northern Ireland) 1964 and associated regulations. As such, it removes the Department's power to grant licences and the Department's right "to search and bore for and get petroleum". This has the effect of removing the statutory powers and licensing framework for all forms of onshore petroleum exploration and production in Northern Ireland.

- 2. Respondents have also suggested that there should also be a specific ban on fracking as is reportedly the case in Rol and that the following wording should be used:***

"Notwithstanding anything in this Act or any other enactment or rule of law it shall not be lawful for a person to search for, get, raise, take, carry away or work petroleum by means of hydraulic fracturing."

Answer

The Bill removes the Department's power to grant licences and the Department's right "to search and bore for and get petroleum". This has the effect of removing the statutory powers and licensing framework for all forms of onshore oil and gas exploration and development, including fracking. The Department does not therefore consider it necessary to include a separate provision to ban fracking.

- 3. Respondents have further suggested that the Bill requires amendment to reflect the Windsor Framework and Northern Ireland's distinctive position and the continuing importance of maintaining stable arrangements affecting environmental protection and the future governance of shared environmental cross-border resources**

Answer

Environmental considerations and the Windsor Framework were taken into account during the development of the policy and drafting of the Bill.

In developing the policy, the Department considered the independent [Hatch Report](#) on the *Potential Economic, Social and Environmental Impact of Onshore Petroleum Development in Northern Ireland*, alongside a [British Geological Survey Report](#) on the *Potential risks of induced seismicity from high volume hydraulic fracturing of shales in Northern Ireland*. The public consultation also examined international developments and policy approaches, including those on the island of Ireland and the European Union.

The Department also analysed 382 consultation responses from individuals, environmental and community groups, political parties and local councils.

The Department therefore does not consider that the Bill requires amendment in respect of the Windsor Framework.

4. Clause 2

Friends of the Earth indicated that it supported revoking all live licences and for the fees for applying for licences to be refunded however it indicated that it would not support any interest or additional costs being refunded arguing that companies must not profit from speculative or opportunistic applications

Answer

Clause 2 provides that the Department, at its sole discretion, may provide a refund (partial or whole) to the applicants for the fee paid in relation to a relevant application, including an amount for interest, calculated in such a manner as the Department may determine. Possible refunds under Clause 2 are strictly limited to applications which have not been determined before the coming into operation of the Bill.

There is no provision for additional costs to be recovered, and any potential payment is limited to a refund of the application fee which may include an amount for interest. The inclusion of interest is consistent with established ECHR principles of just satisfaction and restitution.

Any such refund and possible payment of interest will be carefully determined by the Department on a case-by-case basis and in line with Managing Public Money NI guidelines. The Department therefore does not agree that Clause 2 would enable applicants to profit from speculative or opportunistic applications.

5. Clause 4

FODC indicated that it believed that ancillary provisions could create a wider discretionary power that could introduce transitional or compensatory mechanisms beneficial to the petroleum industry. FODC argued that this clause could undermine certainty, transparency, and environmental protection and that the Bill should be amended to explicitly

prohibit any ancillary measures that could enable continued petroleum-related development or weaken controls.

Answer

The regulation making power in Clause 4 is limited to consequential, incidental, supplementary, transitional, transitory or saving provision as the Department considers necessary or expedient for the purposes of, in connection with or for giving full effect to this Bill (or any provision of it).

As the purpose of the Bill is to remove the petroleum licensing regime and end onshore petroleum exploration and production in Northern Ireland, the Department does not consider that the power could be used to enable petroleum-related development or weaken the effect of the Bill.

The justification for, and safeguards associated with, the delegated power are set out in the Delegated Powers Memorandum provided to the Committee.

6. Other matters

Other respondents argued that the Bill divests the Executive of its rights in respect of untapped petroleum resources and consequently the UK Government could acquire these resources and undertake exploration and extraction without the Executive's consent. These respondents appeared to be seeking assurance that the Bill will not lead to the UKG over-ruling the will of the Executive in respect of oil exploration and extraction.

Answer

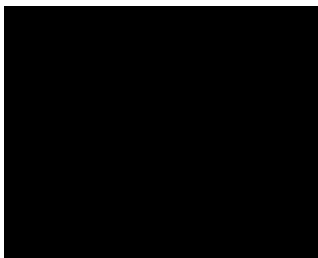
Section 1(1) of the Petroleum (Production) Act (Northern Ireland) 1964 is not being repealed. Therefore, the property in petroleum existing in its natural condition in strata in Northern Ireland remains vested in the Department, and that position is unchanged by the Bill.

- 7. Another respondent suggested that the Bill be amended to include a ban on offshore petroleum exploration and extraction.**

Answer

Offshore petroleum exploration and production which takes place in coastal or open waters is not devolved to Northern Ireland. The Petroleum (Production) Act (Northern Ireland) 1964, which is being amended by this Bill, expressly excludes strata beneath the territorial sea adjacent to Northern Ireland. As such, offshore petroleum exploration and production falls outside the scope of the legislative regime being amended by this Bill.

Yours sincerely



Departmental Assembly Liaison Officer



Northern Ireland
Assembly

Committee for the Economy

Departmental Assembly Liaison Officer
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Our Ref: **EC2026:961**

6 July 2026

Dear DALO,

Petroleum Exploration and Licensing (Repeal) Bill Written Submissions

Apologies for the confusion, the Committee has now closed its call for evidence for the Petroleum Exploration and Licensing (Repeal) Bill. All of the responses are available through the following link: [Written Submissions](#).

The Committee has agreed to seek clarity from the Department on the issues raised by a number of respondents. These are summarised below.

Clause 1

A number of respondents have argued that the Bill as drafted creates a regulatory vacuum and that instead of removing the Department's powers to issue oil exploration and extraction licenses, the Bill should be amended to retain the existing licensing framework and include a specific ban on oil licensing, exploration, appraisal, development and extraction. The following wording was suggested:

"No public authority or person may grant, hold, transfer, exercise or benefit from any licence, permit, consent or authorisation relating to the exploration, appraisal, development, production or extraction of petroleum within Northern Ireland."

Respondents have also suggested that there should also be a specific ban on fracking as is reportedly the case in RoI and that the following wording should be used:

"Notwithstanding anything in this Act or any other enactment or rule of law it shall not be lawful for a person to search for, get, raise, take, carry away or work petroleum by means of hydraulic fracturing."

Respondents have further suggested that the Bill requires amendment to reflect the Windsor Framework and Northern Ireland's distinctive position and the continuing



importance of maintaining stable arrangements affecting environmental protection and the future governance of shared environmental cross-border resources

Clause 2

Friends of the Earth indicated that it supported revoking all live licences and for the fees for applying for licences to be refunded however it indicated that it would not support any interest or additional costs being refunded arguing that companies must not profit from speculative or opportunistic applications

Clause 4

FODC indicated that it believed that ancillary provisions could create a wider discretionary power that could introduce transitional or compensatory mechanisms beneficial to the petroleum industry. FODC argued that this clause could undermine certainty, transparency, and environmental protection and that the Bill should be amended to explicitly prohibit any ancillary measures that could enable continued petroleum-related development or weaken controls.

Other Matters

Other respondents argued that the Bill divests the Executive of its rights in respect of untapped petroleum resources and consequently the UK Government could acquire these resources and undertake exploration and extraction without the Executive's consent. These respondents appeared to be seeking assurance that the Bill will not lead to the UKG over-ruling the will of the Executive in respect of oil exploration and extraction.

Another respondent suggested that the Bill be amended to include a ban on offshore petroleum exploration and extraction.

A written response in respect of the above on or before 14 August 2026 would be greatly appreciated. A response to this letter will be taken as a response to 928 and 958. The Committee will likely require officials to give evidence on the above during or before informal clause by clause scrutiny of the Bill in September.

If you require further information or clarification in respect of the above, please do not hesitate to contact me.

Yours sincerely,

Peter McCallion

Peter McCallion

Clerk to the Committee for the Economy