

Media Backgrounder: Bay du Nord

Environmental groups launch lawsuit against Bay du Nord approval

Environmental groups are challenging the Minister of Environment and Climate Change's decision to approve Equinor's Bay du Nord, a controversial \$12-billion oil and gas project off the coast of Newfoundland and Labrador.

Ecojustice, on behalf of Équiterre and Sierra Club Canada Foundation, filed the lawsuit against Minister Guilbeault in Federal Court on May 6th. The groups say the project's approval clashes with Canada's international obligations and the urgent call to reduce global emissions as the reality of the climate emergency becomes more distressing with every severe weather event.

Background on Bay du Nord

Bay du Nord is the first remote, deep-water oil and gas project in Canada, with reserves estimated between 300 million and one billion barrels of oil. The project, 500 kilometres off Newfoundland's shores, would see a huge new complex of oilfields with drilling taking place at a depth of 1,200 metres, compared to other current offshore operations, which drill at 100 metres or less.

A Department of Fisheries and Oceans Science report on the Bay du Nord project identified numerous threats to ocean life, including risk of an uncontrolled blowout. Bay du Nord would include Canada's first deep-water production wells. Current drilling off the coast of N.L. takes place at a depth of about 100 metres, Bay du Nord will exceed these depths 12 times over at depths of 1,200 metres; drilling at these depths poses increased risks. As the project is located 500 kilometres offshore, Equinor's own forecasts predict that a blowout at the wellhead would take 18-36 days to cap.

Oil from Bay du Nord would generate at a minimum ten times the amount of CO₂ it could capture through climate capture and storage (CCS). Producing the average barrel of oil in Canada emits 39 kg of CO₂ per barrel (Rystad) – the highest rate in the world due to the large amount of oil sands projects. The rapid expansion of oil and gas drilling off the eastern coast of Newfoundland and Labrador, including Bay du Nord, poses significant threats to marine ecosystems and the communities that depend on them. The Atlantic waters off the east coast of Newfoundland and Labrador are one of the most important marine environments in the world and home to a large amount of ocean life from the endangered cod to humpback whales, corals and sponges.

Canadian government continues to approve expanded offshore oil and gas development

Despite the ecological importance of Newfoundland and Labrador's offshore waters, in February 2018, the Government of Newfoundland and Labrador announced a plan to increase oil production in the region and allow more than 100 new offshore exploratory wells by 2030. After announcing this plan, the federal and provincial governments launched a Regional Impact Assessment (RIA), a participatory process designed to assess the cumulative effects of a proposed development on a particular region or ecosystem.

At the end of a process fraught with unfairness, the RIA report concluded that it was unable to analyze the risk to ecology in the subject area and the cumulative effects of offshore drilling – even though the science is clear that increasing offshore oil drilling exploration poses a direct threat to marine ecosystems and undermines Canada’s stated commitment to reach net-zero emissions by 2050. The RIA was challenged in Federal Court by Ecojustice, on behalf of Sierra Club Canada Foundation, World Wildlife Fund Canada, and Ecology Action Centre. The Court upheld the RIA in January 2022, a decision the groups are now appealing.

Equinor faces further legal challenge in Argentina

On Tuesday, May 10, environmental lawyers in Argentina presented new evidence in the legal case against the Argentinian government's approval of Equinor's seismic exploration for oil and gas in the pristine North Argentine Sea. The case aims to stop seismic exploration in specific areas Equinor wants to explore due to impacts on the sea, biodiversity and the climate.

If Equinor's project goes ahead, the seismic activities will take place on the very edge of the Argentinian continental plate, in very deep waters. The subantarctic currents (the Malvinas current) crash against the plate's wall, which helps to bring nutrients from the bottom of the ocean to the surface. This combination of the geological conditions with the ocean’s currents, makes this area of the sea one of the most biologically productive in the entire world. The entire web of life depends on the stability of this zone.

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