

**New Zealand Oil & Gas – Southern Community Panel
Letter of Expectations 2015-2016 *Report Card***

Southern Community Panel assessment of NZ O&G's performance against Letter of Expectations (financial year 2015-2016) [Year 1]		
The Southern Community Panel expects that New Zealand Oil & Gas will:	NZ O&G Comments	Southern Community Panel comments
<p>1. Engage positively and meaningfully We expect New Zealand Oil & Gas to act with respect, honesty and transparency, listen to the Panel's feedback and respond to the Panel's requests in a timely manner.</p>	<p><i>We believe we have engaged professionally, and responded to Panel enquiries quickly and clearly. We support Panel transparency, with all minutes and other documents, including this report card, being available on the Panel website.</i></p> <p><i>We have actively sought feedback from the Panel on social and environmental issues relating to our activities, which will feed in to our inaugural Sustainability Report (we will respond to that feedback as part of the delivery of the report, around August 2016).</i></p>	<p>The Panel has appreciated the openness and input that the Community Engagement Manager has had into panel discussions and assisting us to understand NZOG's activities and goals from the panel process.</p> <p>Occasional attendance from senior management during early stages demonstrated commitment NZOG to panel process. Equally commitment to maintain funding despite wider economic challenges has also not gone unnoticed.</p> <p>Some of our members have worked with other oil companies and this initiative by NZOG is a breath of fresh air - genuine and comprehensive. It is being driven efficiently and if NZOG do start drilling in the South this is a good lead in for public engagement.</p> <p>Communication about activities has been generally good. There was one item of news about surveying (we think surveying) that we found out about indirectly. Although this was probably more about bedding down the information flow more than anything.</p>

<p>2. Provide appropriate information We expect to receive full, clear and understandable information, including making the right people available at the right time, to enable us to fully understand and represent the community perspective as effectively as possible.</p>	<p><i>NZ O&G has been represented at all of the six Panel meetings held between May 2015-May 2016 (noting one very late attendance due to flight delays). Our CEO and Manager External Relations attended the September 2015 Panel meeting. Nick Cozens, lead geologist on our Southern permits presented on the Clipper permit/Barque prospect.</i></p> <p><i>We have provided Panellists with 'The Wealth Beneath our Feet' for basic industry background information, ensured transparency of information via the Panel website and developed an 'activities and impacts' infographic to explain our activities. We have also circulated relevant science research papers, marine protection forum information and media releases for Panellists' information. We have developed specific Panel project update information sheets, and facilitated discussion with the Ministry of Primary Industries to discuss Panel questions around data capture for marine biodiversity.</i></p> <p><i>As the year has been focussed on confirming governance, processes, establishing the website and confirming community investment, there has not been a lot of 'technical' material discussed.</i></p>	<p>Been very good in their attendance to meetings and bringing people to explain how and what NZ O&G are doing.</p> <p>There is perhaps still a limited understanding from some of us about the potential impacts and opportunities from NZOG activities.</p> <p>We would like NZOG to continue to explain and inform us of what and how things are being done and the expected outcomes to both the community and the environment and keep us informed of NZOG's upcoming activities.</p>
<p>3. Respond meaningfully to community perspectives We expect New Zealand Oil & Gas to demonstrate how it is responding to concerns or perspectives raised by the Community.</p>	<p><i>We have sought specific feedback on Community views on social, governance and environmental issues relating to our activities (using the infographic as a starting point). As part of this process we will respond to all feedback received, as well as using it to form the basis of our first Sustainability Report (due for release in August or September 2016).</i></p> <p><i>Some feedback from Panel members has identified a need for more clarity around 'what next' in project terms (i.e. development of a Permit). This has been fed back to the company and we expect to increase direct contact with the Panel over the next financial year e.g. Permit managers dialling in to meetings to be able to answer questions.</i></p>	<p>We found NZO&G to have been reasonably willing to discuss concerns in reality there hasn't been a lot of local activity from any players given the state of oil prices so oil & gas exploration has dropped off the radar a bit this has limited the extent of community concern at the moment.</p>
<p>4. Resource the Panel appropriately We expect to be provided appropriate resources, including community funding as agreed with New Zealand Oil & Gas.</p>	<p><i>In collaboration with the Panel we've developed community investment principles, criteria and information forms. Following recommendation by the Panel we have confirmed funding support for Otago's Cosy Homes Trust and the Southland Warm Homes Trust delivering home insulation to families in need in Otago and Southland. We have also tagged funding for environmental projects (still under discussion) and are involved in the Southland and Otago Science Fairs.</i></p>	<p>As mentioned above maintaining the funding has been appreciated. As have flexibility in allowing carry over while options for donation have been investigated.</p> <p>The Secretariat's assistance is very much appreciated; the panel would not be as effective without this assistance.</p>

	<p><i>We have worked hard to establish a web profile and email badge for the Panel, and will look to promote the Panel as a conduit for community feedback through the website and exposure coming from community investments (such as a Panel member presenting the Science Prizes, as a means to raise community awareness of the Panel).</i></p>	<p>NZOG has delivered on everything we have asked for including website.</p> <p>I must say it is great to see the media release go out around the warm homes initiative. Plenty of support information given to the panel to digest prior meetings and as it arises.</p>
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