

24 September 2015

Bridget Irving
Convenor, Southern Community Panel
Gallaway Cook Allan Lawyers
PO Box 143
DUNEDIN, 9054

Dear Bridget,

Thank you very much for the Letter of Expectations from the Southern Community Panel. This is an important milestone that we are very pleased to have reached and we hope marks formally the start of the positive engagement between New Zealand Oil & Gas and the southern community.

As the first Letter of Expectations, you have clearly set out the behaviours that are expected of us, and specifically how we will engage with the Panel. We are committed to meeting this and expect to be held account to it through an annual feedback process.

Reporting on the Letter of Expectations

Our intention is to seek feedback from the Panel each financial year. This annual review process will show if we are meeting the Panel's expectations.

I attach a draft '2015 Letter of Expectations Report Card' for your review. I welcome feedback on this report card template.

As outlined in the Southern Community Panel Charter, we anticipate this Letter of Expectations will be refreshed by the Panel each financial year and that, as the Panel's role and profile develops, next year's letter will similarly begin to reflect wider community expectations. This is outlined in more detail below.

Annual Letter of Expectations refresh

As the Panel's profile builds we expect that each year's Letter of Expectations will evolve to reflect how we meet wider community expectations (rather how we engage with the Panel itself).

Therefore, we anticipate a review of this letter at the start of each financial year to consider addition of new community expectations which may have arisen over the year. These could reflect formal or informal discussions and feedback from individual Panel members' own networks, or more formal direction from the organisations that Panellists represent. The types of things that may be included could be for example community expectations around how we:

- meet with Community leaders
- demonstrate certain environmental, safety and community investment standards that are priorities to the community
- provide information to the community
- contribute to local communities (appropriate to the level of activity).

It is likely that these themes will emerge throughout the year, and could be noted as potential 'expectations' for the next letter. We see this as an iterative process, where draft expectations

would be discussed together to make sure they are achievable and reasonable, and appropriate to the level of activity we are undertaking.

Next steps

We welcome the Panel's comments on the attached draft report card – perhaps this can be discussed at the next meeting. We would like comments back by the end of November 2015 so we can then confirm the final version for your records.

Your contributions

I would like to take this opportunity to again thank the members of the Panel for their time and positive contribution to the Panel, which really does rely on its members for its success.

Finally, I would also like to acknowledge the Panel's openness and willingness to share its progress with the South Taranaki Community Panel which is in early stages of establishment. They are very much benefitting from the sharing of information and learnings from the Southern Panel.

We look forward to working with the Panel.

Kind regards

A handwritten signature in blue ink, appearing to read 'AK', with a long horizontal flourish extending to the right.

Andrew Knight
Chief Executive Officer
New Zealand Oil & Gas

Southern Community Panel Assessment of New Zealand Oil & Gas performance against Letter of Expectations 2015 [DRAFT FOR FEEDBACK FROM SOUTHERN PANEL BY NOVEMBER 2015]

This 'report card' assesses how New Zealand Oil & Gas has met the expectations of the Southern Community Panel, as expressed in its Letter of Expectations 2015. The report card will be completed at the end of each financial year, beginning with June 2016.

Southern Community Panel Assessment of NZOG's performance against Letter of Expectations (financial year 2015-2016) [Year 1]		
The Southern Community Panel expects that New Zealand Oil & Gas will:	NZOG 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>	<i>We have</i>	<p><i>We found NZOG to have.....</i></p> <p><i>Here's where we see room for development....</i></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>	<i>We have attended x meetings with x people. Provided x presentations and x material etc.</i>	<p><i>We found NZOG to have.....</i></p> <p><i>Here's where we see room for development....</i></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>	<i>We have implemented x,y,z changes as a result of feedback from the Community</i>	<p><i>We found NZOG to have.....</i></p> <p><i>Here's where we see room for development....</i></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>	<i>We have provided x funding. \$x has been spent on x community projects, determined in collaboration with the Panel.</i>	<p><i>We found NZOG to have.....</i></p> <p><i>Here's where we see room for development....</i></p>