

**MINUTES OF THE MEETING OF THE NEW ZEALAND OIL & GAS SOUTHERN
COMMUNITY PANEL HELD IN DUNEDIN
15 April 2019 AT 12 .00PM**

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| PRESENT AND WELCOME | Dunedin venue – Katharina Ruckstuhl , Murray Brass , Bridget Irving ,Gareth Evans ,Nigel Davenport with Philip Broughton (minutes) , Anna Ririnui and Andrew Jeffries CEO (NZOG) in attendance |
| APOLOGIES | Andrew Gorman, Carla Forbes , Thomas Buckingham |
| DISCLOSURES OF INTEREST | None - but it was noted that Philip is a Director of Aukaha Ltd |
| PREVIOUS MINUTES | Noted as being correct |
| MATTERS ARISING | <ul style="list-style-type: none">• Considered under separate headings below |
| LETTER OF EXPECTATION | <ul style="list-style-type: none">• After circulating the 2018/19 LOE it was agreed that Bridget will finalise – and to include a resourcing clause for the Panel to ensure that the Panel can continue to work effectively. An additional comment was that perhaps the time frame can be extended to June 2020.• The Panel enquired re the availability of the carbon impact assessment report. NZOG confirmed the report had been completed and looked at potential impact of the two development scenarios (pipe to shore, and produce offshore and export) rather than across the supply chain. The report identified engineering solutions to reduce emissions through production design, and identified areas of carbon ‘benefits’ such as displacing coal from thermal heating for dairy and petrochemical plant changes. Further work is needed on this, but this should be done in relation to a fixed proposal, although more work does need to be done to demonstrate the carbon benefits of lower emitting energy sources (ie gas displacing coal) – and this could be added to the LOE. |
| NZOG ACTIVITIES AND ROUND TABLE UPDATES | <ul style="list-style-type: none">• A question was raised by the Panel re whether NZOG had considered the alignment of a gas discovery in Southern Basin to the UN Sustainability Goals... It was stated that a Dunedin group is developing a UN SDG assurance framework which could be of interest to NZOG and shared with the Panel. NZOG confirmed they have been doing work on the UNSDGs and want to increasingly incorporate them in to NZOG reporting frameworks (as was done in 2018)• YEPT representative discussed the poor year that the YEPT is having in terms of chick survival, mainly around what happens to the mothers whist at sea eg avian malaria , sea temperatures , starvation, predation. Also it was noted to give a vote of thanks to Dave Smith who has retired from the panel and replaced by Murray Brass.• Katharina discussed Iwi and Runaka view on response to OMV application and climate concerns generally. Discussed that runaka still forming their views, wide ranging opinions from |

opposed in principle to pragmatic as long as environmental controls in place, and realisation the alternatives are still a long way off and this could mean a preference for gas in the short term. The runaka has been discussing an independent GNS-led workshop to be held in Dunedin later in the year looking at the role a gas find off the South Coast could have for domestic and international emissions.

- Andrew then summarised NZOG recent activities including
 - Clipper permit to be retained, with the Minister granting a 3 year extension for the Barque prospect, provided a reduction in total acreage, which NZOG has accepted.

- NZOG are quite happy with OMV recently announced drilling programme in the southern basin as it could incentivise other partners to enter other permits, as partners will be more attracted to multiple fields and pipeline infrastructure for security of supply. NZOG is interested in opportunities to take part in other permits or opportunities in the basin.

- the OMV rig is on its way from Norway taking 120 days to get to NZ to start drilling in Taranaki, then down to the Southern basin for next summer – with approximately 110 drilling crew 50 % being NZrs.

- NZ supply of gas is about 20 years but supply is not delivered in consistent volumes/rates, will fluctuate and decline meaning prices will rise and reserves will need to be imported if not produced locally.

- The Southern Basin resource is world class as the gas is light hydrocarbons making conversion to fuel easier than others

- NZOG have a project in Western Australia – Ironbark – for a 6 k deep water well with BP as the operator. This gas will be exported to Asia.

- NZOG's new majority shareholders also keen to look at opportunities to buy in to production, with exploration development potential, around the world and at a larger scale than the company has previously considered.

- All the above summarised in the Ngahuru potiki (Autumn) 2019 'Update' newsletter (circulated via email and distributed at the meeting).

PANEL ROLE AND COMPOSITION

- Carla has resigned and already has a possible replacement to represent Southland Business. Anna to follow up with replacement, including meeting with them later in year when NZOG in Southland.
- Murray Brass has replaced Dave Smith on behalf of the YEPT
- Anna still waiting to replace other vacancies (particularly in Southland) until have greater certainty on permit activity.

NZOG SUSTAINABILITY WORK PLAN UPDATE

- Anna is looking at a wider view of sustainability reporting for NZOG, including reference to UNSDGs. Will seek input from Panel on materiality process – ie what aspects matter to the Panel and which NZOG should act on.

COMMUNITY INVESTMENT

- Panel reviewed discussion from previous meeting: in principle support for continued funding of Otago and Southland Warm Homes Trust (\$15k) – the Panel again supported this but will

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need email confirmation to recommend NZOG fund (for quorum), and also need to discuss what provider there is in South Canterbury (Nigel to investigate), and whether there is any concern from Cosy Homes Trust regarding receiving funding from NZOG.

- Support is confirmed for the support of the International Penguin Conference to be held in Dunedin in August.
- Support also confirmed for the 2 provincial Science Fairs (Otago and Southland, with Nigel to investigate the same in South Canterbury)
- Carla to provide an update for the Dog Island project (via the Chair of the Trust)
- Bridget tabled a possible project based around a primary school play called Estelle and Poppazoid – a science based play as part of a schools programme with a \$5k shortfall. This aligns with NZOG's focus on science education. Bridget to provide more information for Anna to circulate to the Panel for their views/recommendation to NZOG.

FEEDBACK TO NZOG

- All members were asked their respective network's feedback to the OMV drilling application that had been in the media in recent weeks. Business perspective supportive but tempered by feeling there had been similar news in the past that didn't amount to anything, so have a 'wait and see' position. Iwi and environmental/youth perspectives needing more information/evidence on the role gas has in displacing coal/higher emitting sources, and impact of depleting resources in NZ (eg having to import coal or other gas from other jurisdictions).

NEXT MEETING

The next meeting is scheduled for September 2019 (or earlier if appropriate) with Philip to coordinate (date to be confirmed)

MEETING CLOSED

The meeting closed at 2.20pm

NZ Oil & Gas Ltd Otago Southland Community Panel

| Name | Representation | e-mail address |
|----------------|---------------------------------|--|
| Carla Forbes | Southland Community | carla@marketsouth.co.nz |
| Gareth Evans | Otago Business | gareth.evans@farra.co.nz |
| Murray Brass | YEPT | murraybrassxtra.co.nz |
| Bridget Irving | Otago Youth | Bridget.Irving@gallowaycookallan.co.nz |
| Andrew Gorman | Geoscientist/Tertiary Education | andrew.gorman@otago.ac.nz |

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| Katharina Ruckstuhl | Kati Huirapa Runaka | katharina.ruckstuhl@otago.ac.nz |
| Thomas Buckingham Nigel Davenport | Catlins Community Trust South Canterbury | Tombuck905@gmail.com Nigel @aorakidevelopment.co.nz |
| Philip Broughton | Secretary | phil.broughton@ph.co.nz |
| Anna Ririnui | NZOG | Anna.Ririnui@nzog.com |