

20 November 2015

Andrew Knight  
Chief Executive Officer  
New Zealand Oil & Gas Limited  
Level 20, 125 The Terrace  
WELLINGTON, 6143

Dear Andrew,

## **LETTER OF EXPECTATION**

We write to you as the South Taranaki Community Panel (STCP) to outline the nature of the relationship with New Zealand Oil & Gas (NZOG) and the expected engagement protocols between us for the coming year ending 30 November 2016.

In respect of this, the STCP has established a Charter. A copy of the Charter, adopted by the Panel at its meeting of 20 November 2015 is attached.

Given that it is NZOG that is seeking to build a relationship within the South Taranaki Community through the establishment of the STCP, we expect that NZOG will:

1. Positively and meaningfully engage with the STCP.
2. Provide the necessary financial and human resources for the establishment and operation of the STCP.
3. Act in a manner that is entirely consistent with NZOG's Community Engagement Policy .
4. In particular, NZOG will:
  - (a) have open, transparent and honest engagement with us underpinned by a no surprises policy for the STCP;
  - (b) have community engagement at the heart of its considerations regarding the impacts of its activities in our community;
  - (c) have appropriate resources available to discuss and assess the impacts of its activities on our community and maximise the value of its activities to our community;
  - (d) provide full, clear and understandable information to us;
  - (e) listen to our concerns and work with us to discover and deliver solutions; and
  - (f) seek to understand issues from the perspective of each community member, especially where that perspective is unfamiliar to NZOG;
5. Provide the STCP with advance information in relation to its activities in our community.

### **Financial Contributions**

In respect of NZOG's direct financial contribution to the STCP, NZOG will set aside sufficient funds, subject to its normal budget, auditing and financial management processes, to undertake the following activities (as required and agreed to by the STCP and NZOG):

1. Independent legal or other advice the STCP may seek regarding its establishment;
2. Agreed Profile Building / Web Site (linked to NZOGL and other community websites);

3. Annual operating and administrative costs of the STCP (e.g. venue hire, reasonable meeting expenses of panel members, etc.);
4. Projects identified by the STCP and NZOG.

The total amount of these contributions will be up to \$110,000 plus GST in the first year of operation.

In reference to 4, projects will be assessed using the following principles:

- The project will have a demonstrable and tangible benefit to the community, consistent with the criteria to be established by the STCP;
- Any conflicts of interest for STCP members will be managed in accordance with the STCP charter;
- Due consideration will be given to conflicts with NZOG interests as part of the assessment criteria;
- Appropriate recognition will be given to the STCP and NZOG; and
- The project will be undertaken in line with the values as outlined in the STCP charter and the expectations expressed in this letter.

Additional financial resources for projects may be applied for, subject to NZOG's normal budgeted and unbudgeted spend processes.

#### **Work Programme**

The Community Panel is currently preparing a work programme that will be agreed with NZOG in due course.

We look forward to our engagement with New Zealand Oil & Gas over the coming year.

Yours sincerely



Gerard Karalus  
Convenor

South Taranaki Community Panel