

Capturing Local Economic Benefit Policy

Purpose

At New Zealand Oil & Gas we are committed to working hard to promote local content and capture the economic value our operations and business generates at a local, regional and national level.

Typically benefits include the ability for local enterprise to participate in commercial opportunities presented by our business and by the wider industry, and for communities to build enduring value.

We aim to take a long term and sustainable approach to working with local communities throughout the lifecycle of our operations.

Policy

To actively promote and encourage our partners to promote opportunities for economic benefits to be realised locally and regionally (as well as nationally).

Implementation

To actively promote local content and capture local benefits New Zealand Oil & Gas will:

- Study opportunities for the wider community to participate commercially in economic development associated with our projects, in order to identify opportunities early (such as the regional economic impact study for the development of the Barque prospects).
- Produce a Local Content Plan for all significant projects we are involved with.
- Work with our local communities, including Iwi, using our business expertise in e.g. HSSE, engagement, international business processes, to help them to compete on a commercial basis.
- Look for and secure opportunities to improve entry to our industry for people from more broad and diverse backgrounds, including women and people from cultural and social backgrounds that are under-represented in the industry.
- Support Pēpanz, the industry body, in its role as advocate for allocation of petroleum royalties to an investment fund with a long-term and intergenerational focus, to be held for the good of future generations.
- Accurately report progress against this policy, record and learn from initiatives and industry best practice on capturing local benefit, to ensure continuous improvement. KPIs would be developed to suit each project, and would include

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qualitative and quantitative metrics using IPIECA criteria. Reporting would be included in the company's Annual and Sustainability reports.

- Communicate openly with government agencies and the public on local content and economic benefit issues which relate to the company's operations.
- Strive to meet community expectations by listening to and addressing concerns relating to local content and economic benefits.
- Strive to adopt a solutions-focussed and collaborative style of engaging with local business and wider community to enable entry to a new industry.
- Ensure our commitments and obligations relating to governance, transparency, accountability and commercial integrity are maintained at all times.

Accountabilities

The CEO of New Zealand Oil & Gas is accountable to the New Zealand Oil & Gas Board of Directors for ensuring this policy is implemented, reviewed regularly and updated as required.

Responsibility for the application of this policy applies to all employees, contractors and joint venturers engaged in activities under New Zealand Oil & Gas' operational control.

New Zealand Oil & Gas managers are responsible for promoting the policy in non-operated joint ventures.



Andrew Jefferies
Chief Executive Officer

7 April 2020
Date