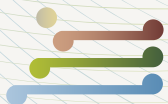




Sustainable Energy Security

2023 New Zealand Oil & Gas Ltd
Sustainability Report



**NEW ZEALAND
OIL & GAS**

Sustainability Highlights

EMISSIONS INTENSITY

Emissions intensity reduced by 10.8% from 6.23 to 5.56 tCO₂e per TJ produced.

TREES THAT COUNT

555 trees planted in 2023

545 in 2022

5,114 trees since 2019

Which will help to remove about 1,164 tonnes of carbon.

WELLBEING

Wellbeing award for Te Ata initiative, which provides for supporting and nurturing the wellbeing of the whole team including coaching opportunities, training/upskilling opportunities, resilience training, and more.

HELPING VULNERABLE FAMILIES WITH ENERGY AND SUSTAINABLE LIVING

Support for Dunedin Curtain Bank helped 140 homes in Dunedin with quality curtains, saving 8.4 tonnes of CO₂, and on average saving each home \$170 a year for a total of more than \$23,000 a year in savings for needy families.

SUPPORTING SCIENCE EDUCATION

We support world class research at the Salk Institute for Biological Studies into long term CO₂ sequestration via its Harnessing Plants Initiative.

We support students from Wellington and Porirua to take part in the annual EPro8 Challenge, an Inter-School Science and Engineering Competition.



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Message from the Board

In this 2023 Sustainability Report, we set out a summary of the impact we have on our environment and community as well as our reporting of TCFD and Sustainable Development matters



TCFD Risk Disclosure

Taskforce on Climate-Related Financial Disclosure [TCFD] risks and the framework for managing climate risks, are comprehensively reported in this Sustainability Report.

We are proud of what we do at New Zealand Oil & Gas and proud of the way we go about it. Our business exists to provide energy security and affordability for consumers. Across our region, in Australia, New Zealand and Indonesia, consumers are energy hungry. Energy supplies are constrained. Energy costs are relatively high for businesses and households who need energy delivered safely and reliably every day.

Geopolitical uncertainty and the accelerating pace of the energy transition has contributed to higher energy prices. In our markets, this has slowed the pace of investment in traditional energy sources.

As the cost of renewable energy falls and the installed base grows, energy systems become increasingly vulnerable to issues of intermittency. Renewables do not produce steadily and cannot easily vary production in response to demand. Solar and wind present inherent

intermittency issues for electricity grids and businesses needing to steadily power industrial output. Hydro energy can be very good for daily variation and is quick to bring online, but it can be affected by seasonal fluctuations and is constrained by the availability of suitable rivers and lakes. As the world electrifies and transitions to greater reliance on renewable sources of fuel, the problem of intermittency becomes more acute.

Gas is the perfect partner for renewables because it emits less greenhouse gas for each unit of energy than alternative fossil fuels. It is relatively abundant at competitive prices and is efficient compared to decarbonised substitutes. Extensive infrastructure is in place, which in many cases eliminates the need to develop new networks and production facilities.

Because of its profound advantages, we often say gas is a three-letter word for transition. New Zealand Oil & Gas is providing gas to support renewables in its markets in Australia, New Zealand and Indonesia, bolstering the reliability of those energy systems, and insuring supply that is urgently needed by the communities we serve.

In Australia, our production provides crucial backup to a mostly-solar powered electricity system in Alice Springs. Our gas is also piped to the East Coast, where gas supply is exceptionally tight, helping to keep a lid on prices while providing energy that maintains living standards. In New Zealand, our Kupe gas is needed to support an electricity system that will approach 95% renewable in the next five years. In Indonesia, energy from our Cue subsidiary is supporting continued economic development which could not continue in the absence of secure energy at reasonable prices. We are providing this reliable energy in Australia, New Zealand, and Indonesia sustainably, ethically and safely.

New Zealand Oil & Gas's Scope 1 emissions are low, as the main source is our small head office. Our Scope 2 emissions [indirect emissions created by the production of the energy we sell] increased in the past year due to our acquisition of new assets and the related increased production. Emissions intensity, which measures emissions per unit of energy produced, is a more useful comparison across time when production volumes vary [especially, as in our case, when the increase is due to an acquisition]. We are pleased to report that our emissions intensity reduced by over ten per cent last year. In other words, measured on a per unit basis, the energy we produced released ten per cent less CO₂.

As New Zealand Oil & Gas is a non-operator, our approach is to work with our joint venture partners and the asset operators to reduce the carbon impact of operations. We have started a process with asset operators to develop emissions goals tailored to each asset and we aim to have approved asset-level targets in the coming year.

Although we are proud of the contribution we make to reducing emissions in the wider economy, sustainability is about much more than emissions. The wellbeing of our people is also a crucial element. The sustainability framework reflected in this report demonstrates on pages 14-15 how our inputs make tangible contributions to people's daily lives. We assess our impact against the UN's sustainable development goals on pages 38-42, using sustainability reporting guidance developed by the IPIECA¹ [updated to February 2023]. The IPIECA guidance contains a statement from an Independent Stakeholder Panel of experts in sustainability reporting relating to the energy industry. The Panel represents the views of investors, business and industry bodies, environmental and community-oriented NGOs, and multilateral institutions. It calls on companies to improve their management of risks associated with climate change

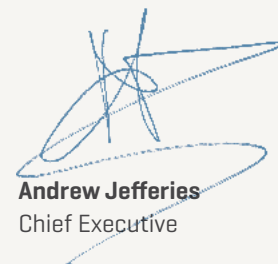
and other ESG issues, and also to report and explain their year-on-year progress with consistent performance metrics.

This sustainability report implements the Panel's advice. Our sustainability journey has been underway for some time and will be an important focus going forward. In the past we have reported sustainability in our annual report. Going forward, we intend to issue a separate sustainability report, which will make accessing this information easier and allow us to meet our reporting obligations more efficiently.

This report should be read in conjunction with our annual report and corporate governance statement, which are available in the reporting section of our website, www.nzog.com. Together they provide investors and other stakeholders with a summary of our business and the associated risks, as well as our perspective on future activities.



Samuel Kellner
Chair



Andrew Jefferies
Chief Executive

¹ IPIECA is the global oil and gas association for advancing environmental and social performance across the energy transition.

Sustainability performance reporting

 <https://www.ipieca.org/work/sustainability/>

About This Report

Scope of this Report

This report outlines sustainability performance of New Zealand Oil & Gas.

Unless otherwise specified, references to “the Company” and “New Zealand Oil & Gas” mean New Zealand Oil & Gas Limited, and exclude Group subsidiaries that publicly report separately, specifically Cue Energy Resources.

New Zealand Oil & Gas does not directly operate any production site. Statements related to individual assets are reported on the basis of the proportion of the Company’s participating equity interest in each asset.

People-related data included in this report refer to employees and contractors directly working for New Zealand Oil & Gas at its Wellington, New Zealand headquarters, and exclude staff employed by joint venture partners in which New Zealand Oil & Gas has an interest. The New Zealand Oil & Gas subsidiary, Cue Energy Resources, publicly reports its own people statistics. Other sustainability data in this report includes Cue where specifically noted. Our Annual Report, and Financial Statements are on a consolidated basis and include Group subsidiaries.

No health or safety incidents have occurred at the New Zealand Oil & Gas operated site, and so no separate Health & Safety data is provided for New Zealand Oil & Gas staff and contractors. However, the Company has an active health, safety, environment and security management system which extends to joint venture operated plant. That system is described in this report.

Our Operations

New Zealand Oil & Gas has interests in:

- Australia in the Amadeus Basin in Northern Territory [exploration and production], and the Perth Basin [exploration], Western Australia.
- Indonesia [production] in Sumatra and East Java, held through our 50.04% subsidiary, Cue Energy Resources.
- New Zealand [production and exploration] in the South Taranaki Basin.

These operations are subject to the environmental approval processes of the respective state and national governments.

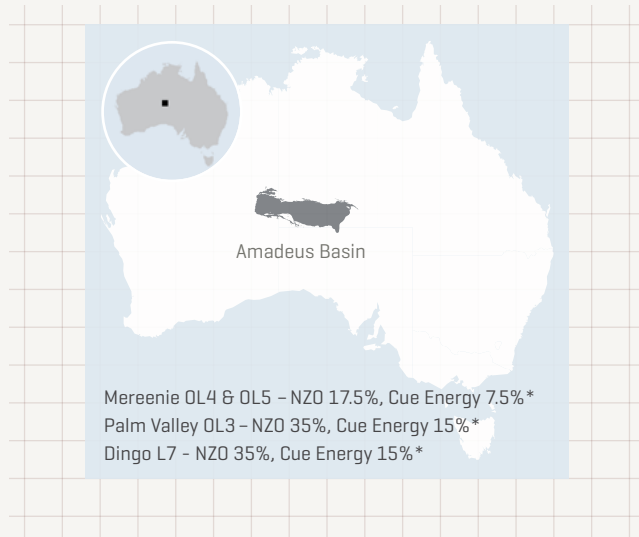
New Zealand Oil & Gas headquarters are in Wellington, New Zealand.



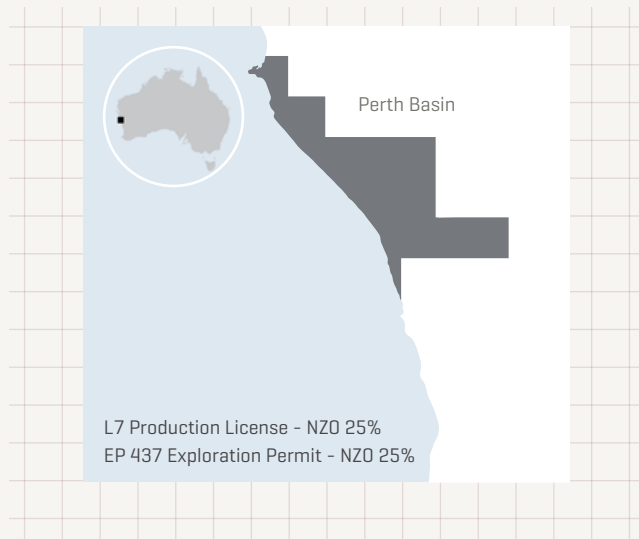
Where We're Active

Australia

Amadeus Basin, Northern Territory

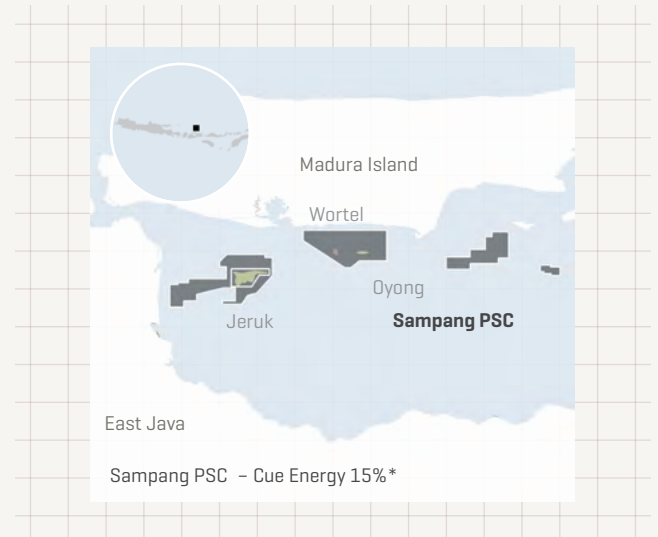


Perth Basin, Western Australia

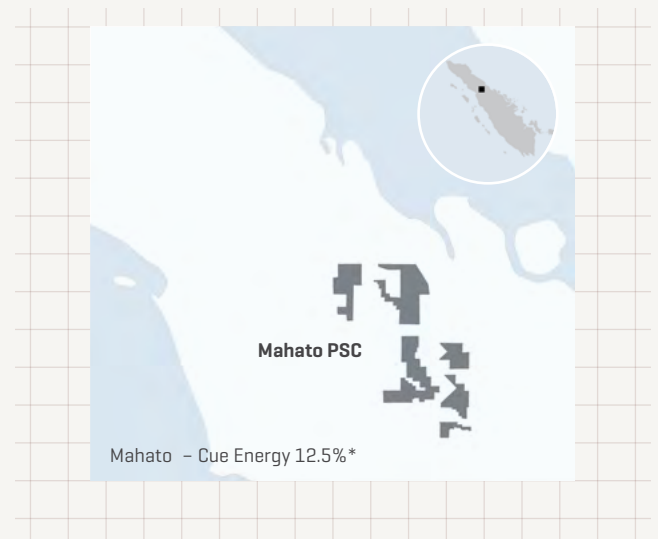


Indonesia

East Java

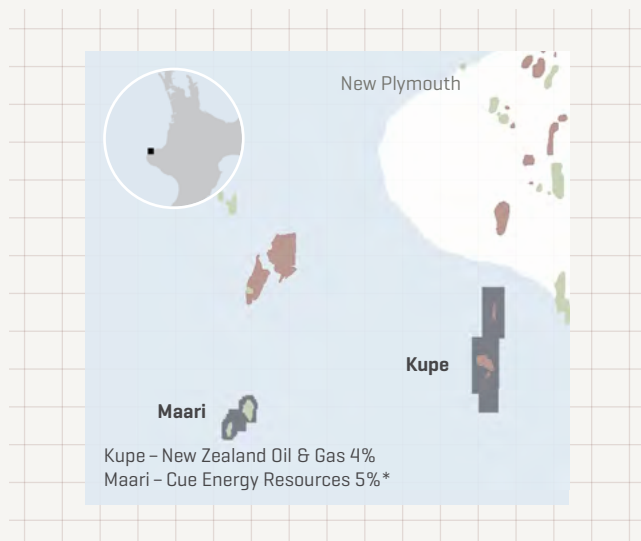


Sumatra



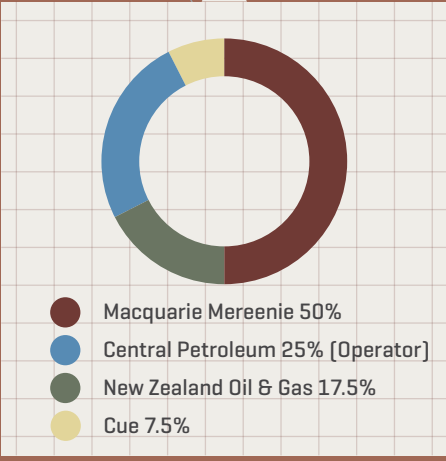
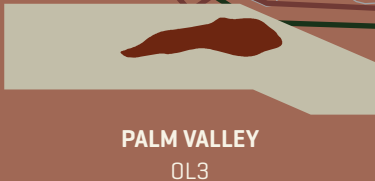
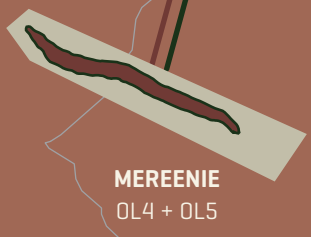
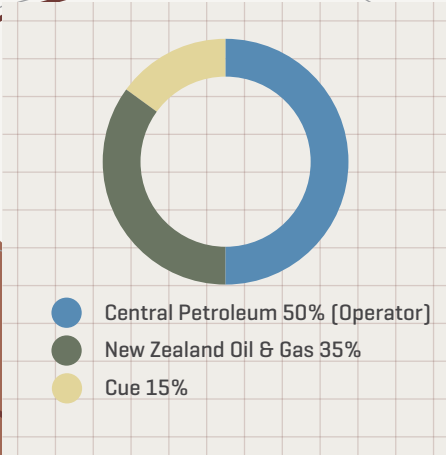
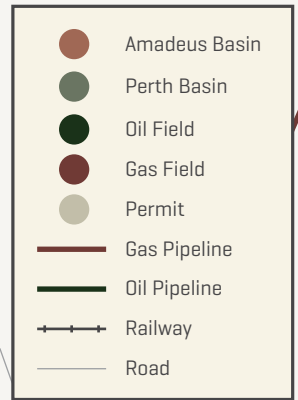
New Zealand

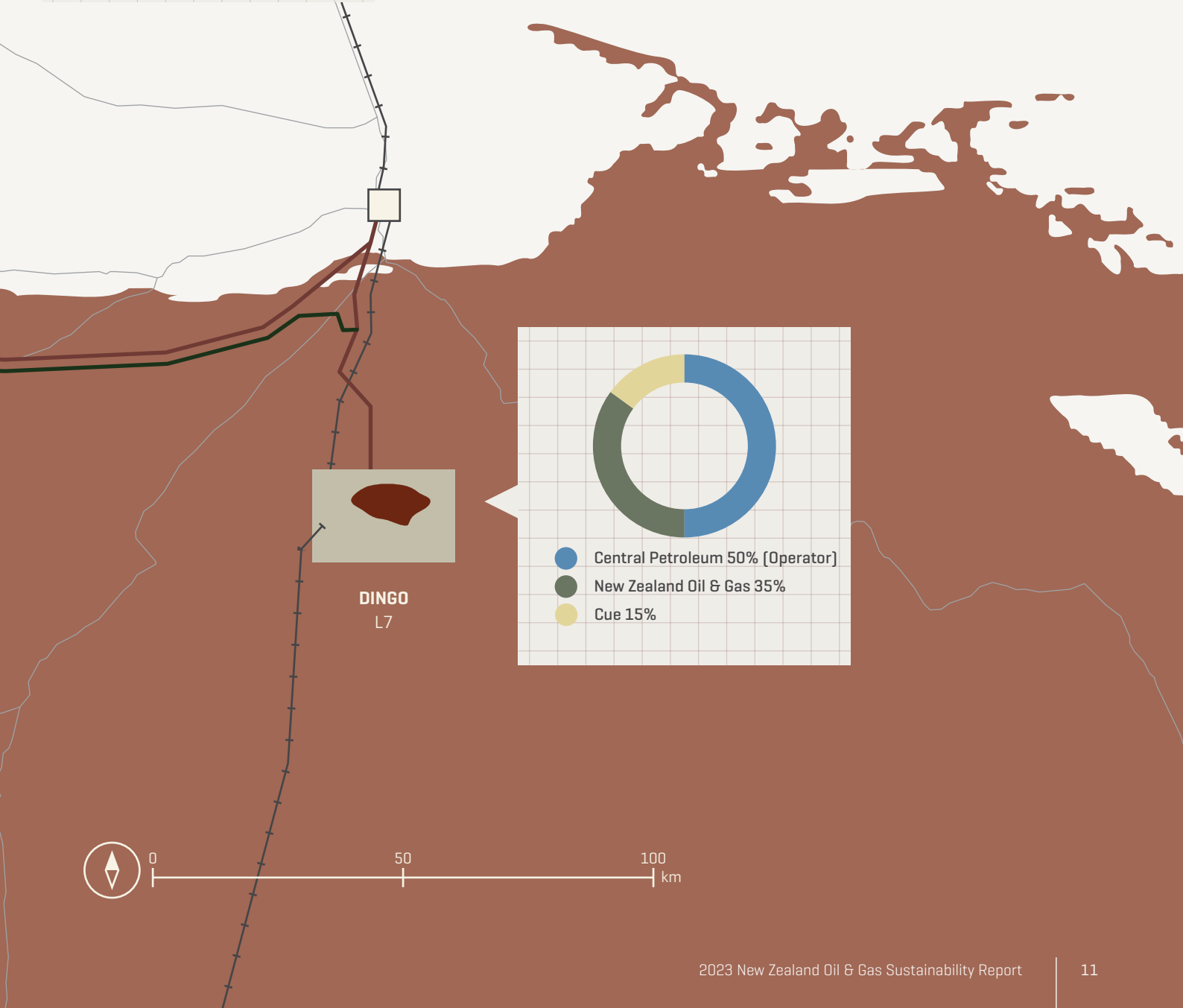
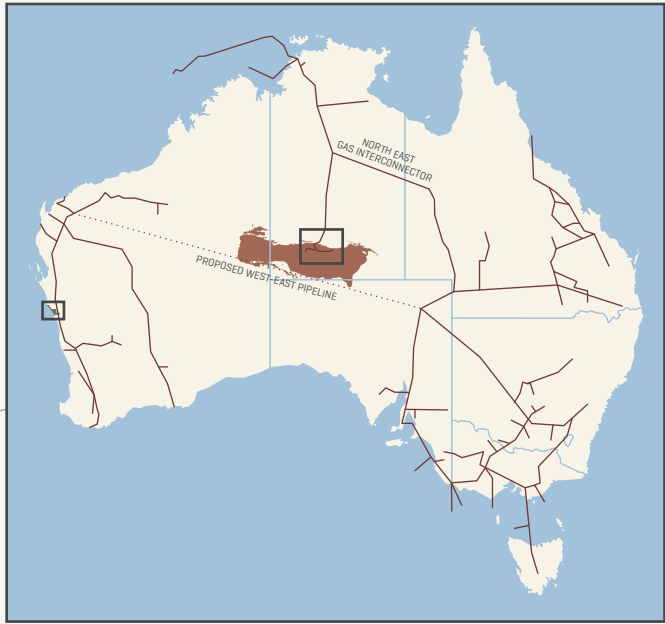
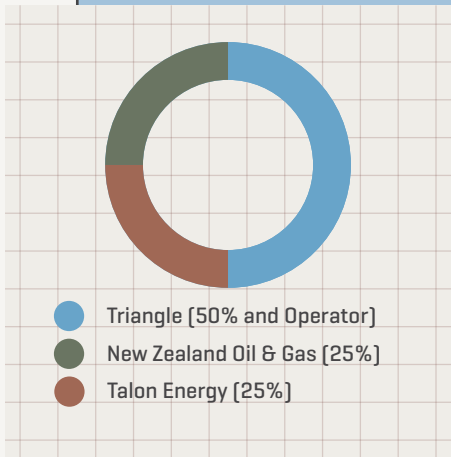
Taranaki



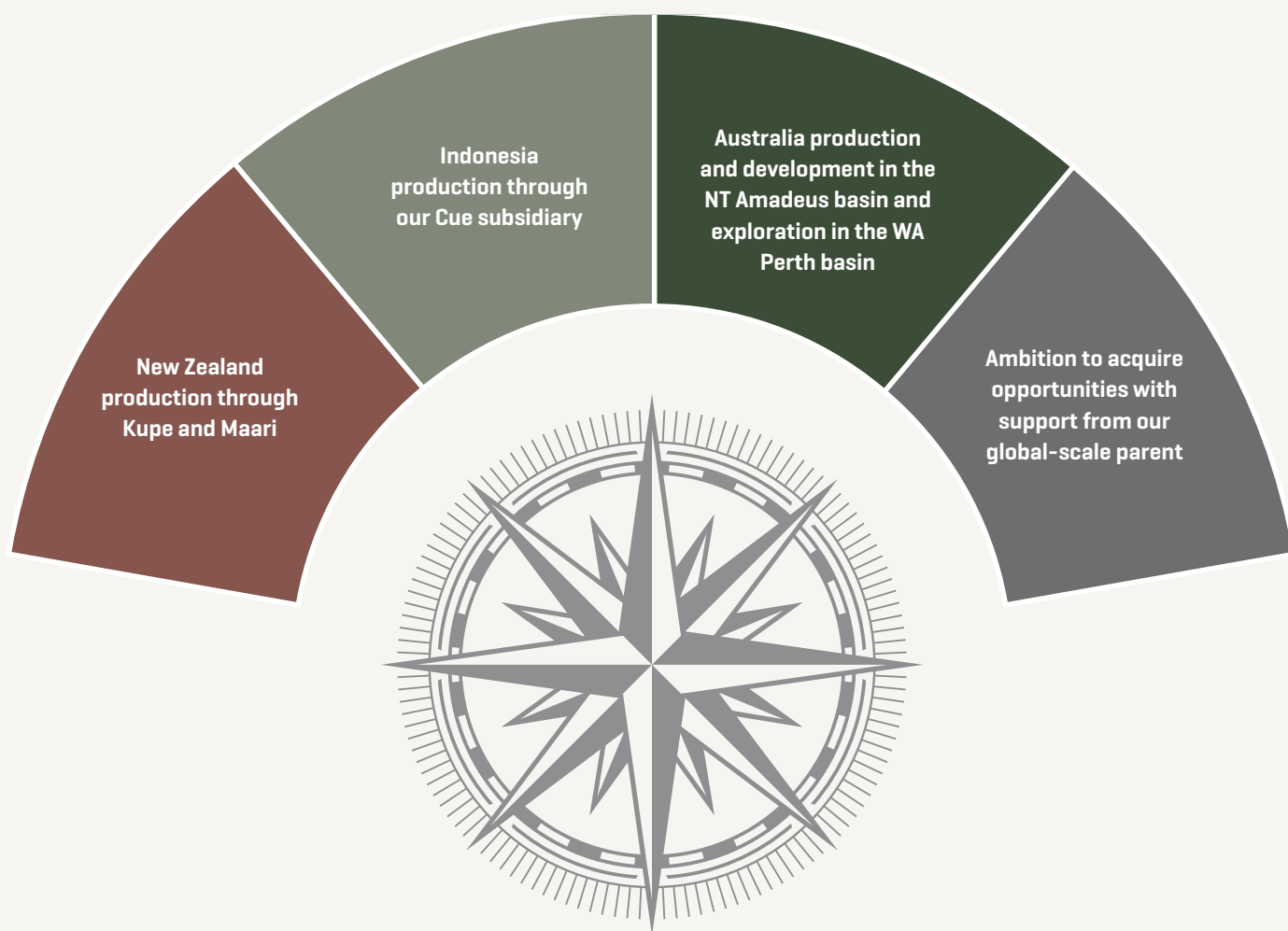
*New Zealand Oil & Gas has a 50.04% interest in Cue. Cue's full interest is shown.

NZO Production Locations





Strength today and growth tomorrow



We see natural gas assets providing security of supply to an energy-constrained world as it undergoes a decades-long energy transformation.

Our Values



TIKANGA – The right things the right way

We operate safely, and do what we say we will do.

We display respect and understanding for other people, opinions and cultures.

We respect values, rules and laws.



MAHI TAHI – Work together, collaborate, cooperate, with teamwork

We are open, honest and transparent.

We actively pitch in and help.

We have fun and work with passion.

We put big issues on the table so they can be resolved.



PĀKIKI – Consumed with curiosity

We seek to better understand ourselves, and the world, with the goal of constantly improving.

We explore new areas to add value to our work.

We work with initiative and imagination.



TAUHOKOHOKO – Barter, bargain, trade

We continually seek to add value through the application of skills, brains and hard work.

We develop mutually beneficial relationships with key stakeholders and partners.

We deliver excellent commercial outcomes.

Sustainability Framework

THE CAPITAL WE BRING



FINANCIAL

We use our shareholders' financial capital, prudent financial management and ability to attract investment.



HUMAN

The expertise and skills of our people and our values and behaviours as a company.



RELATIONSHIPS

By being values-led and working ethically, we create value-enriching relationships with our partners, our communities, and regulators.



FIXED ASSET

Our physical infrastructure and assets, mostly owned and operated through joint ventures.



INTELLECTUAL

Our data, models, brand and reputation.



NATURAL

Inputs from the natural world including access to oil and gas reserves, water, land, minerals and materials.

We use our inputs and capital resources to execute reliably, and operate in a way that high-quality people want to work for.

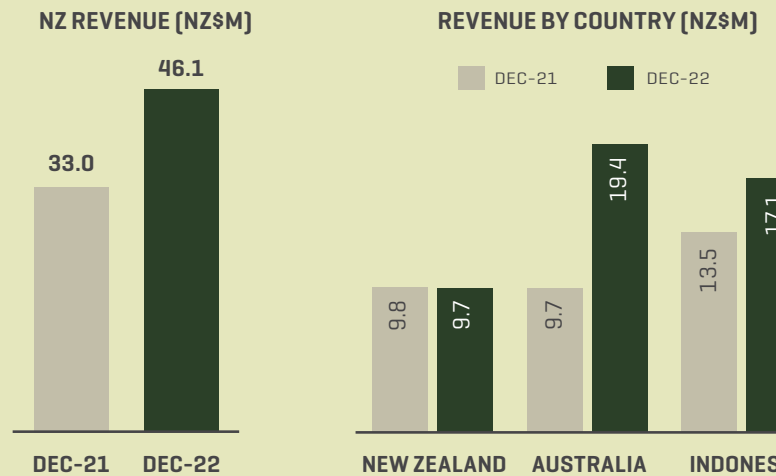
Our team of technical and commercial experts deploy our resources to exploration and production of energy safely, in a way that respects the environment, on successful commercial projects.

We use our skillsets, optimise our processes and reduce costs from our physical assets.

We support our operating partners, stakeholders, to identify mutually beneficial opportunities.

OUR INPUTS

OUR OUTPUTS



\$40,000 for COMMUNITY PROJECTS

5 Tre

s to create opportunities,
that makes us proud, so
to work with us.

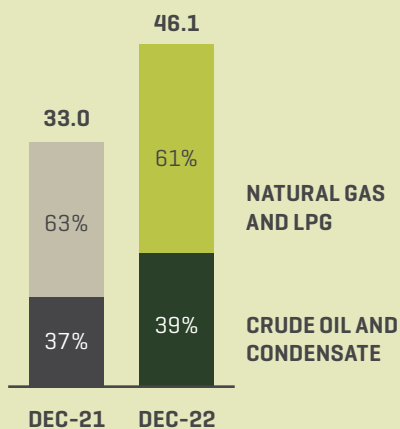
cial experts efficiently
and production to deliver
s communities and our
commercial terms.

esses, and create value
assets.

Cue subsidiary, and
ual value add.

**WHAT THIS
ACHIEVES**

PRODUCT MIX (NZ\$M)



5,114
es Planted



**ENERGY
SECURITY AND
AFFORDABILITY**

Our energy supports renewable electricity generation and provides security for uses where renewable energy is not yet ready to fully take over. It makes energy more affordable and prices more stable.

UN Sustainable Development Goals (UNSDGs)



- ▶ Leadership through industry, policy and regulatory forums
- ▶ Delivering gas to market, in NZ, Australia and beyond



**A CLEAN AND
LOWER-CARBON
ECONOMY**

The gas and light oil we supply bring lower carbon benefits compared to energy supplied in alternative ways. Additionally, they help in the mining of minerals used in wind turbines and solar panels.



- ▶ Reporting commercial and non-commercial value transparently



**WEALTH
CREATION &
PRODUCTIVITY**

Our energy helps to produce goods and services society needs to prosper, which can't be produced efficiently without them. We pay royalties and taxes that help to pay for hospitals, schools, roads and other essential services.



- ▶ Delivering commercial value via annual taxes and royalties, job creation, shareholder value



**COMMUNITY
WELLBEING**

We strengthen our environment and community by engaging openly and contributing to science education, tree planting, energy efficiency, and conservation for vulnerable families.



- ▶ Community and Iwi Engagement
- ▶ Community Partnerships and Investment



**WORKING
TOGETHER**

Our working environment is rewarding and a place of belonging where we work together and collaborate with purpose and passion.



- ▶ Proactive diversity and inclusion practices
- ▶ Greater environmental contributions

Materiality

Stakeholder engagement: How materiality was assessed

We engage with shareholders, regulators, our community including directly with Maori, staff, industry organisations and partners, and we monitor public issues.

INVESTORS

Our board periodically holds discussions with larger shareholders. Shareholders regularly interact directly with the managing director, who shares views and perspectives with the Board. A range of tools are used to ensure investors can contact the Company and freely share views and perspectives, including:

- Widely publishing contact details and providing email, website and phone channels to get in touch.
- Open invitation and encouragement to ask questions at Company meetings.
- Direct outreach on significant matters of strategy (e.g. capital structure and acquisitions).

STAFF

The Company surveys staff to measure engagement and attitudes to key issues, including sustainability, health & safety and values. Company-wide meetings are held frequently, at which any staff can air issues.

MANA WHENUA/TRADITIONAL OWNERS

Where the Company operates, it engages directly with mana whenua [or traditional owners of the land]. It is not currently an operator.

Engagement at non-operated sites is through the JV operator.

JV PARTNERS

Regular meetings and information sharing, including a steady flow of enquiries about operational practice.

INDUSTRY & REGULATORS

The Company considers feedback from industry groups, officials, business representatives at national and regional level, and community groups.

Senior staff participate directly in industry forums and discussions, including opportunities to interact with regulators and decision-makers, where we pay careful attention to views shared with us, and seek opportunities to discuss details and test assumptions.

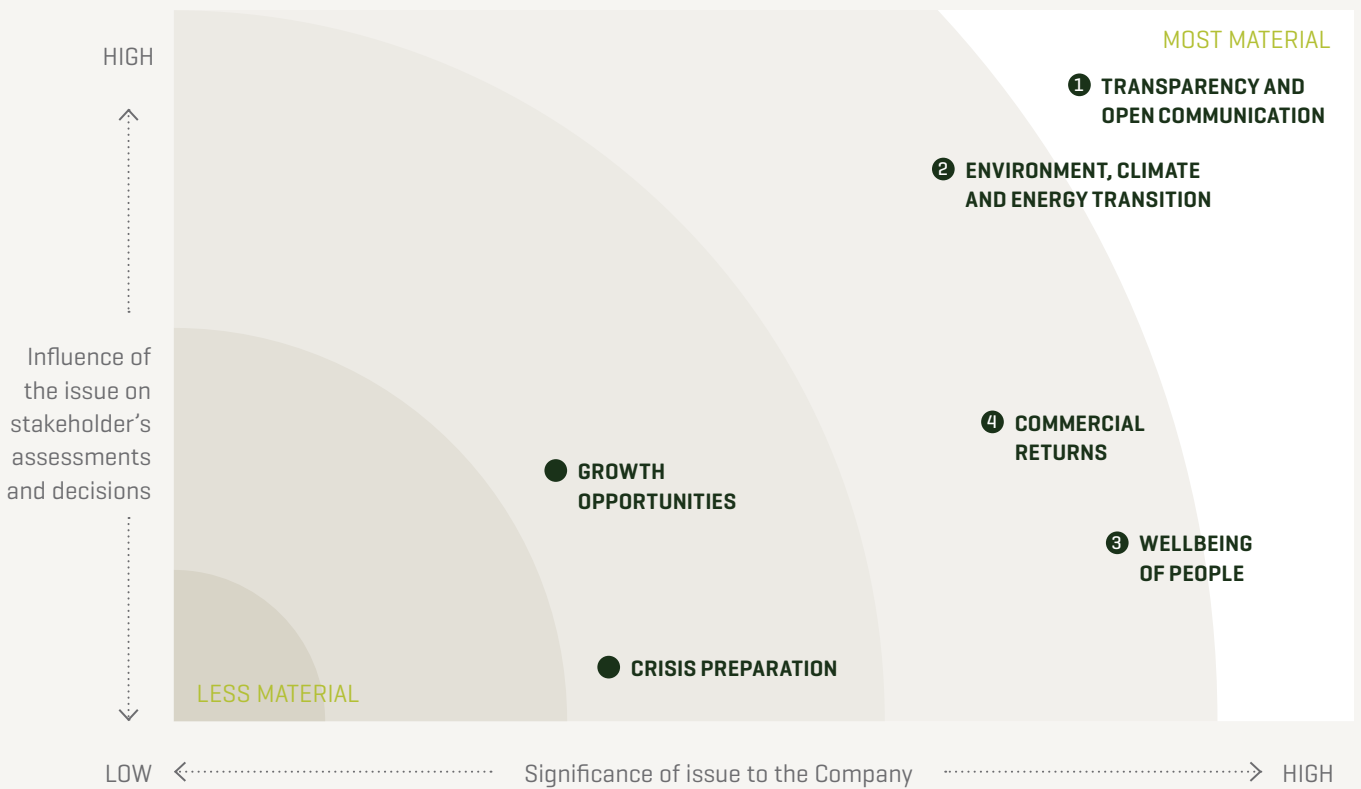
COMMUNITY AND NGOs

The Company participates in community forums involving discussions about its activity. As it is not operating a site, this is mainly achieved through industry organisations.

The Company accesses operator information about community sentiment through regular JV meetings.

Materiality Matrix

Our materiality analysis shows priorities for our business and stakeholders in environmental, social and governance performance. Positions on the matrix are assessed by analysing the content and intensity of comments received about topics that have a significant impact on our business, our licence to operate, on our stakeholders and the communities in which we operate. The materiality assessment is an ongoing process across all of the Company’s activities during the year. Six sustainability issues are identified to be material. The range of issues reflects the nature of the business and the status of the Company’s participation, in which we do not operate physical plant but have an oversight role.



1 TRANSPARENCY AND OPEN COMMUNICATION

- Inform, engage our community
- Comply with community expectations
- Be proactive about disclosing our activities

2 ENVIRONMENT, CLIMATE AND ENERGY TRANSITION

- Be responsible about the corporate environmental footprint
- Do our bit to reduce emissions
- TCFD reporting
- Provide energy security while transitioning to the energy future

3 WELLBEING OF PEOPLE

- Health and Safety performance
- Diversity
- Opportunities for personal development

4 COMMERCIAL RETURNS

- Returns to investors
- Returns to NZ Inc
- Community Investment
- Local economic development

Response To Material Issues

The top four material issues identified are: Transparency and open communication, Environment, climate and energy transition, Wellbeing of People, Commercial opportunities.

For this report we provide more detailed responses to the top four material issues below

1 Transparency and Open Communication

Our Stakeholders Expect We Will...

- Inform and engage with our community, proactively disclose relevant information about our activities, be part of the discussion about energy transition

Our Response

We are committed to transparency and open communication, and we report openly on all of our activities to investors and the wider community. We believe in investing in open dialogue and relationships, and we aim to promote understanding of the way we work and the reasons we engage in producing oil and gas.

We understand that communities have legitimate concerns about the benefits and impacts of our activities, and we strive to manage risks and negative impacts while ensuring that benefits are distributed fairly.

In addition, we actively participate in discussions about energy transition in business and industry forums, as well as directly with government and political parties at ministerial and official levels. All of our advocacy is conducted openly and honestly, and we make our lobbying and political engagement comments and activities public. We also make submissions on relevant legislation and policy.

Lobbying and membership of associations

New Zealand Oil & Gas publishes all of its submissions to government relating to policy or any of its activities.

We are members of reputable national business representative groups:

- Business New Zealand major corporates group (and through Business NZ, the Wellington Chamber of Commerce and the Business Energy Council).
- Gas Industry Co.

We contribute to research and analysis on transition issues.

2 Environment, Climate and Energy Transition

Our Stakeholders Expect We Will...

- Be responsible about the corporate environmental footprint
- Report our climate governance, management, risk and metrics using the TCFD (Taskforce on Climate-related Climate Disclosure) model.
- Manage our emissions responsibly.

Our Response

We support carbon budgets and emissions pricing as the most efficient and effective tools to manage carbon emissions. An economy-wide response to the global issue of climate is more efficient, sustainable, and effective than an enterprise-level response.

We are responsible for our own carbon footprint and support initiatives such as recycling in our head office. We report comprehensively on climate risks through our TCFD reporting, as shown below. The Company has reduced or offset our emissions from office-related activities at our corporate HQ by financially supporting carbon-reducing tree planting. We do not report Scope 3 emissions. However, we support efforts by users to offset their emissions from use and by governments to reduce avoidable carbon emissions through efficient economic instruments.

We are committed to responsible management practices that minimise adverse environmental impacts from our activities. We use soundly-based science as the basis for all our environmental decisions.

We comply with all applicable environmental laws and regulations and good practice industry standards. We apply reasonable standards where regulatory legislative requirements and standards do not exist. We work to minimise pollution and the cumulative environmental impact of our activities at a local, regional, and global level, trying to reduce waste and improve resource use. Our environmental management plans for all our activities identify, assess, and manage environmental risks as low as reasonably practical.

3 Wellbeing of People

Our Stakeholders Expect We Will...

- Manage our activities with the highest practical standards of Health and Safety performance.
- Encourage diversity by having a supportive and welcoming workplace, removing barriers to women's participation and advancement in the Company, and championing diversity in our industry.
- Providing opportunities for personal development.

Our Response

We make safe operating and the health of our workforce our top priority. Well-being of people regularly features higher in internal materiality surveys than in feedback from outside.

Staff incentives are linked directly to corporate health and safety performance.

Health and safety reporting includes both our own sites, and non-operated sites where we have an interest, and our supplier code sets out requirements for companies that do business with us. Performance is monitored daily and reported through to an HSE weekly meeting, as well as to weekly executive management meetings. The Operational Risk and Sustainability committee reviews performance and policies and reports on performance to the board.

Performance is monitored daily and reported to a weekly HSE meeting, as well as to fortnightly executive management meetings. The board Operational Risk and Sustainability Committee reviews performance and policies and reports to the board.

Our diversity initiatives are aimed at promoting a supportive and welcoming workplace, removing barriers to women's participation and advancement in the Company, and championing diversity in our industry.

We are proud to have retained a Rainbow Tick, which is an accreditation recognising our efforts to provide an inclusive workplace for the LGBTTTQIA+ community. We regularly engage in cultural activities meaningful to our staff and survey their attitudes toward diversity initiatives to ensure that we continue to create a workplace that is welcoming and inclusive for all.

We invest in the development of all our staff by providing regular coaching and training opportunities across the business. This investment in our staff ensures that we maintain a high level of expertise and are able to adapt to changes in the industry.

4 Commercial Returns

Our Stakeholders Expect We Will...

Deliver returns to investors and our community

- Invest in community outcomes.
- Support local economic development.

Our Response

Through our social investment we live our values as good partners, committed to enduring relationships with our neighbours and wider community. We make social investments that make a sustainable difference. Examples of our contribution include funding for Dunedin's curtain bank, that provides warmer housing for vulnerable low income families, funding for scientific research, and planting trees in areas where community groups are restoring the landscape.

We pay millions of dollars in royalties and income tax to governments in Australia and New Zealand. Oil and gas workers earn twice the national average salary.

The Company has a policy on Capturing Local Economic Benefits, which was developed in response to a materiality assessment of community expectation. The policy commits us to promoting local content and capturing local benefits. We commit to studying opportunities for the wider community to participate commercially in our projects, and to producing a local content plan for significant developments. We also believe our expertise in areas such as health & safety and international business processes can help local enterprise compete on a commercial basis.

Industry value benefits

www.nzpam.govt.nz/nz-industry/value-benefits/

Taskforce on Climate-related Financial Disclosures (TCFD)



Inline with TCFD recommendations, climate risk content is reported under the following headings:

- [Governance](#)
- [Climate Change Statement](#)
- [Strategy](#)
- [Risk management](#)
- [Metrics and targets](#)

Governance

Climate and sustainability risk is overseen by the board Operational Risk and Sustainability Committee.

Its role is to advise and support the board in meeting its responsibilities in relation to health, safety, security, environment, sustainability, operational risk and community engagement matters arising out of the activities and operations of the Company.

The committee's Charter responsibilities include:

- Monitoring the performance and effectiveness of the Company's Risk Management Framework, compliance with the framework and the adequacy of risk controls.
- Setting, reviewing and agreeing operational risk and sustainability policies, practices, frameworks and targets, including performance against these, including:
 - Sustainability performance framework, targets and reporting;
 - Community and iwi engagement;
 - Environmental policies and programmes including climate change responses.
- Seeking assurance of the Company's compliance with all operational risk and sustainability legislative requirements, licence conditions and stakeholder commitments.
- Supporting the board and management in defining the Company's operational risk and sustainability objectives.
- Working with management to agree how operational risk and sustainability objectives will be achieved, monitored and reviewed.
- Supporting a culture of continuous improvement by reviewing significant incidents and system failures and monitoring actions and measures to minimise recurrence.

The Committee's Charter is here:

www.nzog.com/dmsdocument/370

Company Policies

- Ensuring the necessary skills are obtained and maintained to achieve operational risk and sustainability objectives.
- Providing leadership to the board and support the Company in aspiring to proactively manage operational risk and sustainability issues.
- Ensuring that significant issues are brought to the attention of the full board.

Responsibility for identifying, documenting and managing risks and opportunities is delegated to the appropriate level of management.

The General Counsel has responsibility for climate risk. Asset managers are responsible for risks to individual assets. The Chief Financial Officer has management responsibility for financial and investment risks associated with climate change.

Potential risks to New Zealand Oil & Gas from climate change are assessed under the following headings:

- Policy and Legal,
- Physical [acute and chronic],
- Financial and Market,
- Social/Political/Regulatory, and
- Technological.

All these risks have potential financial and operational implications due to lost profitability and increased delays.


See detailed discussion below under the section Climate Risk management, page 26.

The following company policies, that are directly relevant to Sustainability and climate risk management, are available on the Company's website.

- Health and Safety Policy
- Environment Policy
- Capturing Local Economic Benefits Policy
- Community Engagement Policy
- HSSE Management Framework and Management System
- Risk Register
- Risk Management Procedure
- Sustainability Framework
- Climate Change Policy

Relevant sections of corporate policies are referenced in this document.

These documents are available in the corporate governance section of the Company's website, at:

 www.nzog.com/investor-information/shareholders-information

Climate change statement

Our Position

New Zealand Oil & Gas recognises that climate change will affect our community and environment. It is a global issue.

As a result, our world has begun a transition to a low carbon economy. We all have a role in the transition, ensuring our needs are met while we decarbonise. We recognise and support global efforts to reduce climate change through clear and meaningful policy and market settings.

We believe a collaborative transition is necessary to ensure the success of the transition, pricing carbon emissions is likely to be the most effective and efficient model for achieving emissions reductions.

We help the world reduce carbon intensity while continuing to provide for energy needs. Being part of the mix that's required to deliver secure, reliable, sustainable and affordable energy.

Specifically, we will:

- actively identify, manage, report and mitigate material climate risk to our business, and report our governance, strategy, risk management targets and metrics;
- meet the carbon reporting requirements of the regions we operate in;
- promote the benefits of gas as a lower-emitting transition fuel that supports energy reliability and affordability, and is a strong companion for renewables;
- review and implement opportunities to reduce the carbon impact of our operations;
- support our joint venture partners to look for and implement low carbon solutions; and
- respond meaningfully to stakeholder views and expectations around climate change as it pertains to our activities.

Our Commitments

New Zealand Oil & Gas commits to:

- Supplying gas to provide energy security and reliability through the transition.
- Identifying, assessing and actively managing and mitigating material climate risk to our business.
- Reporting our governance, strategy, risk management and, targets and metrics.
- Meeting the carbon reporting requirements of the regions we operate in.
- Setting and publishing meaningful targets to internalise how to reduce emissions from our production while we continue to grow and provide more energy security and reliability.
- Reviewing and implementing feasible opportunities to minimise the carbon footprint of our operations.
- Supporting tree-planting to help absorb carbon emissions in proportion to our emissions.
- Responding meaningfully to stakeholder views and expectations around climate change.
- Supporting vulnerable communities to reduce their energy needs and make energy more affordable.
- Supporting our JV partners to look for and implement low carbon solutions.
- Supporting quality research onto low carbon technology.
- Annually reporting on our climate approach progress and performance in alignment with the recommendations of the TCFD as it pertains to our activities.

Accountabilities

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

The application of this policy is the responsibility of 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.

Our Approach

Business planning, including scenario analysis, has been an important tool for assessing opportunities and managing our investment.

Risks, including climate risks, are formally reviewed at least twice a year, and the board, through the Operational Risk Committee reviews, takes ownership of the content.

The main climate and sustainability risks to New Zealand Oil & Gas fall into the following categories:

- Policy, legal and regulatory,
- Physical,
- Financial,
- Social, political and reputational,
- Technological.

All of these have short and long term financial and operational implications due to lost profitability, delays and limits to the investable opportunity set.

The process is outlined in more detail in the section below, 'Climate Risk Management.'

Sustainability and Climate Risk Strategy

Our sustainability objective is to help provide affordable energy and energy security for the communities where we operate in. Take care of our people, behave ethically, support renewable energy in the transition, and responsibly manage our own footprint.

We aim to do this by:

- Adopting reporting, risk management policies, and standards that lead peer companies of our size in our sector.
- Complying with all applicable laws and meeting community expectations of good practice.
- Contributing to informed public policy development of energy issues, risks and opportunities.
- Seeking to reduce waste, and improve resource efficiency in our design and operating practices.
- Systematically identifying, assessing and managing environmental, social, regulatory, and related risks.
- Reporting openly, regularly, and in a manner that allows shareholders and stakeholders to understand our risks, contribution and costs.
- Minimising our environmental impact, working with asset operators to develop plans for reducing asset-level carbon emissions.
- Preferring market-based carbon pricing to manage emissions reduction and guide investment decisions. Market prices are the most efficient policy choice for our shareholders, and demonstrates community preferences and expectations for the role of carbon in meeting energy needs.



Sustainability strategy looks at the whole energy trilemma

No approach to managing sustainability will be successful unless all components of the energy trilemma are managed together:

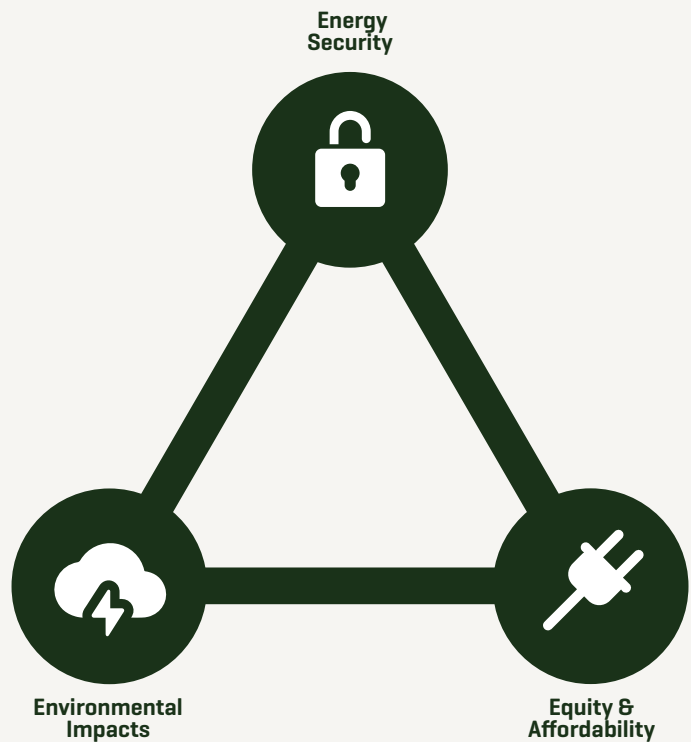
- Environmental impacts,
- Equity & affordability, and
- Security.

One of these components is not inherently 'better' or a higher priority than any other. Sustainability encompasses more than just emissions. The wellbeing of our people and the community is also a critical element.

In the past year, energy supply disruptions around the world have highlighted the importance of energy security and reliability for consumers. Community leaders have also shown an expectation that companies will fulfill their role in delivering the energy that we all need.

Different companies have varying roles in addressing the energy trilemma. Given that energy security often trades off with carbon emissions, managing energy for the trilemma requires companies providing security to have higher emissions than those introducing decarbonisation technologies to substitute for oil and gas. Nonetheless, the latter business still relies on the energy security that we provide because the energy system is interconnected. Therefore, each economy's energy strategy should be analysed as a whole.

In our case, the materiality index provides an overview of sustainability issues affecting the Company and their relative priorities for our activities.



We don't just talk about ethical behaviour

Our staff are remunerated in part on the basis of behaviours and values, as well as the Company's overall sustainability and health, safety and environmental performance.

Climate change and sustainability continue to have an impact on our business, as outlined in this report. Similarly, energy prices and the availability of reliable supplies also affect us. We incorporate consideration of these issues into our business planning and management.

We strive to support new technologies and punch above our weight in promoting public awareness about the benefits of energy alternatives. For instance, we make donations to the Salk Institute to support their world-leading research on plant-based carbon sequestration. We have also contributed, where possible, to business forums to provide our perspective on the valuable potential role of carbon capture. Our entire Company engages in discussions about ethical issues that our staff members care about, and we regularly discuss these topics in Company-wide meetings

Climate risk management

How We Identify, Assess and Manage Climate-Related Risks

The Company's Risk Management System Framework applies consistent and comprehensive risk management practices.

Climate risks are recorded in the central risk register, which considers the risks, reviews the controls, assigns ownership of risk and tracks treatment plans.

Climate risks are identified on an ongoing basis and consideration is given to industry and peer information and expertise, shareholder and community feedback, regulatory changes, and analysis by our own staff and contractors.

Risk assurance and oversight of climate risk management is provided through internal review by the board Operation Risk and Sustainability committee.

How We Model Climate Risk

Kupe, New Zealand

For our New Zealand Kupe asset, New Zealand Oil & Gas uses the New Zealand ETS market pricing for carbon emissions.

The Company has sufficient forward emissions credits for future demand. As these were purchased at much lower carbon prices, the emissions trading system carbon costs represent a positive opportunity for competitive advantage.

For physical risks to the Kupe offshore platform, onshore coastal processing plant and connecting pipeline, the Company carries insurance and equipment is engineered to standards well in excess of expected weather activity.

Amadeus, Australia

For physical risks to our Amadeus Basin interests, the Company has comprehensive insurance to cover physical risk. The risks associated with climate are assessed in engineering planning. For forward price risk associated with production, the Company uses impairment testing based on forward market prices and contracts.

The Company uses an internal price to test economics of investments based on market prices in other comparable international regimes. Expectations of forward prices reflect the market consensus on the likelihood and level of future carbon charges and market demand. Potential increased carbon pricing or reduced prices are part of the Company's sensitivity testing.

Carbon prices have generally conformed to forward curves in the reporting period, while oil and gas commodity prices have been much higher due to concerns about energy security and actual shortages of gas. As a result, the financial risks associated with climate change are assessed to be considerably positive [upside] as of the date of this report.

Perth basin, Australia


In the acquisition of exploration opportunities in Western Australia, the Company used a shadow carbon price to test the economics of a discovery during due diligence.

Expectations of forward prices were based on market consensus. Potential increased carbon pricing or reduced prices were also considered as part of the Company's sensitivity testing. Engineering risks will be assessed in the FEED (Front End Engineering Design) process following any new discovery.

Assets held by Cue

For assets held by its subsidiary, Cue Energy Resources, in New Zealand and Indonesia, risks are modelled by Cue, and the Cue board manages the risk for those assets. The risk model is broadly similar to the one used by New Zealand Oil & Gas to manage assets held directly.

The Risk Management Framework is available here:

 www.nzog.com/dmsdocument/download/493

Risk Assessment

The table uses the following time horizon categories: Short (S): 0–5 years, Medium (M) 5–10 years, Long (L) 10+ years.

Risk type	Description	Time	Control
Non physical risks Policy and legal risks	Litigation against companies and/or directors on climate grounds (claiming causation or seeking greater action to mitigate effects) could have reputational, development and operating cost impacts. Changing regulations including bans and restrictive regulations, taxes and emissions limits across all jurisdictions risk viability of projects.	S M L	Board and management understand their fiduciary duties around climate change risk. Internal processes, including due diligence and joint venture processes, identify and manage climate risk. Monitor jurisdictions where we undertake activities. Look to diversify jurisdictions to mitigate changes to any individual regulatory environment. Participate in New Zealand’s environmental regulation framework through reputable industry advocacy bodies, including Energy Resources Aotearoa, Business New Zealand and the Business Energy Council. Develop evidence for the role of natural gas in a net carbon-zero future.
Reputational and social license risks	Stakeholder disengagement and oppositional activism. Loss of social license, leading to project delays or stoppages. Recruitment and retention risk. Risk of partner misalignment from divergent approaches to carbon management.	S M L	Manage environmental performance through sustainability framework. Promote corporate values, including our pride in our work. Due diligence screening of commercial opportunities and joint ventures.
Financial risks	Divestment movement increases, affecting availability and cost of capital. Insurance premiums increase. Potential for classes of assets and locations to become uninsurable. Capital cost increases if new environmental standards require more expensive supplies relative to alternatives. Carbon pricing adopted across jurisdictions, or inconsistently between them. Changes to price and cost forecasts result in stranded assets or reserves.	S M L S M L M L S M L S M L	Incorporation of a shadow price on carbon in sensitivity testing for investment decisions. Due diligence screening of commercial opportunities and JV processes. Assurance of insurance forecasts. Access to a range of funding options. Reporting on environmental, social, and governance (ESG) matters, including TCFD compliant reporting. Jurisdictional diversification to mitigate the impact of sudden, unilateral changes, confiscation, or value destruction by regulation.
Physical risks Acute & Chronic	Physical assets, especially our coastally-located gas production plant, may be subject to increased frequency and intensity of extreme weather events such as storms, flooding, coastal inundation, lack of water availability, or slips. Offshore drilling and production delayed or shut in by increased weather events.	M L	Engineering anticipates environmental conditions. Carbon policy provides for review of climate issues in strategic and operational decisions.
Opportunities Commercial	Global reduction in high carbon sources such as coal is increasing demand for natural gas as a lower carbon partner to renewables.	S M L	Strategic preference for natural gas. Support for our joint venture partners pursuing low carbon innovations on sites. Ongoing investigation of investment opportunities in lower emission technologies, including carbon capture and storage.
Reputational	Partnering with local communities to support low carbon initiatives.	S M L	Local relationships and discussions about contributing to socially desirable low carbon outcomes.

Performance

Diversity Objectives For 2022-23

Measure	Performance Update
Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are evolving appropriately.	Rainbow Tick Retained
Providing talent management support for diverse and emerging leaders.	Executive coaching and personal professional development coaching provided.
During any relevant board selection process, the Nomination and Remuneration Committee must ensure at least one credible and suitably experienced female candidate is provided for consideration.	Not applicable. No relevant selection process undertaken.

Sustainability Initiatives 2022-23

Measure	Update
Commence sustainability reporting separately from annual report	This report
Determine emissions intensity targets for production	Progress to date.
Obtain environmental approvals for drilling Kupe offshore well, Taranaki Basin New Zealand	Approvals expected mid-2023

Measurable Targets 2023-24

Finalise and adopt a Transition Plan.

Maintain TCFD statements and reporting online and in the 2023 Annual Report. Adapting to the new reporting standards required by new NZ legislation (and the XRB's reporting standards).

Maintain accessible information on the benefits of Australasian regional gas production (in line with Company strategy).

Continue to report transparently on financial and nonfinancial value in Annual Report and online e.g., through website and annual report.

Advocate for the benefits of gas exploration within the Australasian region (e.g., through leadership forums).

Continue to allocate the agreed annual community investment budget aligned with regional areas, annually [target applies to FY 22/23].

Identify additional STEM education opportunities to support under privileged children in our communities in the regions we are active.

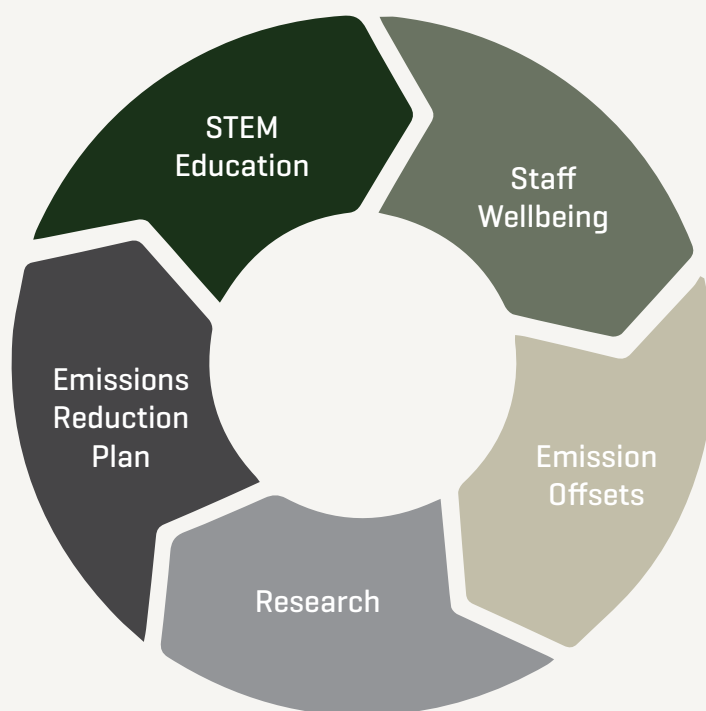
Continue to deliver staff wellbeing support on an annual basis via Te Ata including: Annual Flu vaccination & health check, ongoing Vitae support, wellness allowance and wellbeing communications.

Maintain policy to offset emissions from corporate flights, annually.

Initiate any office sustainability improvement opportunities from sustainability survey.

Continue review of opportunities and projects to support or invest in R&D or other low-carbon commercial opportunities.

Measurable Objectives FY 22/23



Emissions

OUR EMISSIONS

As New Zealand Oil & Gas does not operate production assets, its Scope 1 emissions mainly arise from head office and travel activities.

Initiatives in head office seek to minimise the Company's carbon footprint. Its head office emissions are offset by tree planting through the Trees That Count initiative and its support for the Dunedin Curtain Bank.

Scope 1 Emissions

Total office emissions	25 tCO ₂
Carbon absorbed through tree planting	1.52 tCO ₂ per year [accumulates each year for decades over the life of the tree]
Emissions saved through curtain bank	8.4 tCO ₂
Travel emissions not offset	15.08 tCO ₂
Sustainability measurable objectives	Initiate office sustainability improvement opportunities and conduct staff survey. Investigate a carbon emission audit and reduction plan.

Scope 2 Emissions

New Zealand Oil & Gas production increased nearly four-fold from FY21 to FY22 as a result of the acquisition of producing Amadeus basin assets in Australia's Northern Territory. Emissions intensity (tonnes of CO₂ emitted per terajoule of energy) reduced during the period.

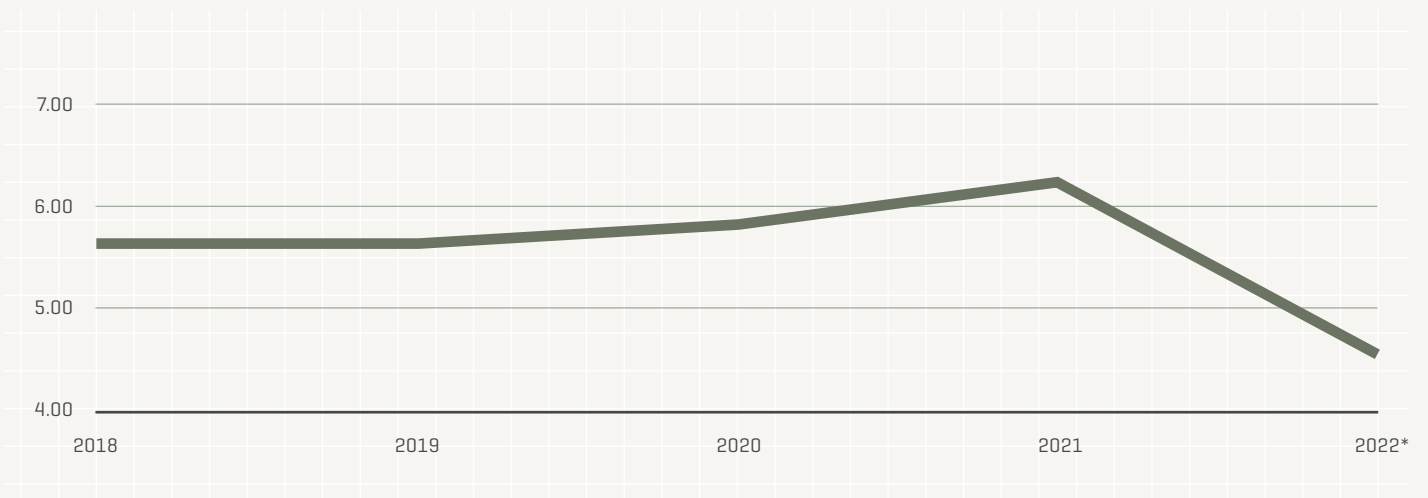
	NZO Emissions [tCO ₂ e]	TJs Sold	Intensity Factor [tCO ₂ e per TJ]
FY18	6,166	1,097.67	5.62
FY19	5,670	998.11	5.68
FY20	5,529	950.87	5.81
FY21	5,728	919.72	6.23
FY22*	15,601*	3,438.21	4.54

*These figures include emissions from the Amadeus Basin assets which are for a nine month period (aligned with the period we owned the assets), and are provided by Central Petroleum Limited as operator of those assets and are unaudited.

New Zealand Oil & Gas emissions exclude Cue Energy figures.



Intensity factor [tCO₂e per TJ]





Supporting tree planting

555 trees planted in 2023

545 in 2022



New Zealand Oil & Gas supported the tree planting by Te Nukuroa o Matamata, which is a project led by Te Runaka o Otakou to restore habitats and rejuvenate mahika kai (food gathering places) in the lower Taieri catchment.

The lower TaiEri catchment area is recognised as a precious refuge for threatened and endangered species of plants, fish and birds.

Te Nukuroa o Matamata project will:

- seek to reverse the negative effects of drainage, development, and adverse land use practices, the incursion of introduced species that have contributed to the degradation of water quality and the loss of wetlands and riparian vegetation and biodiversity in this catchment.
- create training and jobs over 3 years, focused on biodiversity enhancement through a range of wetland, river and riparian habitat restoration and protection works.
- connect people with traditional waterways and resources, and be a pathway of learning and skills development.
- Improve water quality through the restoration of native vegetation condition and healthy habitat;
- Reduce introduced pest plant and invasive weeds, and animal pest populations.

Tree's that count

Atarau Sanctuary

Our support helped Atarau Sanctuary to plant 270 trees in a sanctuary for kiwi chicks.

Atarau Sanctuary provides predator-free sanctuary for Paparoa Wildlife Trust's roroa (great spotted kiwi) chicks, which are hatched at Willowbank Wildlife Reserve and then put in the sanctuary until they are old enough to fend for themselves.

Atarau Sanctuary is the first land-based pest-proof crèche specifically for kiwi in the South Island and the only facility for roroa to take sanctuary until they are big enough to head out into the world. Since opening in 2010, Atarau has given sanctuary to 49 roroa chicks.

By planting this area in native plants it will replicate an environment that will be comparable to the wild environment in which the kiwi will be released.

Paparoa Wildlife Trust is a community conservation initiative dedicated to running effective conservation projects in the Paparoa Ranges near Greymouth.



"Support from organisations such as Trees that Count is really important for helping us create a safe transition for our young kiwis, and ultimately give them the best chance of survival."

Read more about Atarau Sanctuary

grow.treesthatcount.co.nz/planters/atarausanctuary/

Tomahawk/Smaills Beachcare Trust

Our support helped to plant 239 trees

Tomahawk Smaills Beachcare Trust's aim is to restore the habitat and biodiversity of the sand dune ecosystem in the Ocean Grove Reserve, and to provide long term protection to the Ocean Grove community against the threat of erosion.

Ocean Grove Reserve is a 28 hectare site of active sand dunes located approximately 6 kilometres from Dunedin city centre.

The Trust contributes to restoration through hands-on participation in nursery activities and native planting.

The Trust sustains local relationships across a diverse group of people by offering a positive opportunity to contribute to a common environmental cause.

Otago Fish & Game Council

Our support helped to plant 400 trees in a wetland area

Otago Fish and Game is a not for profit organisation charged with maintaining and enhancing sportsfish and gamebirds and their habitat.

Takitakitoa is an ongoing wetland restoration of significance. The planting programme, which is designed to convert a previously grazed area of the wetland back into native shrubland, has been running for 4 years.

Rain, hail or shine, nothing will stop the crew from completing their planting down at the Takitakitoa Wetland! With all this good quality habitat around, the place is teeming with life.



Read more about Otago Fish & Game Council

grow.treesthatcount.co.nz/planters/fishgamenewzealand/#funding





Supporting diversity



Proudly Rainbow inclusive

New Zealand Oil & Gas is proud to earn a Rainbow Tick and be a leader in our industry in accepting and valuing people in the workplace, embracing the diversity of sexual and gender identities.

The Tick certification process tests whether a workplace understands and welcomes sexual and gender diversity. The process involves an on-going quality improvement process.

Rainbow refers to people who identify as lesbian, gay, bisexual, transgender, takatāpui and intersex [LGBTQIA+]. Diversity Policy



Diversity statement

The Company is committed to an inclusive workplace that embraces diversity.

The Company values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives.

Diversity is about commitment to equality and treating all individuals with respect, and includes, but is not limited to, gender, age, disability, ethnicity, marital or family status, religion, sexual orientation, gender identity or expression, and cultural background.

The Company commits to recruiting from a diverse pool of candidates, who will be considered with no conscious or unconscious bias that might discriminate against certain candidates.

The Company's employment practices and policies take into account the domestic responsibilities of employees and adopts flexible work practices.

The Company supports the determination of self-identity by all employees including using the titles, names and pronouns of their choice. We seek advice from external organisations to appropriately support staff.

The board establishes measurable objectives for achieving gender diversity. The board may establish measurable objectives for other aspects of diversity, and assesses regularly both the set objectives and the progress in achieving them.

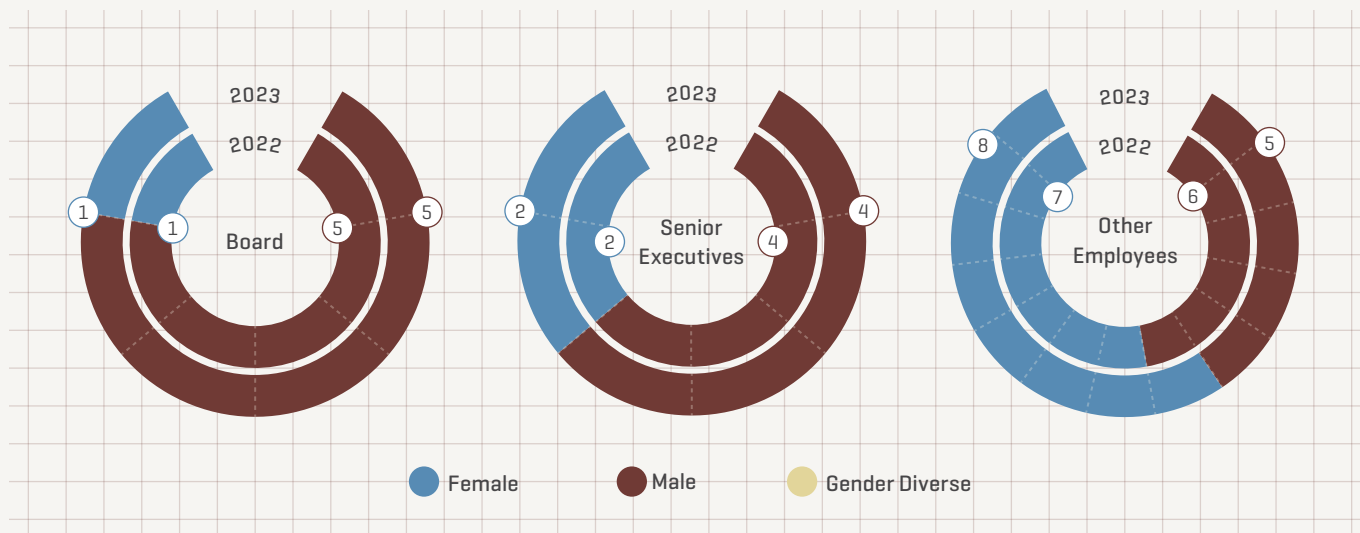
The Company's Diversity Policy is available here:

www.nzog.com/dmsdocument/download/490

Diversity Performance Metrics

Diversity Performance 2022-23

The following charts show gender diversity across the company (excluding contractors) as at 31 March 2023, and compares that to numbers as at 31 March 2022.



Compliance with the Diversity Policy

With respect to the provision of the diversity policy, the board has determined that the Company has complied with the policy.

Objective	Status	Progress
Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are continuing to evolve as needed	Achieved	<p>We have set up the Te Ata initiative to support and nurture the well-being of our team, which includes coaching, training, upskilling, resilience training, "conversations that matter" training, and a monthly book club. The Company was recognised with a wellbeing award by Vitae in appreciation of the Te Ata initiative.</p> <p>The CEO has committed to having lunch with every staff member to ensure that they are receiving appropriate opportunities for development and to understand how they feel about the organisation's performance. We have reviewed our policies to ensure that they do not impede our ability to maintain a diverse workplace. We have also created a flexible working guideline that complements our family-friendly and diversity policies [which can be found on our website]. Candidates have given positive feedback about these initiatives when we have recruited new team members.</p>
Providing talent management support for diverse and emerging leaders.	Completed and ongoing	<p>The Diversity Committee maintains a cultural calendar that celebrates events of cultural significance to our people, and we have integrated them into all staff gatherings and events.</p> <p>The Company participates in Diversity Works, offering staff opportunities to attend workshops, webinars, and networking events. This will continue in 2022-23.</p> <p>Job descriptions for leadership roles in the Company have been reviewed, and a job sizing activity is underway to determine appropriate benchmarks for resource allocation and equitable remuneration.</p>
Retain Rainbow Tick	Achieved	Review for re-accreditation is required and the Company was re-accredited.



Diversity Performance Targets for 2022-23

- Promote ongoing engagement with diversity initiatives, policies and guidelines to ensure they are evolving appropriately.
- Provide talent management support for diverse and emerging leaders.
- During any relevant board selection process, ensure at least one credible and suitably experienced female candidate is provided for consideration.
- Retain Rainbow Tick.



Sustainable Development Goals

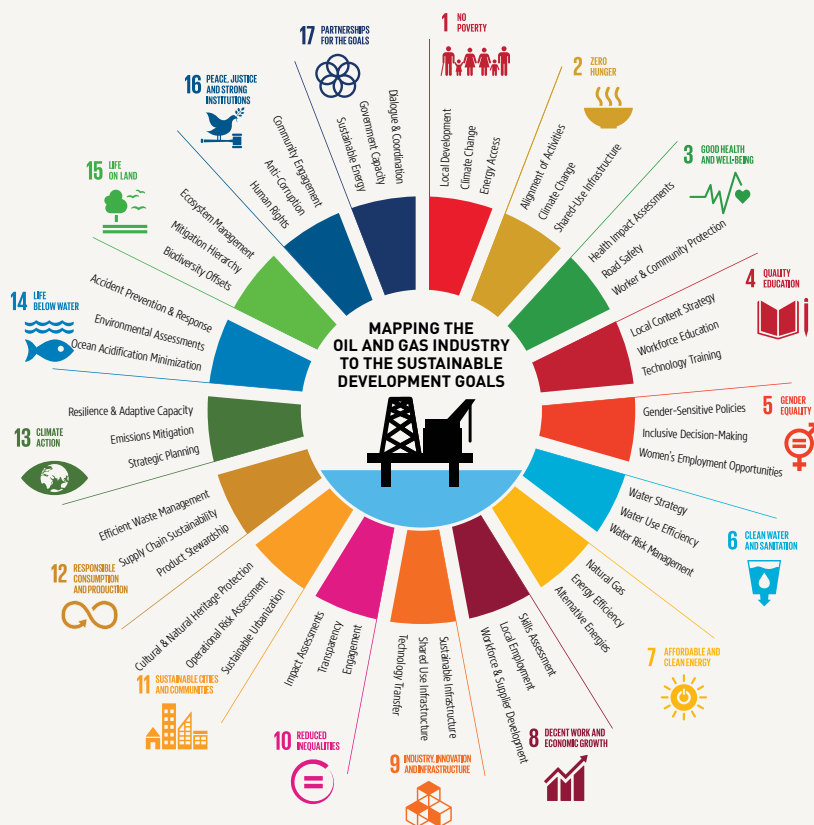
The UN's 2030 Agenda for Sustainable Development outlines the world's plan of action to end poverty, protect the planet, and ensure prosperity for all.

The Sustainable Development Goals (SDGs) recognize the provision of energy as a crucial element for achieving the 2030 agenda.

The SDGs serve as a framework for partnership between governments, society, and businesses, and 17 of these goals are relevant to our upstream oil and gas sector, particularly UNSDG7:

Ensure access to affordable, reliable, sustainable and modern energy.

Below, we have outlined our most significant contributions to the relevant SDGs



109201829 >

Mapping the SDGs to our activities



Natural gas helps to keep energy costs affordable and reduce energy poverty.

The Australian Competition & Consumer Commission’s [ACCC] latest gas inquiry report forecasts a supply shortfall of 30 petajoules [PJ] in Australia’s east coast gas market.

As a result of this shortfall, the regulator comments, “prices offered for supply on the east coast in 2023 increased sharply last year to the highest levels the ACCC has observed in the almost six years of its gas inquiry.”

Our production in the Amadeus Basin, located in Australia’s Northern Territory, provides direct supply into this market, helping to address the gas shortfall and applying downward pressure on prices.

The Australian energy regulator reports

<https://www.aer.gov.au/wholesale-markets/wholesale-statistics>

New Zealand gas pricing and supply

<https://www.gasindustry.co.nz/data/gas-pricing/>

In New Zealand, we sell gas from our interest in the Kupe gas field and production facility for electricity generation. The electricity markets and energy supply in New Zealand face constraints, and our production helps to reduce supply uncertainty and apply downward pressure on prices for households and consumers.

ACCC Statistics

<https://www.accc.gov.au>

The taxes and royalties we pay help the government fund essential social services.

Taxes and royalties paid	Six months to 31 Dec 2022 [NZD, 000s, unaudited]
Income tax	3,130
Royalties expense	2,198



We help to reduce poverty by supporting vulnerable families with their energy needs

We recognise that curtains can make a significant difference to the warmth of a home. In Dunedin, where cold homes are known to cause illnesses, we have purchased curtains for 140 households in need.

To reduce energy bills and alleviate hardship for vulnerable families, we proudly partner with the Dunedin Curtain Bank. Through this partnership, we up-cycle unwanted and unused curtains, line them, and distribute them to those in need. Our efforts have resulted in an average savings of \$170 per household per year, amounting to a total of \$23,800 saved for the households we have assisted through the Dunedin Curtain Bank.

December 2022 Half Year Financial Report

<https://www.nzog.com/dmsdocument/download/666>



The Company supports community health with important initiatives.

We support world class research at the Salk Institute for Biological Studies, which is undertaking revolutionary research into climate change, aging, cancer, neurodegenerative conditions and infectious diseases.

See more on page 44

We support healthy community with our sponsorship of healthy homes [see item 1 above].

Agricultural exports from New Zealand and Australia are crucial to meeting the world's need for food security. Affordable energy is crucial to agricultural production.



The Company supports the whole health and wellbeing of its staff.

Our Te Ata initiative provides support and nurtures the wellbeing of the team. This includes coaching opportunities, training, upskilling, resilience training, and more.

We prioritise safe operations and the health of our workforce. Staff incentives are directly linked to corporate health and safety performance.



The Company supports STEM education

We support students from the Wellington region in taking part in the annual EPro8 Challenge, an inter-school science and engineering competition.

Additionally, each year we sponsor awards at the Otago Science Fair to help students understand more about Earth science, energy efficiency, Mātaranga Māori, marine science, and more.



We are committed to an inclusive workplace that embraces diversity.

The Company is a participant in Diversity Works and staff have participated in workshops, webinars and networking opportunities. Pro-diversity initiatives have been actively promoted at all-staff meetings and morning teas and directly communicated to staff.

Flexible working arrangements are available, and several staff have long-term flexible working arrangements. The success of working from home during the pandemic has enabled increased use of flexible working arrangements.

A flexible work guideline has been drafted, which is a set of practices and undertakings.

Staff have access to, and make use of, family sick leave.

Car-parking is allocated to assist a staff member with commuting requirements which may be determined by childcare requirements

More information about diversity and our diversity performance is presented on pages 33-35.

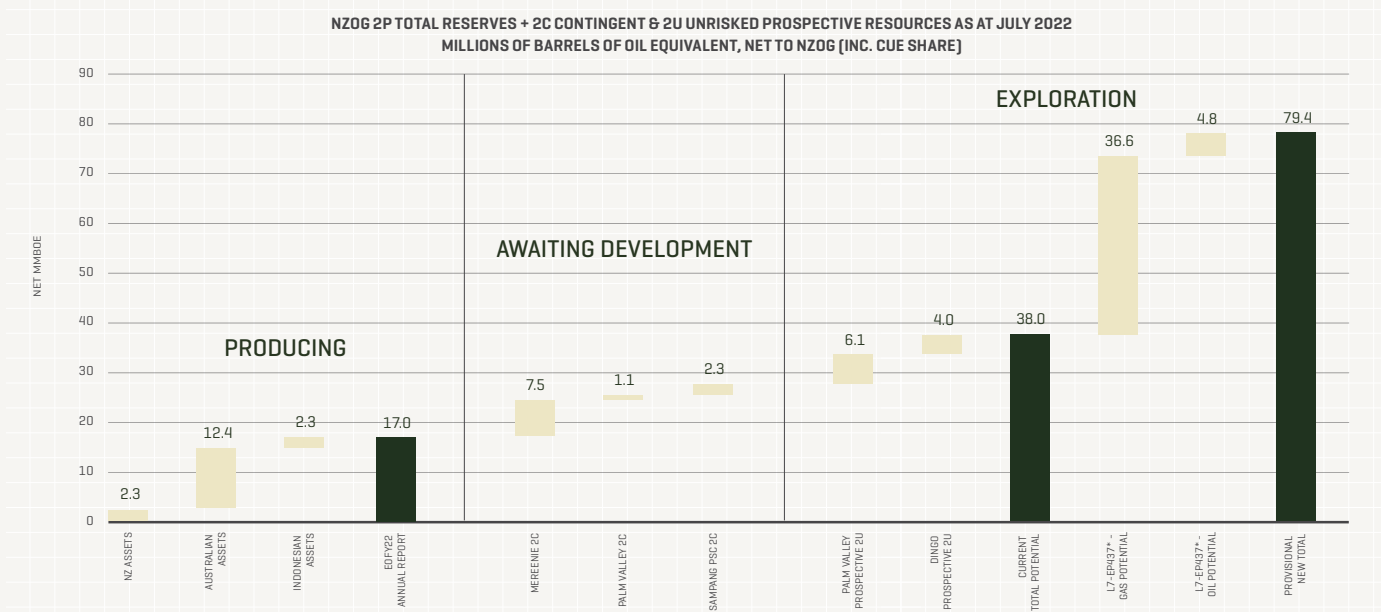
Read our health and safety policy

 www.nzog.com/dmsdocument/492



Our production helps support an affordable, renewable energy system

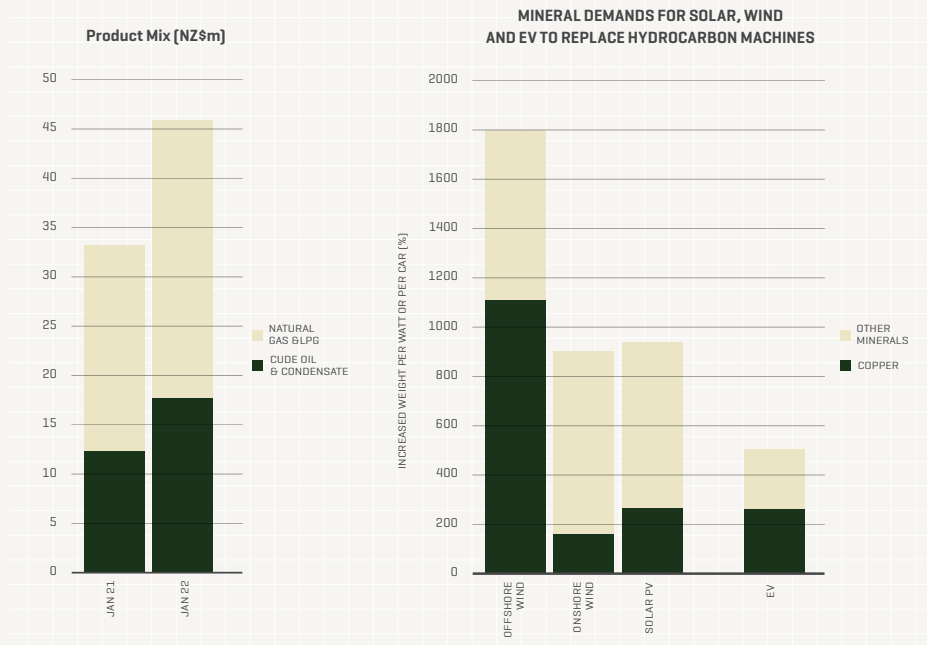
Further production and reserves are detailed in our annual report and production is updated quarterly. See item 1, above, for discussion of how our production helps to make energy more affordable.



Our products are needed in the transition.

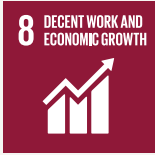
Our products are necessary in the transition to a more sustainable energy future. Our production mix is primarily focused on natural gas, which is predominantly sold into markets where it supports renewable energy generation.

Furthermore, oil and gas are essential for mining production. The minerals required in the energy transition cannot be mined without these resources. Therefore, they play a critical role in enabling the transition to occur.



See the latest figures here

<https://www.nzog.com/investor-information/company-reports>



Our work is well paid and supports economic development

Regional communities benefit the most from the onshore gas industry, with new jobs and infrastructure creating stronger and diversified regional economies.

Many oil and gas jobs and investments are based in rural and regional towns, which provide a range of benefits, including upskilling and educational opportunities, as well as creating stronger, more resilient local communities.

Regions of Australia and New Zealand where our industry is active have some of the highest GDP per capita in the country and make significant contributions to GDP.

New Zealand Oil & Gas plans a substantial programme of economic investment to sustain and grow its production in 2023 and 2024.

EXPECTED CALENDAR YEAR 2023

EXPECTED CALENDAR YEAR 2024

Quarter	Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Mereenie				Recompletes						Development Wells														
Dingo													Compression Project											
Kupe										Development Well														
Mahato PSC	Ongoing Development Drilling & Exploration Well BA-01																							
L7 Proposed*													2x Exploration Wells											
EP437 Proposed*																			Exploration Well					



The company’s approach to sustainability and climate are set out above on pages 14-31.

New Zealand Energy Resources
<https://www.energyresources.org.nz/dmsdocument/16>

Australia Energy Resources
<https://www.appea.com.au/industry/policy/co-existence/>



Social and community initiatives



Supporting world class life science

New Zealand Oil & Gas financially supports the Salk Institute, home to scientists who delve into research areas, from aging, cancer and immunology to diabetes, brain science and plant biology.

The Salk Institute for Biological Studies is undertaking revolutionary research into climate change, aging, cancer, neurodegenerative conditions and infectious diseases.

The Salk Institute's renowned and award-winning scientists explore the very foundations of life, seeking new understandings in neuroscience, genetics, immunology, plant biology and more.

Addressing Climate Change – With Plants

New Zealand Oil & Gas specifically supports the Salk Institute’s Harnessing Plants Initiative.

Plants are the original carbon scrubbers, removing CO₂ from the atmosphere and storing it in their biomass. Unfortunately, this carbon storage is often temporary. When crops and other plants die and decompose, much of that carbon returns to the atmosphere.

HPI is an innovative approach that relies on Earth’s existing carbon storage mechanisms to help solve climate change. To keep more carbon in the ground, and store it in long-lasting roots, Salk scientists are developing a new generation of crop and wetland plants.

HPI plans to develop traits of interest—roots with greater mass, depth, and decomposition-resistant suberin content—in model plants and then transfer them to food crops such as corn, soybeans, rice, wheat, cotton, and canola.

HPI is comprised of two programs: CRoPS [CO₂ Removal on a Planetary Scale], which aims to develop crops called Salk Ideal Plants® that can store more carbon in the ground for longer; and CPR [Coastal Plant Restoration], which is working toward genetically informed restoration and preservation of the world’s wetlands, which act as significant carbon sinks.



CO₂ Removal on a Planetary Scale

The CO₂ Removal on a Planetary Scale [CRoPS] project is developing Salk Ideal Plants, which puts CO₂ in the ground and keeps it there.

The key is suberin, a plant tissue that loves carbon and is already found in roots. By increasing root mass, depth and suberin content, Salk researchers will transform wheat, rice, corn and other crops into carbon-storing machines. In addition, more ground carbon means farmers benefit from improved soil health.



Coastal Plant Restoration

Wetlands store as much as 100 times more carbon per acre than dry land, but they’re disappearing fast.

As they erode, wetlands release carbon, further complicating the climate picture. Salk’s Coastal Plant Restoration [CPR] project is developing wetland plants that hold carbon, purify water, preserve land and can thrive in challenging environments around the world.

Find out more here

<https://www.salk.edu/harnessing-plants-initiative/>

Our Communities

Taking action through our Joint Ventures

New Zealand Oil & Gas is a joint venture partner in producing assets, but we don't operate those assets. We support the communities where we have an interest by supporting the joint venture operator's socially responsible relationships.

In our Amadeus Basin, Australia and Kupe Taranaki, New Zealand assets, operators [Central Petroleum and Beach Energy respectively] maintain quality relationships on behalf of the JV with local communities, businesses, landowners and Indigenous people.

Supporting the local economy

New Zealand Oil & Gas supports JVs buying goods and services locally wherever possible and encouraging contractors to do the same. Both operators support for local business through procurement processes on behalf of the joint ventures.

In the Amadeus Basin, the JV operator employs locals and maximises the number of staff who can commute daily from their homes in Alice Springs. It trains and employs Indigenous staff from the land where our assets are located. Fly-In-Fly-Out workers are engaged only where specialist skills or resources are not available. Last year, 3 traditional owners were in apprenticeships. 30 per cent of the workforce is Indigenous.

Being a good neighbour

New Zealand Oil & Gas supports its JVs to be neighbourly, respect landholder rights and ensure farming, family living and asset operations can continue side-by-side. Operators take time on behalf of the JV to understand agricultural operations and how our operations affect local living. They work with land holders on the location of infrastructure.



Helping out the community

In Taranaki, Beach's community investment programme on behalf of the Kupe joint venture funds community-led initiatives that build resilience, empowerment and positive change. Last year the operator engaged extensively with community investment partners and grant recipients about community benefits. Outcomes of that review are being put into practice in 2023.

On behalf of the JV, the operator created a new Maori playground at Manaia School to support learning through play and cultural values.

It made a \$30,000 donation to support charities that help people in need, in lieu of the traditional end of year gatherings. \$5,000 was donated towards the Roderique Hope Trust's Operation Blue Santa Taranaki, a community project run by Roderique Hope Emergency Housing Trust in collaboration with the New Plymouth Police Family Harm Team. It provides Christmas food baskets for families at Christmas time.

In the Amadeus Basin the operator supported local groups through donations and sponsorship, with priority given to initiatives that support capacity building and social benefits for communities. Projects supported were:

Community	Organisation	Support
Alice Springs	Alkamilya Women's AFL Club	Player and team registration fees
Hermannsburg	Western Bulldogs Men's AFL	Player and team registration fees
Alice Springs	Cruisers Basketball – Ladies Team	Player and team registration fees
Hermannsburg, Kings Canyon, Areyonga and Papunya	Australian Children's Charity	Arts and reading tuition – remote communities
Kintore	Finke River Mission	Kintore Church operations for 12m
Alice Springs	Pioneer FC	Registrations and player fees
Alice Springs	Souths AFL	Registrations and player fees
Ilpurla [South of Palm Valley]	Ilpurla Community	Emergency firefighting breaks, diesel and tyres
Alice Springs	Alkamilya Women's AFL Club	Jerseys

Working with traditional custodians

New Zealand Oil & Gas supports mutually beneficial relationships with mana whenua and traditional custodians of the lands where our assets are located.

In our Northern Territory asset, the operator works with Traditional Owners and Land Councils to protect heritage sites and ensure workplaces are culturally aware. Community meetings are held each year (and periodically during the year as required) with traditional owners to discuss needs in the community, JV operations and its future plans.

In New Zealand, the operator arranged cultural awareness training organised for team members to create a culturally safe environment. The sessions were delivered by local Indigenous business Tainuku Limited.

The Kupe Production Station operation involves local hapū and iwi in site visits and emergency training exercises.

The Kupe Phase 2 Development inlet compressor project included management of archaeological features. First Aid training was provided with Ngāti Manuhiakai hapū at Te Aroha marae. The Kupe P2D drilling program has included hapū and iwi in reviewing marine consent applications, and cultural impact assessments.

Partnership in practice

As ahi kā in the Kupe rohe, Ngāti Manuhiakai kaitiaki have connections to the land, the people and history.

During the operator's 2022 Kupe annual loss of containment exercise an invitation was extended to Ngāti Manuhiakai hapū chairperson to attend and take part.

This exercise ensures the operator is compliant with emergency response procedure, identifies learning outcomes, tests equipment providers, and ensures communications information is ready.

In advance the hapū chairperson reviewed the Offshore Spill Response Plan, providing valuable feedback. The chairperson played an active role in the scenario, staying in the emergency response room and was involved for the duration of the scenario.

It was a valuable experience for everyone involved in sharing information and giving confidence about systems and processes.

GRI content Index

Location key:
 SR = this Sustainability Report
 AR = 2022 NZO Annual Report

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	SR p48 AR p30
	2-2 Entities included in the organization's sustainability reporting	SR p6
	2-3 Reporting period, frequency and contact point	Annually. Enquiries@nzog.com
	2-4 Restatements of information	Nil for this report
	2-5 External assurance	Nil for this report
	2-6 Activities, value chain and other business relationships	SR pp8-11 AR Segment note 3, p70
	2-7 Employees	SR p35
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	AR pp30-35 and pp38-46
	2-10 Nomination and selection of the highest governance body	AR p45
	2-11 Chair of the highest governance body	AR p31
	2-12 Role of the highest governance body in overseeing the management of impacts	AR pp38-46
	2-13 Delegation of responsibility for managing impacts	AR pp40-41
	2-14 Role of the highest governance body in sustainability reporting	SR pp20-21
	2-15 Conflicts of interest	AR pp34-35, 37 and 46
	2-16 Communication of critical concerns	Whistleblower policy: https://www.nzog.com/dmsdocu-ment/download/643
	2-17 Collective knowledge of the highest governance body	AR p46
	2-18 Evaluation of the performance of the highest governance body	AR p41
	2-19 Remuneration policies	AR pp59-60
	2-20 Process to determine remuneration	AR pp44, 59-60,
	2-21 Annual total compensation ratio	N/A
	2-22 Statement on sustainable development strategy	SR pp38-42
	2-23 Policy commitments	SR pp24-25 and https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-24 Embedding policy commitments	https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-25 Processes to remediate negative impacts	SR pp32-35

GRI STANDARD	DISCLOSURE	LOCATION
	2-26 Mechanisms for seeking advice and raising concerns	https://www.nzog.com/investor-information/shareholders-information/corporate-governance/?start=0
	2-27 Compliance with laws and regulations	Code of Business Conduct and Ethics https://www.nzog.com/dmsdocument/download/642
	2-28 Membership associations	SR p18
	2-29 Approach to stakeholder engagement	SR p16
	2-30 Collective bargaining agreements	N/A
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR pp16-17
	3-2 List of material topics	SR p17
	3-3 Management of material topics	SR pp18-19 and 24-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	pp 14-15 and Half Year report https://www.nzog.com/dmsdocument/download/666
	201-2 Financial implications and other risks and opportunities due to climate change	SR pp26-27
	201-3 Defined benefit plan obligations and other retirement plans	N/A
	201-4 Financial assistance received from government	Nil
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	100%
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	pp41-42
	203-2 Significant indirect economic impacts	pp41
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	N/A. Capturing Local Economic Benefits Policy https://www.nzog.com/dmsdocument/download/486
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Code https://www.nzog.com/dmsdocument/download/642
	205-2 Communication and training about anti-corruption policies and procedures	Code https://www.nzog.com/dmsdocument/download/642
	205-3 Confirmed incidents of corruption and actions taken	Nil incidents
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Nil
GRI 207: Tax 2019	207-1 Approach to tax	AR pp74-75
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Emissions reported SR pp30-31

GRI STANDARD	DISCLOSURE	LOCATION
	302-2 Energy consumption outside of the organization	Emissions reported SR pp30-31
	302-3 Energy intensity	Emissions reported SR pp30-31
	302-4 Reduction of energy consumption	Emissions reported SR pp30-31
	302-5 Reductions in energy requirements of products and services	Emissions reported SR pp30-31
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	N/A
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	SR pp32-33, 44-45
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR pp30-31
	305-2 Energy indirect (Scope 2) GHG emissions	SR pp30-31
	305-3 Other indirect (Scope 3) GHG emissions	N/A
	305-4 GHG emissions intensity	SR pp30-31
	305-5 Reduction of GHG emissions	SR pp30-31
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	N/A
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	N/A
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR pp34-35
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	401-3 Parental leave	SR pp34-35
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health & Safety Policy https://www.nzog.com/dmsdocument/download/492
	403-8 Workers covered by an occupational health and safety management system	100%

GRI STANDARD	DISCLOSURE	LOCATION
	403-9 Work-related injuries	Nil
	403-10 Work-related ill health	N/A
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	N/A
	404-2 Programs for upgrading employee skills and transition assistance programs	SR p40
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR pp34-35
	405-2 Ratio of basic salary and remuneration of women to men	N/A
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Nil
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Nil
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Nil
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Nil
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR pp46-47
	413-2 Operations with significant actual and potential negative impacts on local communities	Nil
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	N/A
	414-2 Negative social impacts in the supply chain and actions taken	N/A
GRI 415: Public Policy 2016	415-1 Political contributions	Nil

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