

Dr Terrence Loomis  
loomistm@yahoo.com



19 December 2017

Dear Sir

**RE: OIA 2017-18-8 – NZTE Partnership with NZOG in Barque Prospect EIA**

Thank you for your email of 3 November 2017 received by New Zealand Trade and Enterprise (NZTE) concerning an Official Information Act 1982 request. You requested the following information:

*Recently, New Zealand Oil & Gas released a June 2017 report by consultancy firm Martin Jenkins Associates entitled 'Barque Field Development Economic Impact Assessment'. The Introduction to the report (p. 11) begins with the following statement:*

*"The Barque field is a promising oil and gas prospect in the Canterbury Basin off the coast of Oamaru. MartinJenkins has been engaged by New Zealand Oil & Gas (NZOG), in partnership with New Zealand Trade and Enterprise and Beca, to undertake an economic impact analysis for the development of the Barque field under two possible scenarios."*

*I would like to know/receive the following information:*

- 1. A copy of any instrument setting out the partnership arrangements for the EIA project (e.g. a contract, letter of agreement, memorandum of understanding or other instrument).*
- 2. What were the governance arrangements regarding the execution of the EIA study and report?*
- 3. What was the approximate total value of assistance, support, meeting attendance, travel and advice provided by NZTE to NZOG and Beca in regard to the EIA report?*
- 4. How does this partnership arrangement accord with the purposes of NZTE and the services it provides?*
- 5. I would like to request copies of the salient correspondence, emails, meeting notes that are in regards to NZTE and NZ Oil and Gas' partnership and engagement of NZTE for the EIA project. NZTE will provide the relevant documents, instruments (application and agreements) and correspondence in regards to this. Therefore, you **do not** require draft copies of any reports, agreements or applications, invoices or correspondence that is not within scope of this.*

Please find attached the information you have requested.

In response to item 1 and 2 – Please see Appendix One and Two – NZOG Strategic Fund Application and Funding Agreement respectively.

In response to item 3 – NZTE is unable to quantify the value of meeting attendance, support and advice provided by NZTE to NZOG and Beca in regards to the EIA report, however NZTE provided NZOG with \$48,700 in support of the EIA report. NZTE did not undertake any travel for this project.

In response to item 4 – NZTE supports companies to encourage regional employment opportunities. This study investigated what jobs would be created from bringing gas to shore in the South Island and assessed with the economic impact would be.

In response to item 5 – Please see Appendix Three – salient NZTE correspondence and meeting notes in regards to NZTE and NZOG's partnership and engagement of NZTE for the EIA project.

Some information has been withheld and redacted under the following sections:

- 9(2)(1) of the OIA – to protect the privacy of natural persons
- 9(2)(b)(ii) of the OIA – as releasing would be likely to unreasonably prejudice the commercial position of the subject of the information
- 9(2)(ba)(i) of the OIA – protecting information which is subject to an obligation of confidence as the making available of the information would be likely to prejudice the supply of similar information
- 9(2)(f)(iv) of the OIA – protecting the confidentiality of advice tendered by officials
- 9(2)(g)(i) of the OIA – protecting the free and frank expression of opinions by members of an organisation and/or employees of any organisation in the course of their duty

In making the decision to withhold some of the information, we have considered the public interest under section 9(1) of the Act.

This response fully covers the material you requested. You have the right under section 28(3) of the Act to seek an investigation and review from the Ombudsman about the decision to refuse some of your request. The contact details are:

Office of the Ombudsman  
PO Box 10 152  
Wellington 6143

Yours sincerely



Marcus Scoliege  
**DIRECTOR – MINISTERIAL**

## APPENDIX ONE – STRATEGIC INVESTMENT FUND APPLICATION

<b>Applicant</b>	New Zealand Oil & Gas (on behalf of the Clipper Joint Venture with Beach Energy)
<b>Postal address</b>	PO Box 10725, Wellington New Zealand 125 The Terrace, Level 20
<b>Contact persons</b>	Daniel Leeman (New Zealand Oil & Gas)
<b>Contact numbers</b>	S9(2)(a)
<b>Email</b>	<a href="mailto:Daniel.leeman@nzog.com">Daniel.leeman@nzog.com</a>

### A EXECUTIVE SUMMARY

New Zealand Oil and Gas Ltd. (NZOG) are currently commencing a study with their Joint Venture (JV) Partner, Beach Energy, aimed at investigating the potential economic outcomes of a major oil and gas discovery in the Canterbury basin, South Island, New Zealand. This study is an important part of the JV's decision making process regarding either committing to a drilling program or relinquishing the permit. A key part of this decision-making process is the potential to attract co-investment from overseas major oil and gas exploration and production companies who may see Canterbury as a new exploration area and make a country entry into New Zealand.

Further, the study is aimed at laying out the economic impacts of a range of potential engineering development scenarios on the local, regional and national economies. This is both in terms of investment of new businesses within the study areas as well as in terms of potential for job creation.

A total investment of NZ\$95,000 to NZ\$120,000 is envisaged for the project, therefore the application is seeking the contribution funding of NZ\$48,700 from NZTE.

This funding, if provided, will assist in the funding of the key engagement and analysis phases and will effect a step change in the project, both in terms of the breadth and depth of the potential study participants (allowing more potential overseas and domestic-based partners) and also in terms of the detail and utility of the analysis parameters that would otherwise not be possible under the existing budget.

Letters of support from potential participants in this study (Fonterra, PrimePort (Timaru) and Methanex NZ Limited) are included as appendix A to this application. We are also hopeful of further letters of support (e.g. from Ravensdown).

### B OPPORTUNITY/PROJECT/STUDY/INVESTMENT ACTIVITY

#### Project/investment activity

- *The impact it will have on your business – market/growth potential, capability*

Ultimately the overall exploration project is aimed at discovering and monetising a significant oil and gas resource in the Canterbury Basin, offshore South Island, New Zealand. In summary, opportunity has the potential to hold:

- Over 5 Trillion Cubic Foot (Tcf) of gas condensate in place in a single geological reservoir
- This is approximately the same size as the massive Maui field which has been producing oil, gas and LPG since the 70s
- Potential for multiple, independent horizons to contain a mean combined resource of 11Tcf
- This is more than double the size of Maui
- The nature of the fluid allows the possibility to tailor to either a liquids-focused production scheme (gas recycling) and / or production to shore (gas, LPG and condensate production (as in the Maui field)

The impact of finding this much hydrocarbons on NZOG's business would be transformational, both in terms of who we are as a company and our valuation. Currently NZOG has a share price of 0.65C, a discovery and potential development in Canterbury would be transformational for the share price.

NZOG has made some general assumptions in assessing the economics of the prospect thus far. The two development options offer very different business development and export market opportunities for NZ businesses but are broadly seeking to assess the impact of a US\$3.5-5.5 billion capital investment to yield 740-870 million barrels of oil equivalent recovered resource.

In the gas-recycling case:

- The operation will be largely offshore focused
- Logistical & Support businesses would be onshore to that operation
- Product sales (condensate) directly to international markets via offshore equipment and vessels.

In the gas-to-shore case:

- Large scale on-shore and off-shore operations
- Potential for mix of sales to both domestic and international markets
- More significant potential for support-business growth in the South Island.

In assessing the viability and attractiveness of one or both options, NZOG are seeking to conduct a far more detailed impact assessment of each of the options, leveraging the experience and inputs of all of the study participants. While there are impacts on NZOG's business from the different options in terms of risk, profitability and viability, the benefits to the region and New Zealand Inc in terms of additional investment, tax, GDP, employment, royalties and exports increase under different scenarios. These broader benefits are the reason a number of other participants are engaged in this project.

In the gas-recycling case there is a level of capital investment and then ongoing operational activity to support the offshore development. However, in bringing the gas to shore, the level of capital investment and ongoing economic activity increases significantly. This economic activity can be quantified in terms of additional investment, employment, GDP, royalties and exports.

As evidenced in Taranaki, through the Wealth Beneath our Feet reports<sup>1</sup>, the additional benefits of bringing gas to shore can be significant. The Barque prospect is of a similar size to the Maui discovery, with the potential to be twice the size. The availability of this level of gas opens up a range of investment opportunities and uses.

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<sup>1</sup> "The Wealth Beneath Our Feet", Venture Taranaki, March 2015, Available from <http://www.taranaki.info/news/files/1405.pdf>

The industry in Taranaki employs over 7,000 people and contributes \$1.6 billion to regional GDP. Although Taranaki is at a different level, having a long history of extraction and a developed local energy sector, it does provide an idea of the significance of the Barque discovery on the regional economy. The analysis would consider the employment and GDP impacts during the construction and operation phases at a regional and a national level under each of the scenarios. There are also broader national benefits in bringing gas to shore in terms of exports and royalties. These would also be explored as part of the analysis.

We would look to compare the potential of the alternate development scenarios to be considered as:

Scenario	Recoverable Volumes	Investments \$ million	Jobs (FTEs)	GDP	Royalties	Exports
Gas Recycling, offshore Focus	515 million barrels of condensate	\$5,600, offshore XXX onshore	<i>To be revealed by the study, as information is gathered and proposals are assessed.</i>			
Gas-to-shore, pure petrochemical focus	3.5Tcf of gas 290 million barrels of condensate	\$3,500 offshore XXX onshore				
Gas-to-shore, cornerstone gas buyer plus diverse business exposure	3.5Tcf of gas 290 million barrels of condensate	\$3,500 offshore XXX+ onshore				
Multiple-Horizon success, LNG Development*	4.8Tcf of LNG-conversion gas 600 million barrels of condensate 8,500 tonnes of LPG	\$7,700 offshore? \$13,000 onshore?				

\*this option will receive a more high level approach due to the relatively lower likelihood of occurrence at this stage of the exploration process.

#### **Purpose, anticipated outcomes and objectives**

The study is aimed at providing an in-depth review of the economic impact of a Barque development on the South Canterbury and Otago regions of New Zealand as well as to New Zealand as a whole. Specifically, to:

1. Identify, coordinate and engage the likely key stakeholders from the relevant industrial (support and end-use) sectors;
2. Conduct an economic assessment of a large-scale development in the offshore Canterbury basin; and,
3. Outline the impact of the various development options for a Barque success (discovery) case primarily in terms of regional / national economics and Full-Time Equivalent (FTE) Employment metrics.

Martin Jenkins Consulting will be tasked with generating the key report deliverable which will summarise the inputs, assumptions, analyses and conclusions. NZOG will also produce an over-arching contextual report.

Subsequent, future, studies may be conducted to delve into a deeper level of analysis (in terms of the precision and breakdown of the inputs) and the results of this study will also be heavily relied upon in the community engagement phase as part of the permitting applications necessary if a well commitment is made prior to and a well is ultimately drilled.

New Zealand Petroleum & Minerals are also seen as key stakeholders and will be kept informed of the study objectives and progress throughout (primarily through S9(2)(a) and / or S9(2)(a)).

This study will also be shared with the JV venture at a relevant Operating Committee Meeting (OCR) and with the NZOG board. Evidence of such discussions can be provided in the future. Subject to progress, it is also planned to include some heading numbers / conclusions in a talk by Chris McKeown (of NZOG) at the upcoming Petroleum Conference in New Plymouth in March 2017.

**Key activities, milestones and deliverables**

Phase / date	Activity	Deliverable
<b>1. Engagement &amp; Scoping</b>	BECA facilitate engagement Develop partnerships Agree scenarios to be assessed Engagement Mapping	Letters of support from key potential stakeholders / study participants, including for example <ul style="list-style-type: none"> <li>• Methanex</li> <li>• Port of Timaru</li> <li>• Ravensdown</li> <li>• Fonterra</li> </ul> Develop a live engagement map
<b>2. Detailed Assessment</b>	MartinJenkins to develop Economic Models Align Inputs	Final assessment numbers with a draft report (ToC)
<b>3. Documentation and report</b>	NZOG to develop context report Sharing of results and implications Incorporation into corporate models and strategy	Final Reports <ul style="list-style-type: none"> <li>• Summary file note from BECA (any lessons learned)</li> <li>• Detailed MJ report</li> <li>• Overarching report and context by NZOG</li> <li>• Final Report to be delivered April 2017</li> </ul>

The provision of the letters of support will (and do) act as a demonstration of the commitment of downstream potential industry partners to provide technical and / or commercial data and the investment of time for the purposes of enhancing this study and it's outputs.

**Identified risks and mitigation strategies**

Risk	Mitigation
No improvement in quality of input assumptions	Specificity of the engagement / agree scope so as to provide the preferred outputs required by main stakeholders Involvement of core study participants plus others

Wellington company making assumptions about South Canterbury	Involve members of local agencies Feed this into a wider engagement process once concluded Leverage of historical data / experience from the Taranaki region
Tight timeline	Driver is to have this form part of the JV decision process on committing to the well, requiring draft numbers by 31/3/2017 and reports in April. Maintain schedule focus. Employ consultant (BECA) to assist in managing scope without compromising quality. Delivery of inputs to MartinJenkins in a timely manner.

## C BUSINESS

### **Ownership, governance, and management**

Some relevant info on New Zealand Oil and Gas Ltd. (NZOG):

- New Zealand's largest listed exploration and production company
- Andrew Jefferies recently appointed (Dec-2016) as CEO
- Roger Findlay (Akaroa-based) acts as Chairman of the board
- Joint Venture participants include Australian listed company Beach Energy (50/50)
- Recent sale of Kupe asset interest leading to a shift in strategic focus into further investment opportunities in New Zealand and abroad.

### **Brief profiles of key people – shareholders, directors, key managers – with their roles and experience.**

#### **Rodger Findlay (Chairman of the board)**

Rodger Findlay joined the board of New Zealand Oil & Gas in February 2012. Rodger has more than thirty years' experience in the financial services industry including senior investment banking and funds management positions with major institutions, specialising in the global natural resource sectors. Rodger has a Bachelor of Commerce (Accounting and Finance) from the University of Otago. He is a Fellow of Chartered Accountants Australia and New Zealand, and a Chartered Fellow of the Institute of Directors. He is a Governor of Radio New Zealand, Chairman of Mundane Asset Management, Deputy Chairman of Rural Equities Limited, and a director of Moeraki Limited.

#### **Andrew Jefferies (Chief Executive)**

Andrew Jefferies started his career with Shell in Australia after graduating with a BEng (Mechanical Hons) from the University of Sydney in 1991. He has worked in Australia, Germany, the United Kingdom, Thailand and Holland, in Operations and Petroleum Engineering - gaining an MBA (technology management) from Deakin University in Australia, and an MSc (Petroleum Engineering) from Heriot-Watt University in Scotland. He joined Austrian Company OMV in New Zealand in 2007 and took up his first role with New Zealand Oil & Gas in early 2013 as VP & GM, Exploration & Production before becoming the company's Chief Executive in 2016. Andrew is also a Graduate of the Australian Institute of Company Directors (GAICD).

#### **Dr Chris McKeown (Vice President Exploration and Production)**

Chris McKeown joined NZOG in 2012 as Business Development Manager and now manages NZOG's portfolio of assets outside New Zealand. During his 18 year career Chris has held a number of key strategic roles, including: CEO of a start-up oil company; Asset Manager of a producing oil field and



General Manager of a gas exploration company. Chris moved to New Zealand in 2002 after working in Business Development and Reservoir Engineering in the UK and holds both an Honours Degree and PhD in Geology.

***Daniel Leeman (Senior Reservoir Engineer)***

Daniel joined NZOG in 2014 with a focus on assessing and advising on engineering aspects across NZOG's non-operated and operated portfolio in exploration, appraisal and development studies. In the past Daniel has held Reservoir and Drilling / Well Engineering roles with ConocoPhillips, Senergy Energy Services and Talisman Energy. Daniel is a Chartered Engineer with Institute of Professional Engineers of New Zealand and holds Masters degrees in Petroleum and Mechanical Engineering as well as Diploma in Business Management. Daniel is also an active member of the Society of Petroleum Engineers, Association of International Petroleum Negotiators and the Royal Society of New Zealand.

***JV representatives – Beach Energy***

Beach Energy is an ASX-listed oil and gas exploration and production company with a diversified oil and gas focus. It is recognised as Australia's largest on-shore oil producer, with a major gas business with a strategic infrastructure well positioned to service demand in the Australian market. Its core operations are in the Cooper and Eromanga basins, primarily providing product for the growing LNG export market. In addition, Beach is actively pursuing growth opportunities within Australia and New Zealand (having existing interests in the Taranaki and Canterbury basins).

***Brian Souness (BECA, Segment Manager – Oil & Gas)***

Brian has 30+ years project management experience in oil and gas, energy, and engineering related businesses, having held many senior positions for British Gas internationally, before moving to New Zealand in 1997.

He was Chief Executive of Engineering Taranaki Consortium (ETC) whose primary focus was business development, new product development, delivering collaborative projects, and health and safety. He was responsible for the development of New Zealand's first Health and Safety Training Centre and the subsequent BeSafe Taranaki CEO forum (he is currently on the board of trustees).

Brian has been involved in several government assisted funding initiatives – Project Director for the Centre of Applied Engineering NZ (CApENZ) - Taranaki's Major Regional Initiative, and Project Director for the National Project Office. His present position is Oil and Gas Segment Manager for BECA in New Zealand and the Islands. Brian holds an Honours Degree from Napier University, Edinburgh.

***Jason Leung-Wai (Martin Jenkins, Senior Consultant)***

Jason has 20 years' experience in regional economic development, economic impact analysis, scenario development and forecasting, policy and industry analysis. He previously worked at the Ministry of Economic Development (now the Ministry for Business, Innovation and Employment) and has been in private economic consulting for over 12 years. Jason is very familiar with the energy sector, having completed a number of projects including: leading the reports on the economic impact of the oil and gas industry on Taranaki and New Zealand (Wealth Beneath Our Feet and Wealth Beneath Our Feet: Next Steps); analysing the economic impact of expanding Methanex operations in the Taranaki region; and assessing the regional economic impact of a new oil or gas field for the Ministry of Economic Development. Jason holds a Masters degree in economics (MBS) from Massey University, a Bachelors degree in Economics/Finance (BBS) from Massey University and a Graduate Diploma in Economic Development from AUT.



- ***The existing capability of the business to handle the new opportunity. Specific and immediate capability gaps and constraints that would slow down the exploitation of the opportunity without NZTE assistance.***

Though NZOG has already commissioned the impact assessment to be conducted, decisions will be made along the way as to the level of detail sought in terms of the number and variety of engaged parties, technical inputs and further detailed analysis.

The funding from NZTE, if granted will effect a step change in the project in terms of the breadth and depth in all three areas, i.e. allowing:

- Wider engagement with further key overseas and domestic partners (see engagement map in Appendix B)
- More time to be invested in scoping out the pertinent input parameters (level of expenditure and where that expenditure is incurred) and
- Subsequently improving the specificity, quality and utility (for NZTE, NZOG and study participants) of the analysis outputs.

NZTE's involvement will also provide an opportunity to leverage further contacts, demonstrate wider NZ involvement, giving the study a wider scope and being more useful.

- ***Overall capability gaps in the business and capability enhancements that would assist the company's ongoing development.***

Though this study is to be completed in the short-term (by end April 2017) the wider project clearly has a longer-term view of energy supply, job and wealth creation in the South Island.

As part of the long-lead to this opportunity, conducting the study assists in:

- Making the April 2018 drill or drop decision for the Joint Venture
- Making this decision more well informed, through the increased specificity of the economic impact assessment
- Assisting the JV in attracting investment from overseas companies looking at Clipper as a potential country-entry opportunity

- ***The existing activity/ product range***

Currently there is no material hydrocarbon production on the South Island of New Zealand. Several cities utilise reticulated LPG gas supplies with a large LPG-bottle and bulk market.

The discovery and development of the key opportunity (the "Barque" prospect) has the potential to:

- Meet several forms of current energy need in the South Island (LPG, electricity, transport fuel)
- Supplant more carbon intensive energy requirements
- Enable large scale industrial development in the support of an offshore operation and the potential for gas-to-export-product processes
- Enable cost competitive energy and / or feedstock sources for local business growth.

- ***Intellectual Property***

The information provided to, and yielded by, this study will be confidential due to commercial sensitivity. This can be covered under the requisite requirements as appropriate and specific requests to utilise the data internally or publicly are welcomed. And, will be handled individually depending on

the objectives and audience to allow all parties to protect sensitive information, but also provide assistance in accurately describing the opportunity.

☐ **Markets and marketing, including existing market and market strategy**

NZOG currently holds permits in New Zealand (Taranaki, Canterbury and Great-South Basins) and in Indonesia. NZOG also holds a material (~50%) shareholding in Cue Energy (ASX listed).

With the sale of NZOG's 15% interest in Kupe to Genesis Energy, NZOG's sole production is from the Tui field in Taranaki with the volumes exported as per their grade and quality. NZOG's Indonesian assets are the subject of several different stages of exploration and development studies. Currently NZOG are actively seeking further investment potential in New Zealand and abroad.

☐ **Your differentiation/ unique selling proposition/ value proposition/ comparative advantage**

In summary of NZOG's position:

- NZ largest listed exploration and production (E&P) company
  - Head quartered in Wellington
  - Approach on non-operated assets of 'active oversight', assisting operators in the identification / execution of work that would not otherwise be completed
  - 'Partner of choice' strategy to differentiate ourselves as an E&P company committed to consulting with local communities to understand needs, concerns and ways of working together, in particular with Maori & wide community engagement
  - Examples of this are seen through our South Taranaki and Southern Community Panels (reference)
- **Major customers. Major competitors. Sales channels. If you are currently exporting – what countries, channels?**

New Zealand Oil and Gas has only just recently exited its share of the Kupe mining permit. As part of this joint venture NZOG sold gas into domestic markets - primarily for either electricity generation (Genesis) or Methanol production (Methanex). Kupe also separates LPG products that are sold domestically (Vector) to both North and South Island markets. Kupe also produces condensate that was exported to overseas markets.

NZOG is still part of the Tui joint venture that produces a light black oil. This is usually sold direct to overseas markets though has also been delivered to the Marsden Point refinery in the past.

Having sold its Kupe interest, NZOG now looks to reinvest the capital into value-adding projects and re-establish a higher revenue stream.

- **Financial information – Revenue; Cash flow; Liquidity, Working capital; Profitability trends; Equity ratio**

The following information is a summary of that shared in NZOG's annual reports. For confirmation and further detail, see pages 15 through 18 of the 2016 Annual Report (i.e. as at 30 June 2016), which is available through <http://www.nzog.com/investor-information/company-reports/annual-reports/>.

Category	2016 NZ\$, 000	2015 NZ\$, 000
Revenue	119,028	116,235
Loss for the year	(51,794)	(15,474)
Net cash inflow from operating activities	56,195	59,271
Current Cash Assets	96,811	83,659
Total Assets	346,864	430,380
Total Liabilities	125,664	148,541
Net Assets	221,200	281,839

- 2 *Previous grants from New Zealand government sources, including NZTE - where from, what for, when, and the amount.*

This is the first government grant / funding application by New Zealand Oil & Gas.

#### D COST BREAKDOWN

The funds requested are specifically targeted at:

1. The technical input / analysis of the contracted parties (BECA and MJ) and
2. A small allowance for the facilitation of engagement from parties based across the

country. The table below sets out the broad areas of spend where support funding is requested:

Activities	Cost assumptions / estimates (NZ\$ excluding GST)
BECA – Facilitation and Study	s9(2)(b)(ii) and s9(2)(ba)(i)
MartinJenkins – Economic Impact Assessments	s9(2)(b)(ii) and s9(2)(ba)(i)
Facilitation Allowance	s9(2)(b)(ii) and s9(2)(ba)(i)
Total Costs Assumption	NZ\$97,400
<b>Funding Requested from NZTE</b>	<b>NZ\$48,700</b>

In addition to this, the Clipper Joint Venture will be making additional investments in terms of:

- Additional disbursements incurred by the team
- Covering any (small) extensions to the budget as set out in table above and
- The contributing time of NZOG staff members

The full costs of the study will be determined upon completion of the scopes (April 2017) but, including the above points, are estimated to give a total investment of approximately NZ\$120,000 (including the potential funding from NZTE as set out in the table above).

## **E OTHER INFORMATION**

### **Appendix A**

Letters of Support

- Fonterra
- Methanex
- PrimePort (Timaru)

### **Appendix B**

Engagement Map

### **Appendix C**

Project Plan and Milestones

Released under the Official Information Act

**DECLARATIONS/ACKNOWLEDGEMENTS**

**I/We confirm and declare that:**

- The proposed project/activity would not be undertaken without the assistance of NZTE or that NZTE’s assistance will increase the scope or quality of the project/activity or the likelihood of it occurring or the speed at which it can take place.
- I/We have read the guidelines for making an application for SIF co-funding that outline the process, terms, conditions and criteria and I/we understand and agree to these and will comply with them.
- The assistance sought in the attached application does not relate to expenditure that has been incurred prior to the receipt of this application by NZTE.
- The application involves an activity/project that is a lawful activity carried out lawfully, and is directed at a commercial development.
- Funding has not been sought nor will be sought from any other government source for the same costs. (NB: this does not preclude more than one government agency contributing to the same overall project.)
- The application is not being made by an organisation that is in receivership or liquidation or by an individual who is an un-discharged bankrupt.
- The project is not being managed by an undischarged bankrupt or someone prohibited from managing a business.
- The information contained in the attached application is true and correct and there have been no misleading statements, omission of any relevant facts nor any misrepresentation made. NZTE is able to take legal action if any information is found to be fraudulent or misleading.
- I/We acknowledge that NZTE may wish to promote any successes that result from our proposal (while respecting your commercial confidentiality).
- The success/benefits of any funding previously received from NZTE or its predecessors have been described.

**I/We understand that:**

- NZTE will liaise with other government agencies and may refer applications where appropriate.
- Background checks will be undertaken on all applicants/directors. Applicants will ensure that all necessary consents have been obtained from the relevant individuals to enable NZTE to undertake such checks and all relevant laws have been complied with in relation with such checks.

- NZTE may request additional information as part of the assessment of the application.

NZTE may carry out checks to verify the contents of any information provided by me/us as part of the application process, and I/We confirm that I/we will provide access to my records/personnel for that purpose.

**Acknowledgement**

I/We acknowledge that New Zealand Trade and Enterprise may receive requests for information on SIF co-funding including under the Official Information Act. The undersigned acknowledges that, New Zealand Trade and Enterprise may be required to disclose information as required to do so by law. This information may include

- the name of co-funding recipient
- the amount of co-funding
- the contact details of co-funding recipient
- a general statement of the nature of the activity/project as agreed by co-funding recipient and New Zealand Trade and Enterprise
- the outcome of the activity/project assisted.

I/We acknowledge that the Government expects regular reports on SIF co funding, including information on its usage. The undersigned agrees to provide information on the usage and outcome of the co-funding and acknowledges that this data may be made available to other government agencies that have an interest in monitoring the fund’s usage.

I/We acknowledge that New Zealand Trade and Enterprise is required to comply with relevant laws and government policies relating to conflicts of interest. To ensure that any conflict of interest (whether actual or perceived) does not cause NZTE to act in a way that is not in its best interest, the undersigned agrees to promptly notify the Director HR at NZTE of any conflict of interest position the applicant is aware of during this application process and funding period, including:

- any financial or personal relationships with any external providers you are employing as part of the project/activity to be funded
- any financial or personal relationship with any employee or any contractors to NZTE that may be involved in the decision to provide funding to you
- any financial or personal relationship with any former employee (who left NZTE in the last 12 months from the date of this application) involved in seeking this funding.

I/We acknowledge that New Zealand Trade and Enterprise or its representatives may audit the applicant to verify the programme funding was used appropriately and to NZTE’s satisfaction.

**APPLICANT MUST SIGN AND COMPLETE DETAILS BELOW**

SIGNATURE		NAME	Andrew Jefferies
DESIGNATION	Chief Executive Officer	DATE	31 January 2017
COMPANY	New Zealand Oil and Gas Limited		

This confirmation/acknowledgement must be signed by the applicant. Where the applicant is a registered company, this confirmation/acknowledgement must be signed by a director of the company.

Released under the Official Information Act



F APPENDICES

**Appendix A – Letters of Support**



24 January 2017

New Zealand Trade and Enterprise  
The Majestic Centre  
100 Willis Street  
Wellington 6011  
New Zealand

Fonterra Co-operative Group Limited  
PO Box 459, Hamilton 3280, New Zealand  
80 London Street, Hamilton  
t +64 7 8387233  
www.fonterra.com

Dear Sir / Madam,

**Re: Regional Impact Assessment of a Significant Gas Discovery in the Canterbury Basin,  
Offshore South Island, New Zealand**

Following initial discussions with New Zealand Oil & Gas, and their existing partnership with Beca and MartinJenkins, Fonterra are pleased to note our support for the proposed study.

This study poses an interesting and potentially economic business opportunity for us that we would like to assist in exploring further. Fonterra see that our participation in this study will provide a material impact in improving the quality of the analysis as well as the utility of the outputs.

This point is enhanced by the potential financial and experiential assistance of New Zealand Trade and Enterprise and so we are happy to support the assessment team seeking investment through the Strategic Investment Fund and appreciate how this would again substantially improve the proposed study.

As the study is progressed further, Fonterra are happy to discuss with the study participants a reasonable degree of detail (subject to protection of commercially sensitive data) into how we could play our part in the impact of alternate development scenarios on the South Canterbury, Otago, and New Zealand economies. For the given development scenario, we will aim to assist in identifying:

1. Our potential interest in involvement with development
2. The impact that this may have on our business in New Zealand
3. The key risks and opportunities, and to
4. Assist in the provision of pertinent input metrics, yet to be agreed with all parties.

We look forward to contributing to this process and we would be happy to discuss our involvement further, through the existing study partners, should you have any specific queries.

Yours sincerely

A handwritten signature in blue ink that reads "Glenn Sullivan".

Glenn Sullivan  
Acting Energy manager  
Glenn.sullivan2@fonterra.com

Refr





Level 3, 36 Kitchener Street  
PO Box 429, Shortland  
Street – 1140  
Auckland, New Zealand

T: (09) 356 9300  
F: (06) 356 9301

A RESPONSIBLE CARE COMPANY

27 January 2017

To whom it may concern

**Regional Impact Assessment of a Significant Gas Discovery in the Canterbury Basin,  
Offshore South Island, New Zealand**

Following discussions last year with New Zealand Oil & Gas on the potential for a gas discovery in the Canterbury Basin, and the recent discussions with Beca in relation to the above proposed study, we're pleased to confirm our support to this study.

A major gas discovery has the potential to create significant economic benefits and we agree it's important to gain a better understanding of the impact at both a regional and national level.

Methanex is happy to provide input to the study on a confidential basis to assist with the assessment of the economic impact associated with a potential methanol project in the South Island. Given our existing methanol operations in New Zealand and our experience internationally in methanol project developments, we believe we can provide valuable input to the assessment.

We look forward to contributing to the study would be happy to discuss our involvement further should you have any queries.

Yours sincerely

Phil Watson  
Director Asia Pacific Gas  
Methanex New Zealand Limited

Act

Release

25 January 2017

New Zealand Trade & Enterprise  
P O Box 2878  
Wellington 6011

Act

To Whom It May Concern

**Regional Impact Assessment of a Significant Gas Discovery in the Canterbury Basin,  
Offshore South Island, New Zealand**

Following discussions with New Zealand Oil & Gas, their existing partnership with BECA and Martin Jenkins, PrimePort are pleased to note our support of the proposed study.

The study poses an interesting and potential business opportunity for us that we would like to assist in exploring. PrimePort see their participation in this study will provide a material impact in improving the quality of the analysis as well as the utility of the outputs. This point is enhanced by the financial and experiential assistance of New Zealand Trade & Enterprise and PrimePort is happy to support the assessment team seeking investment through the Strategic Investment Fund.

PrimePort are happy to discuss with the study participants a reasonable degree of detail (subject to protection of commercially sensitive data) into how we could play a part in the impact of alternate development scenarios on the South Canterbury and New Zealand economies. For the given development scenario, PrimePort aim to assist in identifying:

1. Our potential interest in involvement with development;
2. The impact that this may have on our business in New Zealand;
3. The key risks and opportunities; and
4. To assist in the provision of pertinent input metrics, yet to be agreed with all parties.

PrimePort looks forward to contributing to this process and are happy to discuss our involvement further should you have any specific queries.

Yours faithfully



Phil Melhopt  
Chief Executive

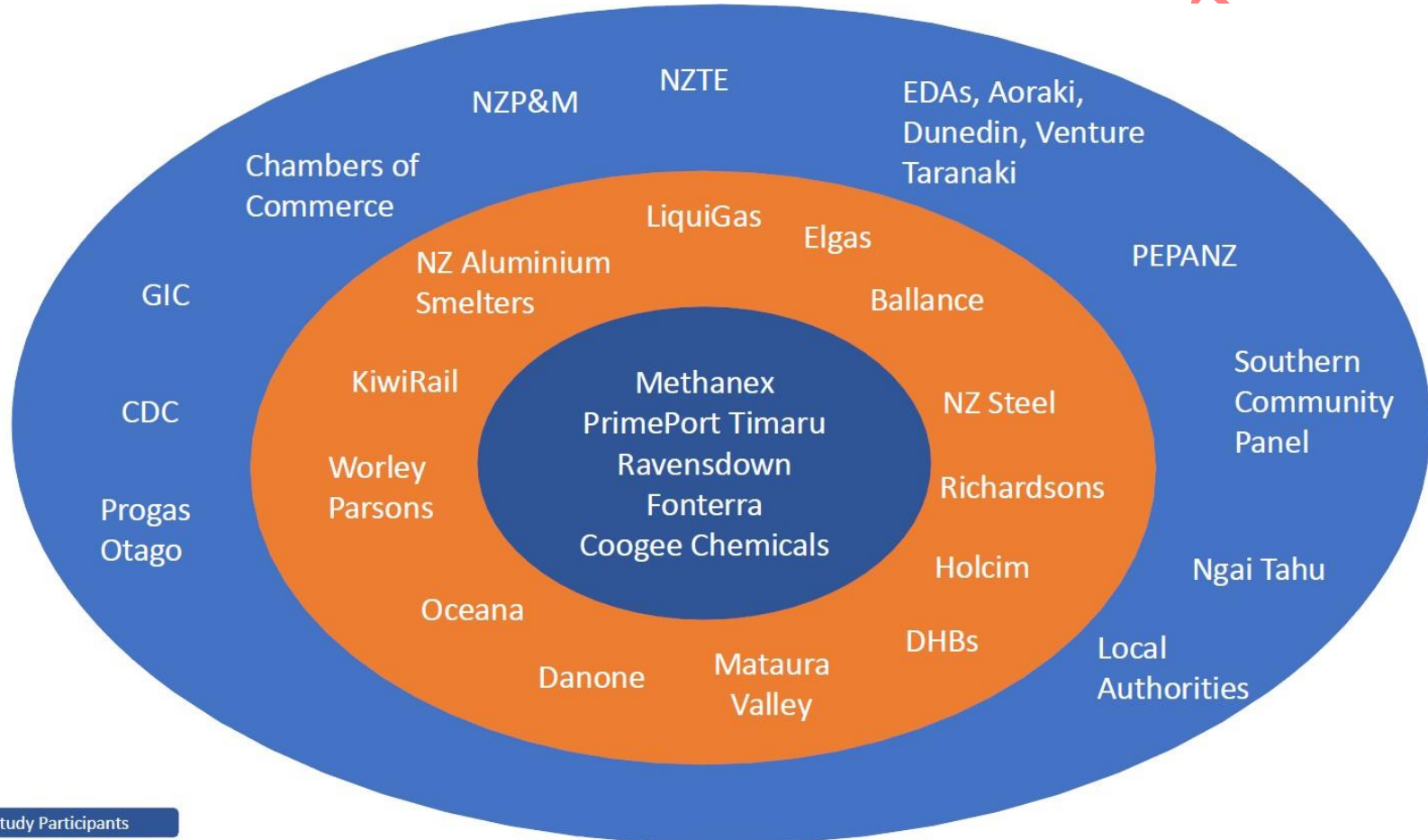
PrimePort Timaru Ltd

PO Box 544, Timaru 7940 | PHONE 03 687 2700 | EMAIL [info@primeport.co.nz](mailto:info@primeport.co.nz)  
New Zealand | FAX 03 687 2709 | WEB [www.primeport.co.nz](http://www.primeport.co.nz)

Rela

**Appendix B – Engagement Map**

ACT



**Key**

- Core Study Participants
- Potential Additional Participants
- Supplementary Stakeholders

Core study participants are seen as key collaborators (in addition to NZOG, BECA and MartinJenkins). Potential additional stakeholders will be contacted to gauge possible interest in a second round of engagement and the supplementary bodies will be consulted / informed of the study, it's progress and ultimate results. Several parties may cross boundaries depending on their interest of involvement – e.g. the Economic Development Agencies in the local regions could present a vital local perspective.

Releas

**Appendix C – Project Plan and Milestones**

Project Duration 16 Jan 2017 - 24 Apr 2017																
Project	Days	16-Jan	23-Jan	30-Jan	6-Feb	13-Feb	20-Feb	27-Feb	6-Mar	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr
Delivery Team Finalised	1	█														
New Zealand Trade & Enterprise Support (SIF application)	5	█	█	█												
Inception Meeting and key stakeholder introductions	4				█	█	█	█								
Stakeholder engagement and information collation	10				█	█	█	█	█	█	█	█				
Engagement Plan / Face2Face meetings	5		█	█	█	█	█									
Model Development	5				█	█	█	█	█							
Scenarios / Development Options	7				█	█	█	█	█	█	█	█	A			
Scenario Economic Impacts finalised	1												B	C		
Draft Report	5														D	
Final Report	6															E

- Completed █
- Milestones █
  - A Confirmed study development options
  - B Headline numbers for delivery at NZ Petroleum Conference
  - C Finalised Economic Impact Numbers
  - D Draft Report
  - E Final Report

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on Act

Released under the Official Information Act

**APPENDIX THREE – NZTE AND NZOG CORRESPONDENCE AND MEETING NOTES**

<b>Document Number</b>	<b>Title</b>	<b>Date</b>
1	Email – Regional Develop/EIA Scope	29 November 2016
2	Email – Re NZOG, Beach, Beca proposal that might fit SIF criteria	7 December 2016
3	Email – Re NZOG – SIF request \$25k	8 December 2016
4	Email - RE: SIF application, contract and evaluation	8 December 2016
5	Email - Re: Barque Regional Impact Assessment Update	12 January 2017
6	Email – Re: Update on NZOG – SIF request	25 January 2017
7	Email - Re: NZOG - SIF request now \$50k	27 January 2017
8	Email - Re: For Approval - NZOG SIF Application - Barque Regional Impact Assessment	2 February 2017
9	NZTE Investment Committee Notes	8 February 2017
10	Email - IC meeting on Wednesday 8 February - NZOG SIF Application - Barque Regional Impact Assessment	7 February 2017
11	Email - RE: NZOG SIF Application - Barque Regional Impact Assessment – Approved	8 February 2017
12	Email - RE: NZOG SIF Application - Barque Regional Impact Assessment	7 February 2017
13	Email - RE: Background on NZOG SIF Application - Barque Regional Impact Assessment	9 February 2017
14	Email - RE: Notes from meeting with NZOG, Beca re SIF next steps	14 February 2017
15	Email – Regional economic impact assessment of Barque field development Information request to Methhanex	23 February 2017
16	Email - New Zealand Oil and Gas - meeting notes	23 February 2017
17	Email - FW: Regional Economic Impact Assessment Study - Barque Prospect Canterbury Basin Formal request letter to Coogee Chemicals	7 March 2017
18	Email - RE: NZOG at APPEA, lawyers, US contacts NZOG Barque Prospect flyer	26 May 2017
19	Email - NZOG SIF agreement - peer review	29 May 2017
20	Email - RE: Barque Impact Assessment Update	8 June 2017
21	Email – RE: SIF agreement 6 January	14 June 2017



1.

**From:** Daniel Leeman [mailto:Daniel.Leeman@nzog.com]  
**Sent:** Tuesday, 29 November 2016 3:15 PM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>  
**Cc:** Chris McKeown <Chris.McKeown@nzog.com>  
**Subject:** Regional Develop / Economic Impact Assessment Scope

Hi Caroline,

Thanks for the conversation earlier and it sounds very encouraging to take this study further under the potential International Growth Fund.

As discussed; please find attached the draft scope of work. I'd emphasise that it is only a scoping draft to help us start having the right conversations with the appropriate people and, as such, would welcome any feedback that you or your team may have.

One question I forgot to ask was whether you had any internal / consultant resources that have been involved in these studies in the past? Perhaps something we can discuss around during the next call?

I am also going to send this through to Brian Souness (Manager – Oil & Gas NZ) at Beca as he showed some interest and has valuable experience that we would like to potentially tap into in forming an industry consortium to take the study forward.

Thanks again and would appreciate any guidance as to how we can progress this / the right channel to apply for support funding.

Kind Regards,

Daniel Leeman

Senior Reservoir Engineer

MSc MENG (HONS) DipMan MRSNZ SPE

[daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com) s9(2)(a)





2.

**From:** Caroline Forrest - MEL  
**Sent:** Wednesday, 7 December 2016 4:12 PM  
**To:** Shelley Chatfield -SYD <Shelley.Chatfield@nzte.govt.nz>  
**Subject:** RE: NZOG, Beach, Beca proposal that might fit SIF criteria

Hi Shelley,

I forgot to add:

Why would we support it?

- It would help NZOG and Beach develop their field, create jobs and an additional supply of raw material (gas) for NZ
- The feasibility study will speed up the investment in Canterbury
- Industry is needed in the regions

Why would we **not** support it?

- NZOG and Beach will engage Beca to do some study... it just will not be as comprehensive and
  - NZTE would not see the feasibility study if we did not support it
  - The development might also be slower

Recommendation

- Support SIF grant for up to \$50,000 (co-funding, so NZTE funds \$25,000)

Kind regards

Caroline

**Caroline Forrest**  
Investment Manager

T +61 3 9678 0210 M **s9(2)(a)**

W [nzte.govt.nz](http://nzte.govt.nz) W [newzealand.com/business](http://newzealand.com/business)



Level 4, 45 William Street, Melbourne VIC 3000  
GPO Box 2014, Melbourne VIC 3001, Australia

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**From:** Shelley Chatfield -SYD  
**Sent:** Wednesday, 7 December 2016 2:02 PM  
**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>  
**Subject:** RE: NZOG, Beach, Beca proposal that might fit SIF criteria

Hi Caroline,

Thanks for this – somehow I missed this one this morning!

I will follow up on it now.

Thanks,  
Shelley

**From:** Caroline Forrest - MEL  
**Sent:** Wednesday, 7 December 2016 9:10 AM  
**To:** Shelley Chatfield -SYD <[Shelley.Chatfield@nzte.govt.nz](mailto:Shelley.Chatfield@nzte.govt.nz)>  
**Subject:** NZOG, Beach, Beca proposal that might fit SIF criteria

Hi Shelley,

As discussed, New Zealand Oil & Gas (F700 Customer) and Beach Energy (Australian Listed company, JV partner in Canterbury basin) propose to:

1. Hire Beca to undertake a feasibility study
  - a. To investigate potential uses for gas found in the Canterbury basin
    - i. Chemicals
    - ii. Urea/fertiliser
    - iii. Methanol
  - b. To identify companies that may want to set up a factory
    - i. Coogee chemicals
    - ii. **s9(2)(b)(ii) and s9(2)(ba)(i)**
    - iii. **s9(2)(b)(ii) and s9(2)(ba)(i)**
2. NZOG and Beach plan to undertake this study regardless of NZTE funding, but the NZTE funding would
  - a. enhance the study
  - b. involve us more closely in the project
  - c. generate leads for NZTE to pursue
  - d. enable NZOG to develop the gas field more quickly
3. The potential cost of the study is a total of NZD 50,000
  - a. NZOG and Beach would contribute 50% and
  - b. NZTE would contribute 50%
  - c. Beca would undertake the study and they are a F700 customer of NZTE.
4. Potential sign off
  - a. **s9(2)(b)(ii) and s9(2)(ba)(i)**
  - b. **s9(2)(b)(ii) and s9(2)(ba)(i)**
  - c. **s9(2)(b)(ii) and s9(2)(ba)(i)**

Kind regards

6

Caroline

**Caroline Forrest**  
Investment Manager

T +61 3 9678 0210 M **s9(2)(a)**

W [nzte.govt.nz](http://nzte.govt.nz) W [newzealand.com/business](http://newzealand.com/business)



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GPO Box 2014, Melbourne VIC 3001, Australia

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3.

**From:** Shelley Chatfield -SYD  
**Sent:** Thursday, 8 December 2016 11:55 AM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>; Quentin Quin -AKL <Quentin.Quin@nzte.govt.nz>  
**Cc:** Courtney Van Der Scheer - AKL <Courtney.VanDerScheer@nzte.govt.nz>  
**Subject:** Re: NZOG - SIF request \$25k

Thanks Quentin, agree with your comments.

Regards

Shelley

Shelley Chatfield

Regional Investment Manager

s9(2)(a)

---

On 8 Dec. 2016, at 8:51 am, Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)> wrote:

Thanks Q,

I will draft the papers and send them through in the next week or so.

NZOG will be happy, but they understand it is not an ideal fit for the criteria.

Thank you for your support. I think you will be pleased with the information and target companies that may emerge from the study. I have been doing more with Beca in recent months... good company, keen to engage...

Ralphie

s9(2)(a)

---

**From:** Quentin Quin -AKL  
**Sent:** Thursday, 8 December 2016 6:49 AM  
**To:** Shelley Chatfield -SYD <[Shelley.Chatfield@nzte.govt.nz](mailto:Shelley.Chatfield@nzte.govt.nz)>  
**Cc:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>; Courtney Van Der Scheer - AKL <[Courtney.VanDerScheer@nzte.govt.nz](mailto:Courtney.VanDerScheer@nzte.govt.nz)>  
**Subject:** RE: NZOG - SIF request \$25k

s9(2)(f)(iv) and s9(2)(g)(i)

s9(2)(f)(iv) and s9(2)(g)(i) - APPROVED.

Please do the formal forms for CJ to file and me to sign.

Cheers - Q

---

**From:** Shelley Chatfield -SYD  
**Sent:** Wednesday, 7 December 2016 5:21 PM  
**To:** Quentin Quin -AKL <[Quentin.Quin@nzte.govt.nz](mailto:Quentin.Quin@nzte.govt.nz)>

Cc: Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>

Subject: NZOG - SIF request \$25k

Hi Quentin,

I understand you are travelling from tonight – this is not urgent, but has come up in the last 24 hours hence me not mentioning it yesterday.

Caroline and I are keen to hear your thoughts when you have a moment.

New Zealand Oil & Gas (F700 Customer) and Beach Energy (Australian Listed company, JV partner in Canterbury basin) propose to:

5. Hire Beca to undertake a feasibility study
  - a. To investigate potential uses for gas found in the Canterbury basin
    - i. Chemicals
    - ii. Urea/fertiliser
    - iii. Methanol
  - b. To identify companies that may want to set up a factory
    - i. Coogee chemicals
    - ii. **s9(2)(b)(ii) and s9(2)(ba)(i)**
    - iii. **s9(2)(b)(ii) and s9(2)(ba)(i)**
6. NZOG and Beach plan to undertake this study regardless of NZTE funding, but the NZTE funding would
  - a. enhance the study
  - b. involve us more closely in the project
  - c. generate leads for NZTE to pursue
  - d. enable NZOG to develop the gas field more quickly
7. The potential cost of the study is a total of NZD 50,000
  - a. NZOG and Beach would contribute 50% and
  - b. NZTE would contribute 50%
  - c. Beca would undertake the study and they are a F700 customer of NZTE.
8. Potential sign off
  - a. **s9(2)(b)(ii) and s9(2)(ba)(i)**
  - b. **s9(2)(b)(ii) and s9(2)(ba)(i)**
  - c. **s9(2)(b)(ii) and s9(2)(ba)(i)**
9. Why would we support it? 8
  - It would help NZOG and Beach develop their field, create jobs and an additional supply of raw material (gas) for NZ
  - The feasibility study will speed up the investment in Canterbury
  - Industry is needed in the regions
10. Why would we **not** support it?
  - NZOG and Beach will still engage Beca to do some study... it just will not be as comprehensive and
    - NZTE would not see the feasibility study if we did not support it
    - The development might also be slower
11. Recommendation
  - Support SIF grant for up to \$50,000 (co-funding, so NZTE funds \$25,000)

Kind regards,

Shelley

---

**Shelley Chatfield**

T +61 2 9234 2706 M s9(2)(a)

Regional Investment Manager

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<image002.jpg>@NZ Global W [newzealand.com/business](http://newzealand.com/business)

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Level 7, 55 Hunter Street, Sydney, NSW 2000, Australia  
GPO Box 54, Sydney, NSW 2001, Australia

<image001.jpg>

---

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---

4.

**From:** Caroline Forrest - MEL

**Sent:** Thursday, 8 December 2016 10:58 AM

**To:** 'Daniel Leeman' <Daniel.Leeman@nzog.com>

**Subject:** RE: SIF application, contract and evaluation

Hi Daniel,

Good news... we have in principle approval to submit a SIF application.

Do you have time on Monday 12 December to talk through the application form and I will complete it for submission.

Kind regards

Caroline

---

**Caroline Forrest**

T +61 3 9678 0210 M s9(2)(a)

9

Investment Manager

---

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W [newzealand.com/business](http://newzealand.com/business)



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GPO Box 2014, Melbourne VIC 3001, Australia

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---

---

**From:** Daniel Leeman [<mailto:Daniel.Leeman@nzog.com>]

**Sent:** Monday, 28 November 2016 2:23 PM

**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>

**Cc:** Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>

**Subject:** RE: SIF application, contract and evaluation

Hi Caroline,

Chris passed on the information below around the Strategic Investment Funding potentially available.

We drafted up a scope of work and had a chat about what this could look like and what the objectives are. NZOG would definitely like to pursue a Regional Development / Economic Impact Study into gas developments in the South Island and we'd really appreciate any help that NZTE can offer.

As such we would intend to apply for funding under the SIF; but are you able to advise approximate timelines for approval? Is this dependent on the amount requested (i.e. are there discretionary levels)? We are aiming to have the study wrapped up by 31st March 2017.

Also, we were hoping to seek any assistance that NZTE may be able to provide in terms of actually conducting the study. We have an experienced preferred consultant in mind to lead the study on our behalf, however, do you have any internal resources / consultants that you have worked with in the past that could help guide the content and contacts of the impact assessment?

Thanks for any guidance that you can give, if it's easier to have a chat around this then do please just let me know a suitable time to talk.

Kind Regards,

Daniel Leeman

Senior Reservoir Engineer

MSc MENG (HONS) DipMan MRSNZ SPE

[daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com) | s9(2)(a)

<image005.jpg>

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**From:** Chris McKeown

**Sent:** Friday, 4 November 2016 12:54 p.m.

**To:** Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>

10

**Subject:** FW: SIF application, contract and evaluation

**Dr Chris McKeown**

Acting Vice President Exploration & Production

General Manager - South East Asia

**New Zealand Oil & Gas Ltd**

s9(2)(a)

s9(2)(a)

s9(2)(a)

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**From:** Caroline Forrest - MEL [<mailto:Caroline.Forrest@nzte.govt.nz>]

**Sent:** Wednesday, 12 October 2016 4:19 p.m.

**To:** Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>

**Subject:** SIF application, contract and evaluation

Hi Chris,

Please find attached the SIF application, contract and evaluation firms.

Happy to talk this through. It is for up to \$250,000 matched funding to undertake a feasibility study with an external consultant.

Kind regards

Caroline

---

**Caroline Forrest**

Investment Manager

T +61 3 9678 0210 M **s9(2)(a)**

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11

5.

**From:** Caroline Forrest - MEL

**Sent:** Thursday, 12 January 2017 7:57 PM

**To:** Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>

**Subject:** Re: Barque Regional Impact Assessment Update

Hi Daniel,

Happy new year. I am back next week and I am happy to call you first thing on Monday 16th.

There is no cut off in the month. I just have to get sign off from Quentin Quin.

There will be cutoffs for funding when milestones are reached, but you can set those.

The report will not be made public by NZTE. You can make it public, but we would only use it internally.

If you allow us, we might ask to use general content, but we understand this is for your commercial benefit and therefore not for general consumption.



Kind regards

Caroline

Phone +61385284821

Mobile s9(2)(a)

---

On 12 Jan 2017, at 1:48 PM, Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)> wrote:

Hi Caroline,

Happy new year, hope that you have had some nice time off?

I just wanted to provide a quick update on how things were progressing with the study and ask two questions.

Update:

- We now have both Martin Jenkins and BECA engaged to conduct the engagement and analysis phases of the project
- Brian (BECA), Jason (MJ) and I are meeting together in Wellington on Monday (the 16<sup>th</sup>) to map out the project in greater detail
- We will also discuss and begin updating the SIF application form
- We aim to seek letters of support from further interested parties to assist our application.

Questions:

1. Are you able to advise if there is a cut-off / deadline to meet for consideration of the award panel in a given month?
2. In the future, if granted funding, will there be a mechanism for the detailed report to become public? Is it / could it be subject to an OIA request? Presumably the commercial content can be redacted? We would certainly seek to help make aspects useful for all parties (inc. NZTE) to use with regards to the outcomes, impacts and usefulness of the report.

Happy to talk further whenever suits your schedule.

Kind Regards,

12

Daniel Leeman

Senior Reservoir Engineer

CPEng MSc MENG (HONS) DipMan IPENZ MRSNZ SPE

[daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com) | s9(2)(a)

<image001.jpg>

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6.

**From:** Caroline Forrest - MEL

**Sent:** Wednesday, 25 January 2017 11:34 AM

**To:** Shelley Chatfield -SYD <[Shelley.Hodgson@nzte.govt.nz](mailto:Shelley.Hodgson@nzte.govt.nz)>

**Subject:** RE: Update on NZOG - SIF request

Activities	Cost assumptions / estimates (NZ\$ excluding GST)
BECA – Facilitation and Study	s9(2)(b)(ii) and s9(2)(ba)(i)
MartinJenkins – Economic Impact Assessments	s9(2)(b)(ii) and s9(2)(ba)(i)
Facilitation Allowance	s9(2)(b)(ii) and s9(2)(ba)(i)
Total Costs Assumption	NZ\$97,400
<b>Matched Funding Requested from NZTE</b>	<b>NZ\$48,700</b>

**From:** Shelley Chatfield -SYD

**Sent:** Wednesday, 25 January 2017 9:31 AM

**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>

**Subject:** RE: Update on NZOG - SIF request

Hi Caroline,

Is the total cost of the project \$50k? or NZTE's contribution is requested to be \$50k?

Thanks,

Shelley

**From:** Caroline Forrest - MEL

**Sent:** Tuesday, 17 January 2017 2:28 PM

**To:** Shelley Chatfield -SYD <[Shelley.Hodgson@nzte.govt.nz](mailto:Shelley.Hodgson@nzte.govt.nz)>

**Subject:** Update on NZOG - SIF request

Hi Shelley,

I have spoken to Daniel at NZOG and his consultants about the SIF grant today.

He has costed out the SIF application.

- It will be 2 reports:
  - Economic impact and feasibility from Tim at Martin Jenkins
  - Engineering feasibility from Graham at Beca
- Total cost including travel will be under \$50,000 (NZD)
- They have interest from Beach Energy (JV partner from South Australia), Coogee Chemicals (Australia HQ), Methanex (Canadian HQ) and s9(2)(b)(ii) and s9(2)(ba)(i) Ravensdown.
  - s9(2)(b)(ii) and s9(2)(ba)(i)

13

The draft of the SIF application will come through in the next week.

They would like to complete the study by March 2017 (so they can get companies to invest shortly after that).

s9(2)(b)(ii) and s9(2)(ba)(i)

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager

T +61 3 9678 0210 M **s9(2)(a)**

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---

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7.

**From:** Quentin Quin -AKL  
**Sent:** Friday, 27 January 2017 3:09 PM  
**To:** Shelley Chatfield -SYD <[Shelley.Hodgson@nzte.govt.nz](mailto:Shelley.Hodgson@nzte.govt.nz)>  
**Cc:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>; Courtney Van Der Scheer - AKL <[Courtney.VanDerScheer@nzte.govt.nz](mailto:Courtney.VanDerScheer@nzte.govt.nz)>  
**Subject:** Re: NZOG - SIF request now \$50k

Ok thanks

Quentin

---

On 27/01/2017, at 3:06 PM, Shelley Chatfield -SYD <[Shelley.Hodgson@nzte.govt.nz](mailto:Shelley.Hodgson@nzte.govt.nz)> wrote:

Hi Quentin,

NZOG are sending in the request to Caroline today/early next week.

Caroline has let me know that the total project amount has increased to just under \$100k, therefore the SIF request should come in just under \$50k (NZD), so I wanted to highlight this to you. I hope that will be ok?

It will be 2 reports:

- Economic impact and feasibility from Tim at Martin Jenkins
- Engineering feasibility from Graham at Beca

They have interest from Beach Energy (JV partner from South Australia), Coogee Chemicals (Australia HQ), Methanex (Canadian HQ) and **s9(2)(b)(ii) and s9(2)(ba)(i)**Ravensdown. **s9(2)(b)(ii) and s9(2)(ba)(i)**

They would like to complete the study by March 2017 (so they can get companies to invest shortly after that).

This is highly likely to result in generating interest in the region, and building more plants/factories i.e. more deals!

We will send through the SIF request as soon as we receive it.

Kind regards,

Shelley

8.

---

**From:** Quentin Quin -AKL  
**Sent:** Thursday, 2 February 2017 11:43 AM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>  
**Cc:** Shelley Chatfield -SYD <Shelley.Hodgson@nzte.govt.nz>; Courtney Van Der Scheer - AKL <Courtney.VanDerScheer@nzte.govt.nz>  
**Subject:** Re: For Approval - NZOG SIF Application - Barque Regional Impact Assessment

Yes put it up at IC good call

Thanks

Quentin

---

On 2/02/2017, at 11:37 AM, Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)> wrote:

Hi Q,

Great – happy to talk it through. I will ask Laura to find a time in your diary.

I am also happy to present it at the Investment Committee.

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager

T +61 3 9678 0210 M **s9(2)(a)**

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**From:** Quentin Quin -AKL  
**Sent:** Thursday, 2 February 2017 9:18 AM  
**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>  
**Cc:** Shelley Chatfield -SYD <[Shelley.Hodgson@nzte.govt.nz](mailto:Shelley.Hodgson@nzte.govt.nz)>; Courtney Van Der Scheer - AKL <[Courtney.VanDerScheer@nzte.govt.nz](mailto:Courtney.VanDerScheer@nzte.govt.nz)>  
**Subject:** Re: For Approval - NZOG SIF Application - Barque Regional Impact Assessment

I think this needs a discussion first please

Thanks

Quentin

---

On 2/02/2017, at 11:05 AM, Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)> wrote:

Hi Quentin,

New Zealand Oil & Gas has submitted the attached SIF grant application. Shelley and I have discussed it and we believe it presents a great opportunity to promote significant investment into Christchurch.

Fast facts:

- NZTE contribution NZD 48,700 (total spend NZD 95,000+)
  - Study will identify and provide evidence to convince the potential users of gas from Canterbury basin to set up in Christchurch
- Already talking to Coogee Chemicals, **s9(2)(b)(ii) and s9(2)(ba)(i)** about building a plant onshore
- The study will help prove the case for \$100 million to \$1 billion of potential chemical plants and pipelines
- Study to be completed by April 2017
  - Likely resulting investment by April 2018 (drill or drop date for Canterbury basin prospect)

#### OUT OF SCOPE

I think we could ask Nick Dobson to be involved, because it will involve the EDAs in Canterbury.

Shelley and I are happy to discuss the application with you anytime.

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager

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9.

## New Zealand Trade and Enterprise Investment Committee

Wednesday 8<sup>th</sup> February 2017

### Attendees:

Benny Goodman	RIM Investment
Quentin Quin	GM Investment
Sean Abe	Investment Manager
Caroline Forrest	Investment Manager
Shelley Chatfield	RIM Investment
Koji Hikosaka	Investment Manager
Courtney van der Scheer	Business Advisor

### Opportunities Discussed

*SIF: NZOG (Caroline Forrest):* NZOG seeking contribution of \$48,700 from SIF fund on behalf of their JV partnership with Australian listed company Beach Energy. The study will identify and provide evidence to convince the potential users of gas from Canterbury basin to set up in Christchurch. Study to be completed by April 2017

### OUT OF SCOPE

#### Noted:

#### NZOG SIF:

- NZOG propose to do a study very quickly and they'll make a decision as to whether or not they'll drill the Canterbury basin, **s9(2)(b)(ii) and s9(2)(ba)(i)** if it's successful to do so.
- They've asked us to get involved as they think it adds gravitas to what they're doing in the market.
- They've engaged BECA and Martin Jenkins Consulting to do the technical, environmental and economic assessments of companies that would be looking at spending in Canterbury in this sector
- They engaged us and we have spoken to them about this study and the SIF funding— Caroline is constantly in touch with them.
- **s9(2)(b)(ii) and s9(2)(ba)(i)**
- NZOG have said to Caroline is that they've got people interested in doing something in CHCH but they need to prove that it makes economic sense, so they've asked Caroline what we can do in this space to help i.e. SIF. They also want us to help promote the opportunity in Christchurch to build a plant that will use gas.

- **S9(2)(f)(iv) and s9(2)(g)(i)**
- Caroline says that feedback from other agencies is that they think it will transform the region and they're on board with this opportunity
- Caroline says this is a good spend for contacts, involvement and to show support for this opportunity.
- **S9(2)(f)(iv) and s9(2)(g)(i)**
- Caroline responded; we've been working with them for the past 5 years and NZOG ultimately need to show to other parties where they would sell the gas to and then the global companies will work with them. Therefore, this opportunity is new for them, they want to be associated with our brand, they will do the study anyway.
- NZPAM are supportive of this initiative, Shelley noted her support of this as well.
- Our regional team haven't been involved to date, but Caroline would like Craig and Nick on the team.
- **S9(2)(f)(iv) and s9(2)(g)(i)**
- NZOG will finalise study end of March, presented to public on 23 March, our payment will be due in April and we will be able to use the collateral over the next year to promote the opportunity.
- **Actions:** SIF approved, Nick Dobson will need to be part of the team – Caroline to pull him in.

**OUT OF SCOPE**

**Actions:**

See above.

**Interests Declared:**

None.

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10.

**From:** Caroline Forrest - MEL  
**Sent:** Tuesday, 7 February 2017 11:38 AM  
**To:** Quentin Quin -AKL <Quentin.Quin@nzte.govt.nz>; Laura Leondiades -AKL <Laura.Leondiades@nzte.govt.nz>; Dylan Lawrence - AKL <dylan.lawrence@nzte.govt.nz>; Benny Goodman -SIN <Benny.Goodman@nzte.govt.nz>; Courtney Van Der Scheer - AKL <Courtney.VanDerScheer@nzte.govt.nz>; Shelley Chatfield -SYD <Shelley.Hodgson@nzte.govt.nz>  
**Subject:** IC meeting on Wednesday 8 February - NZOG SIF Application - Barque Regional Impact Assessment  
**Importance:** High

Good morning Investment Committee Members,

I would like to present this opportunity to the IC tomorrow.

New Zealand Oil & Gas has submitted the attached SIF grant application (on behalf of their JV partnership with Australian listed company Beach Energy).

Shelley and I have discussed it and we believe it presents a great opportunity to promote significant investment into Christchurch.

Fast facts:

- NZTE contribution NZD 48,700 (total spend NZD 95,000+)
- Study will identify and provide evidence to convince the potential users of gas from Canterbury basin to set up in Christchurch
  - Already talking to Coogee Chemicals, **s9(2)(b)(ii) and s9(2)(ba)(i)** about building a plant onshore
  - The study will help prove the case for \$100 million to \$1 billion of potential chemical plants and pipelines
- Study to be completed by April 2017
- Likely resulting investment sign offs by April 2018 (drill or drop date for Canterbury basin prospect)
  - **OUT OF SCOPE**

I think we could ask Nick Dobson to be involved, because it will involve the EDAs in Canterbury. NZOG have approached Ravensdown, Ngai Tahu, PrimePort Timaru and Aoraki Development Agency. They are all supportive of the initiative.

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager

**M s9(2)(a)**

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11.

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**From:** Caroline Forrest - MEL

**Sent:** Wednesday, 8 February 2017 2:59 PM

**To:** 'Daniel Leeman' <Daniel.Leeman@nzog.com>

**Cc:** Andrew Jefferies <Andrew.Jefferies@nzog.com>; Chris McKeown <Chris.McKeown@nzog.com>; Anna Ririnui <Anna.Ririnui@nzog.com>; Brian Souness <Brian.Souness@beca.com>; Jason Leung-Wai <Jason.Leung-Wai@martinjenkins.co.nz>

**Subject:** RE: NZOG SIF Application - Barque Regional Impact Assessment - Approved

Hi Daniel,

I have good news. The Investment Committee (Quentin Quin, Benny Goodman, Dylan Lawrence) have approved the SIF.

There was lots of debate, but we gave them good answers (thanks to all your hard work) and have approval. Onwards and upwards.

I am very excited to be part of this project. I would also like to involve my colleagues, Nick Dobson (Wellington-based) and Craig Getz (Auckland-based) to help with anything you need onshore. They are our Regional experts, so feel free to ask for data/info/contacts... I am sure you and the team at Beca and Martin Jenkins have everything, but we would love to help where we can.

Nick Dobson

Investment Manager

**s9(2)(a)**

+64 4 816 8224

Level 15, The Majestic Centre

100 Willis St

Wellington 6011

[Nick.Dobson@nzte.govt.nz](mailto:Nick.Dobson@nzte.govt.nz)

Craig Getz

Investment Manager

**s9(2)(a)**

[craig.getz@nzte.govt.nz](mailto:craig.getz@nzte.govt.nz)

2

They are both out of the office today, but would you like to have a quick call to introduce them next week? I am also happy for you to meet them in person.

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager



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12.

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**From:** Daniel Leeman [<mailto:Daniel.Leeman@nzog.com>]

**Sent:** Tuesday, 7 February 2017 6:09 AM

**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>

**Cc:** Andrew Jefferies <[Andrew.Jefferies@nzog.com](mailto:Andrew.Jefferies@nzog.com)>; Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>; Anna Ririnui <[Anna.Ririnui@nzog.com](mailto:Anna.Ririnui@nzog.com)>; Brian Souness <[Brian.Souness@beca.com](mailto:Brian.Souness@beca.com)>; Jason Leung-Wai <[Jason.Leung-Wai@martinjenkins.co.nz](mailto:Jason.Leung-Wai@martinjenkins.co.nz)>

**Subject:** RE: NZOG SIF Application - Barque Regional Impact Assessment

Hi Caroline,

Many thanks for the update and look forward to hearing on Wednesday / Thursday.

The initial meetings we had last week with Ravensdown, Ngai Tahu, PrimePort Timaru and the Aoraki Development Agency were all encouraging and supportive of conducting this study / providing some inputs and feedback.

Kind Regards,

Daniel Leeman

Senior Reservoir Engineer

CPEng MSc MENG (HONS) DipMan IP(NZ) MRSNZ SPE

[daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com) **s9(2)(a)**



3

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**From:** Caroline Forrest - MEL [<mailto:Caroline.Forrest@nzte.govt.nz>]

**Sent:** Monday, 6 February 2017 11:46 a.m.

**To:** Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>

**Cc:** Andrew Jefferies <[Andrew.Jefferies@nzog.com](mailto:Andrew.Jefferies@nzog.com)>; Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>; Anna Ririnui <[Anna.Ririnui@nzog.com](mailto:Anna.Ririnui@nzog.com)>; Brian Souness <[Brian.Souness@beca.com](mailto:Brian.Souness@beca.com)>; Jason Leung-Wai <[Jason.Leung-Wai@martinjenkins.co.nz](mailto:Jason.Leung-Wai@martinjenkins.co.nz)>

**Subject:** RE: NZOG SIF Application - Barque Regional Impact Assessment

Hi Daniel,

I have submitted the document to Shelley Chatfield (Regional Investment Manager) and Quentin Quin (General Manager, Investment).

I will be presenting it to the Investment Committee on Wednesday and should have confirmation by Wednesday (close of business).

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager



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**From:** Daniel Leeman [<mailto:Daniel.Leeman@nzog.com>]

**Sent:** Tuesday, 31 January 2017 3:48 PM

**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>

**Cc:** Andrew Jefferies <[Andrew.Jefferies@nzog.com](mailto:Andrew.Jefferies@nzog.com)>; Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>; Anna Ririnui <[Anna.Ririnui@nzog.com](mailto:Anna.Ririnui@nzog.com)>; Brian Souness <[Brian.Souness@beca.com](mailto:Brian.Souness@beca.com)>; Jason Leung-Wai <[Jason.Leung-Wai@martinjenkins.co.nz](mailto:Jason.Leung-Wai@martinjenkins.co.nz)>

**Subject:** NZOG SIF Application - Barque Regional Impact Assessment

**Importance:** High

Hi Caroline,

Please find attached the completed application form for our Regional Impact Assessment study.

Further to our preliminary discussions, New Zealand Oil and Gas (NZOG), in partnership with Beca, and MartinJenkins, are conducting a regional and national economic impact assessment of a potential large-scale gas condensate discovery in the Canterbury basin.

We are seeking support from New Zealand Trade & Enterprise in order to assist in the funding of the key engagement and analysis phases. The support, if granted, will effect a step change in the project in terms of the breadth and depth of the potential study and in terms of the detail and utility if the analysis parameters that would otherwise not be possible in existing budgets. 4

Our goal is to deliver a study that addresses the regional and national implications of various development scenarios in both economic contribution and employment potential perspectives. We welcome any input you are happy to provide in addition to the potential funding, as this will add value to the content and outcomes of the study. We are also very happy to discuss any aspect of the project in more detail.

Thank you once again for all of your help and support to the team on developing the application and project to this stage. Should you or your team have any further questions on our application, do please let me know.

Kind Regards,

Daniel Leeman

Senior Reservoir Engineer

CPEng MSc MENG (HONS) DipMan IPENZ MRSNZ SPE



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13.

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**From:** Nick Dobson -WLG  
**Sent:** Thursday, 9 February 2017 1:43 PM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>; Craig Getz - AKL <Craig.Getz@nzte.govt.nz>  
**Subject:** RE: Background on NZOG SIF Application - Barque Regional Impact Assessment

Thanks Caroline,

I didn't realise how big the Reserves might be in the Region!

Happy to help.

Regards

---

**From:** Caroline Forrest - MEL  
**Sent:** Thursday, 9 February 2017 12:25 PM  
**To:** Nick Dobson -WLG <Nick.Dobson@nzte.govt.nz>; Craig Getz - AKL <Craig.Getz@nzte.govt.nz>  
**Subject:** RE: Background on NZOG SIF Application - Barque Regional Impact Assessment

5

Hi Nick,

I haven't contacted any EDAs, but I believe NZOG had a meeting with the EDA in Canterbury last week. They are very keen to help and supportive.

**s9(2)(f)(iv) and s9(2)(g)(i)**

Q and Benny are keen for you to be very close to the project. I think it will be a great opportunity to gain new contacts through Beca and Martin Jenkins.

Kind regards

Caroline

---

**Caroline Forrest**  
Investment Manager



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**From:** Nick Dobson -WLG  
**Sent:** Thursday, 9 February 2017 7:12 AM  
**To:** Caroline Forrest - MEL <[Caroline.Forrest@nzte.govt.nz](mailto:Caroline.Forrest@nzte.govt.nz)>; Craig Getz - AKL <[Craig.Getz@nzte.govt.nz](mailto:Craig.Getz@nzte.govt.nz)>  
**Subject:** RE: Background on NZOG SIF Application - Barque Regional Impact Assessment

Thanks Caroline,  
I have read the Application.  
Have you spoken to any EDA's ?  
Cheers

---

**From:** Caroline Forrest - MEL  
**Sent:** Wednesday, 8 February 2017 4:43 PM  
**To:** Craig Getz - AKL <[Craig.Getz@nzte.govt.nz](mailto:Craig.Getz@nzte.govt.nz)>; Nick Dobson -WLG <[Nick.Dobson@nzte.govt.nz](mailto:Nick.Dobson@nzte.govt.nz)>  
**Subject:** Background on NZOG SIF Application - Barque Regional Impact Assessment  
**Importance:** High

6

Hi Craig and Nick,  
I would like your involvement in this exciting project.  
I have approval from the IC.  
New Zealand Oil & Gas has submitted the attached SIF grant application (on behalf of their JV partnership with Australian listed company Beach Energy).  
I have discussed it and believe it presents a great opportunity to promote significant investment into Christchurch/Timaru.

Fast facts:

- NZTE contribution NZD 48,700 (total spend NZD 95,000+)
- Study will identify and provide evidence to convince the potential users of gas from Canterbury basin to set up in Christchurch/Timaru
  - Already talking to Coogee Chemicals, **s9(2)(b)(ii) and s9(2)(ba)(i)** about building a plant onshore

- The study will help prove the case for \$100 million to \$1 billion of potential chemical plants and pipelines
- Study to be completed by April 2017
- Likely resulting investment sign offs by April 2018 (drill or drop date for Canterbury basin prospect)

- **OUT OF SCOPE**

... it will involve the EDAs in Canterbury. NZOG have approached Ravensdown, Ngai Tahu, PrimePort Timaru and Aoraki Development Agency. They are all supportive of the initiative.

Kind regards

Caroline

---

<p><b>Caroline Forrest</b> Investment Manager</p> 	<p style="text-align: right;"><b>m s9(2)(a)</b></p> <hr/> <p> <a href="http://nzte.govt.nz">w nzte.govt.nz</a>      <a href="http://newzealand.com/business">w newzealand.com/business</a>  </p> <hr/> <p>Level 4, 45 William Street, Melbourne VIC 3000 GPO Box 2014, Melbourne VIC 3001, Australia</p> <hr/> <p>New Zealand Trade and Enterprise is New Zealand's international business development agency. Our role is to help New Zealand businesses grow into international markets.</p>
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14.

**From:** Shelley Chatfield -SYD  
**Sent:** Tuesday, 14 February 2017 2:45 PM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>  
**Subject:** RE: Notes from meeting with NZOG, Beca re SIF next steps

Thanks Caroline, good summary.

---

**From:** Caroline Forrest - MEL  
**Sent:** Monday, 13 February 2017 3:43 PM  
**To:** Shelley Chatfield -SYD <Shelley.Hodgson@nzte.govt.nz>  
**Cc:** Nick Dobson -WLG <Nick.Dobson@nzte.govt.nz>  
**Subject:** Notes from meeting with NZOG, Beca re SIF next steps

Hi Shelley,

Nick and I had a good call with NZOG and Beca about the SIF.

- The report will help NZOG convince the super majors (s9(2)(b)(ii) and s9(2)(ba)(i)) to drill in the Canterbury basin as their partner
  - s9(2)(b)(ii) and s9(2)(ba)(i)
  - s9(2)(b)(ii) and s9(2)(ba)(i)
    - s9(2)(b)(ii) and s9(2)(ba)(i)
- The Port of Tauranga part owns the Port of Timaru
  - They have made a lot of money out of providing service vessels to industry
- Fonterra said it was timely that NZOG approach them
  - s9(2)(b)(ii) and s9(2)(ba)(i)
  - The energy will be used for a drying station
- s9(2)(b)(ii) and s9(2)(ba)(i)
  - (2)(b)(ii) and s9(2)(ba)(i)

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- **s9(2)(b)(ii) and s9(2)(ba)(i)**
- Companies are hearing about the study and approaching NZOG
  - **s9(2)(b)(ii) and s9(2)(ba)(i)**
- Big questions for the report to answer:
  - Is there enough gas?
  - What amount of capital is required to extract it?
  - What logistics are needed to bring it to shore and around the area?
    - Water
    - Electricity
    - Port
    - Support services
- Market size = 20 Petajoules of gas per annum used in the area
  - **s9(2)(b)(ii) and s9(2)(ba)(i)**
- Next steps:
  - Finalise draft questionnaire for Martin Jenkins
  - Beca to send out newsletter, why are we doing this?
  - NZOG and Beca in Melbourne next week and will drop in.

Kind regards

Caroline

**Caroline Forrest**

Investment Manager



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15.

**From:** Daniel Leeman [mailto:Daniel.Leeman@nzog.com]

**Sent:** Thursday, 23 February 2017 10:15 AM

8

**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>

**Subject:** Fwd: Regional economic impact assessment of Barque field development

Hi Caroline,

For your info - below / attached is an example of the information request that is going to the companies.

Kind Regards,

Daniel

**s9(2)(a)**

Begin forwarded message:

**From:** Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>  
**Date:** 15 February 2017 at 10:23:27 AEDT  
**To:** Chris McKeown <[chris.mckeown@nzog.com](mailto:chris.mckeown@nzog.com)>  
**Subject:** FW: Regional economic impact assessment of Barque field development

**From:** Tim Borren [<mailto:Tim.Borren@martinjenkins.co.nz>]  
**Sent:** Tuesday, 14 February 2017 9:27 a.m.  
**To:** [s9\(2\)\(a\)@methanex.com](mailto:s9(2)(a)@methanex.com); [s9\(2\)\(a\)@methanex.com](mailto:s9(2)(a)@methanex.com)  
**Cc:** Jason Leung-Wai <[Jason.Leung-Wai@martinjenkins.co.nz](mailto:Jason.Leung-Wai@martinjenkins.co.nz)>; Daniel Leeman <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>; Brian Souness <[Brian.Souness@beca.com](mailto:Brian.Souness@beca.com)>; Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>  
**Subject:** Regional economic impact assessment of Barque field development

Good morning Kevin, Phil,

Following up from last week's meeting between yourselves, Chris, Daniel and Brian, I'd firstly like to thank you for agreeing to work with us on this project – we believe it'll be beneficial to all parties involved and are keen to make the outcomes of the study as worthwhile to all as possible.

My colleague, Jason, and myself are undertaking the economic impact assessment, for which we hope to gather information from Methanex to use as inputs. To that end, please find attached a document outlining the type of information we're after. It would be great if we could organise a time to talk through it, and the project more generally – let us know when would suit.

Kind regards,

Tim

**Tim Borren**

Analyst

**s9(2)(a)**

**s9(2)(a)**

**E** [Tim.Borren@martinjenkins.co.nz](mailto:Tim.Borren@martinjenkins.co.nz)

9

16.

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**From:** Caroline Forrest - MEL  
**Sent:** Thursday, 23 February 2017 6:03 PM  
**To:** Shelley Chatfield -SYD <Shelley.Hodgson@nzte.govt.nz>  
**Subject:** New Zealand Oil and Gas - meeting notes

Hi Shelley,

Here are my notes from the meeting on Tuesday:

- Daniel Leeman is the Reservoir Engineer for NZOG. He is running the SIF project.
  - s9(2)(b)(ii) and s9(2)(ba)(i)
  - s9(2)(b)(ii) and s9(2)(ba)(i)
    - As information comes in, we can share this with the US team, so they can book a deal
  - Information requests have been sent to Methanex, Ravensdown and the Port of Timaru
  - **OUT OF SCOPE**
    - **OUT OF SCOPE**
    - **OUT OF SCOPE**
  - **OUT OF SCOPE**
    - **OUT OF SCOPE**
    - **OUT OF SCOPE**

Actions:

- s9(2)(b)(ii) and s9(2)(ba)(i)
- **OUT OF SCOPE**

Kind regards

Caroline

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**Caroline Forrest**  
Investment Manager

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17.

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**From:** Brian Souness [mailto:Brian.Souness@beca.com]  
**Sent:** Tuesday, 7 March 2017 10:55 AM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>  
**Subject:** FW: Regional Economic Impact Assessment Study - Barque Prospect Canterbury Basin

Hi Caroline,

Copy of email to Jeff. Thanks again for your input.

Brian

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**From:** Brian Souness  
**Sent:** Tuesday, 7 March 2017 10:54 a.m.  
**To:** 'Jeff Muller ([Jeff.Muller@coogee.com.au](mailto:Jeff.Muller@coogee.com.au))' <[Jeff.Muller@coogee.com.au](mailto:Jeff.Muller@coogee.com.au)>  
**Cc:** [daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com); Chris McKeown <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>  
([Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)) <[Chris.McKeown@nzog.com](mailto:Chris.McKeown@nzog.com)>; Jason Leung-Wai <[Jason.Leung-Wai@martinjenkins.co.nz](mailto:Jason.Leung-Wai@martinjenkins.co.nz)>; Tim Borren <[Tim.Borren@martinjenkins.co.nz](mailto:Tim.Borren@martinjenkins.co.nz)>  
**Subject:** Regional Economic Impact Assessment Study - Barque Prospect Canterbury Basin

Good Morning Jeff,

Many thanks for your time on the phone yesterday. As discussed, please see attached a formal request for Cogee Chemicals to participate in a study to gain a greater understanding of the economic impact of a significant gas discovery, and subsequent development in the Canterbury Basin in New Zealand.

As outlined in our discussion, for the purposes of the study, New Zealand Oil & Gas (NZOG) has formed a partnership with Beca, MartinJenkins and New Zealand Trade & Enterprise (NZE). Initially Beca will lead the early stages of the study particularly around the co-ordination and engagement of the identified stakeholders. To this end, Cogee has been recognised as a significant potential end user and as such the study team would really appreciate your support and participation.

As one of five 'level 1' potential stakeholders, we would appreciate the opportunity to have a teleconference call with our study team to provide you with more detail around the study parameters (including gas supply volumes and quality). It would also be useful to tease out what Cogee would like to see from the study outcomes to assist with any future business planning.

As mentioned above, we have received support from NZE, and managed to secure funding through their 'strategic investment fund' to provide financial assistance for this project.

It would be helpful (should you be comfortable to take this to the next step) to get an idea of a suitable time and date to have the suggested teleconference call. I understand that it will be difficult for you this week, but would appreciate if you can let me know the earliest date you would be available.

Kind regards,

Brian

**Brian Souness**

Segment Manager – Oil & Gas

Beca

s9(2)(a)

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[www.linkedin.com/company/beca](http://www.linkedin.com/company/beca)

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18.

**From:** Chris McKeown [mailto:Chris.McKeown@nzog.com]  
**Sent:** Friday, 26 May 2017 2:22 PM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>; Andrew Jefferies <Andrew.Jefferies@nzog.com>  
**Subject:** RE: NZOG at APPEA, lawyers, US contacts

Absolutely,

Was talking about you guys yesterday, was planning to write to Quentin to let them know how happy we were with APPEA.

Thursday and Friday are a bit tricky, board meeting and out of office on Friday.

Is the attached what you are looking for re flyers?

Cheers

Chris

**Dr Chris McKeown**

Vice President Exploration & Production

**New Zealand Oil & Gas Ltd**

**s9(2)(a)**

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Level 20, 125 the Terrace, PO Box 10 725

Wellington, New Zealand

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**From:** Caroline Forrest - MEL [mailto:Caroline.Forrest@nzte.govt.nz]  
**Sent:** Friday, 26 May 2017 11:49 a.m. 13  
**To:** Chris McKeown <Chris.McKeown@nzog.com>; Andrew Jefferies <Andrew.Jefferies@nzog.com>  
**Subject:** NZOG at APPEA, lawyers, US contacts

Hi Andrew and Chris,

Do you have time to have a quick chat about APPEA next week?

**OUT OF SCOPE**

**OUT OF SCOPE**

Kind regards

Caroline

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**Caroline Forrest**

**M s9(2)(a)**

Investment Manager

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19.

**From:** Caroline Forrest - MEL  
**Sent:** Monday, 29 May 2017 11:28 AM  
**To:** Nick Dobson -WLG <Nick.Dobson@nzte.govt.nz>  
**Subject:** NZOG SIF agreement - peer review

Hi Nick,

Could I please have your peer review of the SIF funding agreement?

I should have had this signed back in February, but didn't... So I am getting it signed now.

I have sent it to Emma Matson in legal as well.

Kind regards

Caroline

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**Caroline Forrest**  
Investment Manager



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20.

**From:** Daniel Leeman [mailto:Daniel.Leeman@nzog.com]  
**Sent:** Thursday, 8 June 2017 4:21 PM  
**To:** Caroline Forrest - MEL <Caroline.Forrest@nzte.govt.nz>  
**Cc:** Chris McKeown <Chris.McKeown@nzog.com>  
**Subject:** RE: Barque Impact Assessment Update

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Hi Caroline,

Hope you are keeping well? I just wanted to drop a note with a quick word of thanks, provide an update and ask a question for clarity.

Thanks for the support in getting the Barque impact assessment completed, the report is exactly what we were driving for and hopefully you find use for it too.

On the update side; we are preparing a media release and engagement strategy for getting the information out there and promoting the prospect, and the potential benefits of developing, more widely distributed and understood. As part of this, NZOG intend to make a public announcement on the 14<sup>th</sup> of June. With this, we intend to release the final report as prepared by MartinJenkins (which I believe you received and provided some feedback on).

The question is, for clarity; can you please confirm that you are happy for the report to be made available as part of this release?

Should you have any comments or concerns, do please let me know. I'm out of the office tomorrow, so email may be best, or you can reach Chris if you would like to discuss this week.

Also; John Pagani will be in touch further to this with more detail on the engagement strategy and prep prior to the announcement.

Thanks again.

Kind Regards,

Daniel Leeman

Senior Reservoir Engineer

CPEng MSc MENG (HONS) DipMan MIPENZ MRSNZ SPE

[daniel.leeman@nzog.com](mailto:daniel.leeman@nzog.com) | **s9(2)(a)**



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21.

**From:** Caroline Forrest - MEL

**Sent:** Wednesday, 14 June 2017 12:49 PM

**To:** 'Daniel Leeman' <[Daniel.Leeman@nzog.com](mailto:Daniel.Leeman@nzog.com)>

**Subject:** RE: SIF agreement 6 January

Hi Daniel,

I have amended the agreement and put the application date as 5 January and the agreement date as 6 January.

Kind regards

Caroline

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**Caroline Forrest**  
Investment Manager

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