PEP55781 - Statoil New Zealand 2016 Annual Report of Iwi and Hapū Engagement

prepared for

The Minister of Energy and Resources

March 2017
The Crown Minerals Act 1991 requires all Tier 1 permit holders to prepare an annual report on engagement with iwi and hapū. This report provides details of Statoil’s engagement with Te Taitokerau iwi and hapū and covers the period of 12 months from December 2015 to 31 December 2016.

Identical copies of this report will be submitted for each of the Reinga Basin permits previously held by Statoil – PEP 57057 and PEP 55781.

The report is being submitted to New Zealand Petroleum and Minerals by 31 March 2017.
Purpose

This report details Statoil’s engagement with iwi and hapū for the period from December 2015 to 31 December 2016 in relation to the two Northland/Reinga permits (PEP 55781 and 57057) where Statoil was, up until November 2016, the operator with a 100% equity share.

The report is provided in accordance with section 33C of the Crown Minerals Act of 1991.

New Zealand activity update

After studying 2D seismic data of the Reinga Basin search area, Statoil decided the chance of making a large oil or gas discovery was small. On 12 October 2016 Statoil informed the New Zealand Government of its decision to surrender these two Reinga Basin exploration permits.

Statoil’s approach to iwi and hapū engagement

Statoil’s approach to iwi and hapū engagement over the previous three years in Northland has recognised the importance of early and open engagement. It has reflected that Statoil had no prior knowledge or understanding of the local iwi and hapū and their perspectives in relation to the oil and gas sector, or any pre-existing relationships in the region when it first entered the country in December 2013.

The objective of the initial engagement was to listen, learn and understand more about the local perspective. It meant starting small and taking incremental steps to widen the engagement over the previous three years, informed by on-the-ground guidance on who and how to engage.

Over the previous three years, Statoil has continued with this approach in order to deepen its understanding of the region, establish dialogue, develop relationships, and get the relevant information in order to engage appropriately and thus to establish the basis to inform and involve.

2016 engagement overview

As Statoil’s permanent representative in New Zealand, Country Manager Mr. Brynjulf Kløve led Statoil’s regular engagement throughout 2016 in an effort to continue to deepen and widen Statoil’s engagement with Te Taitokerau iwi and hapū. Mr Kløve spent time in Northland meeting people, building relationships, and answering questions. He also maintained an open door policy for information requests and invitations to meet.

Alongside this ongoing regular engagement, Statoil organised and implemented programmes of engagement with iwi authorities around three specific work programme milestones in 2016. Mr Kløve was supported by relevant visiting colleagues from Norway as appropriate.

The three milestones and corresponding engagement activities are detailed below.
1. March 2016 Environmental Survey

Pre-activity notification

Statoil worked closely with the operator NIWA to fulfil the conditions in the permitted activity regulations. This involved pre-activity notification of relevant Māori groups the Environmental Protection Authority (EPA) considers have existing interests that may be affected by the environmental survey. The full list of groups is enclosed (refer Attachment One).

Where Statoil did not have an existing relationship with Northland-based groups on the EPA list, we attempted to make contact ahead of the pre-activity notification being sent. In most cases we were successful.

Iwi appointed environmental and cultural observer

As a continuation of the iwi appointed environmental and cultural observer opportunity jointly developed with Te Rūnanga o Te Rarawa in 2015, Statoil asked the leadership of Te Taitokerau iwi authorities it had a dialogue with to select a suitable representative to fulfil this role on board the R.V Tangaroa during the March 2016 environmental survey.

The purpose was to observe how we conduct environmental studies, marine mammal observation and how we manage such operations with regards to health and safety. We contributed to the iwi appointed observer’s costs while at sea, as well as Basic Offshore Survival Training (BOSIET) and essential equipment. The iwi appointed environmental and cultural observer reported on the experience for the wider benefit of local iwi members. A copy of that report is enclosed (refer Attachment Two).

2. Collation of Reinga Basin environmental information

In keeping with a commitment made at the February 2015 Te Rūnanga o Te Rarawa – Statoil engagement workshop, in late-2016 Statoil collated and shared Reinga basin environmental information collected between 2014 and 2016 within the area of exploration permits it had held over this time. Very little information exists on the Reinga basin, so Statoil worked closely with Te Rūnanga o Te Rarawa to make this data and research available to the local iwi authorities.

On 9 December 2016, Statoil attended a half-day information sharing workshop in Taipa. The workshop was arranged by Te Rūnanga o Te Rarawa and invitations went out to other local iwi authorities.

Country Manager Brynjulv Kløve attended, supported by Statoil Environmental Expert Jon Rytter, who travelled from Norway for the workshop.

Statoil also facilitated the attendance of NIWA National Projects Manager, who was able to talk with authority to the findings.
3. Decision to surrender permits

When the decision was made to surrender the Reinga Basin exploration permits, Statoil sought to engage with the iwi authority leaders it had built relationships with over the previous three years in order to inform them directly of this decision.

Around the time of informing the Government in October 2016, Statoil New Zealand Country Manager Brynjulv Kløve accompanied by Vice President Exploration Pål Haremo in the engagement with the leaders of the iwi authorities. This engagement programme involved telephone conversations, email and face to face meetings in Wellington and Northland.

Deepening and testing our understanding

In planning and implementing these three specific programmes of engagement, as well as the regular engagement, Statoil continued to be guided by the cultural advisor appointed in 2015. Mr Kløve and colleagues also took these opportunities to increase their understanding of tikanga Māori, te Reo Māori and current issues of importance to the region.

Alongside this, Statoil continued to seek local engagement advice and the advice offered by various New Zealand Government agencies, including New Zealand Petroleum and Minerals, local government bodies, and the Best Practice Guidelines for Engagement with Māori developed by Te Rūnanga o Ngāti Ruanui Trust.

Record of Engagement

<table>
<thead>
<tr>
<th>Date</th>
<th>Iwi/hapū group/s represented</th>
<th>Nature of engagement</th>
<th>Outcome of engagement / feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2015</td>
<td>Te Rūnanga Nui o Te Aupōuri Trust</td>
<td>Correspondence regarding iwi appointed environmental and cultural observer opportunity</td>
<td>Iwi authorities led the selection process.</td>
</tr>
<tr>
<td></td>
<td>Te Rūnanga o NgāTakoto</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Te Rūnanga o Te Rarawa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-17 December 2015</td>
<td>Ngāti Kuri Trust Board, Te Rūnanga-a-iwi o Ngāti Kahu, Te Rūnanga Ā Iwi o Ngāpuhi, Te Rūnanga o NgāTakoto, Te Roroa Whatu Ora Trust, Te Rūnanga o Whaingaroa, Te Rūnanga Nui o Te Aupōuri Trust, Te Rūnanga o Te Rarawa</td>
<td>Correspondence - Statoil final update for 2015 and invitation to meet</td>
<td>Reminder of availability to meet and information provided.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest expressed by some in meeting and appreciation for update.</td>
<td>No response from others.</td>
</tr>
<tr>
<td>Date</td>
<td>Iwi/hapū group/s represented</td>
<td>Nature of engagement</td>
<td>Outcome of engagement / feedback</td>
</tr>
<tr>
<td>--------------------</td>
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<td>----------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4 December 2015</td>
<td>Te Rūnanga o NgāiTakoto</td>
<td>Face to face meeting, sharing information about planned activity going forward</td>
<td>Continued dialogue. Open discussion raising many relevant questions and concerns.</td>
</tr>
<tr>
<td>10 December 2015</td>
<td>Te Rūnanga o Ngāti Whātu Te Roroa Whatu Ora Trust Te Rūnanga o Whaingaroa</td>
<td>Telephone conversation – introduction and work programme update</td>
<td>Dialogue open and communicated availability to meet and / or discuss Reinga basin exploration.</td>
</tr>
<tr>
<td>15 January 2016</td>
<td>EPA advised list of relevant Māori groups with existing interests it considers may be affected by the coring operation (refer Attachment Two)</td>
<td>Pre-activity notice geochemical survey – joint letter from NIWA and Statoil (sent via email from NIWA)</td>
<td>All EPA-identified relevant Māori groups with existing interests it considers may be affected by the coring operation notified of the activity. One response asking about iwi appointed environmental and cultural observer opportunity.</td>
</tr>
<tr>
<td>15 January 2016</td>
<td>Te Rūnanga o Whaingaroa</td>
<td>Email correspondence regarding future engagement</td>
<td>Information on activity and company provided. Offer to meet extended.</td>
</tr>
<tr>
<td>27 March 2016</td>
<td>Te Rūnanga o Te Rarawa Te Rūnanga Nui o Te Aupōuri Trust</td>
<td>Guided tour of NIWA’s R.V Tangaroa vessel that conducted the geochemical survey</td>
<td>Good opportunity to demonstrate first-hand how environmental surveys are conducted.</td>
</tr>
<tr>
<td>16 March – 1 April 2016</td>
<td>Te Rūnanga o Te Rarawa Te Rūnanga Nui o Te Aupōuri Trust Te Rūnanga o NgāiTakoto</td>
<td>Email correspondence sharing draft iwi engagement report and inviting feedback</td>
<td>Agreed understanding of engagement summary.</td>
</tr>
<tr>
<td>26 August 2016</td>
<td>Te Rūnanga Nui o Te Aupōuri Trust Iwi appointed environmental and cultural observer</td>
<td>Email correspondence distributing iwi appointed observer’s report</td>
<td>Sharing successful outcome of this iwi-led appointment.</td>
</tr>
</tbody>
</table>
| 3 October 2016     | Te Rūnanga o Te Rarawa                                                                      | Face to face meeting to discuss the value of environmental                            | Good opportunity to take local advice on how to
<table>
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<th>Nature of engagement</th>
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</tr>
</thead>
<tbody>
<tr>
<td>18 October 2016</td>
<td>Te Rūnanga o Te Rarawa</td>
<td>Correspondence confirming offer to present and share environmental information</td>
<td>Te Rūnanga o Te Rarawa led organisation and facilitation of environmental information sharing workshop.</td>
</tr>
<tr>
<td>3-13 October 2016</td>
<td>Te Rūnanga o NgāTakoto Te Rūnanga o Te Rarawa Te Rūnanga Nui o Te Aupōuri Trust</td>
<td>Face to face meetings and telephone calls to communicate and discuss decision to surrender Reinga Basin exploration permits.</td>
<td>Joint understanding of the reasons for surrendering the Reinga Basin permits.</td>
</tr>
<tr>
<td>13 October 2016</td>
<td>Te Rūnanga o NgāTakoto Te Rūnanga o Te Rarawa Te Rūnanga Nui o Te Aupōuri Trust Te Rūnanga Ā Iwi o Ngāpuhi Ngāti Kuri Trust Board</td>
<td>Written notification of decision to surrender Reinga Basin exploration permits.</td>
<td>Advised directly of the decision and the reasons behind it.</td>
</tr>
<tr>
<td>9 December 2016</td>
<td>Te Rūnanga o Te Rarawa</td>
<td>Te Rūnanga o Te Rarawa facilitated environmental information sharing workshop in Taipa</td>
<td>Reinga Basin environmental information available for iwi authorities’ future use.</td>
</tr>
</tbody>
</table>

**Feedback**

In all the meetings listed above we had open discussions and received helpful and constructive feedback and advice.
**Future engagement in Te Taitokerau**

Although Statoil has surrendered its Reinga Basin permits, it intends to keep the dialogue open with local iwi authorities and continue to make itself available to provide information and answer any questions.
ATTACHMENT ONE: EPA advised list of relevant Māori groups with existing interests it considers may be affected by the coring operation
Representative Organisation

Tai Tokerau - Regional Specific
Te Rūnanga O Ngāi Takoto
Ngāti Kahu ki Whangaroa Trust Board
Tūhoronuku Independent Mandated Authority
Te Roroa Whatu Ora Trust
Te Rūnanga o Ngāti Hine

Mandated Iwi Organisations (MIO)
Ati Awa ki Whakarongotai Charitable Trust
Hauraki Māori Trust Board
Hokotehi Moriori Trust
Maniapoto Māori Trust Board
Muaūpoko Tribal Authority Inc
Ngā Hapū o Ngāruahine Iwi Inc
Ngā Taonga o Ngaitakoto Trust
Ngāi Tāmanuhiri Whānui Trust
Ngaitai Iwi Authority
Ngāti Apa ki Te Rā Tō Trust
Ngāti Kahungunu Iwi Inc
Ngāti Koata Trust
Ngāti Kurī Trust Board
Ngāti Maru (Taranaki) Fisheries Trust
Ngāti Mutunga O Wharekauri Iwi Trust
Ngāti Pūkenga Iwi ki Tauranga Trust
Ngāti Rārua Iwi Trust
Ngāti Raukawa ki te Tonga Trust
Ngāti Tama Manawhenua ki Te Tau Ihu Trust
Ngāti Tūwharetoa Fisheries Charitable Trust
Ngāti Wai Trust
Ranginui Fisheries Trust
Raukawa Settlement Trust
Rongowhakaata Iwi Trust
Taranaki Iwi Trust
Te Aitanga ā Māhaki Trust
Te Ātiawa (Taranaki) Settlements Trust
Te Ātiawa ki te Upoko o te Ika a Māui Pōtiki Trust
Te Ātiawa o Te Waka-a-Māui
Te Kaahui o Rauru
Te Kotahitanga o Te Arawa Waka Fisheries Trust Board
Te Ohu Tiaki o Rangitāne Te Ika a Māui Trust
Te Pātiki Trust
Te Rūnanga a Iwi o Ngāpuhi
Te Rūnanga a Rangitane o Wairau Trust
Te Rūnanga Nui o Te Aupōuri Trust
Te Rūnanga o Ngāi Tahu
Te Rūnanga o Ngāi Te Rangi Iwi Trust
Te Rūnanga o Ngāti Apa Trust
Te Rūnanga o Ngāti Awa
Te Rūnanga o Ngāti Kuia Charitable Trust
Te Rūnanga o Ngāti Manawa
Te Rūnanga o Ngāti Mutunga
Te Rūnanga o Ngāti Ruanui Trust
Te Rūnanga o Ngāti Whare
Te Rūnanga o Ngāti Whâtua
Te Rūnanga o Te Rarawa
Te Rūnanga o Toa RaNgātira Inc
Te Rūnanga o Whaingāroa
Te Rūnanga-a-Iwi o Ngāti Kahu
Te Rūnanganui o Ngāti Porou Trust
Te Whiringa Muka Trust
Tūhoe Fisheries Charitable Trust
Waikato – Tainui Te Kauhanganui Incorporated
Whakatōhea Māori Trust Board
Ngāti Pāhauwera Development Trust
Te Rūnanga o Ngāti Porou ki Hauraki
Ngāti Rangitihiri Raupatu Trust Incorporated
Te Uri o hau Settlement Trust
Maungaharuru-Tangitū Trust
Recognised Iwi Organisations (RIO)
Te Rūnanga o Ngāti Tama
Te Rūnanga o Te Whānau
ATTACHMENT TWO: Report from iwi appointed environmental and cultural observer aboard the *Tangaroa* vessel March 2016
SUBJECT: Te Reinga Basin Seabed Sampling Survey 2016

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Iwi Observer Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>Te Runanga Nui o Te Aupouri Trustees</td>
</tr>
<tr>
<td>From:</td>
<td>Iwi appointed observer - Te Runanga Nui o Te Aupouri</td>
</tr>
<tr>
<td>Date:</td>
<td>26/8/2016</td>
</tr>
</tbody>
</table>

1.0 INTRODUCTION

1.1 This report provides an overview for Te Runanga Nui o Te Aupouri Trustees, into the operations that occurred on the research vessel “Tangaroa” during the 13th to the 27th March 2016.

2.0 HEATFLOW

2.1 A heat flow probe was deployed, it penetrates the seafloor but because it is a solid rod rather than hollow, it does not recover any sediment. The heat flow probe also penetrates the soft sediments up to 6 m. The probe remains in the sediment for approximately 20 minutes. It is then recovered to the vessel where the acquired data are downloaded and quality checked.

2.2 7 deployments were conducted, across a range of water depths up to a maximum of ~2100 m.

3.0 PISTON CORER

3.1 Piston core systems comprise a trigger assembly, coring weight assembly (core head), core barrels, catcher and piston. The piston corer is lowered over the side of the vessel and allowed to free fall under its own weight from about 3 m above the seafloor to allow good penetration into the sediment. Generally the mechanical action of coring is as follows: the trigger weight hits the bottom, relieving the weight on the trigger arm to release the corer to "free-fall" the ~3 m distance to the seafloor floor. The core barrel penetrates into the sediment. The movement of the core barrel around the piston creates a vacuum immediately over the sediment-water interface, expelling the head of water in the core barrel as the core descends and aids sediment penetration. Coring results in a 7.5 cm diameter core sample and can penetrate up to 6m.

3.2 32 core samples were conducted, across a range of water depths, up to ~2100 m.

4.0 BOX CORER

4.1 A box corer similar to the piston corer (as described above), was also deployed which penetrates up to 50 cm in soft sediment to collect sediment and faunal samples.
4.2 13 deployments were conducted, across a range of water depths up to a maximum of ~2100 m.

5.0 **DTIS (Deep Towed Imaging System)**

5.1 Density estimates can be obtained directly from seafloor imagery (still photographs or video). Therefore, in addition to the sampling indicated above, this survey also deployed a deep towed imaging system (a non-bottom contact system that is deployed above the seafloor) to collect a 50 m transect of still photographs or video.

5.2 10 deployments were conducted at each of the faunal sampling (box corer) sites.

6.0 **MMO (Marine Mammal Observer)**

6.1 This sampling programme also had a Marine Mammal Observer onboard, thus potentially increasing the knowledge of cetaceans in the region.

6.2 A total of seven discrete cetacean sightings of four whale species from the DOC list of ‘species of concern’ were detected during the voyage.

6.3 Three sightings of dolphin species occurred during the voyage. A small pod of approximately five common dolphins (Delphinus delphis) soon after leaving the Wellington heads on the transit north.

6.4 Only one New Zealand fur seal (Arctocephalus forsteri) sighting was made throughout the voyage, and that was shortly after departing Wellington in Cook Strait

7.0 **CUTURAL FRAMEWORK**

7.1 An Environmental & Cultural framework “Effort/Operation/Sighting Sheet” was adhered to during the duration of this survey.

7.2 In addition, a Cultural Monitoring Framework: Titiro, Whakarongo, Korero was applied encompassing, Technical Data, Matauranga, Highlights and Relationships.

8.0 **EFFECTS ON THE ENVIRONMENT**

8.1 No equipment used for sediment sampling remained on the seabed and the impact associated with the seafloor sampling program was limited to the immediate sampling areas.

8.2 The most likely effect would be minor disturbance of the benthic environment and benthic communities, resulting from the collection of seafloor samples.

8.3 Less than 1 m² was affected by the piston coring and the heat flow measurements, each sample covering an area < 0.005 m² (7.5 cm diameter).
8.4 Each environmental sampling site collected sediments and fauna from an area of 0.25 m².

8.5 The combined footprint of all seabed activities is less than 6.0 m².

8.6 Should sampling indicate the presence of sensitive environments (i.e. organisms as defined in Schedule 6), the sampling plan will be redesigned to minimise and, wherever possible, avoid further contact with these environments.

9.0 WAIRUA

9.1 Tangaroa: He marino (calm), he toropapa (glassy), he huka (few white caps), he puke papaku (low swells), he pokarekare (scaly ripples no foam crests), he pungarungaru (small wavelets), he mareparepa (large wavelets), he ngaru whati (crests began to break), he ngaru huhuka (scattered white caps).

9.2 Tawhirimatea: He ngawari te hau (light air), he kohengihengi (light breeze), he hau angiangi (gentle breeze).

9.3 Ranginui: He whitiwhitinga (variable), he kouaua (light rain), he mahana (warm), he wera (hot).

9.4 Te Papa Moana: He kenepuru (muddy), he matenga-a-rauropi (dead to no coral), he matatoka (fossils), he pungorungoru (sponge glass), he kaiwhao (molluscs), he mapere (pebbles), he horehore te ahuatanga puta noa (overall the seabed is described as generally smooth and baron).

9.5 Nga Kaitiaki: He parirua (1 Skate was captured on the DTIS), he toke (worms), he karetai (grey face petrel seabirds).

9.6 Te Ara wairua: He rongo-a-wairua (spiritual awareness), he whakahekenga (a migrating pathway), he whakararata (responsive). He ahua tau te ara wairua (the spiritual pathway seemed settled).

10.0 RECOMMENDATIONS

10.1 A continuation of Iwi Observers on board offshore vessels should there be future explorations and report back on the operational and spiritual nature on the environment to Iwi.

10.2 Gather primary information and data concerning Te Reinga and operations.

Naku noa nei,

Iwi Observer.
Benthic environment surveying at NIWA

Iwi Observer/Environmental & Cultural Observer, Northland, New Zealand

Heat Flow Probe
Piston Corer

Oktopus 2500 USNEL box corer

- 0.25m²
- 2 x unit
- Full spares
- Back-up multicorer
Sediment/Mud

Deep Towed Imaging System – DTIS

- 6000 m rated
- Video: HD1080p – Sony
- Still images: 24MP SLR – Nikon (or 10MP Canon)
- Recording in-camera: video to HDD, stills to flash card
- 1 h standard transect (max ca. 3 h)
- Still images every 15 s
- Real-time colour video feed to surface via modem: standard definition, slow frame-rate
Te Reinga

Rerenga Wairua