



COMMUNITY



USD\$1,500,000

Total donated to community projects and sponsorships, including education and environmental projects in New Zealand, over the last 5 years

2,400

Students participated in AWE sponsored water safety program

8 years

AWE's commitment to the youth mentoring Big Brothers Big Sisters program



“AWE recognises that actively engaging with communities and governments in the areas that we operate is fundamental to sustainable operations.”

AWE is committed to developing long-term and meaningful relationships with the communities in which we operate. AWE endeavours to be a good neighbour, sharing the concerns of our communities and working with them to create a better future for the local population as well as the environment. We have embedded our community commitment within our HSE Statement of Principles which states that “AWE’s fundamental aim is to leave any local community in better shape after we have conducted our exploration development and/or production operations”. All of our operations refer to this principle in day to day management decisions and it is the key principle behind the development of our community relations strategy. Our community relations strategy is focused around two key elements: our community investment program, and our stakeholder engagement process.

COMMUNITY INVESTMENT PROGRAMS

Our community investment programs in New Zealand, Australia and Indonesia allow us to support communities through funded initiatives and sponsorship activities that bring positive, sustainable benefits to people living near our operations. This year our community projects focused on health, education, sustainability and community development.

AWE allocates sponsorship funds to local communities according to the following requirements:

- Community need; designed in consultation with the community
- Measurable positive impact: social, economic and environmental
- Sustainable; where the long-term benefits will continue to be seen.

STAKEHOLDER ENGAGEMENT

AWE recognises that engaging with our community stakeholders is crucial to our long term success. We engage with the communities in which we operate in a number of ways, including presentations, information sessions and face-to-face discussions. AWE’s community engagement process offers stakeholders an insight into our current and planned operations as well as providing an opportunity for communities and landowners to voice their concerns and offer input to planned or upcoming business activities.

Over the past 12 months, AWE has held a number of community engagement sessions on hydraulic fracture stimulation in the Perth Basin that were attended by members of the Dongara and Eneabba communities. In addition, regular meetings were held with our various stakeholder groups and local residents to keep them informed of our current and planned operations. Our website has been enhanced to serve as a community education tool on the subject of ‘fracking’ or hydraulic fracture stimulation. We subscribe to a way of working with the communities in which we operate with full transparency and openness which are essential elements for long term business sustainability.

CASE STUDY

ENGAGEMENT WITH LOCAL INDONESIAN FISHERMAN NEAR THE ATLAS-1 DRILLING LOCATION

In May and June of 2012, AWE drilled the Atlas-1 exploration well in the offshore East Java Basin of Indonesia. The well-site was located approximately 100km from the North East coastline of the main Indonesian Island of Java.

To fully understand and address Community concerns AWE carried out a series of “socialisation” meetings with Indonesian regulators, local government groups and local fishing groups, whose waters would be potentially impacted during the month long drilling project.

Senior executives from the AWE Jakarta office met with representatives from the Bawean Island, Lamongan and Tuban fishing communities. The purpose of the meetings was to outline the details of the drilling campaign and the security and safety systems used by AWE to prevent any impact to the local marine environment.

AWE also requested the support of these communities and engaged some of the local fishermen to monitor the area and ensure no other fishermen came to harm.





CASE STUDY

BIG BROTHERS BIG SISTERS – TRANSFORMING THE LIVES OF NEW ZEALAND'S YOUTH

The initial five-year sponsorship of the youth mentoring program Big Brothers Big Sisters (BBBS) in Taranaki has been so significant and successful, that AWE recently agreed to provide another three years of financial support. In addition, AWE has also been the major sponsor of BBBS nationally in New Zealand for the past three years.

With this support, BBBS has grown to a total of 15 branches in a national network around the country including opening the first branch in Auckland, the largest city in New Zealand. Around Taranaki, home to the Tui oil fields, there are now branches in New Plymouth, Stratford and Hawera. The number of branches reflects the growing number of young people aged between 6 and 18 who have been matched with an adult mentor in professionally supported one-to-one relationships.

There are now more than 600 young people served by the BBBS program – “Youth who are among New Zealand’s most vulnerable” says David Marshall, the national co-ordinator for the program. “Research shows that our mentoring works. Young people with a Big Brother or Big Sister show real differences in their personal and academic lives,” says David, “The financial support from AWE and its joint venture partners is helping change lives”.

BBBS started in the United States at the turn of last century and there are now more than 280,000 children worldwide being supported by a BBBS mentor. Where there is an established BBBS branch, young people are referred to the program by their teachers or their parents as being children who need a positive adult friend in their life.

MATERIAL ISSUES FACING OUR COMMUNITY

Through our community stakeholder engagement process the following issues have been identified as being material to the communities in which we operate:

- Stability in funding for sponsorship arrangements
- Consultation and communication
- Transparency and disclosure
- Community investment and sponsorship
- Access to job opportunities for the local community
- The potential for environmental impact in the event of loss of hydrocarbon containment
- The perceived risk to groundwater quality as a result of hydraulic fracture stimulation activities
- The concerns that some indigenous communities may have with regard to reduced access to culturally significant sites

AWE has responded to these material concerns by tailoring our community investment programs and through community consultation.

OUR PLAN FOR THE FUTURE

AWE recognises the importance of building stronger relationships with the communities in which we operate. We believe that regularly engaging with our stakeholders is critical to our long term success and we are committed to continuing to develop stakeholder engagement. The frequency and format of stakeholder engagement is designed to meet business and community needs, and what we learn from our local communities helps guide our business approach.





WORKING IN PARTNERSHIPS

AWE understands that by working collaboratively with other offshore oil and gas companies and our suppliers and contractors, we are able to leverage experience and knowledge to improve our procurement and logistics practices.

SUPPLY CHAIN PARTNERSHIPS

Operating an offshore oil and gas project in a remote and harsh environment requires an experienced and well-resourced supply chain covering everything from boats, to helicopters, to subsea 'ROV' (remotely operated inspection vehicles).

AWE actively works in partnership with other offshore oil and gas companies to streamline and leverage supply chain and procurement arrangements to reduce the number of logistical movements with the dual goal of reducing cost and making the transportation of goods and people as safe as possible.

These partnerships allow AWE to develop strong relationships with local oil and gas companies, working together to leverage their knowledge and experience in areas such as supply chain efficiency and best practice. In addition, by increasing the efficiency of our logistics services AWE not only reduces HSE risks presented by working in such a dynamic environment but creates cost savings and reduces environmental impacts (e.g. sharing helicopter services allows a more cost effective offshore flight scheduling).

WORKING WITH OUR NON-OPERATED JOINT VENTURE PARTNERS

AWE recognises that the selection of joint venture partners, particularly where AWE is not the operator, is a critical part of the success of our participation in oil and gas projects. AWE's exposure to adverse outcomes in relation to operational and HSE performance is materially reduced by ensuring that we partner with experienced and capable operators. The joint venture operator contractually takes full operational control over the activities of the joint venture and has responsibility for the management of the joint venture facilities and sites. However, it is vital to AWE's interests that AWE remains actively involved with the oversight of the management of operations of such ventures.

Before we decide to acquire an equity interest in a joint venture, AWE undertakes a full risk assessment of the joint venture operator addressing all key risk areas, including HSE management systems, environmental management systems, emergency response systems and hazard identification processes. This is to ensure that the systems in place will meet our own standards as well as local legal and regulatory requirements. This philosophy applies regardless of the location and type of project in which AWE participates.

We meet regularly with our joint venture operators to discuss operational risks and performance in relation to HSE, environmental and high hazard risks.

CASE STUDY

SUPPLY CHAIN COLLABORATION BENEFITS ALL

When AWE first developed the Tui Oil Field, Chief Operating Officer/ General Manager New Zealand, Dennis Washer, used his extensive regional contacts to initiate a sharing agreement for procurement services with the other major operators working offshore.

From day one, this initiative has created a common sharing philosophy which has subsequently expanded into other logistic areas including supply vessels, pilotage, warehousing and transportation.

The benefits extend past the financial to include the leveraging of marine information, development of skills and the use of international best practice safety standards.

By sharing helicopter resources for example, the supply company has been able to offer two of the latest generation twin-engined Augusta Westland AW139 for the safe and efficient transport of personnel to and from a number of offshore Taranaki installations.

