UBS AUSTRALASIA CONFERENCE SYDNEY

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OIL SEARCH LIMITED | ARBN 055 079 868 | ASX: OSH | POMSoX: OSH | US ADR: OISHY

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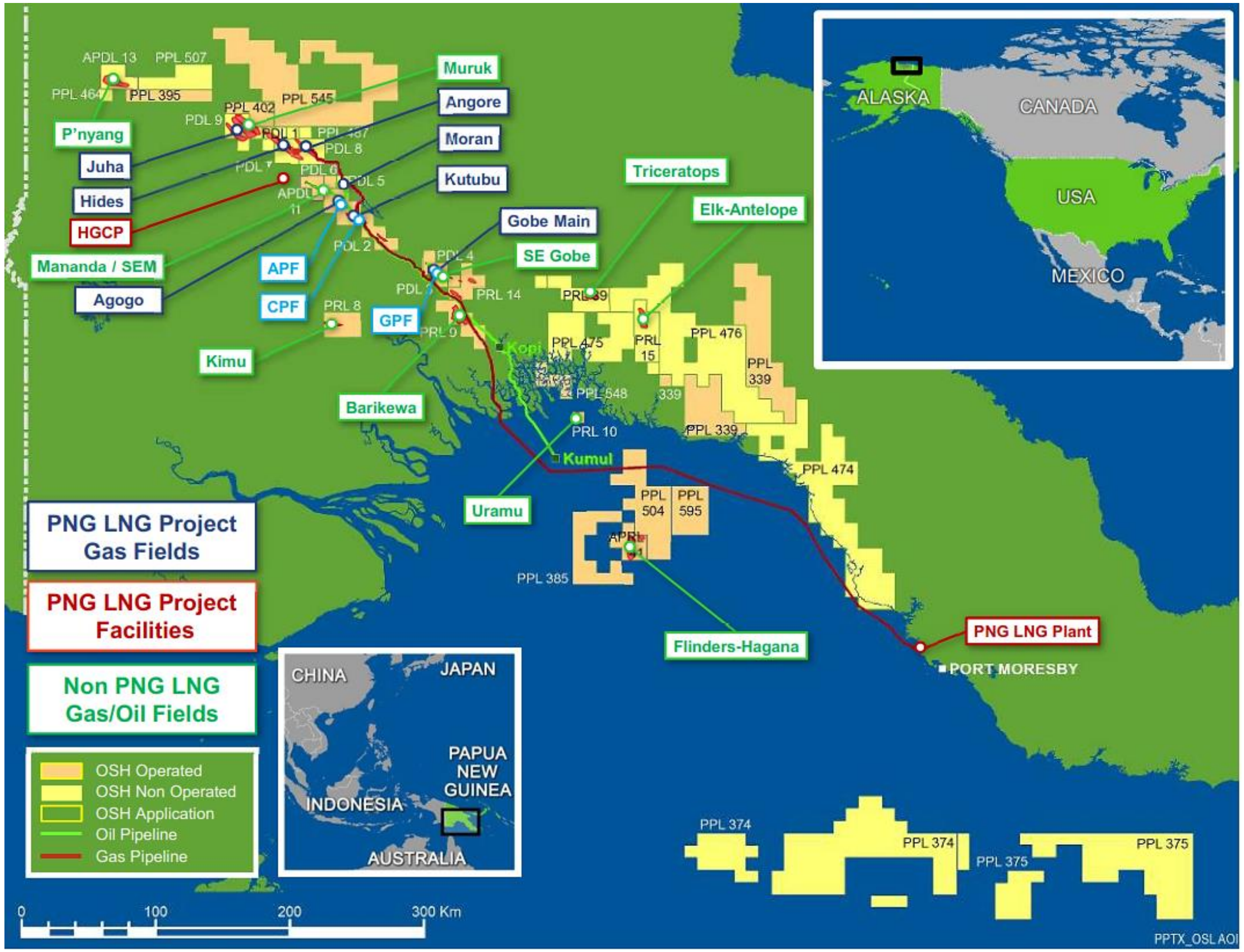
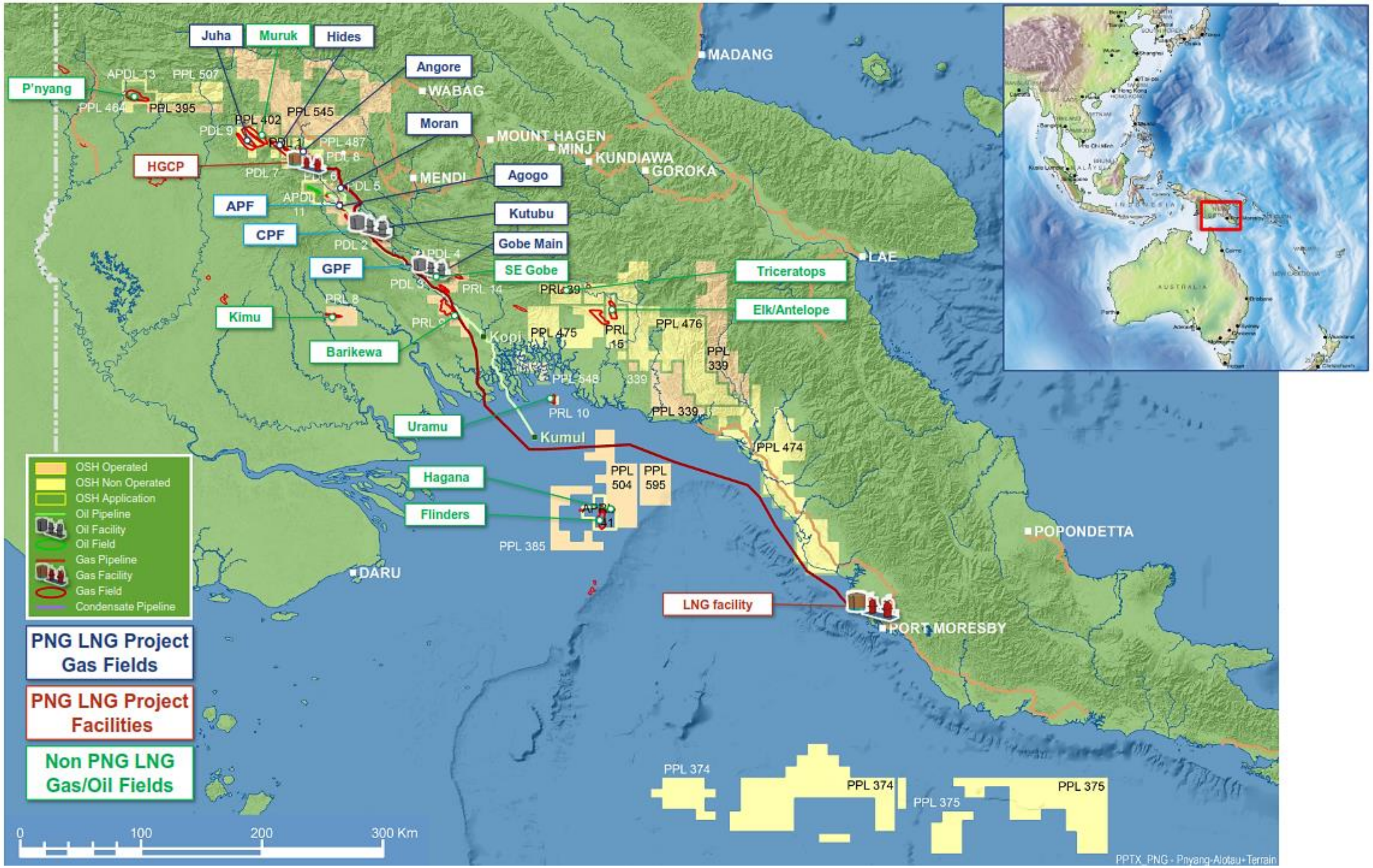
OIL SEARCH OVERVIEW

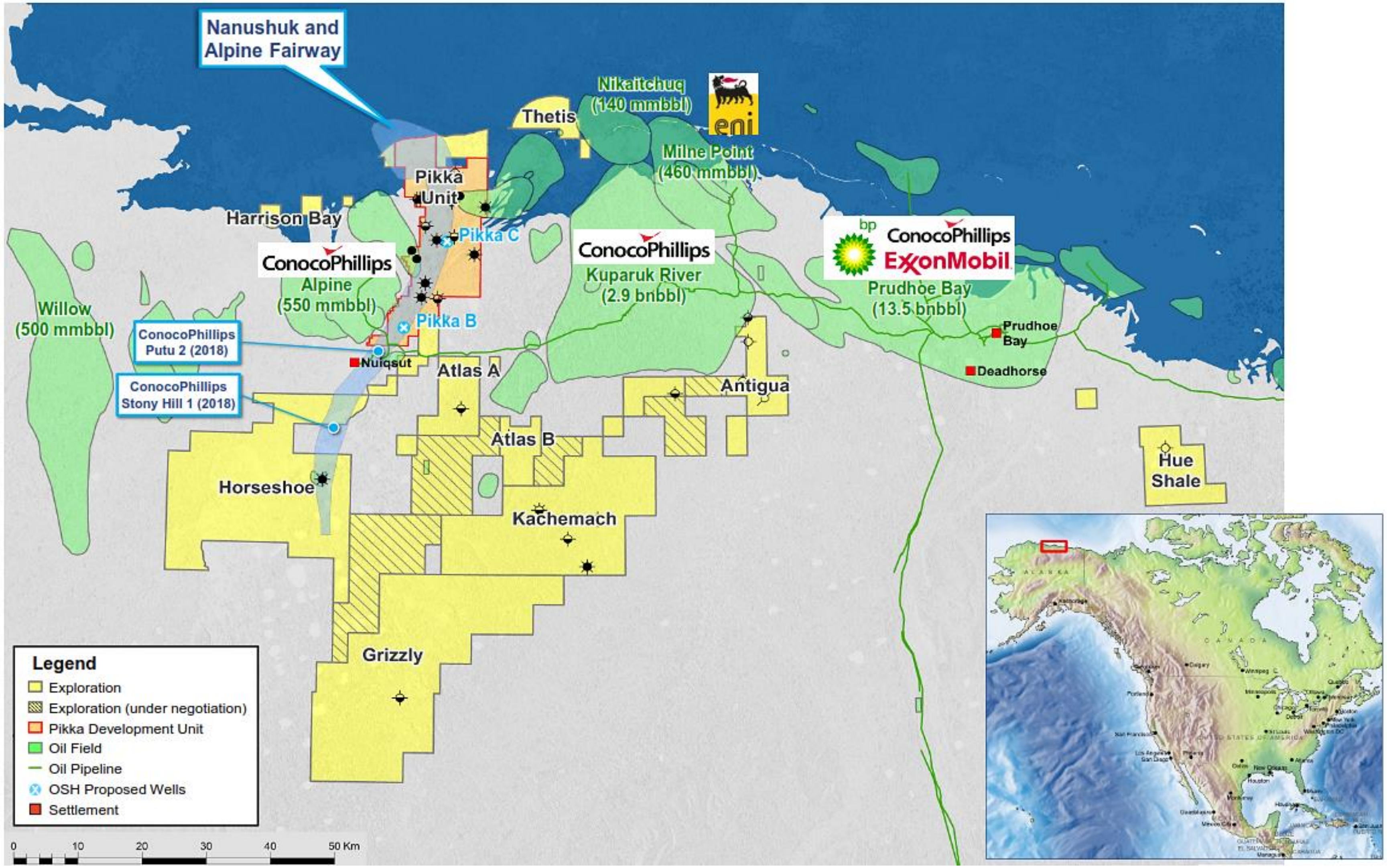
- Established in PNG in 1929
- 29% interest in PNG LNG Project (operated by ExxonMobil)
- ~ 60% interest in, and operator of, all PNG's producing oil fields
- Pursuing major LNG growth opportunities in PNG in partnership with ExxonMobil and Total, with alignment reached on three train downstream development concept for ~8 MTPA of new LNG capacity
- Material exploration upside in PNG
- 25.5% interest in major oil resource in Alaska North Slope, USA, with significant appraisal and exploration potential
- Market capitalisation ~A$12bn (~US$9bn)
- Listed on ASX (Share Code: OSH) and POMSOX, plus US ADR programme (Share Code: OISHY)



PNG OPERATIONS – KEY OIL AND GAS FIELDS



ALASKA OPERATIONS – KEY OIL FIELDS



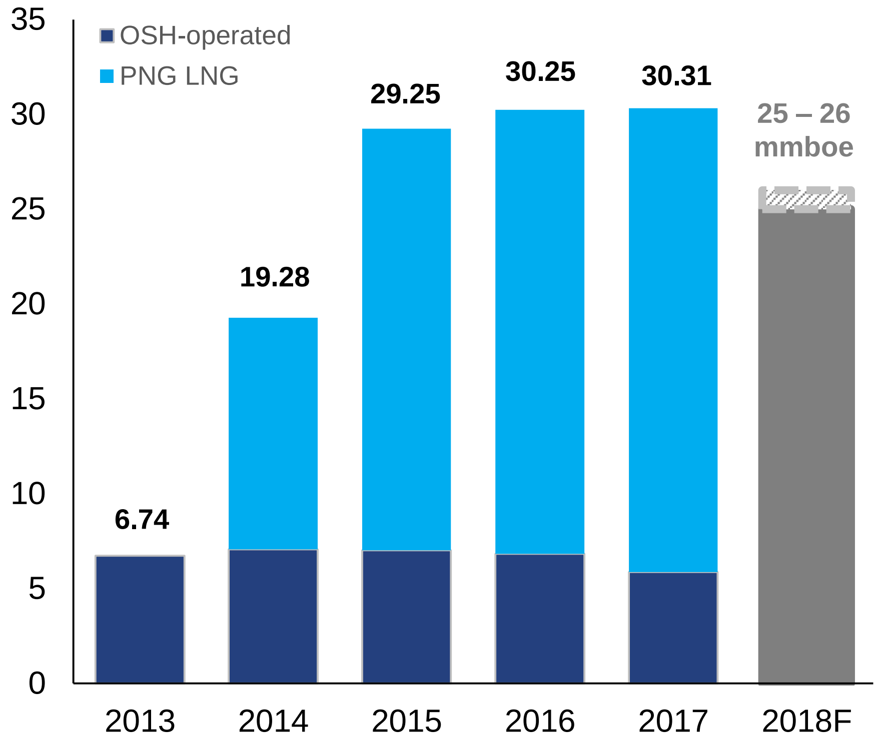
YEAR TO DATE OPERATIONAL HIGHLIGHTS

- Strong recovery in production since PNG Highlands earthquake in February, with PNG LNG achieving record production levels in 3Q18 of 8.9 MTPA
- Two mid-term SPAs signed with PetroChina and BP, taking total PNG LNG contracted volumes to 7.5 MPTA
- Steady progress on LNG development activities in PNG. Targeting finalisation of key Gas Agreement terms by APEC Leaders' Summit in November
- Muruk 2 well to appraise Muruk field, recently commenced drilling
- Successful appraisal drilling in PNG Forelands (Kimu 2, Barikewa 3), plus expansion of exploration portfolio in onshore Gulf
- Material upside in oil fields identified, with potential to add 30 mmbls (net)
- Strong progress in Alaska on all fronts. Preparations underway for 2018/19 appraisal drilling programme
- Robust financial position underpinned by strong liquidity of US$1.44bn

STRONG RECOVERY IN PRODUCTION SINCE PNG HIGHLANDS EARTHQUAKE

- 7.5 magnitude earthquake struck PNG Highlands in late Feb-18 – one in 100 year event:
  - All operations temporarily shut in, impacting 2018 full year production, but little damage to facilities, reflecting robustness of infrastructure
- Since resuming production in April, PNG LNG Project has achieved record production levels:
  - Annualised rates of 8.9 MTPA (3Q18), 9.0 MTPA (Sept-18) and daily rate peaking at 9.2 MTPA (vs. 8.3 MPTA in 2017)
  - Currently operating ~30% above nameplate capacity of 6.9 MTPA
  - Higher production rates achieved with little additional expenditure and underpinned by solid reserve base, delivering significant incremental value to all stakeholders
- Progressive ramp up in OSH-operated production expected through 1Q19, as remaining earthquake remedial work in remote locations is completed
- FY18 production guidance upgraded to 25 - 26 mmboe, underpinned by exceptional PNG LNG performance

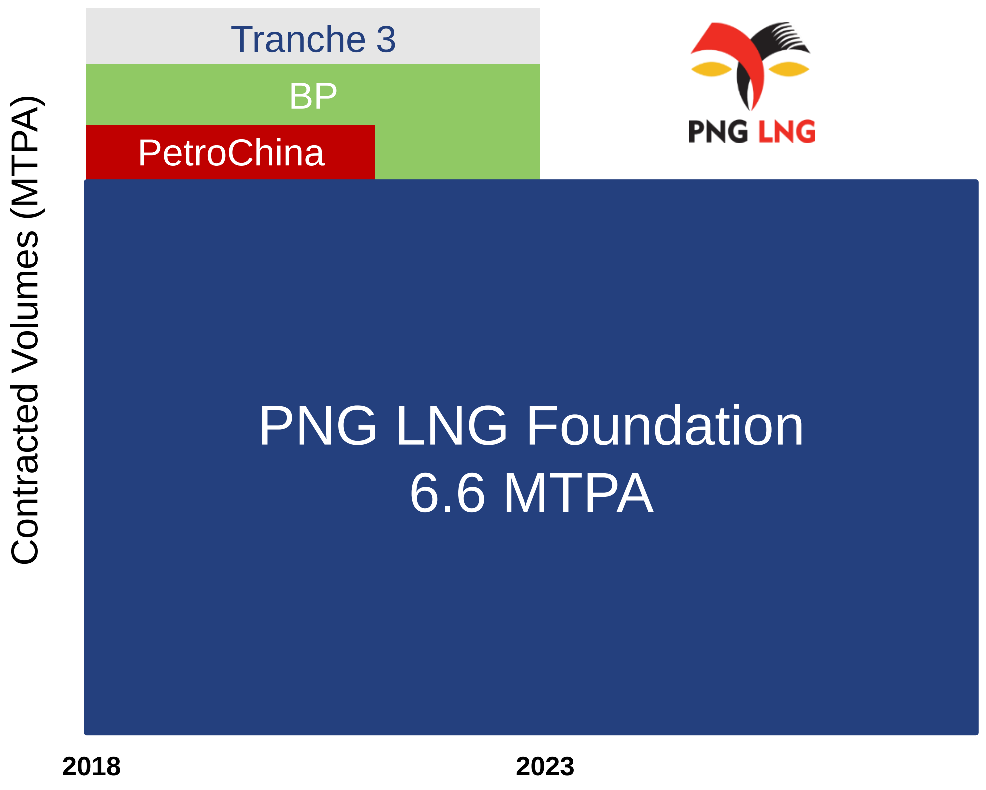
OIL SEARCH NET PRODUCTION (MMBOE)



PNG LNG CONTRACT VOLUMES INCREASED TO 7.5 MTPA

- Two mid-term SPAs signed in 2018:
  - Three-year SPA signed with PetroChina for ~0.45 MTPA of LNG. Supply commenced July ‘18
  - Five-year SPA signed with BP for ~0.45 MTPA of LNG for three years, followed by ~0.9 MTPA for two years. Supply commenced Aug ‘18
- Adds to 6.6 MPTA under long-term contract to JERA, Osaka Gas, Sinopec and CPC
- PetroChina and BP SPAs take total contracted PNG LNG volumes to ~7.5 MTPA
- Supply agreement for remaining 0.45 MTPA mid-term tranche expected to be finalised in near-term
- Strong spot market for remaining uncommitted volumes

PNG LNG CONTRACTUAL COMMITMENTS



2018 FULL YEAR GUIDANCE

	Current Guidance[1]
Total production (mmboe)[2]	25.0 – 26.0

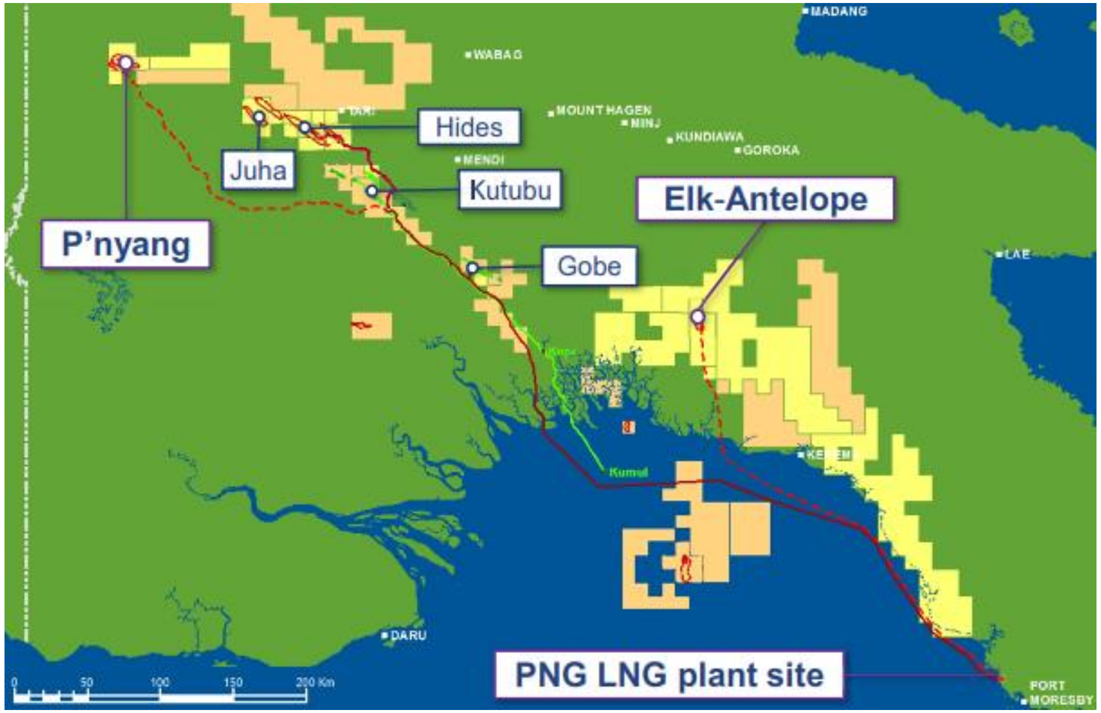
Operating Costs	
Production costs (US$ per boe)	11.50 – 12.50
Other operating costs[3] (US$m)	140 – 150
Depreciation and amortisation (US$ per boe)	12.00 – 13.00

Capital Costs (US$m)	
Exploration and evaluation[4]	270 – 300
Development – oil and gas	35 – 40
Production	20 – 25
Other plant and equipment[5]	45 – 50
Power[6]	55 – 60
Total (US$m)	**425 – 475**

1. Numbers may not add due to rounding.
2. Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search's reserves portfolio, using the actual calorific value of each gas volume at its point of sale.
3. Includes Hides GTE gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, corporate administration costs (including business development), expenditure related to power activities, inventory movements and other expenses.
4. Excludes Alaska acquisition costs of US$415 million.
5. Excludes finance leased assets.
6. Includes capital expenditure related to the Port Moresby power project. Project expenditure to date has been recorded as a receivable pending the execution of certain agreements that will convert the receivable to investment expenditure.

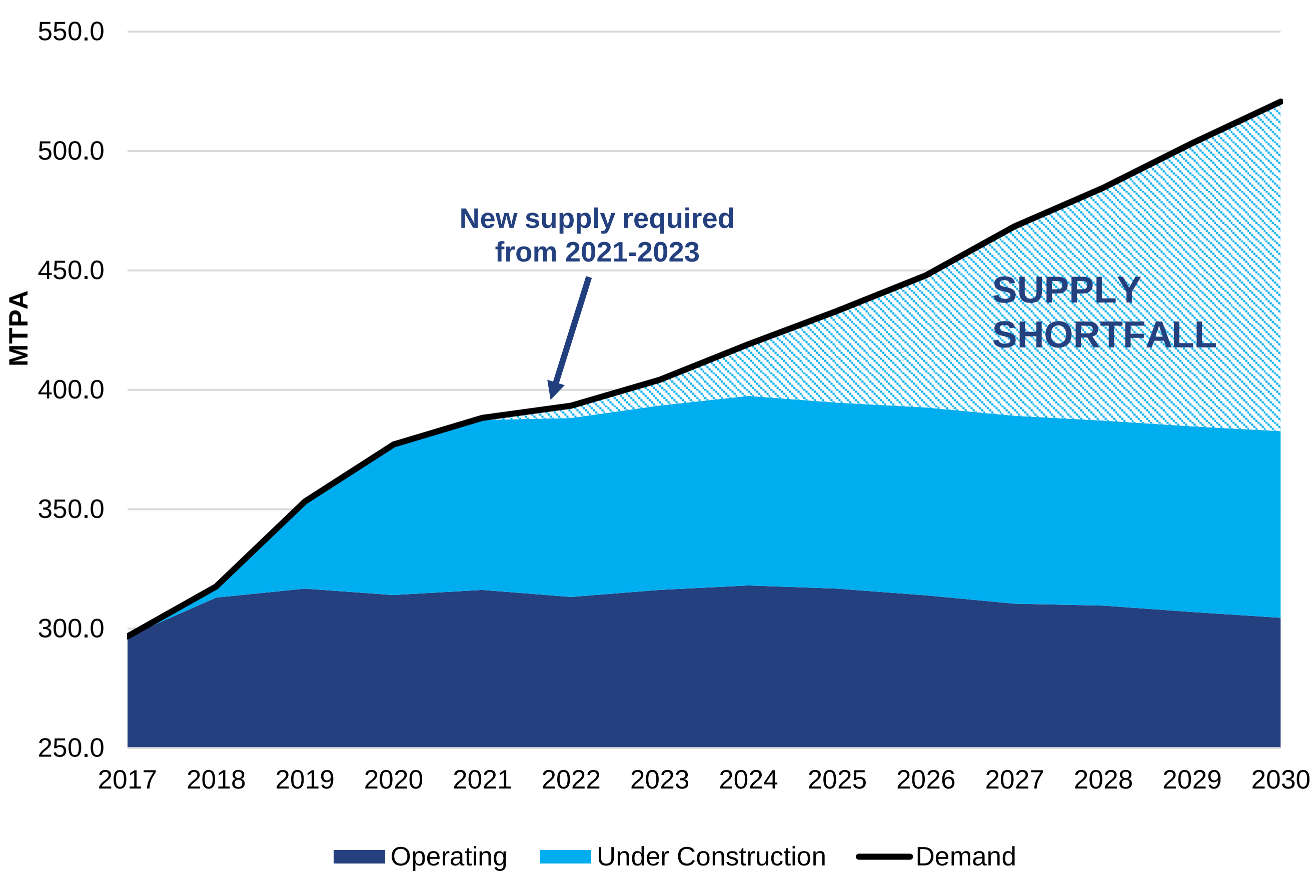
DISCUSSIONS ADVANCING ON DEVELOPMENT OF NEW LNG CAPACITY

- Progressing new LNG developments in PNG:
  - Three trains, ~8 MTPA total capacity
    - Two trains supported by Papua LNG (Elk-Antelope), one by PNG LNG and P'nyang
    - All located on existing PNG LNG plant site
  - Underpinned by gas resources in Elk-Antelope and P'nyang (>8 tcf 1C, 11 tcf 2C)
  - Excellent technical outcome, simplifies commercial and financial structure, cost competitive
- Ongoing PNG LNG, PRL 3 and PRL 15 meetings to advance concept definition, engineering, project financing and commercial agreements
- Dialogue between State Negotiation Team and PRL 15 and PRL 3 on gas agreements underway
  - Targeting agreement on key Gas Agreement terms by APEC Economic Leaders' Meeting in November



SUBSTANTIAL GROWTH IN GLOBAL LNG DEMAND

GLOBAL SUPPLY AND DEMAND



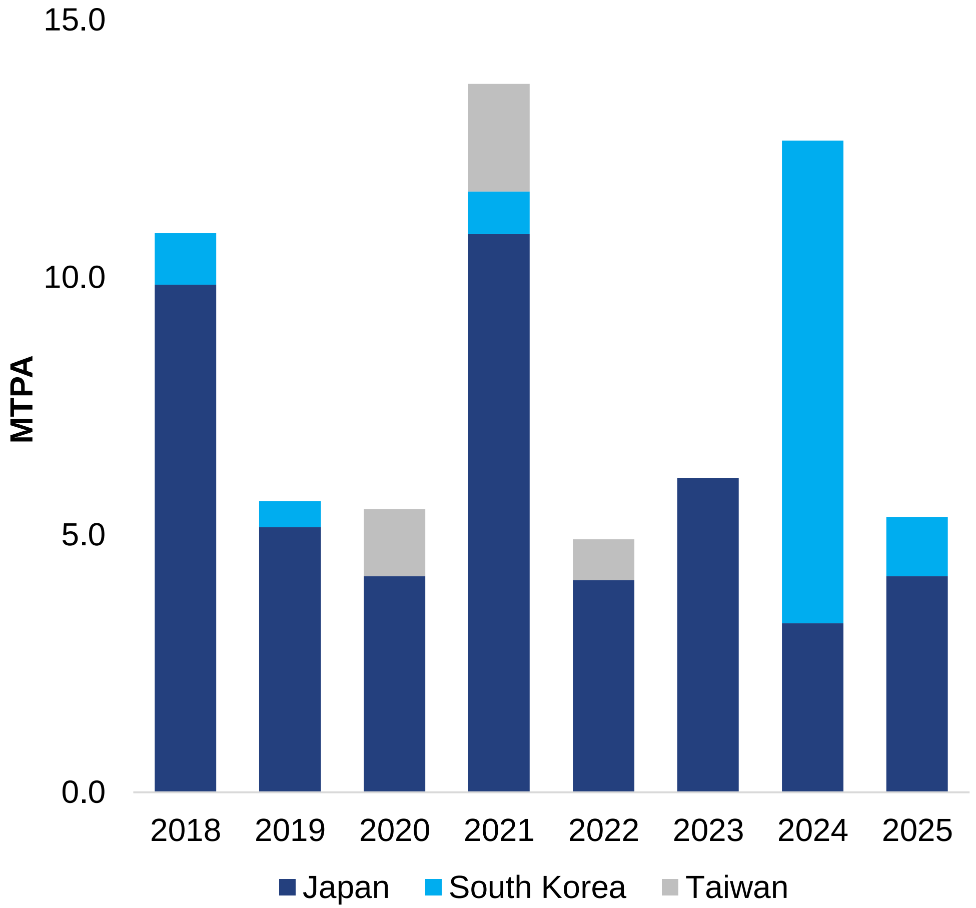
Source: IHS Markit Oct 2018

- Global LNG demand up 11% in 2017 and on track to grow 7-8% in 2018
- LNG demand growth forecast at >4.5% pa to 2030, largely driven by Asia:
  - China switching from coal to gas in residential, commercial and industrial sectors to alleviate air quality issues
  - South Korea and Taiwan prioritising gas and renewable generation over coal and nuclear
- New LNG projects required as early as 2021 to meet expected supply shortfall:
  - ~40 MTPA of additional supply required by 2025 (9 x 4.5 MTPA LNG trains), with a further 140 MTPA (30 x 4.5 MTPA LNG trains) required by 2030

OIL SEARCH EQUITY MARKETING OF EXPANSION VOLUMES

- Very positive response received from Tier 1 buyers to initial OSH equity marketing from new LNG capacity in PNG
- Buyers seeking LNG source diversification from new countries and new sellers
- Renewed interest from buyers for term supply
- Marketing LNG with attractive high heating value from brownfield expansion
- Security of supply from proven project to meet growing supply-demand gap from early-2020s
- As well as significant growth in Asian regional demand, by 2025, 60+ MTPA of LNG contracts expire across Japan/Korea/Taiwan. Many expiring contracts with projects that are in decline

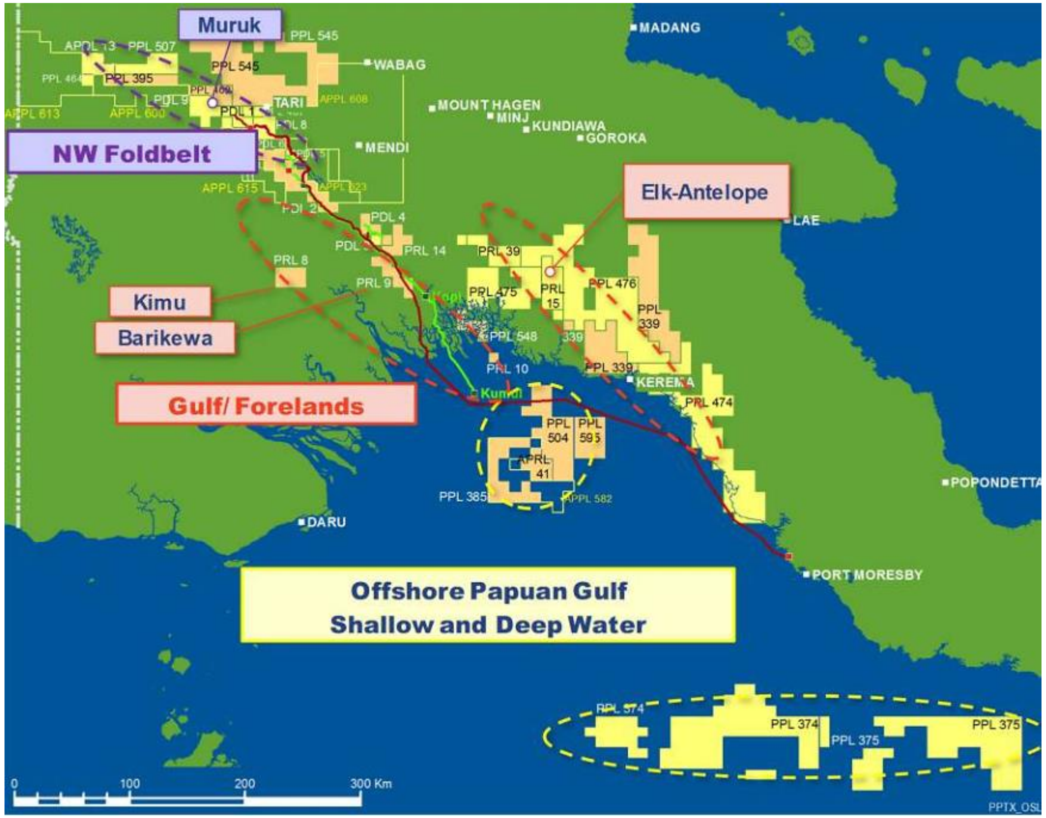
CONTRACT EXPIRATIONS BY YEAR



Source: IHS Markit Oct 2018

PNG EXPLORATION AND APPRAISAL TO SUPPORT NEXT PHASE OF LNG

- Muruk 2 appraisal in NW Foldbelt:
  - 11km step-out to constrain resource size, commenced drilling in on 10 November
- Successful Kimu 2 and Barikewa 3 appraisal wells in PNG Forelands:
  - Evaluation of well results ongoing to define resource volume and determine optimal commercialisation route
- Expansion of exploration portfolio in onshore Gulf:
  - 25% farm-in to PPLs 474, 475, 476, PRL 39, adjacent to Elk-Antelope fields in PRL 15
- Encouraging results from first phase seismic acquisition in onshore Gulf:
  - Second phase to commence in early 2019
  - Results will help define attractive leads and prospects in close proximity to planned Papua LNG infrastructure
  - Operated by OSH on behalf of ExxonMobil and Total
- Offshore drilling expected to commence late 2019/2020, subject to JV approvals etc

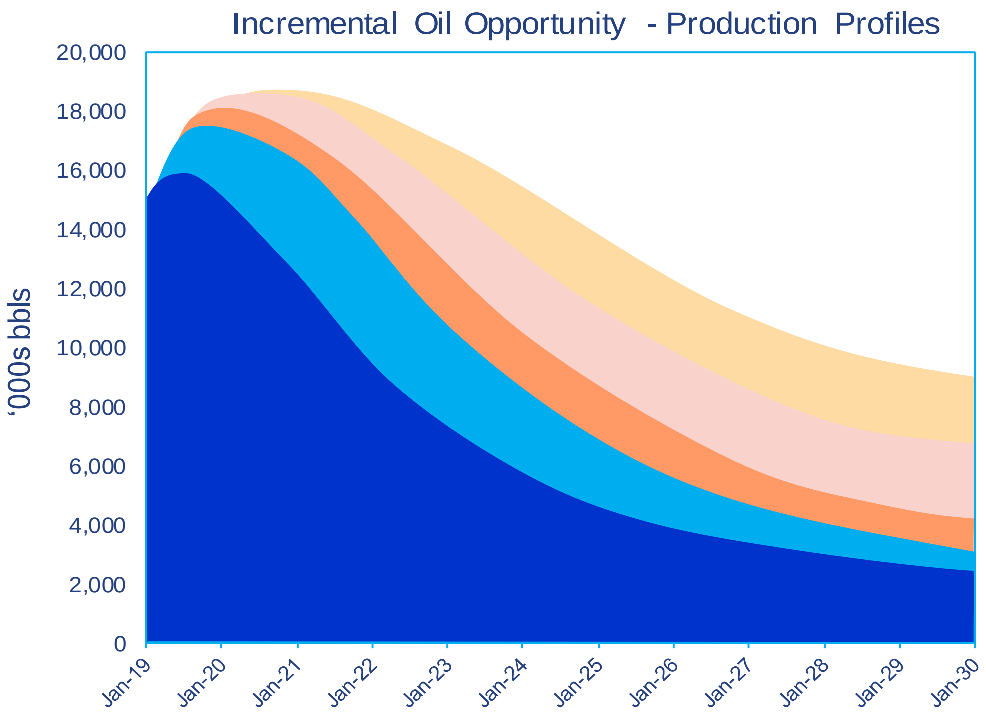


PNG OIL FIELD AND ASSOCIATED GAS OPPORTUNITIES

Oil Search

LIQUIDS

- Significant low risk opportunities identified to extend production life of PNG oil fields
- Potential to extend plateau oil production until 2023-24 and add > 30mmbbl net to OSH



ASSOCIATED GAS EXPANSION (AGX)

- Work progressing on AGX opportunity
- Comprises accelerating gas from Kutubu, Agogo and Moran fields to support higher PNG LNG production
- Potential source of low cost feed gas to front-end PNG LNG/P'nyang train under proposed three-train development concept
- Recertified increased PNG LNG reserves within oil fields underpins higher gas production rates

ALASKA – TIMELY ACQUISITION WITH MATERIAL RESOURCE UPSIDE

- US$400m acquisition completed in Feb-18, operatorship assumed in Mar-18:
  - Competitive implied acquisition cost of US$3.10/bbl, based on 2C resource of 500 mmbbl
  - Potential to increase booked 2C resource to >720 mmbbl, subject to successful appraisal drilling
  - Assets are highly complementary to OSH’s low cost, Tier 1 PNG portfolio
- Major valuation uplift since acquisition, driven by:
  - Reduction in US federal corporate tax rate from 35% to 21%
  - Strong rebound in global oil prices (from US$47/bbl at offer in July 2017)
  - Positive results from ConocoPhillips’ drilling in adjacent leases
- Highly experienced team in Anchorage (>240 years of combined North Slope experience), with senior personnel from ConocoPhillips, BP and Exxon
- Discussions underway with key stakeholders (State, JV partners, ConocoPhillips and local Native corporations) to optimise cooperation
- Commencing process to capture value from Armstrong US$450m option:
  - Aligning with Repsol to attract quality 3rd parties linked to exercising option and undertaking joint divestment
  - Preparing data room and team to support divestment

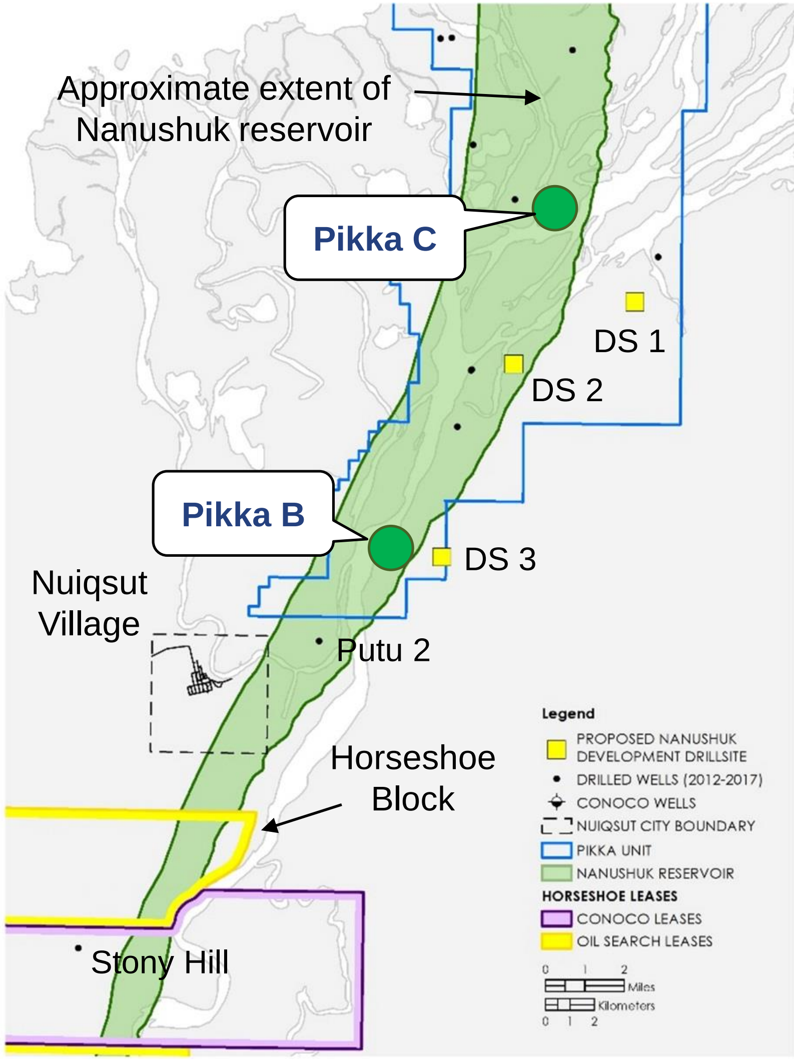
2018/19 WORK PROGRAMME FOCUSED ON MATURING PIKKA RESOURCE ESTIMATES

- Two appraisal well programme to constrain continuity of Nanushuk reservoir of Pikka Unit:
  - Pikka B and Pikka C locations identified, sites surveyed, rigs secured
- Aim to add 1C around DS 3 and constrain 2C resources in Pikka Unit
- Define volumes for FEED decision in 2Q19:
  - Recent subsurface work and results of COP's Putu 2 well indicate potential resource upside in Pikka Unit above OSH estimate of 500 mmbbl gross
  - Learnings from COP's technical advances
  - EIS optimisation and long-term access agreements with objective of Record of Decision in 2Q19
- Undertake Pre-FEED Optimisation Studies

Current OSH estimate

Reservoir	2C (mmbbl)
Nanushuk	400
Satellite Reservoirs	100
Total	**500**

2018/09 appraisal programme targeting moving >250mmbl from 3C to 2C and appraising material upside, as recognised by joint venture partners



ALASKA - INDICATIVE TIMETABLE TO FIRST OIL

2018	2019	2020	2021	2022	2023	2024

Appraisal	FEED	Development (permitted base case)	Production
❖ 2017/18: ConocoPhillips appraisal drilling ❖ Stakeholder engagement ❖ Update reservoir model and full data base ❖ 2018/19: 2 rig program Pikka B & C ❖ EIS - OSH looking to reduce environmental footprint & optimise development	❖ Early works – no regret identified April 2019 ❖ Early production opportunities defined ❖ Full FEED commitment subject to appraisal & EIS Record Of Decision by mid 2019 ❖ Stakeholder engagement and implementation plan ❖ Permitting & approvals ❖ Contracting Strategy	❖ ~15 producers/injector pairs expected to be drilled from 2 drill sites by production start up (50 well pairs in total over the project life) ❖ Construction of ~60 km pipelines ❖ Construction of ~42 km roads ❖ Construction of one central processing facility or cooperative development with adjacent operators ❖ Community projects ❖ Appraisal of expansion opportunities & satellite fields	❖ ~120,000 bbl/d plateau ❖ Target 720mmbbls oil recoverable resource with permitted development ❖ Appraisal drilling and permit applications for expansion


Appraisal well pad

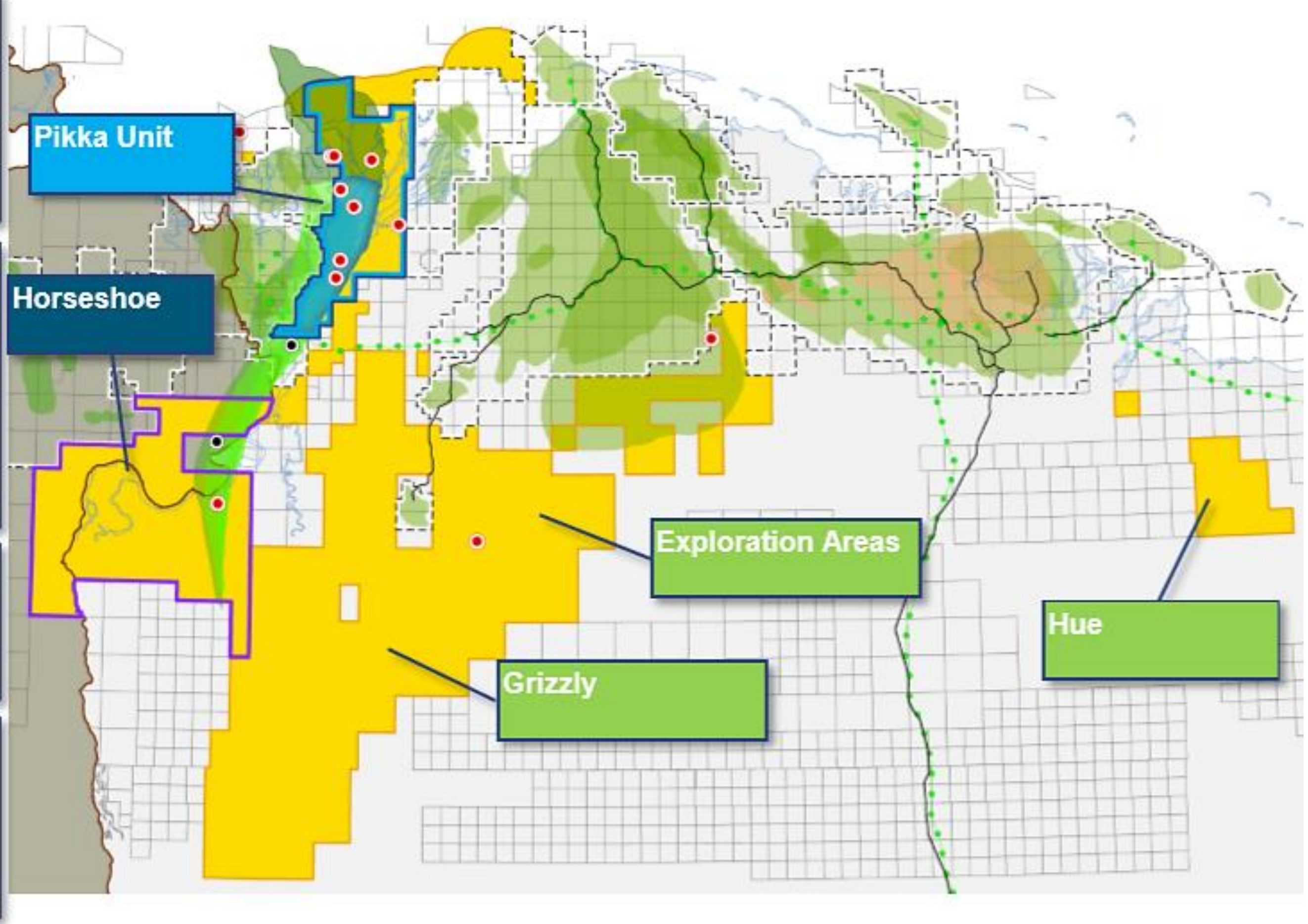

Kuparuk In-field pipeline


Development well pad


Alpine Central Processing Facility

FOUR PHASES OF GROWTH IN ALASKA

1	**Pikka Unit Development**	▪ 2 rig 2 well program 2019 – Potential for >250mmbo 3C to 2C* ▪ EIS ROD by mid 2019 ▪ FEED 2019 & FID mid 2020 ▪ 1st oil in 2023
2	**Nanushuk Expansion**	▪ Potential for >300mmbbl extension* – Horseshoe & Stony Hills confirm field extension – Detailed reservoir modelling key for reservoir delineation – 2019 3D seismic acquisition, modelling, data trades – 2020 appraisal; expansion 2024+
3	**Exploration**	▪ High-grading & ranking portfolio – Target opportunities for tie-backs – Prepare 3+yr programme
4	**New Business**	▪ Building Strategic relationships – ASRC (key long term Alaskan partner) – ConocoPhillips (development optimisation) – Full Alaskan Opportunity framing

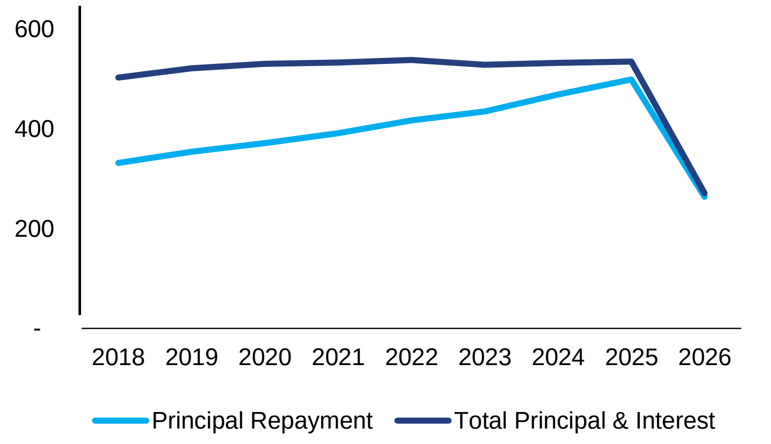


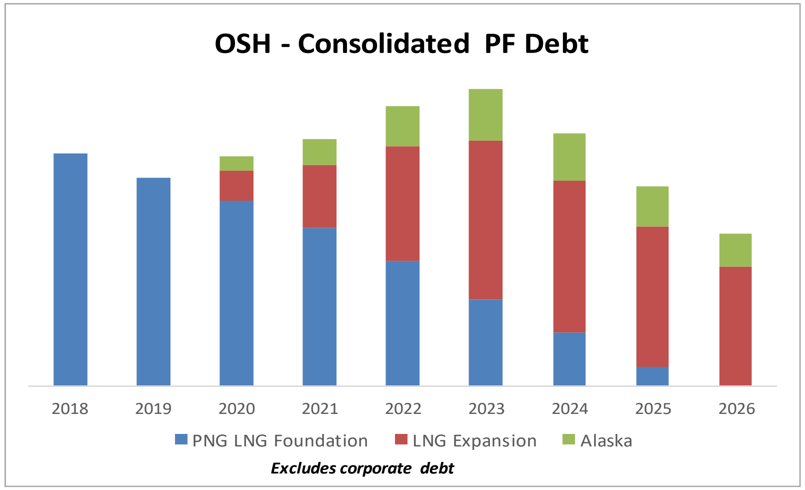
*Oil Search estimate

FUNDING ASSUMPTIONS FOR LNG EXPANSION AND ALASKA

- OSH total share of development costs (including capitalised interest and financing fees) for 2019–2023 expected to be ~US$4.5bn:
  - LNG expansion ~US$3bn and Alaska North Slope (Pikka) ~US$1.5bn (35% interest post option and on-sale)
  - Numbers to be updated during FEED
- Recent discussions with lenders indicate improved debt/equity terms available for LNG project financing given strength in oil and LNG prices, while US/international debt markets offer range of financing options for US conventional oil developments
- OSH total equity contributions ~US$1.5bn, funded from:
  - Existing cash balances and existing/new corporate facilities (current liquidity US$1.44bn)
  - Cash from operations (~US$1+bn pa, depending on oil prices)
- Key financial metrics forecast to remain comfortably within lender covenants
- When onstream, PNG LNG, LNG expansion and Alaska will generate free cash flow of ~US$2–3bn pa, with large uplift from 2026 when PNG LNG foundation project debt is fully repaid

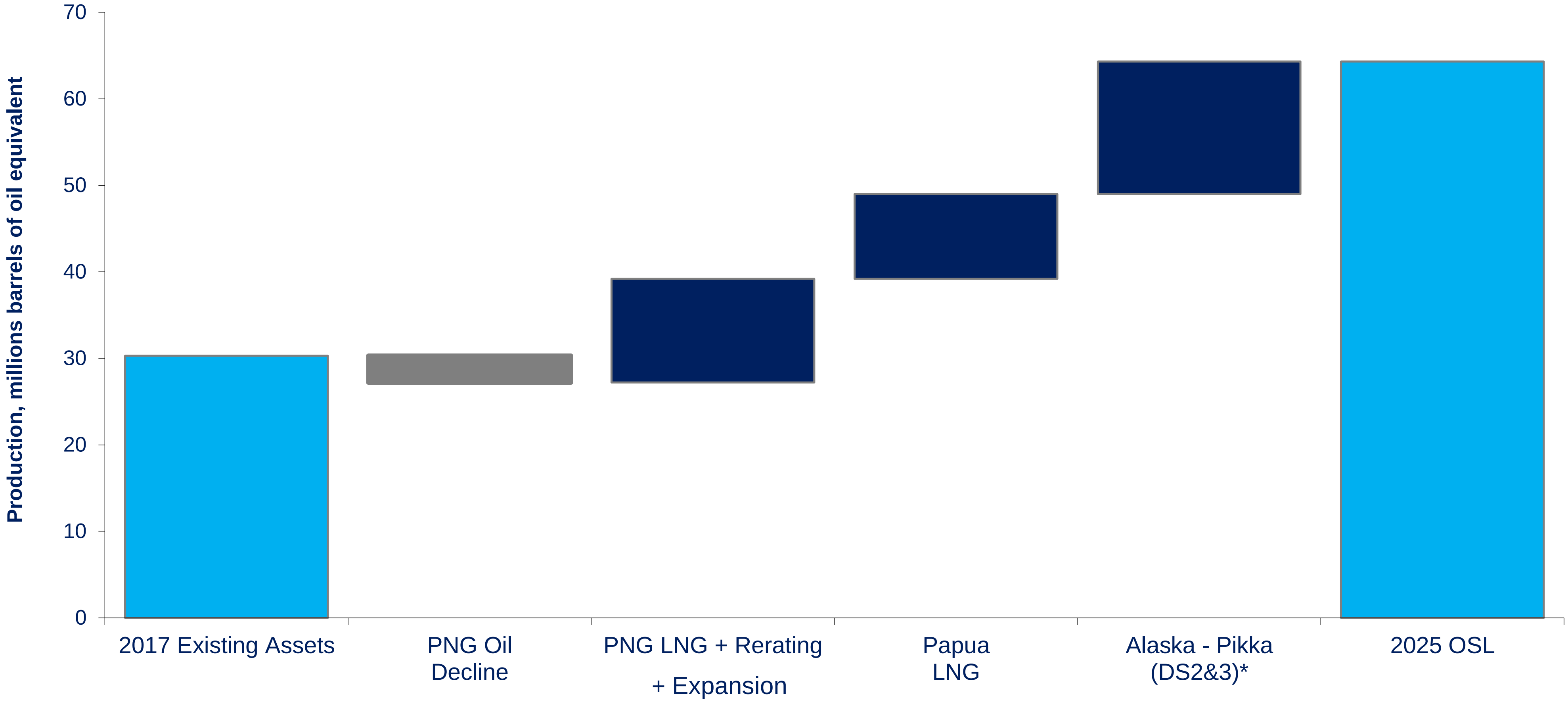
INDICATIVE PNG LNG REPAYMENT PROFILE (NET, US$M)





PRODUCTION FORECAST TO DOUBLE BY 2025

INDICATIVE OSH PRODUCTION BASED ON DEVELOPMENT OF EXISTING RESOURCES



*Oil Search estimates for permitted DS 2 & DS 3 Pikka Nanushuk only at 35% working interest including royalties

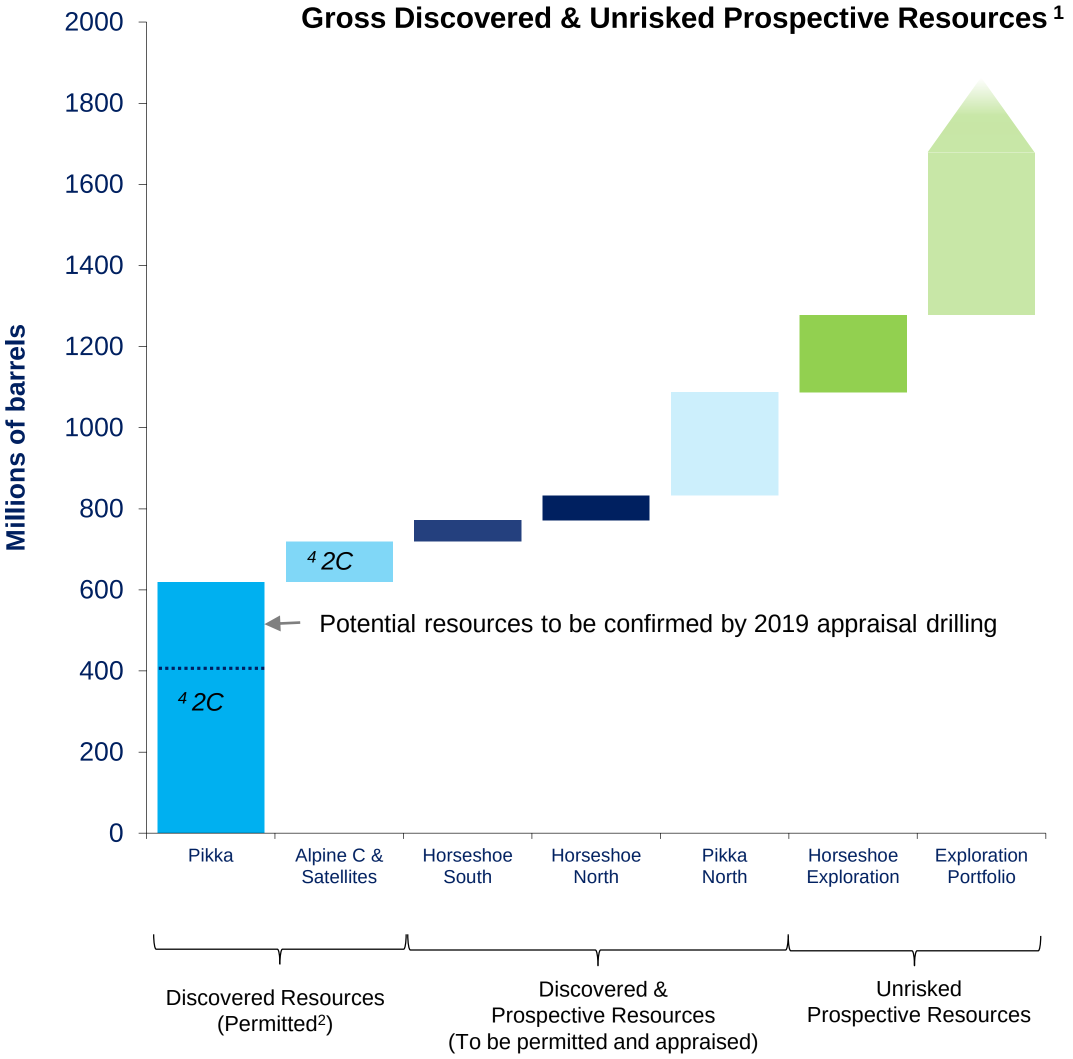
STRONG COMMITMENT TO SOCIAL RESPONSIBILITY INITIATIVES

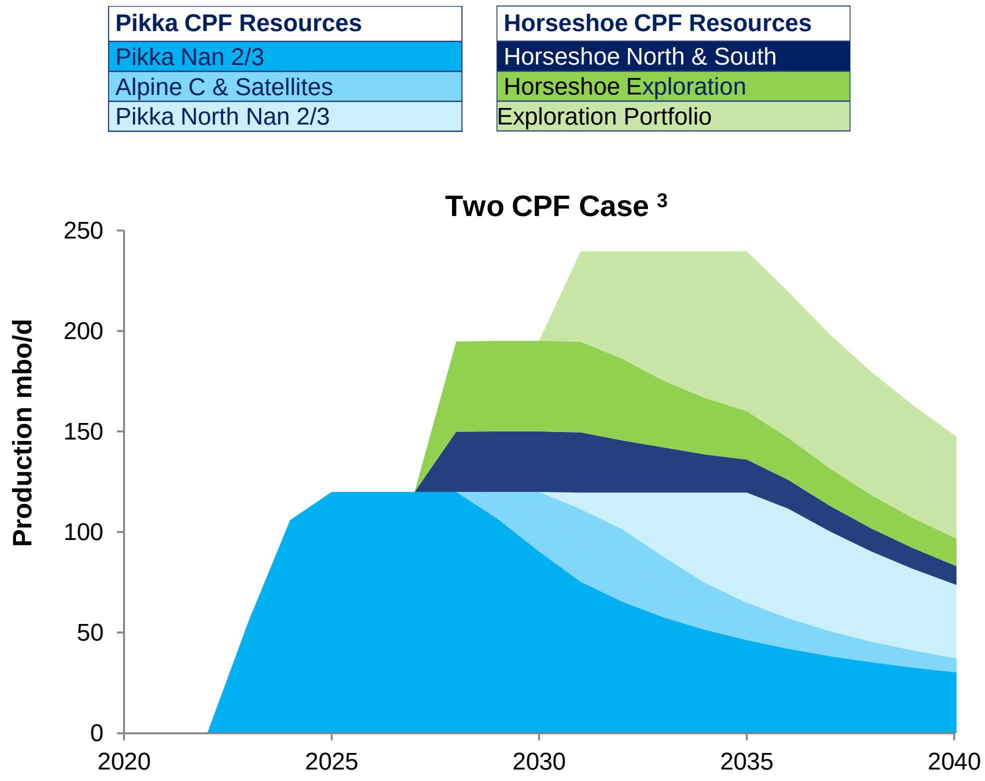
- OSH at forefront of PNG earthquake relief efforts:
  - US$5m in cash and kind donated to relief efforts, delivered ~80% of food supplies to impacted areas in first four weeks, major immunisation programme, restoring health facilities, water, sanitation and hygiene needs
- Ongoing social programmes – directly and through Oil Search Foundation:
  - Support of Hela Provincial Hospital and Health Authority – provision of world class healthcare
  - Women's empowerment
  - Addressing gender based violence with new programmes – "Bel Isi" project
  - Champions for Change
  - Sponsorship of the "Orchids" – PNG's first women's Rugby League team
- Partnerships in essential infrastructure development through Tax Credit Scheme projects
- Power projects, in line with Government development aims
- Climate Change Resilience report, prepared under TCFD guidelines, released in March:
  - OSH's current and growth assets have long term resilience and generate positive returns under range of scenarios, including 2°C pathway
  - OSH ranked by Carbon Tracker in top quartile of 72 global oil and gas companies for resilience to climate change

SUMMARY

- Positive production outlook for 2H18, with profitability supported by higher oil and LNG prices:
  - PNG LNG Project currently operating at record production levels
- Three train ~8 MPTA development concept represents excellent technical, commercial and financial outcome and is highly cost competitive:
  - Targeting key Gas Agreement terms by APEC Leaders' Forum, November 2018
- Global LNG demand continues to strengthen, significant interest from tier one NE Asian customers in OSH's equity volumes from proposed Papua LNG Project and PNG LNG/P'nyang developments
- Muruk 2 appraisal well underway
- Appraisal success in the PNG Forelands
- Alaska – material uplift in value since initial investment. Focus on 2019 drilling programme ahead of FEED entry in mid-19, option exercise strategy and build-up of Alaskan operation/capacity
- Strong balance sheet, liquidity position and excellent cash generation from operations to support next phase of growth

APPENDIX 1. PRIORITISING ACTIVITY IN ALASKA TO MAXIMISE VALUE





[1] *All resource and production rate estimates are by Oil Search*

[2] *Permitted scope includes single CPF and DS1, 2 & 3*

[3] *Dependent on resources from Horseshoe & other exploration*

[4] *2C resources from acquisition case*

APPENDIX 2. ALASKA ECONOMIC CASE SUMMARY

INDICATIVE PIKKA DEVELOPMENT WITH PERMITTED BACKFILL[1]

	Permitted Scope		
($2018)	Pikka Nan 2/3 (DS 2&3)	Alpine C (DS1)	Other Satellites (DS2)
Startup	2023	2024 - 2028	2024 - 2028
Total Volume (mmbbl)[2]	620	54	45
Facility Rate (mbpod) [2]	120		
Facilities Capex ($bn)[3]	2.6	0.2	--
Prod/Inj Well Pairs (#) [4]	47	15	13
Well Cost ($mm / well)	18 - 20		
Fixed Opex ($mm/yr) [3]	110	--	--
Variable Opex ($/bbl) [3]	2.50 - 3.00		
Transportation ($/bbl)	7 - 8		

Notes
1. All estimates are by Oil Search only, to be confirmed and agreed by JV ahead of FEED
2. Optimising facility rates for economic recovery. Estimates do not include EOR techniques applied elsewhere on the North Slope.
3. Estimates do not include opportunities for optimisation with the use of other North Slope infrastructure
4. Producer / Injector well pairs – 15 pairs (30 wells) expected at production startup, remaining 32 pairs to be drilled at a rate of ~9 pairs per year.

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