

SCHEME MEETING

SCHEME OF ARRANGEMENT WITH SANTOS LIMITED

7 December 2021



The Oil Search Board would like to welcome you to the Scheme Meeting



Mr Richard J Lee
Independent Chairman



Ms Susan M Cunningham
Independent Non-Executive Director



Dr Eileen J Doyle
Independent Non-Executive Director



Ms Fiona E Harris
Independent Non-Executive Director



Dr Agu J Kantsler
Independent Non-Executive Director



Mr Michael J Utsler
Independent Non-Executive Director



Mr Musje M Werror
Independent Non-Executive Director

PROCEDURAL MATTERS

Online attendees – How to ask a question

When the Question function is available, the messaging tab will appear at the top of the app

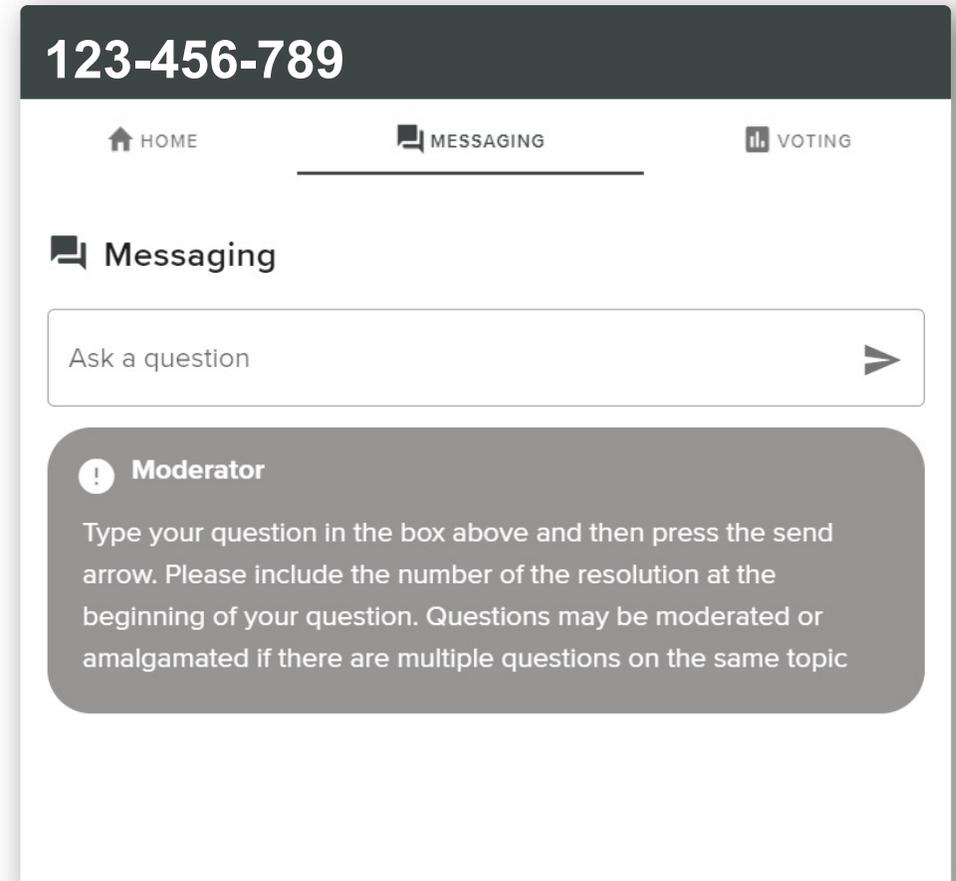


To send in a question, click in the 'Ask a question' box, type your question and press the send arrow



Your question will be sent immediately for review

 Received



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



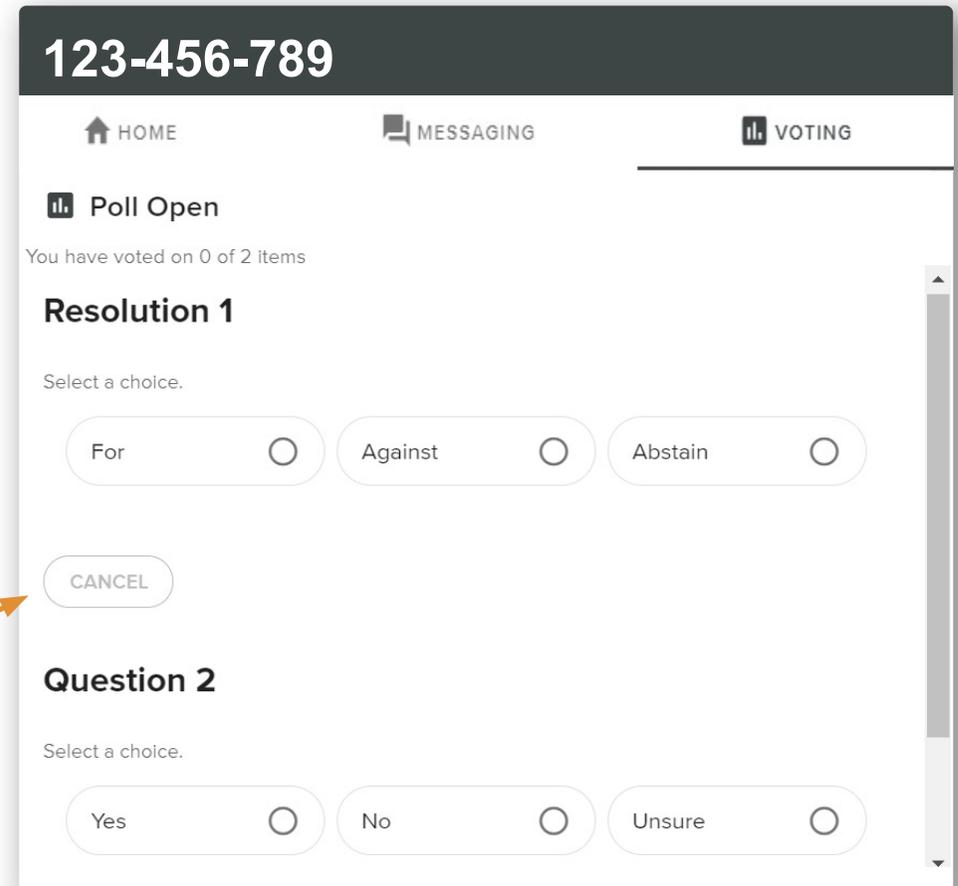
Against



Abstain



There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



The screenshot shows a mobile application interface for voting. At the top, the phone number '123-456-789' is displayed. Below it are three navigation tabs: 'HOME', 'MESSAGING', and 'VOTING', with 'VOTING' being the active tab. The main content area is titled 'Poll Open' and shows 'You have voted on 0 of 2 items'. The first poll is 'Resolution 1' with the instruction 'Select a choice.' and three radio button options: 'For' (selected, highlighted in orange), 'Against', and 'Abstain'. Below these is a 'CANCEL' button. The second poll is 'Question 2' with the instruction 'Select a choice.' and three radio button options: 'Yes', 'No', and 'Unsure'. An orange arrow points from the text in the third callout box to the 'CANCEL' button in the screenshot.

SCHEME OVERVIEW

- > Merger of Santos Limited (ASX: STO) and Oil Search Limited (ASX: OSH) proposed to be effected by a scheme of arrangement under PNG law
- > Santos will acquire all of the shares in Oil Search and Oil Search shareholders will receive 0.6275 new Santos shares for each Oil Search share
- > On implementation of the Scheme, existing Oil Search Shareholders will own approximately 38.5% of the Merged Group and existing Santos Shareholders will own approximately 61.5%
- > The Merged Group is expected to have pro forma market capitalisation of A\$23 billion¹
- > Santos expects the Scheme to unlock pre-tax synergies of US\$90-115 million per annum (excluding integration and other one-off costs) which is expected to benefit both sets of shareholders

1. Based on closing price of \$4.23 for Oil Search and \$6.83 for Santos as at the Last Practicable Trading Date prior to publication of the scheme booklet, being 5-Nov-21.

Reasons to vote for or against the Scheme

Reasons why you may consider voting **FOR** the Scheme

- ✓ The Merger brings together two highly complementary businesses and creates an oil and gas company of significant size with a portfolio of geographically and product differentiated long-life and low cost assets
- ✓ The Merged Group is expected to have greater relevance to the equity market with the size and liquidity to attract a wider pool of investors
- ✓ The Scheme is expected to unlock material pre-tax synergies. Santos expects these pre-tax synergies to be between US\$90 and US\$115 million per annum (excluding integration and other one-off costs) after full integration
- ✓ The implied value of the Scheme Consideration represents a premium to the trading prices of Oil Search shares prior to announcement of the Scheme
- ✓ The Merged Group will have both scale and a strong funding platform. Oil Search faces funding constraints on a standalone basis. The Merged Group's improved funding platform should allow the Merged Group to maximise the value of its key development assets
- ✓ The Merged Group is expected to benefit from increased opportunities for optimisation of the combined portfolio through the alignment of joint venture interests across PNG projects
- ✓ The Merged Group will benefit from the combined experience of both the Oil Search and Santos management teams and boards
- ✓ The Merged Group will be formed from strong ESG foundations and is expected to build on each of Oil Search's and Santos' ESG programs and initiatives

Reasons why you may consider voting **AGAINST** the Scheme

- ✗ You may wish to confine your investment and exposure to a business with Oil Search's specific characteristics on a stand-alone basis
- ✗ You may take the view that the merger ratio implied by the Scheme Consideration does not reflect the underlying value of Oil Search's contribution to the Merged Group
- ✗ You may be concerned about the risks associated with the integration of the Oil Search and Santos businesses
- ✗ The future value of the New Santos Shares is not certain
- ✗ The tax consequences of the Scheme for you may not suit your financial position
- ✗ You may consider that there is a potential for a Superior Proposal to be made in the foreseeable future

INDEPENDENT EXPERT'S CONCLUSION

- > The Independent Expert concluded that the Merger is in the best interests of shareholders in the absence of a superior proposal
- > A complete copy of the Independent Expert's Report is included in Annexure A to the Scheme Booklet. Oil Search shareholders should carefully review the Independent Expert's Report in its entirety
- > In its report, the Independent Expert has made an assessment of the underlying value of each of Oil Search and Santos and, on the basis of its view of those relative underlying values, has suggested that Oil Search Shareholders are contributing a greater proportion to the underlying value of the Merged Group than the 38.5% which they will receive under the terms of the Merger. However, the Independent Expert also notes the strategic, commercial and funding benefits of the Merger, and has ultimately concluded that Oil Search Shareholders are likely to be better off if the Merger proceeds than if it does not

OIL SEARCH BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR

- > **The Oil Search Board unanimously recommends that Oil Search Shareholders vote in favour of the Scheme.** The key reasons for the directors' recommendation include:
 - > The increased size, scale and diversification of the merged entity;
 - > The expected material pre-tax synergies;
 - > The premium which the implied value of the scheme consideration represents to trading prices prior to announcement;
 - > That the Merged Group will have a significantly improved funding platform, given that Oil Search faces a number of funding constraints on a standalone basis, which should allow value to be maximised from the Merged Group's development assets; and
 - > That the Merged Group will benefit from the combined experience of both the Oil Search and Santos management teams and boards
- > **Each Oil Search Director intends to vote all the Oil Search shares held or controlled by them in favour of the Scheme**

- > The key conditions outstanding required to implement the Scheme
 - > Oil Search shareholders approving the resolution at today's meeting
 - > Approval from the Independent Consumer and Competition Commission of PNG (ICCC)
 - > The National Court of PNG approving the Scheme
- > The Scheme is also subject to certain matters not occurring before the Second Court Hearing which are described in detail in the Scheme Booklet

Indicative implementation timetable

Time and Date	Event
10:00am (Port Moresby time) / 11:00am (Sydney time) Tuesday, 7 December 2021	Scheme Meeting
Thursday, 9 December 2021	Second Court Date (For approval of the Scheme)
Friday, 10 December 2021	Effective Date Last day of trading in Oil Search Shares – Oil Search Shares suspended from trading on the PNGX and ASX with effect from close of trading
Monday, 13 December 2021	New Santos Shares commence trading on ASX on a deferred settlement basis
5:00pm (Port Moresby time) / 6:00pm (Sydney time) Monday, 13 December 2021	Opt-in Notice Last date and time for receipt of Opt-in Notices by Unmarketable Parcel Shareholders requesting to receive the Scheme Consideration as New Santos Shares
6:00pm (Port Moresby time) / 7:00pm (Sydney time) Tuesday, 14 December 2021	Scheme Record Date Determination of entitlement of Scheme Shareholders to receive the Scheme Consideration
Friday, 17 December 2021	Implementation Date
Monday, 20 December 2021	New Santos Shares trading commences on an ordinary settlement basis
Monday, 20 December 2021	Expected despatch of holding statements for New Santos Shares

QUESTIONS



SCHEME VOTE

THE SCHEME RESOLUTION

That, pursuant to and in accordance with, section 250 of the Companies Act 1997 (PNG), the scheme of arrangement proposed to be entered into between Oil Search Limited (Oil Search) and the holders of its fully paid ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without alteration or conditions as approved by the National Court of Papua New Guinea and agreed to by Oil Search and Santos) and, subject to approval of the Scheme by the Court, the Oil Search Board is authorised to implement the Scheme with any such alterations or conditions.

VOTING THRESHOLD

For the Scheme to proceed, the Scheme Resolution must be passed by the Requisite Majority, being at least 75% of the votes cast on the Scheme Resolution by eligible Oil Search Shareholders (either in person, by proxy or corporate representative).

PROXY RESULTS

	Number of votes cast	% of votes cast
For	1,379,862,270	95.43%
Open ¹	3,141,766	0.21%
Against	63,107,026	4.36%
TOTAL	1,446,111,062	100%
Abstain ²	842,744	—
Requisite majority for resolution to pass	—	75%

*Number of votes cast represents 69.6% of total issued capital

1. Open proxies in favour of the Chair will be voted in favour of the resolution

2. Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majority



THANK YOU

SCHEME MEETING

SCHEME OF ARRANGEMENT WITH SANTOS LIMITED



No offer or invitation. This presentation is not and does not constitute or contain an offer to Oil Search Shareholders, or a solicitation of an offer from Oil Search Shareholders, in any jurisdiction.

No investment advice. The information contained in this presentation does not constitute financial product advice and has been prepared without reference to your individual investment objectives, financial situation, taxation position or particular needs. It is important that you also read the Scheme Booklet in its entirety before making any decision as to whether or not to vote in favour of the Scheme or to deal in your Oil Search Shares. If you are in any doubt in relation to these matters, you should consult with a financial, legal, taxation or other professional adviser.

Summary information. The information in this presentation does not purport to be complete. It should be read in conjunction with Oil Search's other periodic and continuous disclosure announcements lodged with the PNG Markets Exchange (PNGX) and Australian Securities Exchange (ASX), which are available at <https://www.pngx.com.pg> and www.asx.com.au.

Important information for U.S. Shareholders. The New Santos Shares (as defined in the Scheme Booklet) to be issued under the Scheme have not been and will not be registered under the US Securities Act of 1933 (US Securities Act) or applicable US state securities laws. Santos intends to rely on an exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof and intends to rely on exemptions from registration under applicable state securities laws in connection with the issuance of New Santos Shares to US resident Oil Search Shareholders under the Scheme.

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Rounding. Amounts have been rounded to one or two decimal places (as the case may be). As a result, totals as correctly stated in this presentation may differ from individual calculations.