



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)
ARBN – 055 079 868

SALES AND PURCHASE AGREEMENT WITH CPC CORPORATION 2 March 2010

Please see the attached release from ExxonMobil, the Operator of the PNG LNG Project, on the announcement of the finalisation of a Sale and Purchase Agreement with CPC Corporation of Taiwan for a long-term supply of approximately 1.2 million tonnes per annum (MTPA) of Liquefied Natural Gas (LNG) from the PNG LNG Project.

Peter Botten, Oil Search's Managing Director said:

"We are very pleased the Project has signed this long term binding offtake agreement with CPC Corporation, the largest energy importer in Taiwan. The PNG LNG Project is now fully contracted for the full plant capacity, and the way is clear to move forward to financial close. We look forward to working closely with CPC Corporation in the future"

**Peter Botten, CBE
Managing Director
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Media Release

PNG LNG Project and CPC Finalise Sale and Purchase Agreement Long-term sale and purchase totals 1.2 MTA

Port Moresby, Papua New Guinea, March 2, 2010 – Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation and operator of the PNG LNG Project, today announced that the Project participants have finalised a Sale and Purchase Agreement (SPA) with CPC Corporation, Taiwan (CPC) for a long-term supply of liquefied natural gas (LNG) totalling approximately 1.2 million tonnes per annum (MTA).

Under the agreement, the PNG LNG Project will supply LNG to CPC for a period of 20 years.

“This important agreement with CPC will deliver a reliable supply of cleaner-burning natural gas to meet Taiwan’s growing energy demand and begin a new and lasting relationship between Taiwan’s largest energy importer and PNG’s first LNG project,” said Ron Billings, vice president, LNG, ExxonMobil Gas and Power Marketing. “It also marks a significant step forward for the PNG LNG project. With this SPA, all of the Project’s production capacity has been committed on a long-term basis. We are now looking forward to the finalisation of the financing arrangements with lenders which is expected in the first quarter of 2010.”

The PNG LNG project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facility with the capacity of 6.6 million tonnes per year. Participating interests include affiliates of ExxonMobil (including Esso Highlands Limited as operator, 33.2 percent), Oil Search Limited (29.0 percent) Independent Public Business Corporation (PNG Government, 16.6 percent), Santos Limited (13.5 percent), Nippon Oil Exploration (4.7 percent), Mineral Resources Development Company (PNG landowners, 2.8 percent) and Petromin PNG Holdings Limited (0.2 percent).

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