



Oil Search completes despatch of Retail Entitlement Offer booklet

16 April 2020

SYDNEY (ASX: OSH | ADR: OISHY | PNGX: OSH)

Oil Search Limited confirms that the retail entitlement offer booklet ("Retail Offer Booklet") and personalised entitlement and acceptance form in connection with the fully underwritten 1 for 8 pro rata accelerated non-renounceable entitlement offer ("Entitlement Offer"), as announced to ASX on 7 April 2020, was despatched to Eligible Retail Shareholders today.

A letter to Ineligible Retail Shareholders notifying them of the Entitlement Offer and their ineligibility to participate has also been despatched.

A copy of the Retail Offer Booklet and the letter to Ineligible Retail Shareholders is attached.

A copy of the Retail Offer Booklet (and the personalised entitlement and acceptance form) is also accessible to Eligible Retail Shareholders at www.oilsearchoffer.com (where Eligible Retail Shareholders will need to provide their SRN or HIN to obtain a copy of the relevant documents).

Retail Entitlement Offer

The retail component of the Entitlement Offer ("Retail Entitlement Offer") opens today, Thursday, 16 April 2020, and is expected to close at 5.00pm (AEST) on Monday, 27 April 2020.

Application monies must be received prior to this time, in accordance with the Retail Offer Booklet and the personalised entitlement and acceptance form.

Shareholder Enquiries

Eligible Retail Shareholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

Shareholders with questions in relation to the Retail Entitlement Offer may contact the Oil Search Shareholder Information Line on 1300 128 731 (inside Australia) and +61 3 9415 4233 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

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This ASX announcement was authorised for release by the Oil Search Chairman, Richard J Lee.

IMPORTANT NOTICES

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Oil Search is not licensed to provide financial product advice in respect of an investment in securities.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless they have been registered under the U.S. Securities Act (which Oil Search has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.



Oil Search



OIL SEARCH LIMITED ARBN 055 079 868

RETAIL ENTITLEMENT OFFER

*1 for 8 pro rata accelerated non-renounceable
entitlement offer of Oil Search ordinary shares
at A\$2.10 per New Share*

RETAIL ENTITLEMENT OFFER CLOSES: 5.00PM (AEST) ON MONDAY, 27 APRIL 2020

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

RETAIL ENTITLEMENT OFFER

IMPORTANT NOTICES

This Retail Offer Booklet is dated Thursday, 16 April 2020. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

This Retail Offer Booklet has been issued by Oil Search Limited (ARBN 055 079 868).

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY¹ in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet (including the accompanying Entitlement and Acceptance Form) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made under the Retail Entitlement Offer, in countries other than Australia and New Zealand unless Oil Search, in its discretion, is satisfied that the Entitlement Offer may be made in compliance with all applicable laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares (if any) is subject to all requisite authorities and clearances being obtained for Oil Search to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Offer Booklet or the Entitlement and Acceptance Form accompanying it constitutes an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither this Retail Offer Booklet (or any part of it) nor the Entitlement and Acceptance Form may be released or distributed in the United States.

Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or the securities laws of any state or other jurisdiction of the United States. The Entitlements offered and sold in the Retail Entitlement Offer may not be taken up in the United States or by any person acting for the account or benefit of any person in the United States. The New Shares offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The Entitlements offered and sold in the Retail Entitlement Offer may only be taken up, and the New Shares offered and sold in the Retail Entitlement Offer may only be offered and sold, outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 6. All references to time are to AEST, unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 provides a general summary of the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Oil Search recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Oil Search collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Oil Search.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Oil Search (directly or through the Share Registry). Oil Search collects, holds and will use that information to assess your Application. Oil Search collects your personal information to process and administer your shareholding in Oil Search and to provide related services to you. Oil Search may disclose your personal information for purposes related to your shareholding in Oil Search, including to the Share Registry, Oil Search's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Oil Search holds about you. To make a request for access to your personal information held by (or on behalf of) Oil Search, please contact Oil Search through the Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

¹ ® registered to BPAY Pty Ltd ABN 69 079 137 518.

RETAIL ENTITLEMENT OFFER

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Oil Search, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of Oil Search, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of Oil Search or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future Oil Search performance, including future share price performance.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “should”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance”, “project”, “forecast”, “likely”, “could”, “target” or other similar words or expressions, and include statements in this Retail Offer Booklet regarding certain plans, strategies and objectives of management of Oil Search and indications of, and guidance or outlook on, expected financial performance or position, future earnings, distributions, the conduct and outcome of the Entitlement Offer and the use of proceeds.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19.

The forward-looking statements contained in this Retail Offer Booklet involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond the control of Oil Search, subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, oil price movements, the PNG and global economic environment and capital market conditions and other risk factors set out in the “Key risks” section of the Investor Presentation in Section 3 of this Retail Offer Booklet. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those disclosures.

Neither Oil Search, nor any other person, gives any representation, warranty, assurance nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement actually occur. Oil Search disclaims any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and Oil Search disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Oil Search’s financial condition, status, expectations or affairs or any change in events, conditions or circumstances on which a statement is based, except as required by law.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Oil Search. Oil Search does not guarantee any particular rate of return or the performance of Oil Search, nor does it guarantee any particular tax treatment.

Shareholders should refer to the “Key risks” section of the Investor Presentation in Section 3 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Oil Search.

Trading New Shares

Oil Search will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Oil Search or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

RETAIL ENTITLEMENT OFFER

CHAIRMAN'S LETTER

16 April 2020

Dear Shareholder,

On behalf of the Oil Search Board, it is my pleasure to invite you to participate in Oil Search's 1 for 8 pro rata accelerated non-renounceable entitlement offer of new shares in Oil Search ("New Shares") at an offer price of A\$2.10 ("Offer Price") per New Share ("Entitlement Offer"). The proceeds of the Entitlement Offer will be used to strengthen Oil Search's balance sheet and provide additional liquidity, so that Oil Search can withstand a prolonged period of low oil prices.

DETAILS OF THE ENTITLEMENT OFFER

The Entitlement Offer comprises an accelerated institutional component ("Institutional Entitlement Offer") and a retail component ("Retail Entitlement Offer") to raise a total of approximately A\$400 million. Concurrent with the announcement of the Entitlement Offer, Oil Search announced a placement of New Shares to new and existing Institutional Investors at the Offer Price of A\$2.10 per New Share, which has raised approximately A\$760 million ("Placement", and together with the Entitlement Offer, the "Offer"). The Offer is fully underwritten by Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited (together the "Underwriters").

Due to local regulatory requirements, the Offer will not be made to Papua New Guinea ("PNG") retail shareholders. However, in addition to the Offer, Oil Search also announced an offer of Shares to eligible residents in PNG ("PNG Retail Offer") which would be made on substantially the same terms as the Entitlement Offer. The PNG Retail Offer will not be underwritten nor is it managed by the Underwriters. Further information regarding the PNG Retail Offer will be outlined in the PNG Prospectus to be sent to eligible retail shareholders in PNG in mid to late April 2020.

The Institutional Entitlement Offer and the Placement were successfully completed on Wednesday, 8 April 2020. The Retail Entitlement Offer opens at 9.00am (AEST) on Thursday, 16 April 2020 and closes at 5.00pm (AEST) on Monday, 27 April 2020.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or any other exchange, or otherwise transferable. This means that Eligible Retail Shareholders (as defined in Section 6 of this Retail Offer Booklet) who do not take up their Entitlements will not receive any payment or value for those Entitlements and their proportionate interest in Oil Search will be diluted.

Eligible Retail Shareholders are entitled to subscribe for 1 New Share at the Offer Price for every 8 existing ordinary shares in Oil Search ("Existing Shares") held at 7.00pm (AEST) on Thursday, 9 April 2020 ("Record Date") ("Entitlement").

Shareholders in the United States are not eligible to participate in the Offer. Similarly, Shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Offer on behalf of those persons.

The Offer Price of A\$2.10 per New Share represents:

- ▶ a discount of 23.1% to the closing price of Oil Search of A\$2.73 on 3 April 2020; and
- ▶ a discount of 18.0% to the theoretical ex-rights price ("TERP") of A\$2.56.²

The Offer Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer.

Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement, up to a maximum of 200% in excess of their Entitlement, at the Offer Price ("Oversubscription Facility"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders or that would otherwise have been offered to Ineligible Retail Shareholders if they were eligible to participate in the Retail Entitlement Offer. Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility (see Section 2.3 of this Retail Offer Booklet for further information). Directors of Oil Search are not entitled to participate in the Oversubscription Facility.

²TERP includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares will trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP has been calculated as: (existing market capitalisation of Oil Search plus additional equity raised) / total shares on issue following the Offer and the PNG Retail Offer. TERP is calculated by reference to Oil Search's closing price of \$2.73 on Friday, 3 April 2020, being the last trading day prior to Oil Search entering into a trading halt pending the announcement of the Offer.

RETAIL ENTITLEMENT OFFER

HOW TO APPLY

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Monday, 27 April 2020. To participate, you should ensure that you have completed your application by paying the relevant application monies ("Application Monies") by BPAY® before this time in the manner described in this Retail Offer Booklet. If you are unable to pay by BPAY® (for example if you are based in New Zealand and do not have an Australian bank account), you are able to pay by cheque.

FURTHER INFORMATION

Further information on the Retail Entitlement Offer and Oil Search's business is detailed in this Retail Offer Booklet. You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider the "Key risks" section of the Oil Search Investor Presentation included in Section 3 of this Retail Offer Booklet, which contains a summary of some of the key risks associated with an investment in Oil Search.

If you have any questions in respect of the Retail Entitlement Offer, please call the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) or +61 3 9415 4233 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. This Retail Offer Booklet contains detailed information about the Entitlement Offer, including instructions on how to participate should you choose to do so.

On behalf of my fellow Oil Search directors, I look forward to welcoming your participation in the Oil Search Retail Entitlement Offer and your continued ownership of Oil Search.

Yours sincerely,

A handwritten signature in blue ink that reads "Richard Lee". The signature is written in a cursive style with a horizontal line underneath.

Richard Lee AM
Chairman
Oil Search Limited

RETAIL ENTITLEMENT OFFER

SUMMARY OF OFFER

INSTITUTIONAL ENTITLEMENT OFFER

Offer Price	A\$2.10 per New Share
Size	Approximately 152.5 million New Shares
Gross proceeds	Approximately A\$320 million

PLACEMENT

Offer Price	A\$2.10 per New Share
Size	Approximately 361.7 million New Shares
Gross proceeds	Approximately A\$760million

RETAIL ENTITLEMENT OFFER

Ratio	1 New Share for every 8 Existing Shares
Offer Price	A\$2.10 per New Share
Size	Approximately 38.1 million New Shares
Gross proceeds	Approximately A\$80 million

TOTAL GROSS PROCEEDS

Expected total gross proceeds of the Offer	Approximately US\$700 million (equivalent to approximately A\$1,160 million)
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KEY DATES

ACTIVITY	DATE (2020)
Announcement of the Placement and the Entitlement Offer	Tuesday, 7 April
Placement and Institutional Entitlement Offer opened	Tuesday, 7 April
Placement and Institutional Entitlement Offer closed	Wednesday, 8 April
Record Date for Entitlement Offer (7.00pm)	Thursday, 9 April
Retail Offer Booklet lodged with ASX	Thursday, 16 April
Retail Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	Thursday, 16 April
Retail Entitlement Offer opens	Thursday, 16 April
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 17 April
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer	Monday, 20 April
Retail Entitlement Offer closes (5.00pm)	Monday, 27 April
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 1 May
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 4 May
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	Tuesday, 5 May
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 6 May

The timetable as set out above (and each reference thereto or to dates therein in this Retail Offer Booklet) is indicative only and subject to change without notice. All times and dates in the timetable refer to AEST. Oil Search reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules, PNGX Listing Rules and other applicable laws. In particular, Oil Search reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares.

Oil Search also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

ENQUIRIES

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please visit www.oilsearchoffer.com or call the Oil Search Shareholder Information Line on 1300 128 731 (inside Australia) and +61 3 9415 4233 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

RETAIL ENTITLEMENT OFFER

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RETAIL ENTITLEMENT OFFER

SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder³, you may take one of the following actions:

- ▶ take up all of your Entitlement, and if you do so, you may apply for additional New Shares under the Oversubscription Facility;
- ▶ take up part of your Entitlement and allow the balance to lapse; or
- ▶ do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement.

If you are a retail shareholder but are not an Eligible Retail Shareholder, you are an “Ineligible Retail Shareholder”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

OPTIONS AVAILABLE TO YOU

KEY CONSIDERATIONS

Option 1: Take up all of your Entitlement, and if you do so, you may apply for additional New Shares under the Oversubscription Facility

- ▶ You may elect to purchase New Shares at the Offer Price (see Section 2 “How to apply” for instructions on how to take up your Entitlement).
- ▶ The New Shares will rank equally in all respects with Existing Shares (including rights to dividends and distributions).
- ▶ The Retail Entitlement Offer closes at 5.00pm (AEST) on Monday, 27 April 2020.
- ▶ You may also apply for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 200% in excess of your Entitlement. If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility, Oil Search will scale back applications for additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares. Directors of Oil Search are not entitled to participate in the Oversubscription Facility.

Option 2: Take up part of your Entitlement

- ▶ If you only take up part of your Entitlement, the part not taken up will lapse and the New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Oversubscription Facility, or by the Underwriters or any sub-underwriters.
- ▶ If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement not taken up.
- ▶ If you do not take up your Entitlement in full, your percentage holding in Oil Search will be reduced as a result of the Entitlement Offer.

Option 3: Do nothing, in which case your Entitlement will lapse and you will receive no value for your Entitlement

- ▶ If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.
- ▶ The New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Oversubscription Facility, or by the Underwriters or any sub-underwriters.
- ▶ Your Entitlement is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.
- ▶ If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement.
- ▶ If you do not take up your Entitlement, your percentage holding in Oil Search will be reduced as a result of the Entitlement Offer.

³See Section 6 of this Retail Offer Booklet.

RETAIL ENTITLEMENT OFFER

1. OVERVIEW OF THE ENTITLEMENT OFFER

1.1 OVERVIEW

Oil Search intends to raise approximately A\$400 million under the Entitlement Offer via an offer of approximately 190.6 million New Shares at an Offer Price of A\$2.10 per New Share.

Oil Search will use the proceeds of the Entitlement Offer to strengthen Oil Search's balance sheet and increase liquidity, so that Oil Search can withstand a prolonged period of low oil prices.

The Entitlement Offer has two components:

- a. the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as Entitlements of Ineligible Institutional Shareholders at the Offer Price was carried out, to raise approximately A\$320 million; and
- b. the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement. Eligible Retail Shareholders who take up their full Entitlement may also participate in the Oversubscription Facility by applying for additional New Shares in excess of their Entitlement at the Offer Price, up to a maximum of 200% in excess of their Entitlement.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements do not trade on the ASX or PNGX, nor can they be sold, transferred or otherwise disposed of.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Offer is fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement (as summarised in Section 4.7).

1.2 INSTITUTIONAL ENTITLEMENT OFFER AND PLACEMENT

Oil Search has already raised approximately A\$320 million from Eligible Institutional Shareholders as part of the Institutional Entitlement Offer, at the Offer Price.⁴ New Shares are expected to be issued under the Institutional Entitlement Offer on Monday, 20 April 2020.

Concurrently with the Institutional Entitlement Offer, Oil Search undertook a Placement under which approximately 362 million New Shares were offered to new and existing Institutional Investors at the Offer Price per New Share, raising approximately A\$760 million.⁴ New Shares are expected to be issued under the Placement on Monday, 20 April 2020.

1.3 RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Oil Search and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials in Section 3 of this Retail Offer Booklet and other announcements made available at <https://www.oilsearch.com/investors/asx-releases> or [asx.com.au](https://www.asx.com.au) and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 8 Existing Shares held on the Record Date.

The Offer Price of A\$2.10 per New Share represents:

- ▶ a discount of 23.1% to the last closing price on 3 April 2020; and
- ▶ a discount of 18.0% to the theoretical ex-rights price ("TERP") of A\$2.56.⁵

The Retail Entitlement Offer opens on Thursday, 16 April 2020. This is also the date when the Retail Offer Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. These documents will also be made available online at www.oilsearchoffer.com. The Retail Entitlement Offer is expected to close at 5.00pm (AEST) on Monday, 27 April 2020.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 200% in excess of their Entitlement. There is no guarantee that Eligible Retail Shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Oversubscription Facility if available and then only if and to the extent that Oil Search so determines, in its absolute discretion. Any scale-back will be applied by Oil Search in its absolute discretion. Directors of Oil Search are not entitled to participate in the Oversubscription Facility.

⁴ Settlement of the Institutional Entitlement Offer and Placement is due to occur on Friday, 17 April 2020 and is subject to certain conditions and termination events. Refer to Section 4.7.

⁵ TERP includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares will trade immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP has been calculated as: (existing market capitalisation of Oil Search plus additional equity raised) / total shares on issue following the Offer and the PNG Retail Offer. TERP is calculated by reference to Oil Search's closing price of \$2.73 on Friday, 3 April 2020, being the last trading day prior to Oil Search entering into a trading halt pending the announcement of the Offer.

RETAIL ENTITLEMENT OFFER

2. HOW TO APPLY

2.1 YOUR ENTITLEMENT

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 8 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. Personalised Entitlement and Acceptance Forms will also be available online at www.oilsearchoffer.com from Thursday, 16 April 2020 (being the date on which the Retail Entitlement Offer opens).

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 6). Eligible Retail Shareholders should be aware that an investment in Oil Search involves risks. The key risks identified by Oil Search are set out in the section entitled "Key risks" in the Investor Presentation (in Section 3 of this Retail Offer Booklet).

2.2 OPTIONS AVAILABLE TO YOU

Eligible Retail Shareholders may:

- a. take up their Entitlement in full by the Closing Date, and if you do so, you may apply for additional New Shares under the Oversubscription Facility (refer to Section 2.3);
- b. take up part of their Entitlement by the Closing Date, in which case the balance of their Entitlement would lapse (refer to Section 2.4); or
- c. do nothing and allow their Entitlement to lapse (refer to section 2.5).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not take up all or part of their Entitlement.

Oil Search reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (AEST) on Monday, 27 April 2020** (however, that date may be varied by Oil Search, in accordance with the ASX Listing Rules, PNGX Listing Rules and applicable law).

2.3 TAKING UP ALL OF YOUR ENTITLEMENT OR TAKING UP ALL OF YOUR ENTITLEMENT AND PARTICIPATING IN THE OVERSUBSCRIPTION FACILITY

If you wish to take up all of your Entitlement, payment must be made via BPAY[®] if possible for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement). Eligible Retail

Shareholders based in New Zealand who do not have an Australian bank account will be able to pay by cheque. Payments must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (AEST) on the Closing Date (i.e. Monday, 27 April 2020).

If you wish to take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 200% in excess of your Entitlement. Any Application Monies received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full.

Any New Shares referable to Entitlements not taken up by the Closing Date or that would otherwise have been offered to Ineligible Retail Shareholders if they were eligible to participate in the Retail Entitlement Offer may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility. If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. The decision on the number of additional New Shares to be issued to you will be final.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility, Oil Search will scale back applications for additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares. Directors of Oil Search are not entitled to participate in the Oversubscription Facility.

2.4 TAKING UP PART OF YOUR ENTITLEMENT

If you wish to take up part of your Entitlement, payment must be made via BPAY[®] if possible for the amount payable (being the Offer Price multiplied by the number of New Shares you wish to take up, which will be less than your Entitlement as specified on the Entitlement and Acceptance Form). Eligible Retail Shareholders based in New Zealand who do not have an Australian bank account will be able to pay by cheque. Payments must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (AEST) on the Closing Date (Monday, 27 April 2020).

2.5 ALLOWING YOUR ENTITLEMENT TO LAPSE

If you do not wish to accept all or any part of your Entitlement, do not take any further action and your Entitlement will lapse.

RETAIL ENTITLEMENT OFFER

2.6 CONSEQUENCES OF NOT TAKING UP ALL OF YOUR ENTITLEMENT

If you do not take up all of your Entitlement in accordance with the instructions set out above, those New Shares representing your Entitlement (or the part of your Entitlement not taken up) may be acquired by Eligible Retail Shareholders under the Oversubscription Facility, or by the Underwriters or any sub-underwriters in respect of any remaining shortfall.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and you will not receive any payment or value for that part of your Entitlement. Your interest in Oil Search will also be diluted.

2.7 PAYMENT

Payment should be made using BPAY® if possible. Eligible Retail Shareholders who do not have an Australian bank account will be able to pay by cheque (see below at Section 2.9).

Cash payments will not be accepted. Receipts for payment will not be issued.

Oil Search will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, Oil Search will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Oversubscription Facility as it will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

2.8 PAYMENT BY BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form available online at www.oilsearchoffer.com. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number ("CRN") on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that by paying by BPAY®:

- a. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.10; and

- b. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date (i.e. Monday, 27 April 2020). You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.9 IF YOU ARE UNABLE TO PAY BY BPAY®

Oil Search encourages payments by BPAY®, if possible.

If you are completing a payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to 'Oil Search Retail Offer' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date (i.e. Monday, 27 April 2020) at the address set out below:

Mailing Address

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

You must ensure cleared funds are held in your account as your cheque will be banked as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque must be:

- a. for an amount equal to A\$2.10 multiplied by the number of New Shares (and additional New Shares under the Oversubscription Facility, if applicable) that you are applying for; and
- b. in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares and additional New Shares under the Oversubscription Facility, if applicable, as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

RETAIL ENTITLEMENT OFFER

2.10 ENTITLEMENT AND ACCEPTANCE FORM IS BINDING

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. Oil Search's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- a. you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
- b. you acknowledge that you have read and understood this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- c. you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement Acceptance Form), and Oil Search's constitution;
- d. you authorise Oil Search to register you as the holder(s) of New Shares allotted to you;
- e. you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- f. you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- g. you acknowledge that once Oil Search receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;
- h. you agree to apply for and be issued up to the number of New Shares (and any additional New Shares) specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- i. you authorise Oil Search, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- j. you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- k. you acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- l. you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Oil Search and is given in the context of Oil Search's past and ongoing continuous disclosure announcements to ASX;
- m. you acknowledge the statement of risks in the "Key risks" section of the Investor Presentation included in Section 3 of this Retail Offer Booklet, and that investments in Oil Search are subject to risk;
- n. you acknowledge that none of Oil Search or the Underwriters, nor their respective related bodies corporate or affiliates, nor their respective directors, officers, partners, employees, representatives, consultants, contractors, advisers or agents, guarantees the performance of Oil Search, nor do they guarantee the repayment of capital;
- o. you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- p. you authorise Oil Search to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- q. you represent and warrant (for the benefit of Oil Search, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- r. you acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Oil Search and/or the Underwriters, and each of Oil Search and the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- s. you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;

RETAIL ENTITLEMENT OFFER

- t. you represent and warrant (for the benefit of Oil Search, the Underwriters and their respective related bodies corporate and affiliates) that you are not in the United States and you are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person);
- u. you understand and acknowledge, on your own behalf and on behalf of each person on whose account you are or may be acting, that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, and that, accordingly, the Entitlements may not be taken by, and the New Shares may not be offer or sold, directly or indirectly, to, persons in the United States or persons who are acting for the account or benefit of a person in the United States;
- v. you are subscribing for or purchasing the New Shares in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- w. you are not engaged in the business of distributing securities;
- x. you have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- y. you agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in "regular way" transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- z. you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- aa. if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person), and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- bb. you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.

2.11 BROKERAGE

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement.

2.12 NOTICE TO NOMINEES AND CUSTODIANS

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from Oil Search. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- a. beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- b. Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- c. Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- d. shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States, or any person acting for the account or benefit of any person in the United States.

Oil Search is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Oil Search is not able to advise on foreign laws.

For the avoidance of doubt, Oil Search reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

Oil Search also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

RETAIL ENTITLEMENT OFFER

2.13 WITHDRAWAL OF THE ENTITLEMENT OFFER

Subject to applicable law, Oil Search reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Oil Search will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

2.14 RISKS

Eligible Retail Shareholders should be aware that an investment in Oil Search, including taking up your Entitlement, involves risks. The key risks identified by Oil Search are set out in Appendix B of the Investor Presentation in Section 3 of this Retail Offer Booklet, but these are not an exhaustive list of the risks associated with an investment in Oil Search Shares.

2.15 FURTHER ENQUIRIES

If you have not received, or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please visit oilsearchoffer.com or contact the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) and +61 3 9415 4233 (outside of Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (AEST) on the Closing Date (i.e. Monday, 27 April 2020). If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

RETAIL ENTITLEMENT OFFER

3. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



Business Update and Equity Raising

7 April 2020

SYDNEY (ASX: OSH | ADR: OISHY | PNGX: OSH)

Oil Search has today announced an accelerated pro-rata non-renounceable entitlement offer, an institutional placement and an offer to eligible PNG shareholders, to raise a total of up to approximately US\$700 million (equivalent of up to approximately A\$1,160 million). The proceeds of the raise (the "Equity Raising") will be used to strengthen Oil Search's balance sheet and increase liquidity, so that Oil Search can withstand a prolonged period of low oil prices. Oil Search is well-positioned to deliver its world-class growth projects in Papua New Guinea and Alaska when market conditions improve.

The Equity Raising will be conducted at an offer price of A\$2.10 per share which represents a 23.1% discount to Oil Search's last closing price and an 18.0% discount to the Theoretical Ex-Rights Price¹ ("TERP").²

In response to market conditions, Oil Search has taken several decisive steps which include:

- The suspension or deferral of discretionary activities within its control, resulting in an approximate 40% reduction in 2020 forecast investment expenditure guidance, from US\$710-845 million to US\$440-530 million (as announced on 18 March 2020).
- Execution of preliminary cost reduction measures (including salary cuts, headcount reductions in Sydney and Anchorage and discretionary spending cuts) and the commencement of a systematic review of operating costs to be implemented by June 2020.
- Implementing business continuity plans and amending work practices in response to COVID-19, to reduce risk to employees, contractors and local communities while also ensuring safe and reliable operations.
- Extending the maturity of the US\$300 million loan facilities from 13 September 2020 to 30 June 2021, such that Oil Search now has no near-term debt maturities on its corporate facilities³.

Normal production levels have been maintained during the first quarter of 2020, with production of 7.3 mmbob, comprising 6.3 mmbob for PNG LNG, produced at an annualised rate of 8.7 MTPA, and 1.0 mmbob for Oil Search-operated assets. Oil Search has reconfirmed its 2020 full year production guidance of 27.5 – 29.5 mmbob, assuming no business interruption from COVID-19.

¹ Theoretical ex-rights price ("TERP") includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Oil Search shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. TERP has been calculated as: (existing market capitalisation of Oil Search plus additional equity raised) / total shares on issue following the Equity Raising.

² At 3 April 2020, Oil Search's last closing price was A\$2.73 per share and the TERP is A\$2.56 per share.

³ Extension of maturity of US\$300 million loan facilities from 13 September 2020 to 30 June 2021 is subject to standard regulatory approvals (i.e. Bank of PNG) and the completion of the Equity Raising.

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RETAIL ENTITLEMENT OFFER

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



Commenting on today's announcement, Oil Search Managing Director, Keiran Wulff said:

"In response to the recent rapid decline in oil prices, Oil Search has undertaken a number of decisive actions to preserve capital and strengthen the balance sheet, while also maintaining safe and reliable operations."

"At this difficult time, our highest priority is the health and safety of our personnel and the communities in which we operate. In February, we established a COVID-19 Taskforce which, in response to World Health Organisation recommendations, has taken steps to minimise the impact of the virus on our people and our business. We continue to be in regular dialogue with the PNG Government to minimise any disruption to our operations and ensure our customer obligations can be safely met."

"Our capital preservation measures, together with the Equity Raising are intended to ensure that Oil Search can withstand a prolonged period of lower oil prices. Oil Search believes it is well positioned to deliver on its world-class growth projects in PNG and Alaska when market conditions improve. The additional time will allow us to finalise the P'nyang Gas Agreement with the PNG Government and optimise the Alaskan development, with a focus on reducing the breakeven cost of the project and integrating the results of the recent Mitquq and Stirrup wells."

Overview of debt facilities

Following the Equity Raising, Oil Search is expected to have pro-forma gearing of 28% and available liquidity of approximately US\$1,835 million, comprising US\$1,079 million cash⁴, US\$760 million of undrawn debt facilities, less a US\$4 million bank guarantee. This amount is expected to provide sufficient liquidity to 31 December 2021 assuming the average Brent oil price remains at low US\$20 per barrel or higher from 1 April 2020 onwards.⁵

More than 85%⁶ of Oil Search's drawn debt relates to the non-recourse PNG LNG project finance facility that has no financial covenants. A cash balance which is equal to six months of forecast principal and interest repayments is kept within the PNG LNG project accounts at all times. At present, this escrow cash account holds sufficient cash to meet almost all principal and interest repayments for the remainder of 2020.

Oil Search also has six corporate facilities with total capacity of US\$1,200 million and drawn debt of US\$440 million at 31 December 2019. Subject to the Equity Raising, these corporate facilities have no debt maturities in the next twelve months, following the extension of US\$300 million of loan facilities maturity from 13 September 2020 to 30 June 2021.⁷

Oil Search is currently compliant with all financial covenants in relation to its corporate facilities. The key financial covenant in a low oil price environment is maintaining greater than or equal to 3.0x EBITDAX / net interest expense, which is tested semi-annually on both a last twelve months' and a forward-looking basis⁸.

Oil Search expects to comply fully with this covenant (on a last twelve months basis) at 30 June 2020. However, if the spot Brent oil price averages below low US\$20s/bbl for the remainder of the year, there is a risk of non-compliance with this covenant at 31 December 2020⁹. EBITDAX in the first quarter of 2020 has benefited from

⁴ Includes US\$232 million in PNG LNG escrowed accounts and US\$12 million in a debt service reserve account in relation to the US\$600 million Corporate syndicated revolving credit facility.

⁵ Liquidity analysis assumes covenants are waived (if required). However, there is no guarantee that Oil Search will be successful in receiving covenant waivers from corporate facilities lenders.

⁶ As at 31 December 2019.

⁷ Extension of maturity of US\$300 million Revolving Credit Facility from 13 September 2020 to 30 June 2021 is subject to standard regulatory approvals (i.e. Bank of PNG) and completion of the equity raising.

⁸ Forward looking $\geq 3.0x$ EBITDAX / net interest expense covenant is tested semi-annually based upon the next two years assuming a Brent oil price which is in line with 90% of the forward curve. Oil Search is currently compliant with the forward-looking covenant. Oil Search has not provided an estimate of future compliance with this covenant given an inability to forecast the forward curve. It is important to note that breach of the forward-looking covenant results in a Review Event (rather than an Event of Default).

⁹ Estimate provided based upon current management forecasts, prior to the completion of further cost reduction initiatives currently underway.

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strong realised pricing given the approximately two-month lag between contracted LNG prices and benchmark Brent oil prices.

In relation to the 30 June 2021 covenant testing period, spot Brent oil prices would need to average below low US\$30s/bbl for the twelve month period ending 30 June 2021 for there to be a risk of non-compliance with the EBITDAX / net interest expense covenant (on a last twelve months basis).¹⁰ Given the low oil price environment, Oil Search has had preliminary discussions with lenders who have indicated a willingness to consider covenant waivers, to the extent they may be required.¹¹

COVID-19 Taskforce

In response to World Health Organisation recommendations, Oil Search established a COVID-19 Taskforce in February 2020 to manage the impact of COVID-19 on Oil Search's activities. Business continuity protocols have been progressively implemented. Oil Search has modified work practices to reduce risk to employees and contractors, including deferring discretionary activities, reducing the number of personnel at facilities, increasing medical and field supplies and introducing infectious disease protocols.

ExxonMobil, as operator of the PNG LNG Project, has advised that it has also implemented similar measures consistent with recommendations from the Government of PNG, the global health authorities and ExxonMobil practices, to sustain continued safe operations from PNG LNG.

To date, normal production levels have been maintained, with no disruptions to lifting schedules experienced.

Reconfirmation of 2020 full year production guidance

Oil Search's 2020 production guidance of 27.5 – 29.5 mmbœ remains unchanged, assuming no business interruption from COVID-19. 2020 first quarter production was 7.3 mmbœ, comprising 6.3 mmbœ from the PNG LNG Project (which represents an annualised rate of 8.7 MTPA) and 1.0 mmbœ from Oil Search-operated assets.

Oil Search has commenced a systematic review of sustainable cost reduction initiatives in relation to both Oil Search operated assets and corporate overheads. Oil Search is targeting at least a US\$1-2/boe reduction in production costs through the review, prior to implementation costs. Oil Search's prior production cost guidance of US\$11-12/boe will be updated in mid- 2020, following completion of the review.

Mubadala participation

While not participating in the Equity Raising, Mubadala, Oil Search's largest shareholder, has confirmed that Oil Search remains an important investment for Mubadala.

Terms of the Equity Raising

The Equity Raising is expected to raise up to approximately US\$700 million (equivalent of up to approximately A\$1,160 million) and will be conducted via:

- An underwritten institutional placement of approximately A\$760 million ("Placement");
- An accelerated non-renounceable entitlement offer of up to A\$400 million ("Entitlement Offer") at a ratio of 1 for 8, comprising:
 - An underwritten accelerated institutional component ("Institutional Entitlement Offer"); and

¹⁰ Estimate provided based upon current management forecasts, prior to the completion of further cost reduction initiatives currently underway.

¹¹ There is no guarantee that Oil Search will be successful in receiving any covenant waivers that may be required for its corporate facilities from lenders.

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- A non-underwritten retail component (“Retail Entitlement Offer”); and
- A non-underwritten PNG offer for eligible PNG shareholders on substantially the same terms as the Entitlement Offer (“PNG Retail Offer”), subject to obtaining PNG regulatory approvals.

The offer price for the Placement and the Entitlement Offer will be A\$2.10 per share (Offer Price), representing:

- An 18.0% discount to the theoretical ex-rights price (“TERP”) of A\$2.56; and
- A 23.1% discount to the closing price of A\$2.73 on 3 April 2020.

The Equity Raising will result in the issue of up to 552 million¹² new ordinary shares (“New Shares”), representing approximately 36.2% of Oil Search’s existing securities on issue. The New Shares issued under the Equity Raising will rank equally with existing Oil Search shares as at their date of issue.

The Oil Search Directors who are eligible shareholders have each confirmed their intention to participate in the Entitlement Offer by taking up their pro rata entitlement for New Shares.

The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the ASX or other exchange.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

Placement

All shares offered under the Placement will be issued at the same price as New Shares issued under the Entitlement Offer (A\$2.10 per share). New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 9 April 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 16 April 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their Entitlement.

¹² Includes shares issued under the Placement and the Entitlement Offer. Excludes shares to be issued under the PNG Retail Offer.

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PNG Retail Offer

Eligible retail shareholders with a registered address in Papua New Guinea on the Record Date of 7.00pm (Sydney time), 9 April 2020, will have the opportunity to invest in New Shares on substantially the same terms as the Entitlement Offer. Further information regarding the PNG Retail Offer, including the terms and conditions of the offer and details as to eligibility, will be outlined in the PNG Prospectus to be sent to eligible retail shareholders in PNG in mid to late April 2020.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) or +61 3 9415 4233 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the offer period.

Equity Raising indicative timetable

The timetable below is indicative only and subject to change. Oil Search reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth).

The quotation of New Shares is subject to confirmation from the ASX and PNGX.

All times below are based on Sydney, Australia time.

Event	Date (2020)
Equity raising announcement and Placement and Institutional Entitlement Offer opens	7 April
Placement and Institutional Entitlement Offer closes	8 April
Trading in Oil Search Shares resumes on an ex-entitlement basis	8 April
Record date for determining entitlement for the Entitlement Offer	7.00pm (Sydney time), 9 April
Retail Entitlement Offer opens	16 April
Settlement of Placement and Institutional Entitlement Offer	17 April
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	20 April
Retail Entitlement Offer closes	5.00pm (Sydney time), 27 April
Settlement of Retail Entitlement Offer	1 May
Allotment of New Shares issued under the Retail Entitlement Offer	4 May
Normal trading of New Shares issued under the Retail Entitlement Offer	5 May
Despatch of holding statements for Retail Entitlement Offer	5 May

Further information and Webcast details

Oil Search will be holding a conference call at 10:30am (Sydney time) today, 7 April 2020.

The presentation will be webcast live at <https://webcast.openbriefing.com/5999/>.

The conference call will be available in archive form within four hours after completion.

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This ASX announcement was authorised for release by Oil Search's Board of Directors

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Forward-looking statements and forecasts

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements

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can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Oil Search, statements about the oil and gas industry and the markets in which Oil Search operates and statements about the future performance of the Oil Search businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Oil Search group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Oil Search’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Oil Search’s control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix B of the Investor Presentation released on ASX on 7 April 2020 for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Oil Search group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the PNG and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Oil Search as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Oil Search or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules and PNGX Listing Rules), Oil Search disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Financial Data

This announcement contains pro forma financial information (in particular, a pro forma liquidity and gearing to reflect the impact of the Offer). The pro forma financial information has been prepared by Oil Search in accordance with the measurement and recognition requirements, but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia or Papua New Guinea (“PNG”). The pro forma financial information is for illustrative purposes only, is not represented as being indicative of Oil Search’s views on its future financial condition and or performance and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

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This announcement contains certain financial measures that are (i) “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” and (ii) “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include liquidity, gearing and EBITDAX / net interest expense coverage. The disclosure of such non-GAAP financial measures in the manner included in this announcement may not be permissible in a registration statement under the U.S. Securities Act.

Oil Search believes the non-IFRS financial information and non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of Oil Search. The non-IFRS financial information and non-GAAP financial measures do not have a standardised meaning prescribed by the Australian Accounting Standards (“AAS”) or the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (“IFRS”) and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. You are cautioned not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this announcement.

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**BUSINESS UPDATE
AND EQUITY RAISING**

7 April, 2020 | Sydney, Australia

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- A fully underwritten placement of New Shares to eligible institutional and sophisticated investors (**Placement**) under section 708A of the Corporations Act 2001 (Cth) (**Corporations Act**).
- A partially underwritten pro rata non-renounceable accelerated entitlement offer to certain eligible shareholders of the Company (**Entitlement Offer**). The Entitlement Offer is being made to:
 - eligible institutional shareholders of Oil Search (**Institutional Entitlement Offer**); and
 - eligible retail shareholders of Oil Search (**Retail Entitlement Offer**),
 under section 708AA of the Corporations Act (as modified by the Australian Securities and Investments Commission Corporations (**ASIC**) (Non-Traditional Rights Issues) Instrument 2016/84).
- An offer to eligible shareholders in Papua New Guinea (**PNG Retail Offer**)

Summary information

This Presentation contains summary information about Oil Search and its subsidiaries (**Group**) and their respective activities which are current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act, or in a prospectus prepared in accordance with the requirements of the Capital Market Act 2015 (PNG). This Presentation should be read in conjunction with Oil Search's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au, or lodged with PNGX, which are available at www.pngx.com.pg.

Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of Oil Search, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law, PNG law or any other law (and will not be lodged with ASIC or the Securities Commission of Papua New Guinea (**PNG**)). This Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX and PNGX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form. This Presentation is not and should not be considered an offer or an invitation to acquire the New Shares or any other financial products and does not and will not form any part of any contract for the acquisition of the New Shares.

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This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the US Securities Act (which Oil Search has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

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Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Group. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment. Persons should have regard to the risk factors outlined in Appendix B of this Presentation.

Financial data

All references to dollars, cents or \$ in this document are to United States currency, unless otherwise stated.

This Presentation includes certain historical financial information extracted from the Company's audited consolidated financial statements for the year ended 31 December 2019 (collectively, the **Historical Financial Information**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the Australian Accounting Standards (AAS), the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (IFRS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act or the PNG Companies Act 1997 (amended 2014). The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance.

Recipients of this Presentation should specifically note that this Presentation contains pro forma financial information (in particular, a pro forma historical balance sheet, pro forma capitalisation, liquidity and gearing to reflect the impact of the Offer and transaction costs). The pro forma historical balance sheet has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia or PNG. Investors should also note that the pro forma financial information is for illustrative purposes only, is not represented as being indicative of the Company's views on its future financial condition and/or performance, and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

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The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of the Group. This non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS, and therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Recipients of this Presentation are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this Presentation.

Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

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Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Oil Search, statements about the oil and gas industry and the markets in which Oil Search operates and statements about the future performance of the Oil Search businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix B of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, oil price movements, the PNG and global economic environment and capital market conditions and other risk factors set out in this Presentation. Other risks may materially affect the future performance of Oil Search and the value of the Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Oil Search's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Oil Search or any other person. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

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Past performance

This Presentation contains a pro forma historical balance sheet. Past performance and pro forma financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Oil Search cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market. The information in this Presentation has been obtained from or based on sources believed by Oil Search to be reliable.

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In connection with the institutional bookbuild, one or more institutional investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those shares. One or both of the Underwriters (or their respective affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire shares in Oil Search in connection with the writing of those derivative transactions in the institutional bookbuild and/or the secondary market. As a result of those transactions, one or both of the Underwriters (or their respective affiliates) may be allocated, subscribe for or acquire New Shares or shares of Oil Search in the institutional bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those shares. These transactions may, together with other shares in Oil Search acquired by the Underwriters or their respective affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in the Underwriters or their respective affiliates disclosing a substantial holding and earning fees.

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Oil Search reserves the right to withdraw the Offer or vary the timetable for the Offer without notice. All references to time are to AEST, unless otherwise indicated.

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1. PROACTIVE RESPONSE TO LOW OIL PRICES



PROACTIVE RESPONSE TO LOW OIL PRICES



Equity raising	<ul style="list-style-type: none"> ◆ US\$700m accelerated pro-rata non-renounceable entitlement offer and institutional placement at an offer price of A\$2.10 per share¹ ◆ Proceeds will be used to strengthen the balance sheet and provide additional liquidity, given the material decline in oil prices
Cost reductions	<ul style="list-style-type: none"> ◆ Capital expenditure: ~40% reduction in 2020 forecast investment expenditure, from US\$710-845m to US\$440-530m. 2021 capex planned to be materially lower than 2020 if market conditions remain unchanged ◆ Operating expenditure: Preliminary cost-out initiatives (salary cuts, headcount reduction, discretionary expenditure cuts) completed, with systematic review of further operating expenditure and corporate overhead cost reductions underway, to be implemented by June 2020 ◆ Outcome of these initiatives is that Oil Search will be a much leaner and more profitable operator, able to withstand prolonged periods of subdued oil prices
COVID-19 response	<ul style="list-style-type: none"> ◆ Prepared early and well placed to manage through any extended disruptions to the operating environment from COVID-19 ◆ Highest priority is the health and safety of employees, contractors and local communities ◆ Business continuity plans being implemented, with work practices amended to reduce risk to people and ensure safe and reliable operations
Balance sheet & liquidity	<ul style="list-style-type: none"> ◆ Post the equity raising, pro-forma liquidity and gearing position (as at 31-Dec-19) is as follows: <ul style="list-style-type: none"> ◆ Liquidity²: US\$1,835m (cash of US\$1,079m and undrawn debt facilities of US\$760m, less a US\$4m bank guarantee) ◆ Gearing³: 28% ◆ PNG LNG Project Debt represents >85% of drawn debt (as at 31-Dec-19) and has no covenants. The facility has escrow accounts with sufficient cash retained for almost all 2020 principal and interest payments ◆ No near-term debt maturities on corporate facilities following the extension of the US\$300m of bilateral facilities.⁴ Preliminary discussions with lenders indicate ongoing support for Oil Search and willingness to consider covenant waivers, should they be required⁵
Business update	<ul style="list-style-type: none"> ◆ No change to 2020 production guidance of 27.5-29.5 mmboe, with 2020 first quarter production of 7.3 mmboe ◆ To date, no disruptions to lifting schedules

¹ See page 17 for further details.

² Cash includes US\$232m in PNG LNG escrowed accounts and US\$12m in a debt service reserve account with Australia & New Zealand Banking Group Limited, as per requirements of US\$600m corporate facility.

³ Calculated as pro-forma net debt (of US\$2,300m) / net debt + shareholder funds (of US\$5,941m), adjusted for a US\$683m equity raising net of transaction costs.

⁴ Extension of maturity of US\$300m loan facilities from 13-Sep-20 to 30-Jun-21 is subject to standard regulatory approvals (i.e. Bank of PNG) and completion of the equity raising.

⁵ If required, there is no guarantee that Oil Search will be successful in receiving covenant waivers from corporate facilities lenders (refer to page 25 for further information on counterparty and credit risks).

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DECISIVE COST REDUCTION INITIATIVES

IN RESPONSE TO A MATERIAL DECLINE IN OIL PRICES



~40% reduction in 2020 capex announced on 18 March 2020

- 2020 forecast investment expenditure reduced from US\$710-\$845m to US\$440-\$530m
- Discretionary activities within Oil Search's control and not yet commenced are largely suspended or deferred
- Where possible, work programs that have commenced have been safely suspended
- Focus on maintaining safe and reliable oil and gas production from PNG assets

Activities on growth projects have been **suspended** or **deferred**

- Discussions with the PNG Government to complete the required gas agreement for P'nyang are ongoing
- Pikka Unit Development project activity will be limited to the work required to satisfy permit obligations and engineering and technical studies for the remainder of 2020. The project's Final Investment Decision date has been deferred:
 - Value engineering to identify cost saving and value opportunities to continue
 - Opportunity to integrate 2020 successful exploration well results
- If market conditions remain unchanged, 2021 capex expected to be materially lower than 2020

Systematic **review of opex underway**, to be implemented by June 2020

- Targeting sustainable reduction in production costs of US\$1 - 2/boe, without compromising safety
- Stage 1** – completed:
 - >100 headcount reduction in Sydney and Anchorage
 - Salary cuts at Board, executive and senior management level
 - Curtailment of discretionary spend
- Stage 2** – underway, implemented by June 2020
 - Targeting ~20% reduction in operated costs – will comprise opex reductions and improved field operation productivity at Oil Search assets as well as optimised corporate centre
 - ExxonMobil, operator of PNG LNG, has advised it is evaluating appropriate steps to reduce costs in the near term

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BREAK-EVEN OIL PRICES TODAY

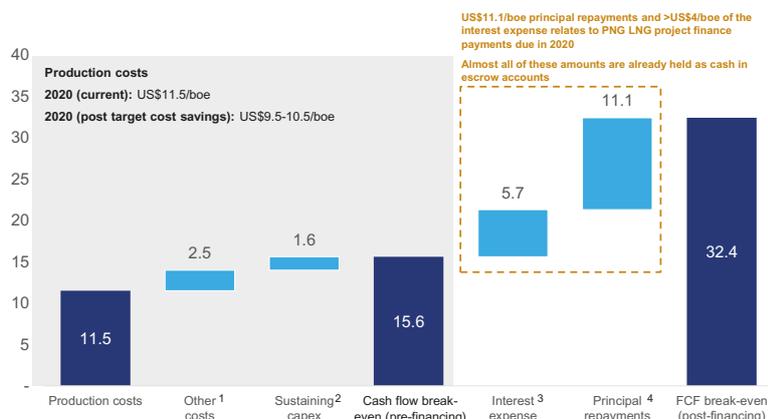
CURRENT 2020 CASH FLOW BREAK-EVEN OIL PRICE OF US\$15.6/BOE (PRE FINANCING) PRIOR TO AT LEAST US\$1 - 2/BOE OF TARGET COST SAVINGS



Key observations

- Cash flow break-even oil price (pre-financing) of US\$15.6/boe for 2020
- Targeting at least US\$1 - 2/boe of operating cost savings, before any one-off restructure costs, to be implemented by June 2020
 - Will reduce production costs from US\$11.5/boe to US\$9.5–10.5/boe
- Cash retained in escrow in PNG LNG Project accounts covers almost all PNG LNG project finance principal and interest payments due in 2020

Cash flow break-even oil prices (US\$/boe)



Note: Cash flow break-even oil price is not impacted by the Equity Raising given use of proceeds will increase cash by up to approximately US\$683m (after estimated transaction costs).

1. Other costs include shipping & distribution, corporate costs and royalties. Excludes inventory movements, donations, power project expenses, business development costs, production rights and other study expenses.

2. Sustaining capex comprises critical expenditure only for producing assets. All expansion and discretionary expenditure has been excluded.

3. Forecast interest expense on PNG LNG and corporate facilities.

4. Principal repayments relate to PNG LNG Project Finance facility.

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OVERVIEW OF DEBT FACILITIES

>85% DRAWN DEBT RELATES TO PNG LNG FACILITY WITH NO COVENANTS



PNG LNG Project Finance Facility

- ◇ As at 31-Dec-19, >85% of Oil Search's drawn debt relates to the PNG LNG project finance facility (US\$2,939m)
- ◇ The facility is secured against the PNG LNG project assets, with no recourse to Oil Search or other Project sponsors
- ◇ No financial covenants
- ◇ A minimum cash balance equal to six months of forecast principal and interest payments is kept within the PNG LNG project accounts at all times:
 - ◆ Currently holds sufficient cash to meet almost all Oil Search's 2020 principal and interest payments, without any additional cash flow from operations
 - ◆ Cash distributions are only made to Oil Search each quarter once all cash obligations have been met or set aside (i.e. principal, interest, operating and other costs) and minimum historic and forward Debt Service Coverage Ratios are achieved

Corporate facilities

- ◇ Oil Search has six corporate facilities with total capacity of US\$1,200m, total drawn debt of US\$440m (as at 31-Dec-19) and no debt maturities until 30-Jun-21¹
- ◇ Key financial covenants are calculated on a semi-annual basis and include:
 - ◆ ≥3.0x EBITDAX / net interest expense (last twelve months and forward test^{2,3})
 - ◆ ≤55% book gearing (inclusive of finance leases)
- ◇ Oil Search is currently compliant with all financial covenants, with the key covenant being ≥ 3.0x EBITDAX / net interest expense. Based on current management forecasts, prior to the completion of cost reduction initiatives currently underway:
 - ◆ Expects to fully comply with this covenant at 30-Jun-20
 - ◆ If the spot Brent oil price averages below low US\$20s/bbl for the remainder of the year, there is a risk of non-compliance at 31-Dec-20. 2020 EBITDAX benefits from strong 1Q 2020 realised pricing given the ~2-month lag between oil and realised LNG prices
 - ◆ If the spot Brent oil price averages below low US\$30s/bbl for the twelve months ending 30-Jun-21, there is a risk of non-compliance at 30-Jun-21
- ◇ Oil Search has had preliminary discussions with lenders who have indicated a willingness to consider covenant waivers, to the extent that they are required⁴

1. Extension of maturity of US\$300m of loan facilities from 13-Sep-20 to 30-Jun-21 is subject to standard regulatory approvals (i.e. Bank of PNG) and completion of the equity raising.
 2. Forward test EBITDAX / net interest expense covenant is a Review Event (rather than an Event of Default) and is tested semi-annually over the next two years, assuming a Brent oil price which is in line with 90% of the forward curve.
 3. Oil Search is currently compliant with the forward test EBITDAX / net interest expense covenant. Oil Search has not provided an estimate of future compliance given an inability to predict the forward curve.
 4. If required, there is no guarantee that Oil Search will be successful in receiving covenant waivers from corporate facilities lenders (refer to page 25 on counterparty and credit risks for further information). 7 APRIL 2020 | PAGE 11
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PRO FORMA CAPITALISATION

PRO FORMA LIQUIDITY OF US\$1,835M AND GEARING OF 28% AS AT 31-DEC-19



US\$m	Maturity	Committed	Undrawn (31-Dec-19)	Drawn (31-Dec-19)	Impact of the Offer	Pro forma
PNG LNG non-recourse facility						
	-	2,939		2,939	-	2,939
Corporate facilities						
Corporate syndicated revolving credit facility	Jun-22	600	600	-	-	-
Corporate bilateral facilities ¹	Dec-23	300	160	140	-	140
Corporate bilateral facilities	Jun-21 ²	300	-	300	-	300
Total corporate facilities		1,200	760	440	-	440
Total committed facilities		4,139	760	3,379	-	3,379
Cash and cash equivalents			396 ³	-	683 ⁴	1,079
Net debt / (cash)				2,983	(683)	2,300
Pro forma gearing ⁵				36%		28%

- ◇ Following the equity raise, Oil Search will have pro-forma liquidity of **US\$1,835m** (US\$1,079m cash, US\$760m undrawn facilities less US\$4m bank guarantee)³
- ◇ Expected to provide sufficient liquidity to 31-Dec-21, assuming the average Brent oil price remains at low US\$20s/bbl or higher from 1-Apr-2020 onwards:
 - ◆ Liquidity analysis assumes covenants are waived (if required)⁶
- ◇ Pro-forma gearing of 28%
- ◇ No debt maturities until June 2021²

1. Bank guarantee of US\$4.4m issued from five year bilateral facility not shown.
 2. Extension of maturity of US\$300m of loan facilities from 13-Sep-20 to 30-Jun-21 is subject to standard regulatory approvals (i.e. Bank of PNG) and completion of the equity raising.
 3. Cash includes US\$232m in PNG LNG escrowed accounts and US\$12m in a debt service reserve account in relation to the US\$600m Corporate syndicated revolving credit facility.
 4. Includes US\$17m in estimated transaction costs associated with the equity raising.
 5. Gearing represents net debt / (net debt + shareholder funds).
 6. If required, there is no guarantee that Oil Search will be successful in receiving covenant waivers from corporate facilities lenders (refer to page 25 on counterparty and credit risks for further information). 7 APRIL 2020 | PAGE 12
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COVID-19 TASKFORCE

HEALTH AND SAFETY OF OUR PEOPLE IS OUR NUMBER ONE PRIORITY IN RESPONDING TO COVID-19



Oil Search priorities

-  **Health, safety and security** of all personnel under Oil Search care
-  **Business continuity** and ongoing safe and reliable production at our PNG operations
-  Meeting **customer commitments** so they can provide **critical energy** for their communities
-  Undertaking necessary expenditure to **maintain permits and licences**, and field integrity and maintenance programs to **maintain reliability and safety**

Business Continuity Plans

- ◇ Health and medical teams commenced World Health Organisation recommended plans in Jan-2020 and a Company-wide COVID-19 Taskforce was established in Feb-2020
- ◇ Key business continuity protocols for Oil Search operated assets have included:
 - ◆ Establishing isolated "cocoon" around business essential operating personnel, limiting interaction and removing risk of cross contamination within the field areas
 - ◆ Reducing the number of personnel at facilities, with non-essential staff demobilised
 - ◆ Revised field rotations for expatriate staff, establishment of self-isolation zones in the field and a material reduction in the number of field-based employees and contractors
 - ◆ Medical facilities are established at all camps, with infectious disease protocols in place, including enhanced cleaning and hygiene as well as additional supplies
- ◇ ExxonMobil, operator of PNG LNG, has advised that it has also implemented similar measures consistent with recommendations from the Government of PNG, the global health authorities and ExxonMobil practices, to sustain continued safe operations from PNG LNG
- ◇ Regular engagement with PNG government agencies to manage ship arrivals and timely clearances to meet contractual commitments
- ◇ No lifting disruptions to date, with shipments largely occurring in line with contractual terms

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BUSINESS UPDATE AND OUTLOOK

MATERIAL DISCRETIONARY ACTIVITIES DEFERRED WHILE MAINTAINING SAFE RELIABLE OPERATIONS



PNG production activities

- ◇ Normal production levels currently maintained at both Oil Search and ExxonMobil operated assets
- ◇ To date in 2020, no material impact on production and no disruptions to lifting schedule
- ◇ Oil Search is taking proactive steps to reduce personnel at assets and defer discretionary spend while maintaining production and safe and reliable operations
- ◇ Subject to required approvals, deferred activities to include suspending the IDT 26 well, a coiled tubing program, seismic acquisition and the rebuilding of the refinery at Kutubu
- ◇ ExxonMobil, operator of PNG LNG, has advised that it is evaluating all appropriate steps to reduce costs in the near term

PNG development activities

- ◇ Discussions with the PNG Government to complete the required gas agreement for P'nyang are ongoing
- ◇ Oil Search continues to support the integrated three-train expansion project as the most efficient development concept
- ◇ ExxonMobil, operator of PNG LNG, has advised of reduced development activity for the Angore field in PNG due to COVID-19 related travel restrictions

Alaska development activities

- ◇ Successfully drilled, cored and flow tested the Mitquq and Stirrup wells
- ◇ Early development activities undertaken during the winter 2019/2020 season, including the laying of gravel roads, which will be completed to comply with permitting obligations
- ◇ Additional time will allow the development plan for Alaska to be optimised for:
 - ◆ Lowering break-even cost through value engineering and drilling optimisation
 - ◆ Potential additional resource
- ◇ Divestment process is on hold. However discussions are ongoing with interested parties

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2020 FULL YEAR GUIDANCE

OIL SEARCH RECONFIRMS 2020 PRODUCTION GUIDANCE

Note: Production and prior cost guidance assumes no business interruption from COVID-19.

Production (mmboe)	Low	High
Oil Search-operated	3	5
PNG LNG Project	24	25
Total Production	27.5	29.5

- ◇ Production guidance unchanged at 27.5 to 29.5 mmboe:
 - ◆ 1Q20 production of 7.3 mmboe, comprising 6.3 mmboe for PNG LNG, produced at an annualised rate of 8.7 MTPA, and 1.0 mmboe for Oil Search-operated assets
- ◇ Revised production cost guidance expected to be provided in mid-2020:
 - ◆ Production cost guidance previously US\$11-12/boe:
 - ◆ Cost reduction initiatives targeting at least a US\$1 -2/boe reduction in production costs
- ◇ Forecast investment expenditure reduced by approximately 40% in line with announcement made on 18 March 2020
- ◇ Forecast capital expenditure going forward from 1-Apr-20 has been reduced from US\$400-500m to US\$200-300m

1. Excludes any capitalised borrowing costs (per development – oil and gas).



Investment expenditure (US\$m)	Low	High
Production expenditure (PNG)	55	65
Development – oil and gas ¹		
PNG	25	35
Alaska	110	130
Total development – oil and gas	135	165
Exploration and evaluation		
PNG	70	80
Alaska	150	170
Total exploration and evaluation expenditure	220	250
Other plant and equipment	25	35
Power	5	15
Total	440	530

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2. EQUITY RAISING OVERVIEW



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EQUITY RAISING TERMS

US\$700M ENTITLEMENT OFFER AND PLACEMENT



Offer size and structure	<ul style="list-style-type: none"> ◊ Up to US\$700m (A\$1,160m) equity raising including: <ul style="list-style-type: none"> ◆ Approximately A\$760m underwritten institutional placement ("Placement") ◆ Up to A\$400m accelerated non-renounceable entitlement offer ("Entitlement Offer") at a ratio of 1 for 8, comprising: <ul style="list-style-type: none"> • An underwritten accelerated institutional component ("Institutional Entitlement Offer"); and • A non-underwritten retail component ("Retail Entitlement Offer"); and ◆ A non-underwritten PNG offer for eligible PNG shareholders ("PNG Retail Offer") on substantially the same terms as the Entitlement Offer ◊ Approximately 552 million² new ordinary shares ("New Shares") to be issued (representing 36.2% of Oil Search's existing shares on issue)
Offer price	<ul style="list-style-type: none"> ◊ All shares under the Placement and Entitlement Offer will be issued at a fixed price of A\$2.10 per New Share ("Offer Price") ◊ The Offer Price represents: <ul style="list-style-type: none"> ◆ 18.0% discount to theoretical ex-rights price (TERP⁴) of A\$2.56 per share ◆ 23.1% discount to Oil Search's closing price of A\$2.73 per share on 3-Apr-20
Placement and Institutional Entitlement Offer	◊ Placement and Institutional Entitlement Offer to be conducted by way of a bookbuild process that will open on 7-Apr-20 and close on 8-Apr-20
Retail Entitlement Offer ⁵	◊ The Retail Entitlement Offer will open at 10:00am on 16-Apr-20 and close at 5:00pm on 27-Apr-20
PNG Retail Offer ⁵	◊ The PNG Retail Offer will be made under a PNG registered prospectus, expected to be dispatched in mid to late April 2020
Director commitments	◊ The Oil Search Directors who are eligible have each confirmed their intention to participate in the Entitlement Offer
Mubadala's position	◊ While not participating in the equity raising, Mubadala has confirmed Oil Search remains an important investment for Mubadala
Underwriting	◊ Placement and Institutional Entitlement Offer to be fully underwritten
Ranking	◊ All New Shares issued under the Offer will rank <i>pari passu</i> with existing shares on issue

1. Retail Entitlement Offer is only available to eligible retail shareholders in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available.

2. PNG Retail Offer is only available to eligible retail shareholders in PNG on the Record Date – see the PNG Prospectus for further details on eligibility once available.

3. Includes shares issued under the Placement and the Entitlement Offer. Excludes shares to be issued under the PNG Retail Offer.

4. Theoretical ex-rights price (TERP) includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Oil Search shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

5. The Retail Entitlement Offer and PNG Retail Offer are not underwritten. Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full entitlement may also apply for additional New Shares in excess of their Entitlement.

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EQUITY RAISING TIMETABLE



Event	Date ¹
Equity raising announcement and Placement and Institutional Entitlement Offer opens	7-Apr-20
Placement and Institutional Entitlement Offer closes	8-Apr-20
Trading in Oil Search shares resumes on an ex-entitlement basis	8-Apr-20
Record date for determining entitlement for the Entitlement Offer	7.00pm, 9-Apr-20
Retail Entitlement Offer opens	16-Apr-20
Settlement of Placement and Institutional Entitlement Offer	17-Apr-20
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	20-Apr-20
Retail Entitlement Offer closes	7.00pm, 27-Apr-20
Settlement of Retail Entitlement Offer	1-May-20
Allotment of New Shares issued under the Retail Entitlement Offer	4-May-20
Normal trading of New Shares issued under the Retail Entitlement Offer	5-May-20
Despatch of holding statements for Retail Entitlement Offer	5-May-20

1. All dates in this presentation are indicative only. All dates and times are Sydney, Australia time unless otherwise specified. Oil Search reserves the right to vary the dates of the Offer, in general or in particular cases, including closing the Offer early, without prior notice.

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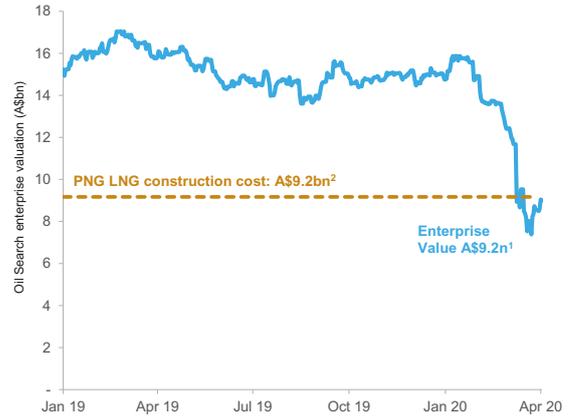
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CONCLUSION

CURRENT TRADING VALUATION IS IN LINE WITH THE CONSTRUCTION COST OF PNG LNG



- ◇ PNG LNG is a **world class, low cost LNG project** with a strong reputation for reliable supply to Asian markets
- ◇ Current share price represents a **historically attractive entry point for Oil Search** – enterprise value is in line with the construction cost for PNG LNG
- ◇ Equity raising provides **liquidity** and **balance sheet** strength, ensuring Oil Search is well placed to withstand an extended low oil price environment and benefit from a potential oil price recovery
- ◇ Hiatus allows time to **finalise P'nyang agreement** and **optimise design of the Pikka Unit Development** in Alaska for potential additional resource
- ◇ **Well positioned for growth** when the market recovers, with LNG expansion in PNG and Alaskan Pikka Unit Development



Source: Factset, Company filings as at 3-Apr-20.

1. Enterprise value including net debt and minority interests, excluding lease liabilities as reported 31-Dec-18, 30-Jun-19 and 31-Dec-19 and converted at the prevailing AUD/USD of the day.

2. PNG LNG Project development cost of c. US\$19 billion (approximately US\$22 billion in 2020 dollars, inflated using historical US inflation) shown as Oil Search share (29%) converted at AUD/USD of 0.60 (spot as at 6-Apr-20).

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APPENDIX A: PRO-FORMA BALANCE SHEET



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PRO-FORMA BALANCE SHEET

US\$m	31-Dec-19	Impact of the Offer	Pro Forma
Cash and equivalents	396	683 ¹	1,079
Receivables	272		272
Inventory	104		104
Other	20		20
Total current assets	792	683	1,475
Exploration	2,998		2,998
Oil and gas assets/PP&E	6,613		6,613
Other	1,170		1,170
Total non-current assets	10,781		10,781
Total assets	11,573	683	12,256
Payables	337		337
Provisions	29		29
Borrowings	655	(300) ^{2,3}	355
Tax	101		101
Total current liabilities	1,121	(300)	821
Borrowings	3,140	300 ^{2,3}	3,440
Provisions	688		688
Other	1,365		1,365
Total non-current liabilities	5,194	300	5,494
Total liabilities	6,314	0	6,314
Shareholders equity	5,258	683	5,941

Note: Pro-forma Balance Sheet is based on economic circumstances at 31 December 2019 and does not reflect the risk that asset values might be impacted by changes to the economic outlook and in particular oil price forecasts. Excludes the tax effect of Offer transaction costs.



Notes:

1. Offer will increase cash position as a result of offer proceeds (up to approximately US\$700 million, less estimated transaction costs of US\$17 million)
2. The US\$300 million of loan facilities will be extended from 13-Sep-20 maturity date to 30-Jun-21 and thereby move from current liabilities to non-current liabilities
3. Extension of maturity of US\$300m loan facility from 13-Sep-20 to 30-Jun-21 is subject to final regulatory approvals (i.e. Bank of PNG) and completion of the Equity Raising

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APPENDIX B: KEY RISKS



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KEY RISKS



Introduction

You should be aware that there are risks involved with participating in the Offer and / or holding shares in Oil Search. Certain of these risks are specific to an investment in Oil Search and certain others are specific to investing in and holding New Shares under the Offer. The occurrence of these risks may have an adverse impact on Oil Search's business, results of operations, financial condition and performance or the price of Shares.

The risks detailed below may change after the date of this document and other risks relevant to Oil Search and the New Shares may emerge which may have an adverse impact on Oil Search and the value of the New Shares. In particular, investors should note that the unprecedented uncertainties and risks created by COVID-19 pandemic could materially change Oil Search's risk profile at any point after the date of this document and adversely impact the financial position and prospects of the Group in the future.

The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of Oil Search and the value of the New Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Oil Search's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Oil Search or any other person.

Risks specific to an investment in Oil Search

a) Coronavirus (COVID-19)

The ongoing COVID-19 pandemic has had a significant impact on the global and PNG economy and the ability of businesses, individuals, and governments to operate. On 22 March 2020, Papua New Guinea's National Executive Council announced the implementation of a series of measures in response to the first positive test of COVID-19 in PNG, including declaration of a State of Emergency and the temporary suspension of all domestic and international travel. It is expected that the State of Emergency will continue until at least June. Similar measures have been adopted by governments around the world in response to the pandemic.

There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. The impact of some or all of these factors could cause significant disruption to Oil Search's operations and financial performance. It is also possible that the PNG Government shuts down all operating work sites, even without a positive case of COVID-19. A suspension of business operations will affect Oil Search's overall operations and Oil Search's operating results and quarantining of Oil Search employees may affect Oil Search's overall operations and Oil Search's operating results.

The curtailment of all non-essential travel globally and within PNG could significantly impair Oil Search's ability to manage the business effectively, respond to emergencies, and continue operations. For example, Oil Search may not be able to send specialists to specific sites to respond to operational or safety issues or to develop existing projects if such specialists cannot travel.

A continuation or escalation of the COVID-19 pandemic could also materially affect demand for oil and gas, which could affect Oil Search in the manner set out below.

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A continuation or escalation of the COVID-19 pandemic could also materially affect the ability of Oil Search's suppliers (or suppliers to joint venture partners managing Oil Search's assets (*JVPS*)) to provide products and services and threaten their ability to continue trading. If either Oil Search or its *JVPS* are unable to source spare parts for machinery or operations or other products and services, including personnel, then Oil Search and the *JVPS* may need to suspend certain operations on a temporary or a prolonged basis. Furthermore, Oil Search's financial position may be adversely impacted if certain of its, or its *JVPS*'s, suppliers (including its insurers, suppliers of IT services, and other suppliers of goods and services) are unable to continue as going concerns as a result of the economic impact of COVID-19.

These factors are beyond Oil Search's control and could have an adverse effect on the overall business sentiment and environment, causing material uncertainties in the regions where Oil Search conducts its business, cause Oil Search's business to suffer in ways that cannot be predicted with any reasonable certainty, and which may materially adversely impact Oil Search's business, financial condition and results of operations.

In order to mitigate the potential impact of COVID-19 on the health and wellbeing of Oil Search's employees and other stakeholders, and on Oil Search's business, Oil Search has been monitoring the COVID-19 developments and has established a multi-disciplinary task force to proactively prepare comprehensive plans to ensure business continuity, including isolating essential staff.

b) Oil and gas market

Oil Search's business is heavily dependent on prevailing market prices for its products, primarily oil and gas. Changes in the prices of these commodities will impact the Group's revenue, cash flows, profitability, and ability to service its debts. The price of oil and gas has fallen dramatically in recent months for a number of reasons, including the economic slowdown resulting from the COVID-19 pandemic, an increase in supply from certain oil-producing countries resulting from geopolitical disagreements, and other macroeconomic factors. The economic slowdown combined with the increase in oil supply can also lead to a situation whereby Oil Search is unable to sell part or all of its products due to a lack of demand or available storage capacity. Oil Search has no control over these factors.

c) Future operating and capital cost requirements

Unexpected changes to future cost profiles could result in Oil Search's cash requirements being over and above its available liquidity. To the extent that the Group's operating cash flows and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Oil Search may need to seek additional funding, sell assets or defer capital expenditure. If Oil Search is unable to obtain additional funding on acceptable terms in these circumstances, its financial condition and ability to continue operating may be adversely affected.

d) Legislative and regulatory risk

Oil Search has interests in international jurisdictions and therefore the business is subject to various national and local laws and regulations in those jurisdictions. Non-compliance can lead to regulatory or legal actions and can impact the status of licenses or operatorship. Retention of licences can also be impacted when Government development expectations are not met. Changes in government policy, the fiscal regime, regulatory regime or the legislative framework could impact the Group's business, results from operations, asset valuation or financial condition and performance. The PNG Government's consideration of a Production Sharing Agreement regime is a current example of these risks.

The possible extent of such changes that may affect the Group's business activities cannot be predicted with any certainty. The effects of any such actions may result in, amongst other things, delays or the prevention of the Group being able to execute certain activities, increased costs (whether in the nature of capital or operating expenses), taxes (direct and indirect), or domestic market obligations. Companies in the oil and gas industry may be subject to paying direct and indirect taxes, royalties and other impositions in addition to normal company taxes. The Group's profitability may be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies. In addition to changes in existing tax laws, risk is also embedded in the interpretation or application of existing tax laws, especially where specific guidance is unavailable or has not been tested in the relevant tax jurisdiction.

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KEY RISKS



The Group may also be forced to surrender or sell certain of its assets if required to do so by regulatory authorities, whether on a temporary basis or permanent basis.

e) Political, community and other stakeholders

The countries in which Oil Search has interests expose the organisation to different degrees of political and commercial risk. The overall socio-political environment in which Oil Search operates, the profitability of particular operating assets and the safety of people may be adversely impacted by political instability, land ownership disputes, ongoing benefits delivery delays, and community issues as well as war, civil unrest and terrorism. In particular, the PNG government has recently experienced, and may continue to experience, significant political instability and economic and fiscal issues, some or all of which could directly and indirectly affect the PNG economy and the operations and financial position of Oil Search. Oil Search's ability to acquire, retain and gain full value from assets may also be affected by a number of political and social issues such as differing political agendas and decision making, environmental and social policy and the impact of bribery and corruption. Further, the media, non-government organisations and other activists may play an increasing role at local, national and international levels influencing political policy, societal perception and community actions or otherwise impacting the organisation's reputation. The COVID-19 pandemic may significantly disrupt these socio-political and commercial factors in a manner which cannot be predicted or controlled by Oil Search.

f) Human rights

The Group faces risks related to the potential impacts of actions of both public and private security forces, interactions with and the use of land associated with subsistence-based and/or indigenous communities and the work practices and supply chains of suppliers and contractors.

g) Climate Change

The Group is exposed to a number of climate change-related risks. Material climate-related risks include: changes in demand for products due to regulatory and technological changes (transitional risk); increases in operating costs of assets due to carbon-pricing policies or other market mechanisms; physical damage to assets or interruption to operations from climatic changes and extreme weather events; restrictions on capital deployment to carbon intensive industries; and reputational damage driven by stakeholder activism and changing societal expectations. The occurrence of any of these risks could result in asset impairment, lost revenue and damage to brand value, amongst other things.

h) Joint venture risk

Oil Search derives significant revenues and growth through joint venture arrangements. Joint venture arrangements, amongst other things, can serve to mitigate the risks associated with exploration success and capital intensive programs. However, failure to establish alignment between joint venture participants and with Government, negligence or competency levels of joint venture operators, or the failure of joint venture partners to meet their commitments and share of costs and liabilities, could have a material impact on the Group's business or reputation.

i) Counterparty and credit risk

A dispute, or a breakdown in the relationship, between Oil Search and its JVPs, suppliers or customers, a failure to reach a suitable arrangement with a particular JVP, supplier or customer, or the failure of a JVP, supplier or customer to pay or otherwise satisfy its contractual obligations (including as a result of insolvency, financial stress or the impacts of COVID-19), could have an adverse effect on the reputation and/or the financial performance of Oil Search. Oil Search's relationships with its lending banks are particularly important. If Oil Search's financial position deteriorates materially, for example, if oil prices were to remain subdued for an extended period of time, and such banks are unwilling to grant covenant waivers or amendments to Oil Search's financing facilities then the potential resulting debt covenant breaches may affect Oil Search's ability to finance its business. Oil Search may also be adversely affected if a counterparty seeks to amend the terms (including pricing) of an existing contract, whether in anticipation of a potential breach of contract by such counterparty or otherwise.

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j) Risk of litigation, claims and disputes

The Group may be subject to litigation, arbitration, expert determination, class actions and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims, occupational and personal claims, and claims in relation to creative content. Any litigation, class actions, claims or disputes, including employment disputes and price review disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Group's business, operating and financial performance.

k) Production

Oil and gas producing assets may be exposed to production decreases or stoppages, which may be the result of facility shutdowns, mechanical or technical failure, well, reservoir or other subsurface impediments, safety breaches, natural disasters and other unforeseeable events. The Group and its JVPs may face such disruptions as a result of the restrictions on the movement and supply of personnel and products in response to the COVID-19 pandemic. A significant failure to meet production targets could compromise the Group's production and sales deliverability obligations, impact operating cash flows through loss of revenue and/or from incurring additional costs needed to reinstate production to required levels.

l) Health, safety and environmental

Oil and gas producing, and exploration operations are also exposed to industry operational safety risks including fire, earthquakes, infections, explosions, blow-outs, pipe failures, as well as transport and occupational safety incidents. Major environmental risks include accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to the Group due to injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may also give rise to claims against the Group. The Group's ability to mitigate these risks and effectively respond to health and safety incidents may be also impaired by restrictions on the movement of products and personnel relating to the COVID-19 pandemic.

The PNG Highlands were subject to a major earthquake in February 2018 and Oil Search's infrastructure and facilities sustained some damage, with remediation work to reinstate the damaged assets ongoing. Any unresolved damage may result in heightened production and safety/environmental risks as a consequence.

m) Cyber security

The integrity, availability and reliability of data within Oil Search's information technology systems may be subject to intentional or unintentional disruption. Given the level of increasing sophistication and scope of potential cyber-attacks, these attacks may lead to significant breaches of security which could jeopardise the sensitive information and financial transactions of the Group. This risk may be escalated as a result of COVID-19 and the increase in remote working by our staff and contractors, notwithstanding Oil Search's efforts to mitigate this threat.

n) Reserves and replacement

Oil Search is subject to reserves depletion and its impact on organisational value. Oil Search aims to replace and grow its reserve and resource base via exploration and commercial activities. The longer term health of the business will depend on the quality and size of its current asset and opportunity portfolio and the investment decisions it makes over many years.

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Oil and gas exploration is a speculative endeavour and each prospect/investment carries a degree of risk associated with the discovery of hydrocarbons in commercial quantities, which can be more challenging in a volatile commodity price environment. The value of exploration and development assets can be affected by a number of different factors including, amongst other things, macro-economic and socio-political conditions, changes to reserves estimates, the composition of oil and gas reserves, unforeseen project difficulties and other operational issues. Similarly, the economic value of the Group's individual producing assets declines as oil and gas is produced and assets transition to abandonment. Oil Search's future production profitability is subject to both subsurface and commodity price uncertainties but is also highly dependent on how Oil Search manages and maximises the value of the production business over this period.

o) Estimates

Underground oil and gas reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid at a certain point in time may alter significantly or become uncertain when new oil and gas reservoir information becomes available through additional drilling or reservoir engineering over the life of the field. As reserve and resource estimates change, development and production plans may be altered in a way that may affect the Group's operations and/or financial results. Additionally, oil and gas reserves and resources assume that the Group continues to be entitled to production licences over the fields and that the fields will be produced until the economic limit of production is reached. If any production licences for fields are not renewed or are cancelled, estimated oil and gas reserves and resources may be materially impacted. The Group employs the appropriate internal expertise to estimate reserves and resources and to prepare the Annual Reserves Statement in compliance with the ASX listing rules.

p) Project development and execution risk

To achieve continual growth, Oil Search and its partners commit significant capital to the initiation, development and delivery of major projects. A number of factors influence the successful delivery of large-scale projects thereby rendering them exposed to commercial, political, engineering, execution, operational and legal risk amongst others. Oil Search has a number of significant projects across its PNG and Alaskan business units at various stages of maturity with each project presenting its own set of substantial risks that may ultimately affect Oil Search's value. Each of these projects is likely to be affected by the restrictions relating to the COVID-19 pandemic.

q) Currency and PNG Exchange Controls

Oil Search is a US dollar (US\$) reporting entity and derives its revenue in US\$. It is therefore exposed to currency risk for transactions in any currency other than US\$. The company has most of its assets and liabilities denominated in US\$ and therefore has residual currency exposure mainly in Australian dollars (A\$) and Papua New Guinea Kina (PGK).

Oil Search is also exposed to PNG foreign exchange controls which could affect its ability to conduct business efficiently and effectively where transactions are in currencies other than PGK or where it needs to deploy capital across the group.

r) Insurance

The Group seeks to maintain appropriate policies of insurance consistent with those customarily carried by organisations in the energy sector. Any future increase in the cost of such insurance policies, or an inability to fully renew or claim against insurance policies as a result of the current economic environment and the impact of COVID-19 (for example, due to a deterioration in an insurer's ability to honour claims), could adversely affect the Group's business, financial position and operational results.

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s) Personnel

The operating and financial performance of Oil Search is in part dependent on its ability to retain and attract key personnel. Whilst Oil Search makes every reasonable effort to retain key employees, there can be no guarantee that it will be able to retain its management team. There is also a risk that Oil Search may need to pay a higher than expected cost to acquire or retain the necessary labour. In particular, there is a finite availability of skilled labour in the PNG market with expertise in the industries in which Oil Search operates.

t) Risk of impairment

Many of the aforementioned risks and in particular the impact of extended low oil and gas prices may be cause for Oil Search to reassess the carrying value of its assets. Indicators of impairment can exist for a number of reasons including where asset valuations are lower than their written down book values, certain activities are discontinued and deferred tax assets are not able to be recovered against future taxable income, amongst other things. The recognition of an impairment will result in a write-down of asset value and a equivalent non-cash charge to the income statement, thereby reducing the company's net assets and reported profits respectively. Oil Search assesses for indicators of impairment at each reporting period.

u) General risks associated with investments in equity capital

Investors should be aware that there are risks associated with any investments in equity capital. The value of the New Shares may rise above or fall below the Offer Price, depending on the financial position and operating performance of Oil Search as well as prevailing market conditions. Further, the price at which the New Shares trade on the ASX may be affected by several factors unrelated to the financial and operating performance of Oil Search and over which Oil Search and the Directors have limited or have no control. These external factors include: (i) the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel and other restrictions; (ii) economic conditions and outlook in PNG, Australia, the US and overseas; (iii) changes in interest rates and the rate of inflation; (iv) investor sentiment in the local and international stock markets and the oil and gas sector; (v) changes in fiscal, monetary, regulatory and other government policies; (vi) changes in government legislation and policies, including tax laws; (vii) the development of new technologies and displacement of existing technologies; and (viii) geo-political conditions such as acts or threats of terrorism or military conflicts.

Investors should also note that the historic share price performance of Oil Search shares provides no guidance as to its future share price performance.

There have been significant fluctuations and volatility in the prices of equity securities in recent months, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, investor uncertainty, geo-political matters, and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in PNG, Australia, the US and overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the further impact of COVID-19 on the PNG and global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of the Shares.

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Risks specific to the Offer

a) The Entitlement Offer and Placement may not be fully underwritten and may not complete

The Entitlement Offer and Placement are subject to a range of conditions and termination events set out in the underwriting agreement entered into by Oil Search and the Underwriters on 7 April 2020 (**Underwriting Agreement**). If certain conditions are not satisfied or certain events occur then both the Underwriters may terminate the underwriting agreement, which may have an adverse impact on the ability of Oil Search to proceed with the Offer and the quantum of funds raised as part of the Offer. In the event the Underwriting Agreement is terminated by both Underwriters, there is no guarantee that the Offer will continue in its current form or continue at all. Failure to raise sufficient funds under the Offer (as a result of it not proceeding or otherwise) could materially adversely affect Oil Search's business, cash flow, financial position and results of operations.

Key terms of Underwriting Agreement

Each Underwriter's obligations under the Underwriting Agreement, including to underwrite the Offer (other than with respect to the Retail Entitlement Offer and the PNG Retail Offer), and manage the Offer (other than the PNG Retail Offer), are conditional on certain matters, including the timely delivery of due diligence process materials, PNG regulatory approvals, and that certain debt facilities are extended, subject to regulatory approvals (i.e. Bank of PNG) (refer to Slide 9).

If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- Oil Search fails to lodge the Offer documentation or Appendix 3B with PNGX and ASX (as applicable) on the announcement date (7 April 2020);
- Oil Search fails to lodge the cleansing statement in respect of the Placement with ASX on the institutional allotment date (20 April 2020);
- the cleansing statements are defective at the time of their issue or a corrective statement is issued or required to be issued under the Corporations Act;
- an event of default or review event arises under any existing debt facility or other financial accommodation, Oil Search or the group becomes aware of facts or circumstances which are likely to cause an event of that type or the Bank of PNG refuses or indicates that it will refuse or materially delay approving the extension of the debt facilities;
- an obligation arises on Oil Search to give PNGX and ASX a notice of new circumstances;
- a material statement in any of the Offer documents in relation to the Oil Search group or the Offer is not true or accurate or is or becomes (or is likely to be) misleading or deceptive, or contains any omissions;
- Oil Search varies, suspends or withdraws an Offer document or the Offer (or any part);
- ASIC, the PNG registrar or PNG Securities Commissioner prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, or commences or threatens to commence any inquiry or investigation in respect of, the Group or any of its representatives in relation to the Offer documents, or issues any orders or holds any hearing in respect of the Offer (subject to certain exceptions);
- PNGX or ASX makes any official statement or indicates that approval is refused or not granted for quotation of the New Shares (other than subject to customary conditions) prior to their scheduled trading date;
- PNGX or ASX makes any official statement or indicates that Oil Search's ordinary shares will be suspended or Oil Search will be removed from the official list of the PNGX or ASX, respectively, or either of these events occur;

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- Oil Search does not obtain the required PNG approvals and/or ASX waivers required to complete the Offer or these approvals and waivers are subsequently withdrawn, revoked, qualified or amended in a materially adverse particular;
- Oil Search is prevented from allotting and issuing the New Shares under the PNGX Listing Rules, the ASX Listing Rules or applicable laws;
- any event specified in the timetable is delayed for a certain time without the prior written approval of the Underwriters (such consent not to be unreasonably withheld or delayed);
- the S&P/ASX 200 Index:
 - reaches, on any trading day from announcement of the Entitlement Offer (7 April 2020) until the trading day after the close of the Institutional Offer (9 April 2020), a level that is 12.5% or more below the level of the S&P/ASX 200 Index at the close of trading on the trading day prior to the date of the Underwriting Agreement (prior to 7 April 2020); or
 - closes on any two trading days (whether consecutive or otherwise) at a level that is 15% or more below the level of the S&P/ASX 200 Index as at the close of trading on the trading day prior to the date of the Underwriting Agreement (prior to 7 April 2020);
- Oil Search or a member of the group is or becomes insolvent or there is an act or omission which is likely to result in any member of the Oil Search group becoming insolvent;
- Oil Search fails to deliver a certificate when required to under the Underwriting Agreement or a statement in a certificate is untrue or incorrect, or misleading or deceptive in any material respect (including by way of omission);
- the due diligence materials or other information supplied by or on behalf of Oil Search to the Underwriters in respect of the Offer, Oil Search or a subsidiary is or becomes false or misleading or deceptive (including by omission);
- there is a change in the Chief Executive Officer of Oil Search;
- a director or officer of Oil Search is charged with an indictable offence relating to any financial or corporate matter or disqualified from managing a corporation, or a government authority commences any public action against the Oil Search group or its directors or officers in relation to any fraudulent conduct or activity that is in any way connected to the Oil Search group;
- Oil Search engages in any fraudulent activity;
- Oil Search commits a material breach of applicable laws, listing rules, exemptions or determinations or fails to comply with its continuous disclosure obligations;
- Oil Search is in breach of any of the terms and conditions or any representations, warranties or undertakings of the Underwriting Agreement or any of those representations, warranties or undertakings become untrue or incorrect;
- any aspect of the Offer does not comply with the applicable law, listing rules or any regulatory approvals;
- Oil Search varies any term of its constitution without the prior written consent of the Underwriters;
- except as contemplated in the Underwriting Agreement or announced prior to entry into the Underwriting Agreement (7 April 2020), Oil Search alters its capital structure without the prior written consent of the Underwriters;
- any adverse change occurs, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits or losses or prospects of Oil Search and the Oil Search group, including from those disclosed in any Offer document;
- there is introduced into the Parliament of Papua New Guinea, Australia, any State or Territory of Australia, or the Legislature in Alaska, the United States, a law or prospective law, regulation, policy or there is any announcement of the same, any of which does or is likely to prohibit or regulate the Offer, the transactions contemplated by the Underwriting Agreement or capital issues or stock markets, or adversely affect the management of each Underwriter's underwriting risk or the taxation treatment of the New Shares;

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- trading in all securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange ("NYSE") is suspended or limited in a material respect for at least 1 day on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the NYSE upon a 20% decrease against the prior day's closing price of the S&P 500 Index only;
- hostilities not presently existing commence (whether war or a national emergency has been declared or not) or a major escalation in existing hostilities occurs (whether war or a national emergency has been declared or not) involving any one or more of Australia, Papua New Guinea, the United States or the United Kingdom, or the declaration by any of those countries of a national emergency (not declared as at the date of the Underwriting Agreement (prior to 7 April 2020)) or war, or a major terrorist attack is perpetrated in any of those countries;
- a general moratorium on commercial banking activities in Australia, Papua New Guinea, the United States or the United Kingdom is declared by the relevant central banking authority or there is a material disruption in commercial banking or security settlement or clearance services in those countries;
- there is:
 - any adverse change, disruption or escalation of disruptions to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, Papua New Guinea, the United States, the United Kingdom or the international financial markets; or
 - any adverse change or development involving a prospective adverse change, in any of those conditions or markets, the effect of which makes it impractical, or inadvisable (in the bona fide opinion of the Underwriters) to proceed with the issue or enforcing of contracts to issue the New Shares;
 - there is a material disruption to, or a suspension of, production or shipping of product in relation to the PNG LNG Project; or
 - any occurrence or non-occurrence as a direct or indirect result of which an Underwriter is prevented from or delayed in performing any of its obligations under the Underwriting Agreement and that is beyond the reasonable control of that Underwriter, including without limitation acts of God, or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency or any other event similar to the aforementioned, and this event occurs or is continuing when the obligation of an Underwriter fails to be performed under the Underwriting Agreement.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter, the event:

- has, or is likely to have, a materially adverse effect on the success, settlement or marketing of the Offer, the ability of the Underwriters to market or promote or settle the Offer or the likely price at which the New Shares will trade on ASX; or
- will, or is likely to, give rise to a liability of the Underwriters under, or a contravention by the Underwriters or their affiliates or any of them being involved in a contravention of, any applicable law.

Termination for failure of meeting a condition precedent or due to a termination event occurring will discharge the terminating Underwriter and Oil Search's obligation to pay to the terminating Underwriting any fees which as at the date of termination are not yet payable. If the remaining Underwriter elects to take up the rights of the terminating Underwriter, the Company must pay them the fees that would otherwise have been payable to the terminating Underwriter.

For details of fees payable to the Underwriters, see the Appendix 3B released to ASX on 7 April 2020.

The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

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KEY RISKS



Shortfall

Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or to third party investors as directed by the Underwriters acting reasonably in consultation with Oil Search. The basis of allocation of any other shortfall will be determined by the directors of Oil Search at their discretion, taking into account whether investors are existing shareholders, Oil Search's register and any potential control impacts.

b) Dilution risk

If you do not take up all of your Entitlement under the Entitlement Offer, then your percentage security holding in Oil Search will be diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by the Placement or future capital raisings by Oil Search. Oil Search may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

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RETAIL ENTITLEMENT OFFER

APPENDIX C: KEY SELLING RESTRICTIONS



Oil Search

KEY SELLING RESTRICTIONS



Oil Search

International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

No offer or invitation to subscribe for New Shares may be made to the public in Bermuda. No invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. All references to dollars, cents or \$ in this document are to United States currency, unless otherwise stated.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

RETAIL ENTITLEMENT OFFER

KEY SELLING RESTRICTIONS



The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

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Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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**Norway**

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Papua New Guinea

WARNING: This document has not been, and will not be, registered by the Securities Commission of PNG and does not comply with the provisions of the Capital Markets Act 2015 of the Independent State of PNG. Accordingly, the New Shares have not been, and will not be, offered in PNG other than in circumstances where the offer qualifies as an "excluded offer" or "excluded invitation" (as such terms are defined in the Capital Markets Act 2015).

The contents of this document have not been reviewed or approved by any PNG regulatory authority. No advertisement, invitation or document relating to the New Shares has been, or will be, issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the Capital Markets Act 2015).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland. No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

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**United Arab Emirates**

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the UAE Central Bank, the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

This document may be distributed in the UAE only to "qualified investors" (as defined in the SCA Board of Directors' Chairman Decision No. 37 RM of 2019, as amended) and may not be provided to any person other than the original recipient. No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United States

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the US Securities Act (which Oil Search has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

For the purposes of U.S. federal securities laws, the offer and sale of the securities referred to in this Presentation has not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may only be offered and sold:

- outside the United States in "offshore transactions" (as defined in Rule 902(h) under Regulation S under the US Securities Act) in reliance on Regulation S; and
- in the United States, (a) to persons that are "qualified institutional buyers", as defined in Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the US Securities Act pursuant to 4(a)(2) thereunder, or (b) to dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S, in reliance on Regulation S.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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Successful completion of Institutional component of Entitlement Offer and Placement, raising A\$1,080 million

8 April 2020

SYDNEY (ASX: OSH | ADR: OISHY | PNGX: OSH)

Oil Search is pleased to announce the successful completion of its placement to institutional investors ("Placement") and the institutional component of its 1 for 8 accelerated pro-rata non-renounceable entitlement offer ("Institutional Entitlement Offer") of new ordinary shares in Oil Search ("New Shares"). Details of the equity raising, including the retail component of the Entitlement Offer ("Retail Entitlement Offer") (together, the "Equity Raising" or "Offer") were announced to the ASX on Tuesday, 7 April 2020.

The Placement and Institutional Entitlement Offer raised approximately A\$1,080 million (US\$650 million), excluding estimated transaction costs (subject to ongoing shareholding reconciliations), at an offer price of A\$2.10 per share ("Offer Price"). The Offer Price represents a 23.1% discount to Oil Search's last closing price and an 18.0% discount to the Theoretical Ex-Rights Price¹ ("TERP")².

The combined proceeds of the Equity Raising are expected to be up to approximately A\$1,160 million (US\$700 million), excluding estimated transaction costs.

Trading in Oil Search shares is expected to resume on the ASX and PNGX from market open today (Wednesday, 8 April 2020).

Commenting on the Capital Raising, Oil Search Managing Director, Keiran Wulff said:

"I would like to thank our shareholders for the strong support they have shown the Company during these challenging times. The Placement was substantially oversubscribed and was fully allocated to existing institutional shareholders, the majority of whom have been on the register for many years. The proceeds of the Offer, together with our initiatives to reduce costs and manage the potential impacts of COVID-19, will enable Oil Search to not only withstand a prolonged period of low oil prices but also come through the current period of uncertainty strongly, while maintaining safe and reliable operations from our oil and gas assets in PNG. Oil Search is well positioned to deliver our world class growth projects when market conditions improve."

Oil Search will also utilise the current downturn to undertake value engineering studies on its growth projects, drive breakeven costs down and ensure the Company's cost base, capital management and capability are optimised."

¹ The theoretical ex-rights price ("TERP") includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Oil Search shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. The TERP has been calculated as: (existing market capitalisation of Oil Search plus additional equity raised) / total shares on issue following the Equity Raising.

² At 3 April 2020, Oil Search's last closing price was A\$2.73 per share and the TERP is A\$2.56 per share.

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Placement and Institutional Entitlement Offer

The Institutional Entitlement Offer had a take up rate of approximately 95% by eligible institutional shareholders (excluding Mubadala, which did not take up its entitlement). The Placement and institutional shortfall was allocated exclusively to existing Oil Search shareholders.

All New Shares offered under the Placement and Institutional Entitlement Offer were issued at the same price, of A\$2.10 per share.

Approximately 514 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Friday, 17 April 2020 and be allotted and commence trading on Monday, 20 April 2020. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

In conducting the Placement, Oil Search has relied on the class waiver decision "Temporary Extra Placement Capacity" issued by ASX on 31 March 2020. This waiver lifts the limit on the number of New Shares that Oil Search can issue without obtaining prior shareholder approval, pursuant to Listing Rule 7.1, from 15% to 25%.

Retail Entitlement Offer

The Retail Entitlement Offer has now been fully underwritten and will raise approximately A\$80 million. The Retail Entitlement Offer is expected to open on Thursday, 16 April 2020 and close on Monday, 27 April 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 9 April 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 16 April 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, Eligible retail shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement. Eligible retail shareholders may apply for up to a maximum of 200% in excess of their Entitlement, at the Offer Price ("Oversubscription Facility"), the allocation of which will be subject to availability.

PNG Retail Offer

Eligible retail shareholders with a registered address in Papua New Guinea on the Record Date of 7.00pm (Sydney time), 9 April 2020, will have the opportunity to invest in New Shares on substantially the same terms as the Entitlement Offer. Further information regarding the PNG Retail Offer, including the terms and conditions of the offer and details as to eligibility, will be outlined in the PNG Prospectus to be sent to eligible retail shareholders in PNG in mid to late April 2020.

Further information

Further information on the Offer is set out in the Investor Presentation lodged with the ASX on Tuesday, 7 April 2020.

For further information regarding the Retail Entitlement Offer, please do not hesitate to contact the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) or +61 3 9415 4233 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the offer period.

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This ASX announcement was authorised for release by Oil Search's Managing Director, Keiran Wulff

IMPORTANT NOTICES

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. Oil Search is not licensed to provide financial product advice in respect of an investment in securities.

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This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this announcement nor anything attached to this announcement shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless they have been registered under the U.S. Securities Act (which Oil Search has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Forward-looking statements and forecasts

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend",

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“should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Oil Search, statements about the oil and gas industry and the markets in which Oil Search operates and statements about the future performance of the Oil Search businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Oil Search group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Oil Search's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Oil Search's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix B of the Investor Presentation released on ASX on 7 April 2020 for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Oil Search group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the PNG and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Oil Search as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Oil Search or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules and PNGX Listing Rules), Oil Search disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

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RETAIL ENTITLEMENT OFFER

4. ADDITIONAL INFORMATION

4.1 RESPONSIBILITY FOR THIS RETAIL OFFER BOOKLET

This Retail Offer Booklet has been prepared by Oil Search. No party other than Oil Search has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

4.2 DATE OF THIS RETAIL OFFER BOOKLET

This Retail Offer Booklet is dated Thursday, 16 April 2020. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Oil Search is not responsible for updating this Retail Offer Booklet.

The ASX Announcements and Investor Presentation set out in Section 3 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by Oil Search (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Oil Search to the ASX and/or PNGX before submitting an Application.

4.3 ELIGIBILITY OF RETAIL SHAREHOLDERS

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- a. are registered as a holder of Existing Shares;
- b. have a registered address in Australia or New Zealand or are Shareholders that Oil Search has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- c. are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares for the account or benefit of such person in the United States);
- d. were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- e. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Oil Search has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

Due to local regulatory requirements, the Retail Entitlement Offer will not be made to PNG retail shareholders. However, Oil Search has also announced the PNG Retail Offer which would be made to PNG resident retail Shareholders pursuant to a prospectus under the PNG Capital Market Act 2015 expected to be sent to eligible retail shareholders in PNG in mid to late April 2020.

4.4 RANKING OF NEW SHARES

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

The rights attaching to the New Shares are set out in Oil Search's constitution and are regulated by the Corporations Act, ASX Listing Rules, PNGX Listing Rules and general law.

4.5 ALLOTMENT, QUOTATION AND TRADING

Oil Search has or will apply for quotation of the New Shares on ASX and PNGX in accordance with ASX Listing Rules and PNGX Listing Rules requirements. If ASX and PNGX does not grant quotation of the New Shares, Oil Search will repay all Application Monies (without interest).

Subject to ASX and PNGX approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Tuesday, 5 May 2020. Application Monies will be held by Oil Search on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of Oil Search and will be retained by Oil Search irrespective of whether New Shares are issued.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. Oil Search and the Underwriters disclaim all liability (whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Oil Search or the Share Registry or otherwise.

4.6 RECONCILIATION

In any entitlement offer, investors may believe that they own more shares on the record date than they ultimately do. This may result in a need for reconciliation to ensure all eligible shareholders have the opportunity to receive their full entitlement.

Oil Search may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Oil Search reserves the right to reduce the number of New Shares allocated to eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

RETAIL ENTITLEMENT OFFER

4.7 UNDERWRITING

The Offer is fully underwritten by the Underwriters. The Underwriters are not managing or underwriting the PNG Retail Offer.

Oil Search and the Underwriters have entered into an Underwriting Agreement. Customary with these types of arrangements:

- a. Oil Search has agreed, subject to certain carve-outs, to indemnify the Underwriters, its affiliates and related bodies corporate, and each of their directors, officers, employees, partners, agents, advisers and representatives against any losses they may suffer or incur in connection with the Entitlement Offer and the Placement;
- b. Oil Search has given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer and the Placement;
- c. the Underwriters may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, which are set out in Appendix B of the Investor Presentation (see Section 3 of this Retail Offer Booklet)⁶:

The Underwriters will be paid:

- a. an underwriting fee of 1.5% of the proceeds of the Institutional Entitlement Offer and the Placement;
- b. an underwriting fee of 1.0% of the proceeds of the Retail Entitlement Offer; and
- c. a management and arranging fee of 0.4% of the proceeds of the Offer.

The Underwriters will also be reimbursed for certain expenses.

Neither the Underwriters nor any of their respective related bodies corporate or affiliates, nor any of their respective directors, officers, partners, employees, representatives, consultants, contractors, advisers or agents (collectively, the "Underwriter Parties") have authorised or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on a statement made by an Underwriter Party. To the maximum extent permitted by law, each Underwriter Party expressly disclaims all liabilities (including for negligence) in respect of, makes no representations regarding, and takes no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer and this Retail Offer Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, the Underwriter Parties also

exclude and disclaim all liability for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Retail Offer Booklet or otherwise arising in connection with it, whether by negligence or otherwise. None of the Underwriter Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally.

The Underwriters are full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

The Underwriters are acting for and providing services to Oil Search in relation to the Placement and the Entitlement Offer and will not be acting for or providing services to Shareholders or potential investors. The Underwriters have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with Oil Search. The engagement of the Underwriters is not intended to create any fiduciary obligations, agency or other relationship between the Underwriters and Shareholders or potential investors and you expressly disclaim any fiduciary relationship with the Underwriters.

In addition to the fees under the Underwriting Agreement, the Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Oil Search and may in the future be lenders to Oil Search or its affiliates.

4.8 CONTINUOUS DISCLOSURE

Oil Search is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act, the PNG Companies Act, the ASX Listing Rules and the PNGX Listing Rules, including the preparation of annual reports and half yearly reports.

Oil Search is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Oil Search has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Oil Search shares. That information is available to the public from ASX and can be accessed at www.asx.com.au. Under the PNGX Listing Rules, Oil Search is required to provide to PNGX all information that it provides to ASX. That information can be accessed at <http://www.pngx.com.pg/>.

⁶ The summary of the Underwriting Agreement in the Investor Presentation contemplated that only the Institutional Entitlement Offer and Placement were underwritten by the Underwriters. As set out in the ASX announcement dated 8 April 2020 (see Section 3 of this Retail Offer Booklet), the parties have subsequently agreed that the Retail Entitlement Offer would also be underwritten by the Underwriters.

RETAIL ENTITLEMENT OFFER

Some documents are required to be lodged with ASIC in relation to Oil Search. These documents may be obtained from, or inspected at, an ASIC office.

4.9 NO COOLING OFF RIGHTS

You cannot withdraw your Application once it has been made or accepted. Cooling off rights do not apply to an investment in New Shares.

4.10 ROUNDING OF ENTITLEMENTS

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

4.11 NOT FINANCIAL PRODUCT OR INVESTMENT ADVICE

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your personalised Entitlement and Acceptance Form and invest in New Shares.

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. Oil Search is not licensed to provide financial product advice in respect of New Shares.

4.12 FINANCIAL DATA

Oil Search has historically prepared its financial information in US dollars and used US dollars as its reporting currency. All financial amounts set out in this Retail Offer Booklet are expressed in US dollars (as indicated by US\$) unless otherwise stated.

The total size of the Offer is presented in both US dollars (as indicated by US\$) and in Australian dollars (indicated by A\$), assuming an exchange rate of A\$1:US\$0.6035 which is the A\$:US\$ foreign exchange spot rate published by the Reserve Bank of Australia on its website for Monday, 6 April 2020, unless otherwise stated. All financial data is presented as at 31 December 2019 unless otherwise stated.

4.13 INELIGIBLE SHAREHOLDERS

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless Oil Search otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Oil Search has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the Oil Search register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

Oil Search, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. Oil Search, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, Oil Search disclaims all liability in respect of such determination.

The price at which the Entitlements of Ineligible Shareholders will be sold is the Offer Price. Accordingly, Ineligible Shareholders will not receive any payment or value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

RETAIL ENTITLEMENT OFFER

5. AUSTRALIAN TAXATION CONSEQUENCES

Set out below is a general summary of the Australian income tax, goods and services tax ("GST") and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares on capital account. In addition, the summary below applies only to Eligible Retail Shareholders who are Australian tax resident individuals, companies or complying superannuation entities.

The summary does not apply to Eligible Retail Shareholders who:

- a. are not Australian tax residents for Australian income tax purposes;
- b. hold existing Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- c. acquired the Shares in respect of which their Entitlements are issued under any employee share scheme or where New Shares are acquired pursuant to any employee share scheme; or
- d. may be subject to special tax rules, such as insurance companies, partnerships, exempt taxpayers, trusts (except where expressly stated), or temporary residents.

This summary also does not cover the consequences for Eligible Retail Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997 (Cth)* nor does it cover the consequences for Eligible Retail Shareholders that are subject to the Investment Manager Regime in Sub-Division 842-I of the *Income Tax Assessment Act 1997 (Cth)* or the tax law of countries other than Australia.

The precise implications of ownership or disposal of the New Shares will depend upon each Eligible Retail Shareholder's specific circumstances. This summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Eligible Retail Shareholders should seek professional advice on the taxation implications of acquiring, owning and disposing of New Shares, taking into account their specific circumstances.

Tax laws are complex and subject to ongoing change. The comments below are based on the *Income Tax Assessment Act 1936 (Cth)*, the *Income Tax Assessment Act 1997 (Cth)*, the *Taxation Administration Act 1953 (Cth)*, the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*, relevant stamp duty legislation, applicable case law and published Australian Taxation Office and State/Territory Revenue Authority rulings, determinations and statements of administrative practice at the date of this Retail Entitlement Offer. The tax consequences discussed below may alter if there is a change to the tax law after 9.00am (AEST) on Thursday, 9 April 2020. Other than as expressly discussed or specified, the comments in this section do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences of the Retail Entitlement Offer should be reconsidered in light of the changes.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not constitute financial product advice as defined in the Corporations Act. The Company and its advisors disclaim all liability to any Eligible Retail Shareholders or other party for all costs, loss, damage and liability that Eligible Retail Shareholders or other party may suffer or incur arising from, relating to or in any way connected with the contents of this summary or the provision of this summary to the Eligible Retail Shareholder or other party or the reliance on this summary by the Shareholder or other party.

5.1 ISSUE OF ENTITLEMENT

The issue of the Entitlement should not, in itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.2 EXERCISE OF ENTITLEMENT

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer. An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer. New Shares will be taken to have been acquired by the Eligible Retail Shareholder on the Allotment date.

To the extent that the Eligible Retail Shareholder's existing Shares were acquired by them on or after 20 September 1985, the cost base (and reduced cost base) for capital gains tax (CGT) purposes of each New Share will be equal to the Offer Price payable for those New Shares plus certain non-deductible incidental costs (for example, costs of acquiring the shares such as professional advisor fees, transfer costs and stamp duty) the Eligible Retail Shareholder incurs in acquiring the New Shares.

To the extent that the Eligible Retail Shareholder's existing shares were acquired by them before 20 September 1985, the cost base (and reduced cost base) for CGT purposes of each New Share will be equal to the Offer Price for those New Shares plus certain non-deductible incidental costs (for example, costs of acquiring the shares such as professional advisor fees, transfer costs and stamp duty) the Eligible Retail Shareholder incurs in acquiring the New Shares plus the market value of the Entitlements at the time the Eligible Retail Shareholder exercises them.

5.3 LAPSE OF ENTITLEMENT

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

RETAIL ENTITLEMENT OFFER

5.4 TAXATION IN RESPECT OF DIVIDENDS ON NEW SHARES

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

The distribution of dividends or other distributions are generally not subject to Australian GST.

5.5 DISPOSAL OF NEW SHARES

The disposal of a New Share by an Eligible Retail Shareholder will be a CGT event. The Eligible Retail Shareholder will make a capital gain where the capital proceeds received on the disposal of the New Share exceed the cost base of the New Share, and will make a capital loss where the reduced cost base of the New Share exceeds the capital proceeds received from the disposal of that New Share.

Any resulting capital losses may only be offset against capital gains made by the Eligible Retail Shareholder in the same income year or future income years. Capital losses cannot be offset against other forms of assessable income.

Broadly, the cost base and reduced cost base of a New Share will be equal to the amount paid to acquire the New Share (including certain other costs, such as incidental costs of acquisition and disposal). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

Generally, all capital gains and losses made by an Eligible Retail Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Eligible Retail Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in an Eligible Retail Shareholder's assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

If an Eligible Retail Shareholder is an individual, complying superannuation entity or trust, and has held the Shares for at least 12 months or more before disposal of the Shares, the Eligible Retail Shareholder may be entitled to apply a "CGT discount" against the net capital gain made on the disposal of the New Shares. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half. Where an Eligible Retail Shareholder is a complying superannuation entity, any net capital gain may be reduced by one third. The reduced amount is included in assessable income.

Where the Eligible Retail Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Eligible Retail Shareholders who are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for a "CGT discount".

5.6 GST AND STAMP DUTY

Australian GST should not be payable in respect of the issue or exercise of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares (such as brokerage or advisor fees).

Under current Australian stamp duty legislation, shareholders are not expected to be liable for Australian stamp duty in respect of the issue or exercise of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer, and any subsequent transfer of Shares. Eligible Retail Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

RETAIL ENTITLEMENT OFFER

6. DEFINITIONS

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Announcements means the announcements released to ASX and PNGX by Oil Search on Tuesday, 7 April 2020 and Wednesday, 8 April 2020 in connection with the Offer, incorporated in Section 3 of this Retail Offer Booklet (each an *ASX Announcement*).

ASX Listing Rules means the official listing rules of ASX.

CGT means capital gains tax.

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (AEST) on Monday, 27 April 2020.

Corporations Act means the Corporations Act 2001 (Cth).

Eligible Institutional Shareholder means an Institutional Shareholder on the Record Date who the Underwriters determine successfully receives an offer on behalf of Oil Search under the Institutional Entitlement Offer (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- a. is registered as a holder of Existing Shares;
- b. has a registered address in Australia or New Zealand or is a Shareholder that Oil Search has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- c. is not in the United States and is not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States);
- d. is not an Eligible Institutional Shareholder; and
- e. is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Eligible Shareholders means Eligible Institutional Shareholders or Eligible Retail Shareholders.

Entitlement means the right to subscribe for 1 New Share for every 8 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Shareholders to raise up to A\$400 million at the Offer Price on the basis of 1 New Share for every 8 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax.

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder who is not:

- a. an Eligible Retail Shareholder;
- b. an Eligible Institutional Shareholder; or
- c. an Ineligible Institutional Shareholder.

Ineligible Shareholders means Ineligible Institutional Shareholders or Ineligible Retail Shareholders.

Institutional Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person:

- a. in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an "exempt investor" as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84); or
- b. in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Oil Search, at its absolute discretion, is willing to comply with such requirements),

provided that if such an investor is in the United States or is acting for the account or benefit of a person in the United States, it is only an Institutional Investor if it (and any person for whom such person is acting) is an Approved U.S. Shareholder or an Approved U.S. Investor (each as defined in the Underwriting Agreement).

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Investor Presentation means the presentation to investors released to the ASX on Tuesday, 7 April 2020, incorporated in Section 3 of this Retail Offer Booklet.

RETAIL ENTITLEMENT OFFER

New Shares means Shares to be allotted and issued under the Offer, including (as the context requires) to the Underwriters or any sub-underwriters.

Offer means the Entitlement Offer and the Placement.

Offer Price means A\$2.10 per New Share, being the price payable per New Share under the Offer.

Oil Search or Company means Oil Search Limited (ARBN 055 079 868).

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for additional New Shares in excess of their Entitlement up to a maximum of 200% in excess of their Entitlement.

Placement means a placement of New Shares to new and existing Institutional Investors at the Offer Price.

PNG means Papua New Guinea.

PNG Companies Act means the *Companies Act 1997* (PNG).

PNG Retail Offer means the offer by Oil Search to PNG resident retail Shareholders pursuant to a PNG prospectus under the PNG Capital Market Act 2015 expected to be announced and despatched to PNG shareholders mid to late April.

PNGX means PNG's National Stock Exchange.

PNGX Listing Rules means the official listing rules of PNGX.

Record Date means 7.00pm (AEST) on Thursday, 9 April 2020.

Retail Entitlement Offer means the non-renounceable pro rata entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period during which the Retail Entitlement Offer is open.

Retail Offer Booklet means this document (including the Entitlement and Acceptance Form accompanying it).

Section means a section of this Retail Offer Booklet.

Share means a fully paid ordinary share in the capital of Oil Search.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Shareholder means a registered holder of Shares.

Underwriters means Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897) and Macquarie Capital (Australia) Limited (ABN 79 123 199 548).

Underwriting Agreement means the underwriting agreement dated 7 April 2020 between Oil Search and the Underwriters (as amended on 8 April 2020).

US Securities Act means the US Securities Act of 1933, as amended.

RETAIL ENTITLEMENT OFFER

7. CORPORATE INFORMATION

COMPANY

Oil Search Limited
Ground Floor
Harbourside East Building
Stanley Esplanade
Port Moresby
Papua New Guinea

UNDERWRITERS

Goldman Sachs Australia Pty Ltd
Level 46, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney NSW 2000
Australia

SHARE REGISTRY

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

LEGAL ADVISER

Allens
Level 28, Deutsche Bank Place
Corner of Phillip and Hunter Streets
Sydney NSW 2000
Australia

OIL SEARCH RETAIL ENTITLEMENT OFFER INFORMATION LINE

Australia: 1300 128 731
International: +61 3 9415 4233
Open 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer Period



Oil Search



OSH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Sir/Madam

16 April 2020

Accelerated non-renounceable pro-rata entitlement offer - Notification to ineligible shareholders

On Tuesday, 7 April 2020, Oil Search Limited ARBN 055 079 868 ("**Company**" or "**Oil Search**") announced that it was conducting an equity issue to raise a total of approximately US\$700 million (equivalent to approximately A\$1,160 million) ("**Offer**") comprising:

- a fully underwritten institutional placement ("**Placement**") of new fully paid ordinary shares in Oil Search ("**New Shares**") to raise approximately A\$760 million; and
- a partially underwritten 1 for 8 accelerated non-renounceable pro-rata entitlement offer of New Shares to existing shareholders ("**Entitlement Offer**") to raise approximately A\$400 million,

in each case at an issue price of A\$2.10 per New Share. Oil Search will also undertake an offer to eligible PNG shareholders on substantially the same terms as the Entitlement Offer, subject to obtaining PNG regulatory approvals.

The proceeds of the Entitlement Offer and Placement will be used to strengthen Oil Search's balance sheet and increase liquidity, so that Oil Search can withstand a prolonged period of low oil prices. More detail is provided in Oil Search's Investor Presentation lodged with the Australian Securities Exchange ("**ASX**") and Papua New Guinea's National Stock Exchange ("**PNGX**") on Tuesday, 7 April 2020.

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms ("**Retail Entitlement Offer**"). The Entitlement Offer is being made by Oil Search in accordance with sections 708A and 708AA of the Corporations Act 2001 (Cth) ("**Corporations Act**") as modified by the Australian Securities and Investments Commission Corporations Instrument (Non-Traditional Rights Issues) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer and Placement have already closed and the results have been announced to ASX and PNGX on Wednesday, 8 April 2020.

The Retail Entitlement Offer is only available to Eligible Shareholders (as defined below). **Eligible Shareholders** are those persons who:

- are registered as holders of existing shares as at 7.00pm (Sydney time) on Thursday, 9 April 2020;
- have a registered address on the Oil Search share register in Australia or New Zealand at that date or persons that Oil Search has otherwise determined are eligible to participate in the Retail Entitlement Offer;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent that such shareholders hold Shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings) and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

As you do not satisfy the criteria above, you are deemed not to be an Eligible Shareholder for the purposes of the Retail Entitlement Offer. Pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, Oil Search considers it generally unreasonable on this occasion to extend the Entitlement Offer to shareholders with a registered address outside of Australia or New Zealand having regard to the small number of those shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions. Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), Oil Search is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for new shares and you will not be sent a copy of the offering materials relating to the Retail Entitlement Offer.

Notwithstanding the above, Oil Search may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer, subject to compliance with applicable laws.

For those shareholders receiving this letter and with a registered address in Papua New Guinea, while not eligible to participate in the Retail Entitlement Offer, Oil Search will be undertaking an offer to eligible PNG shareholders on substantially the same terms as the Retail Entitlement Offer. Subject to obtaining PNG regulatory approvals, Oil Search expects to contact eligible PNG shareholders with details of the offer in mid to late April.

You are not required to do anything in response to this letter but there are financial implications for you as a result of the Offer that you should be aware of. This letter is to inform you about the Retail Entitlement Offer and is not an offer to issue new shares to you, nor an invitation for you to apply for new shares. Entitlements in respect of new shares you would have been entitled to if you were an Eligible Shareholder will lapse. As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

Thank you for your continued support of Oil Search and I trust you understand Oil Search's position on this matter.

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) or +61 3 9415 4233 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Yours sincerely



Richard Lee AM
Chairman
Oil Search Limited

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