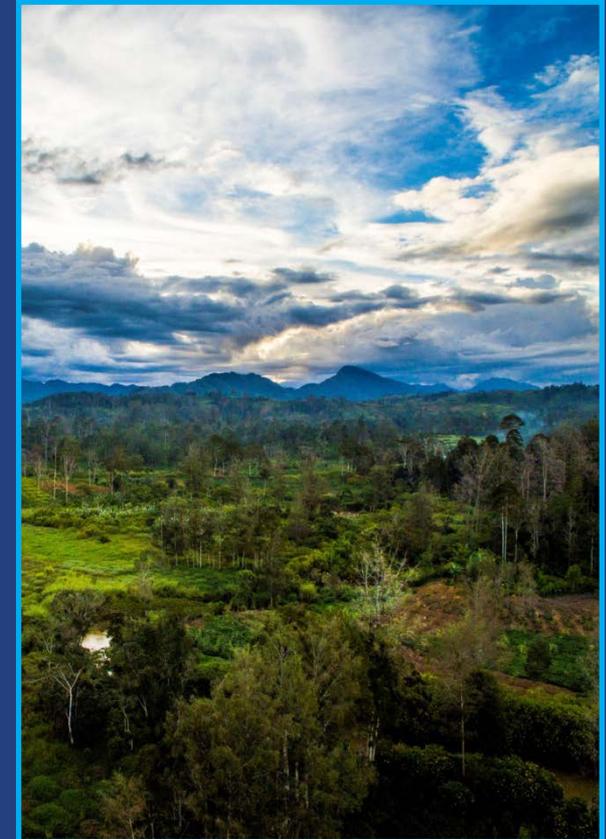


Oil Search Update - Projects & Initiatives

SEAAOC, August 2017



Oil Search



Oil Search Limited

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This presentation also contains forward-looking statements which are subject to particular risks associated with the oil and gas industry. Oil Search Limited believes there are reasonable grounds for the expectations on which the statements are based. However actual outcomes could differ materially due to a range of factors including oil and gas prices, demand for oil, currency fluctuations, drilling results, field performance, the timing of well work-overs and field development, reserves depletion, progress on gas commercialisation and fiscal and other government issues and approvals.

About Oil Search

- » PNG incorporated in 1929
- » ~1,250 employees
- » Quality shareholding:
 - UAE sovereign wealth fund Mubadala (IPIC) and PNG Government largest shareholders
- » World class assets:
 - ~29% interest in PNG LNG Project (ExxonMobil operator)
 - ~23% interest in PRL15 Papua LNG Project (Total operator)
 - ~60% interest in all PNG's producing oil fields (OSH operator)
 - 25-70% in 16 quality exploration licences
- » Operate all oil production, associated gas for LNG and majority of drilling and seismic programmes
- » Strategy to maximise LNG growth and oil while providing country building initiatives:
 - >10tcf 2C undeveloped for new 8MTPA+ expansion near term
 - Social programmes for community development, health and power



OSH will double production early next decade

Progressing multiple growth initiatives in PNG



PNG LNG optimisation targeting > 8.5MTPA longer term



LNG expansion targeting 8MTPA+ new capacity and integration savings



Oil production through near field exploration to mitigate long-term decline



Exploration success – three year programme will test >19 tcf^e*



In-country social responsibility initiatives maintaining stable operating environment

* Mean gross prospective resources. Summed prospective resource P50/best estimate is ~15.9 tcf^e. Numbers are based on OSH 2016-17 internal analysis. All estimates are unrisks

PNG Growth Initiative 1

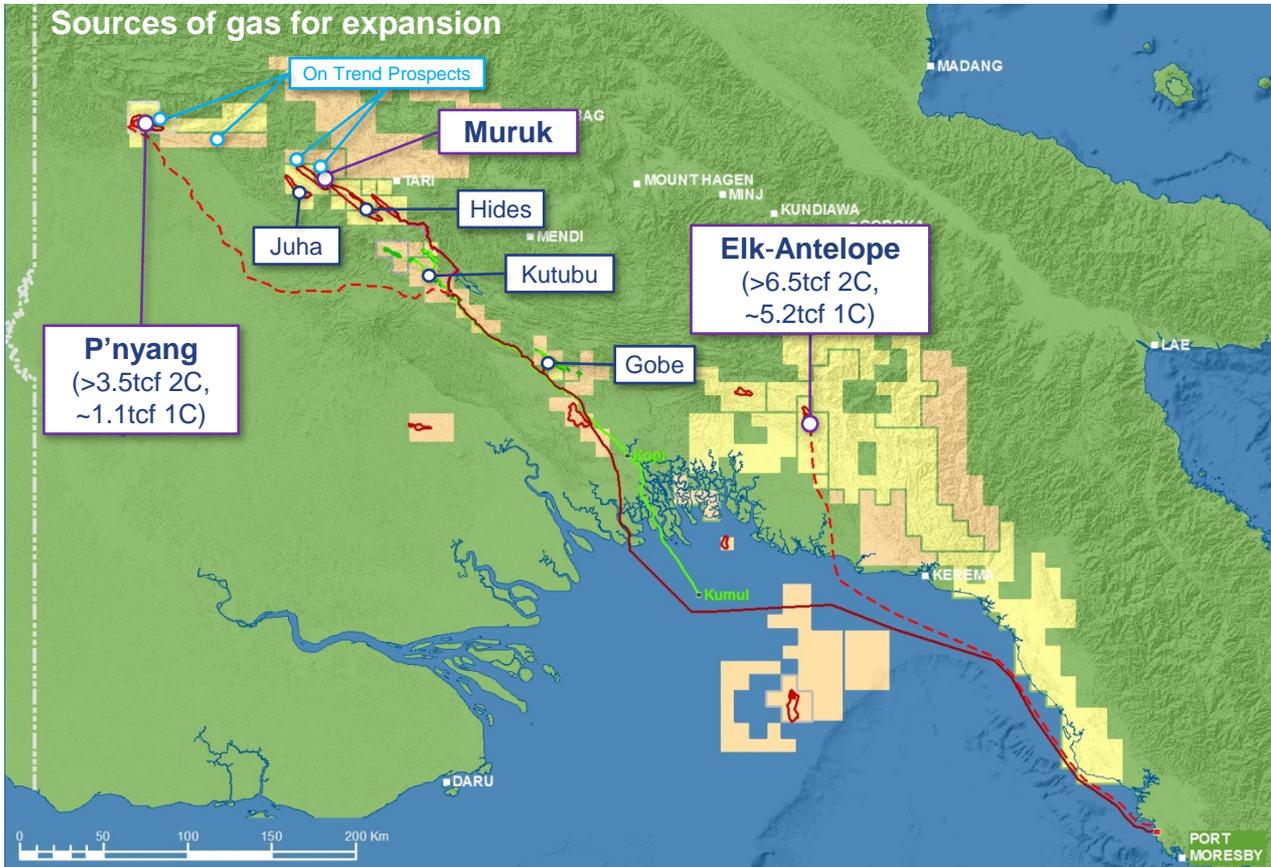
PNG LNG Optimising expansion



- » PNG LNG one of the best delivered and highest value LNG projects globally:
 - Lowest quartile cost
 - High heating value product sought after by quality markets
 - Production consistently above nameplate
 - World class operator and reliability
- » Production > 8.5MTPA achieved in June '17 (>25% above nameplate)
 - Options being reviewed for sustained increases 2018+
- » Material increase in foundation reserves and new exploration success provides certainty of supply and optionality

LNG expansion the focus for 2017+

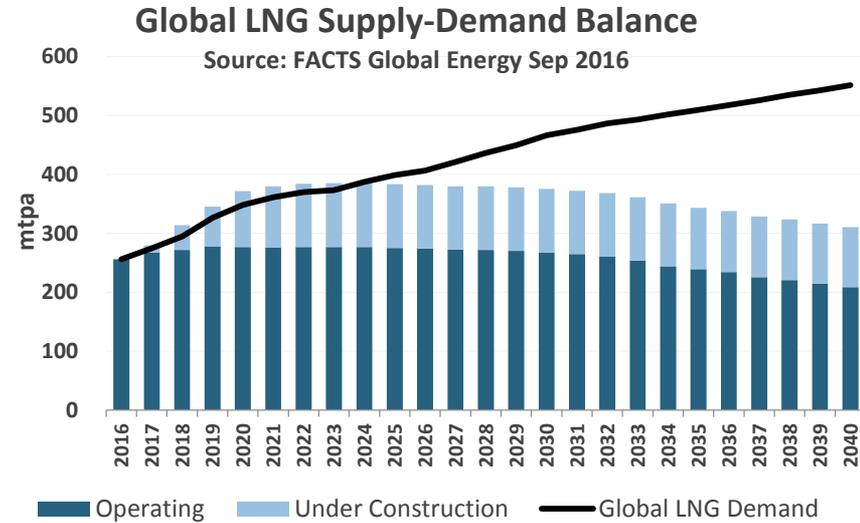
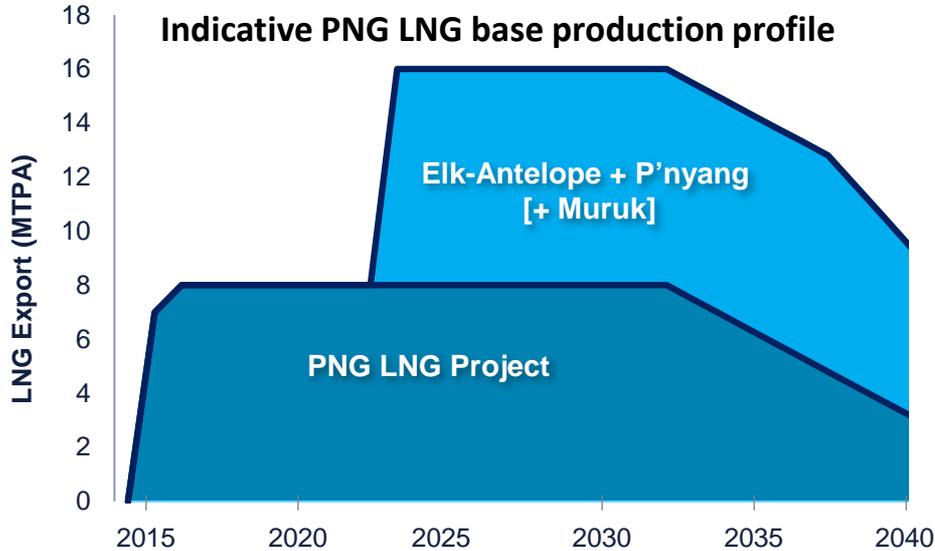
PNG LNG growth and new LNG development



- » By mid next decade PNG expected to be producing 16+MTPA
- » PNG brownfields LNG expansion globally competitive:
 - Lowest quartile cost
 - High heating value
 - Quality markets
- » Material potential to underpin further expansion:
 - Muruk discovery increases optionality and may improve expansion economics
 - Multiple exploration targets being confirmed by seismic between Hides to P'nyang
 - Additional LNG scale exploration hubs in Aure and deepwater regions

PNG Growth Initiative 2

New LNG development and cooperation



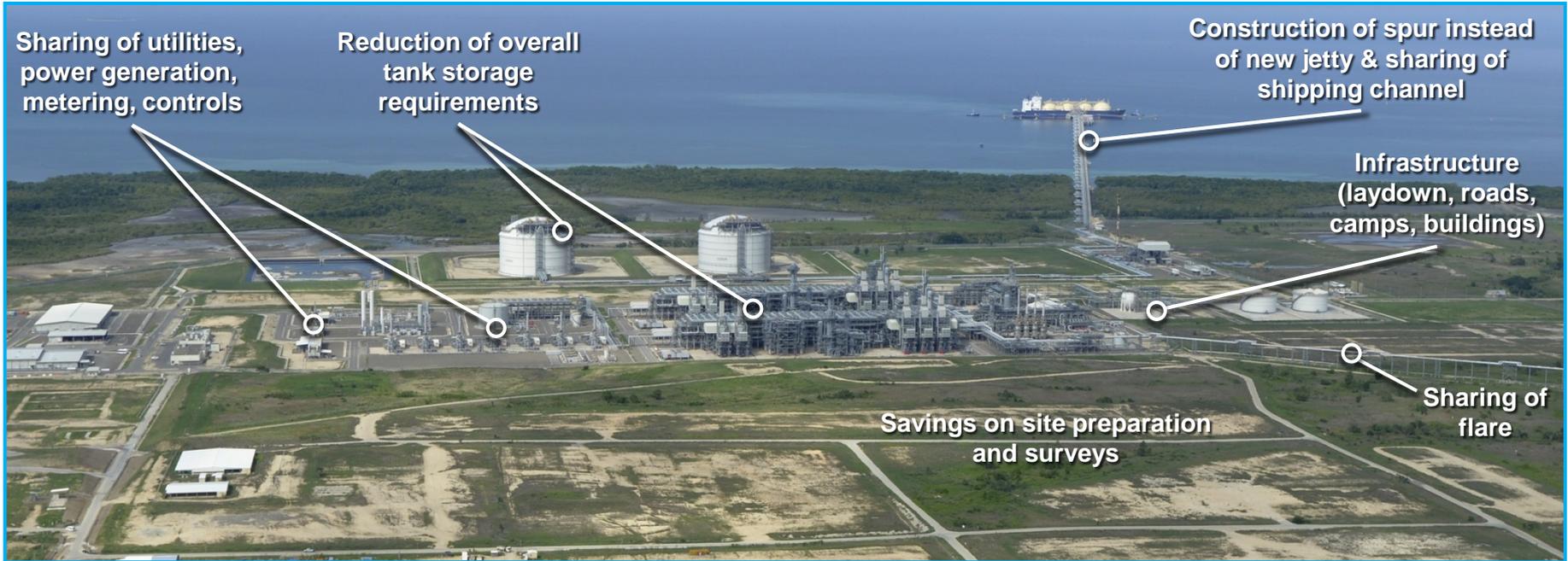
- » Elk-Antelope and P'nyang combined have >10 tcf 2C and can supply 8+ MTPA new train capacity constructed at existing PNG LNG site
- » OSH, partners and Government have confirmed intent to pursue coordinated development
- » Various commercial models under consideration to deliver brownfield expansion
- » LNG from PNG well placed for LNG market growth early next decade

Lessons learned drive toward coordination

PNG LNG, P'nyang and Elk-Antelope LNG cooperation (additional 8+ MTPA capacity)



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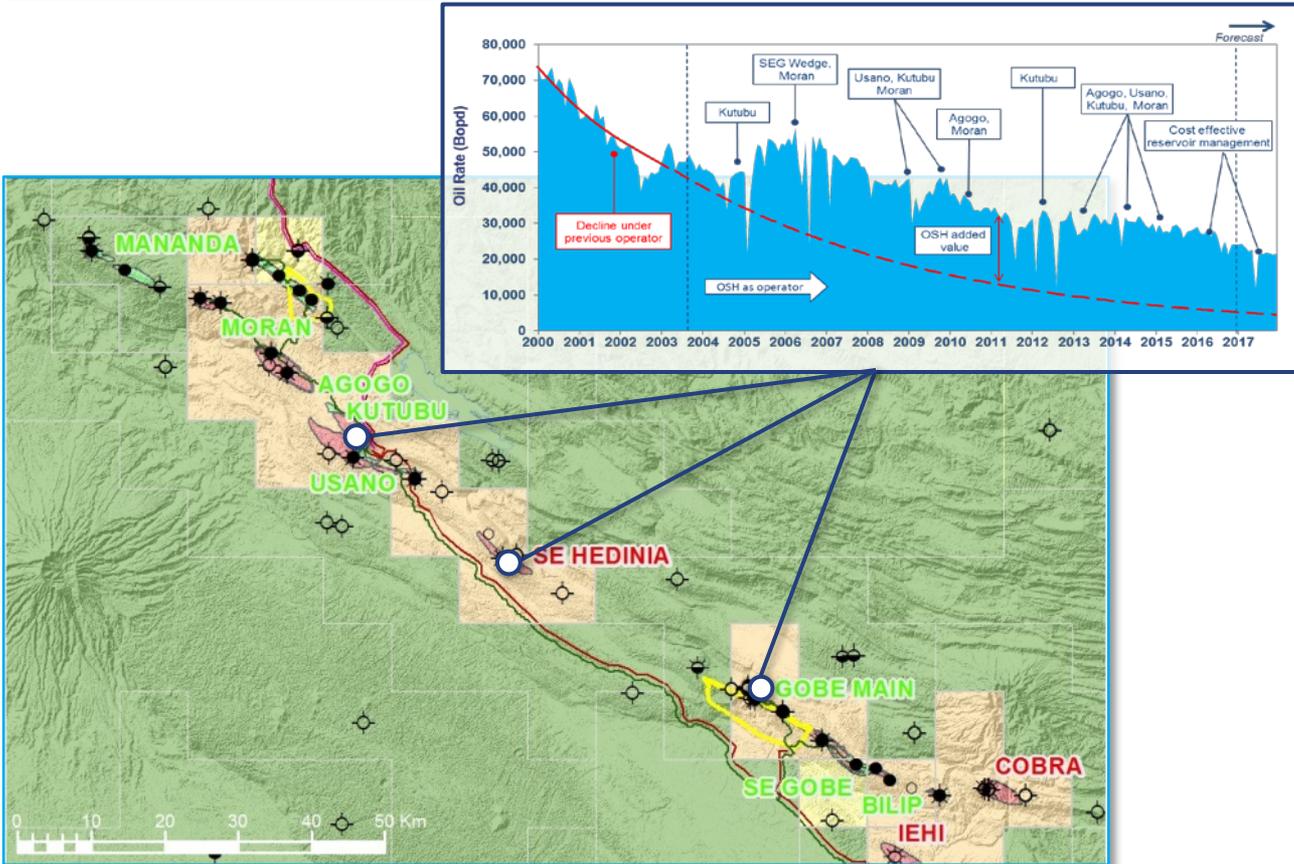
- » Estimated >US\$5bn of cost savings over 20yrs (RISC)
- » PNG Govt benefits by potentially >US\$500M+, >US\$25M+ pa net opex savings plus greater tax receipts
- » JV partners and State looking to align on integration principles, terms and marketing

PNG Growth Initiative 3

OSH operated production increases through near field exploration



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- » One of OSH's core capabilities is extracting full value from its assets
- » Targets being matured for near field drilling to mitigate long-term decline
- » Since 2003, OSH has drilled 45 development wells with ~90% success rate
- » Last five years added >49 mmbbl oil (gross) to 1P reserves (plus further 32 mmbbl (gross) to 2P)

PNG Growth Initiative 4

Exciting and material remaining exploration upside

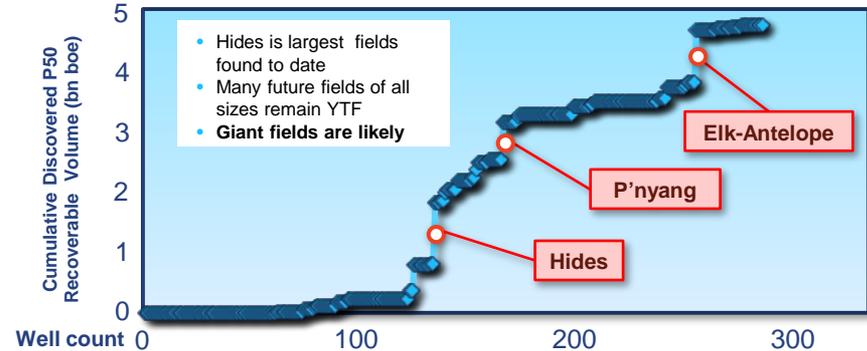


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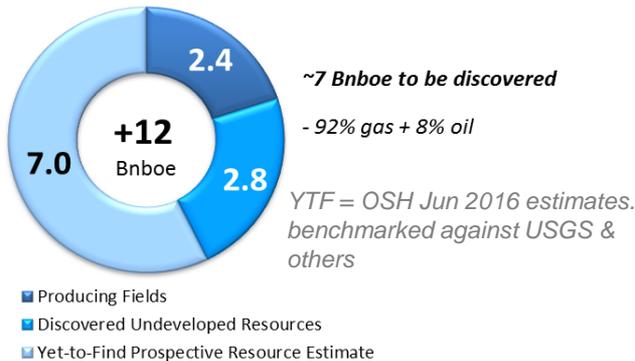
60% (~7bn boe) of PNG's total resource remains to be discovered

- » 92% Gas, 8% Oil
- » 40 tcf Gas + 550 mmbbl Oil
- » Giant fields predicted

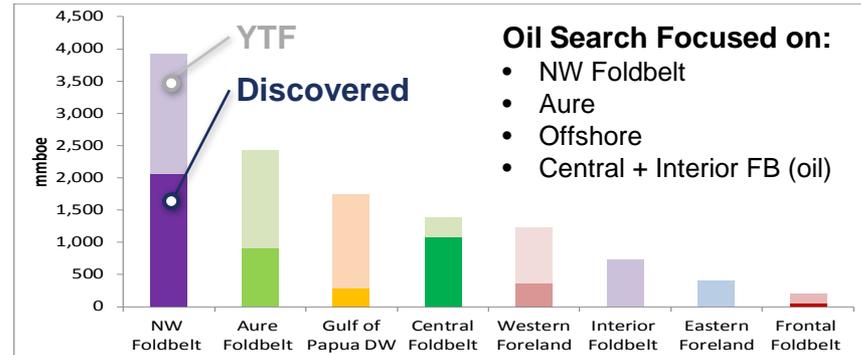
Historic Reserves Additions



Total Resource Split



PNG Total Petroleum Resource



PNG's Best Geoscience Database

Data underpins all geoscience work we do



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Technical Library
 - >70,000 records; earliest 1913
 - Librarians manage facilities at Moro, Ridge Camp POM & Sydney

Well Database
 - 674 well locations & well headers loaded to single Openworks Database
 - 516 wellbores with logs
 - All QC'd against original data

GIS & Prospect Inventory
 - ArcGIS single database
 - Geox for Probabilistic Resource & Commercial Assessment

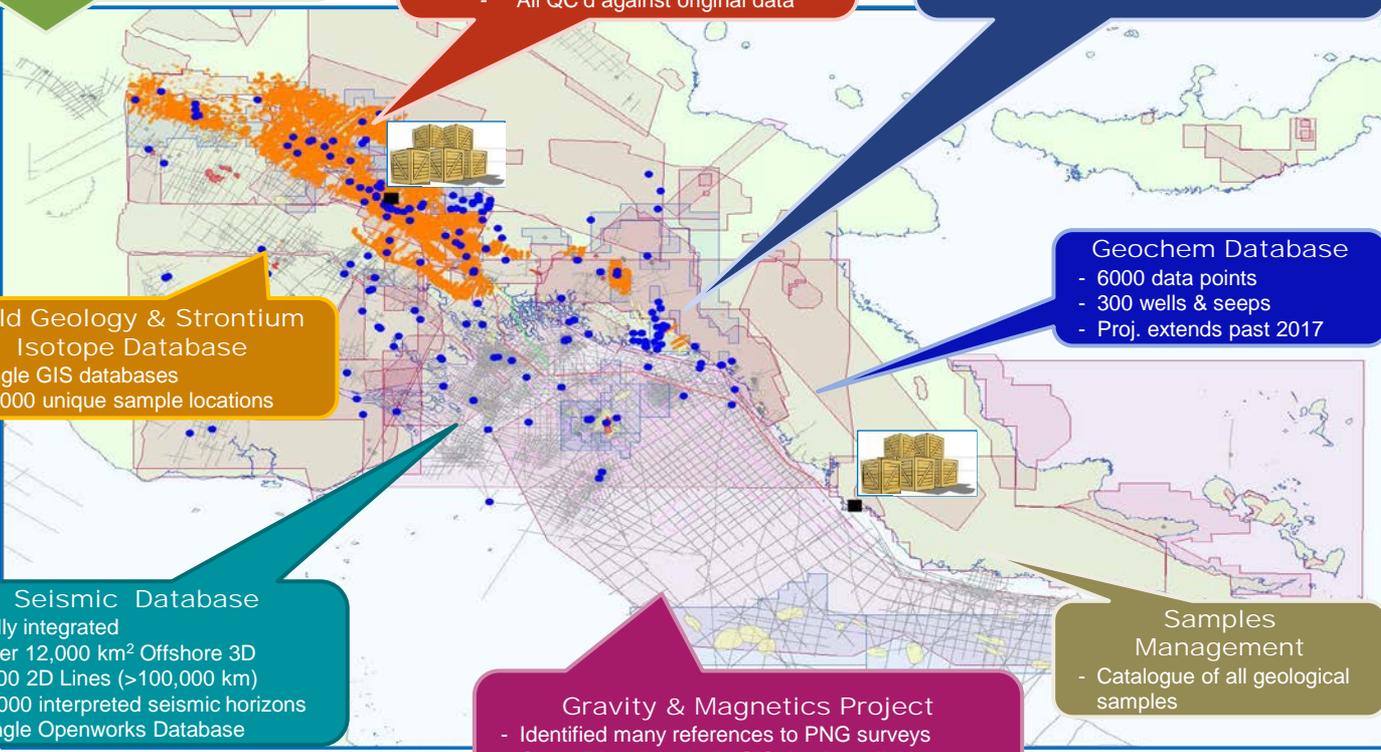
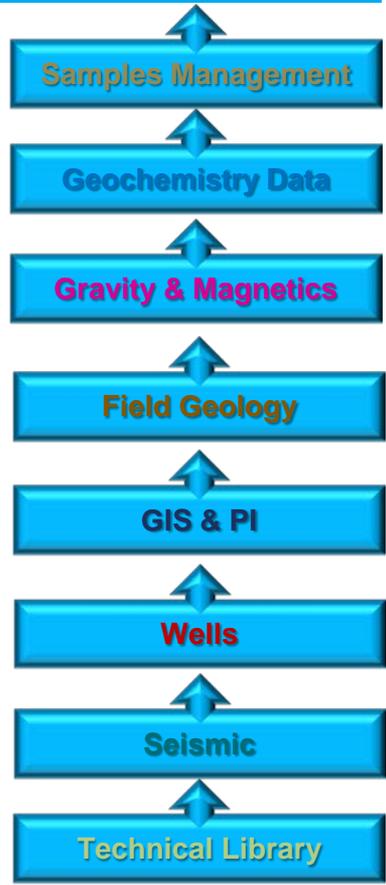
Field Geology & Strontium Isotope Database
 - Single GIS databases
 - 70,000 unique sample locations

Geochem Database
 - 6000 data points
 - 300 wells & seeps
 - Proj. extends past 2017

Seismic Database
 - Fully integrated
 - Over 12,000 km² Offshore 3D
 - 4000 2D Lines (>100,000 km)
 - >3000 interpreted seismic horizons
 - Single Openworks Database

Gravity & Magnetics Project
 - Identified many references to PNG surveys
 - Consolidated to single GIS database linking raw & interpreted data to library reports

Samples Management
 - Catalogue of all geological samples



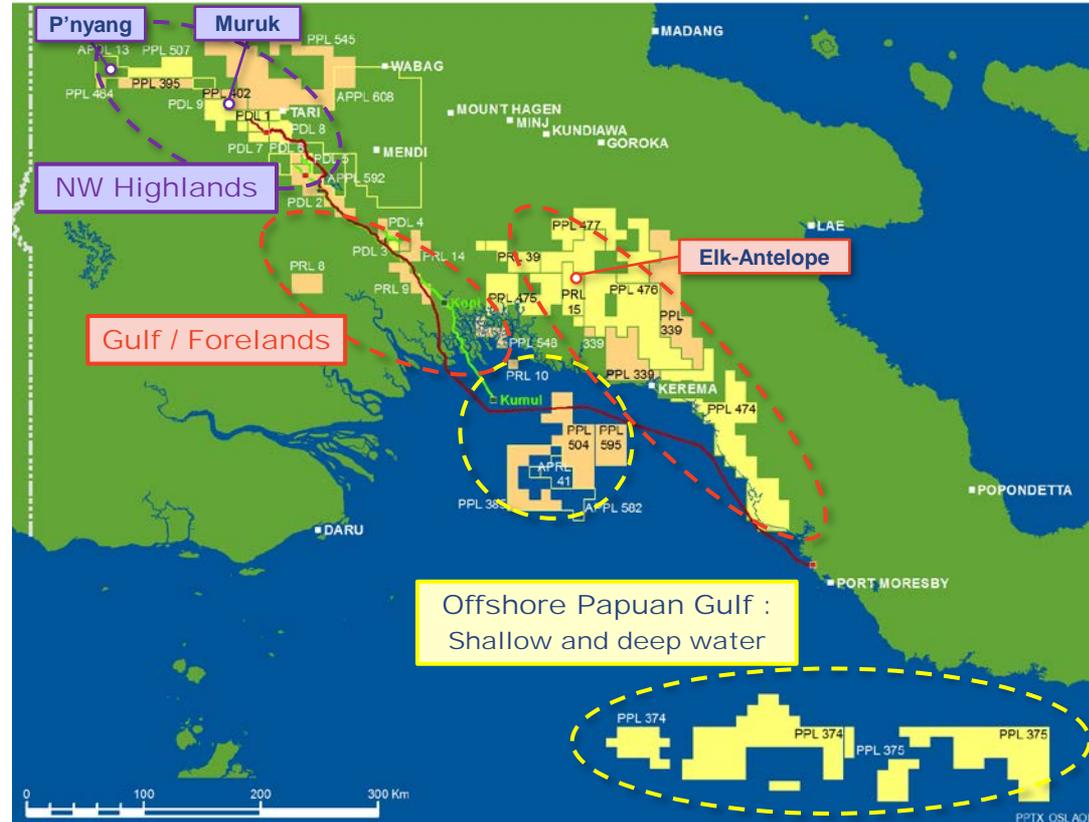
World class exploration acreage position in PNG

Portfolio focused on gas expansion and delineating remaining oil



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- » Focused licence acquisition programme:
 - 16+ licences and manageable programme
 - Trend capture and high graded drilling
- » Expanded PNG acreage focused on four potential LNG scale hubs:
 - NW Highlands
 - Gulf/Forelands
 - Offshore Gulf
 - Deepwater Gulf
- » Successful partnering:
 - Optimal equity levels
 - Operatorship of key licences
- » Opportunity, not commitment, driven



Muruk gas discovery

Material gas potential along Hides-P'nyang trend

» Muruk gas discovery located ~21km from nearest producing PNG LNG infrastructure:

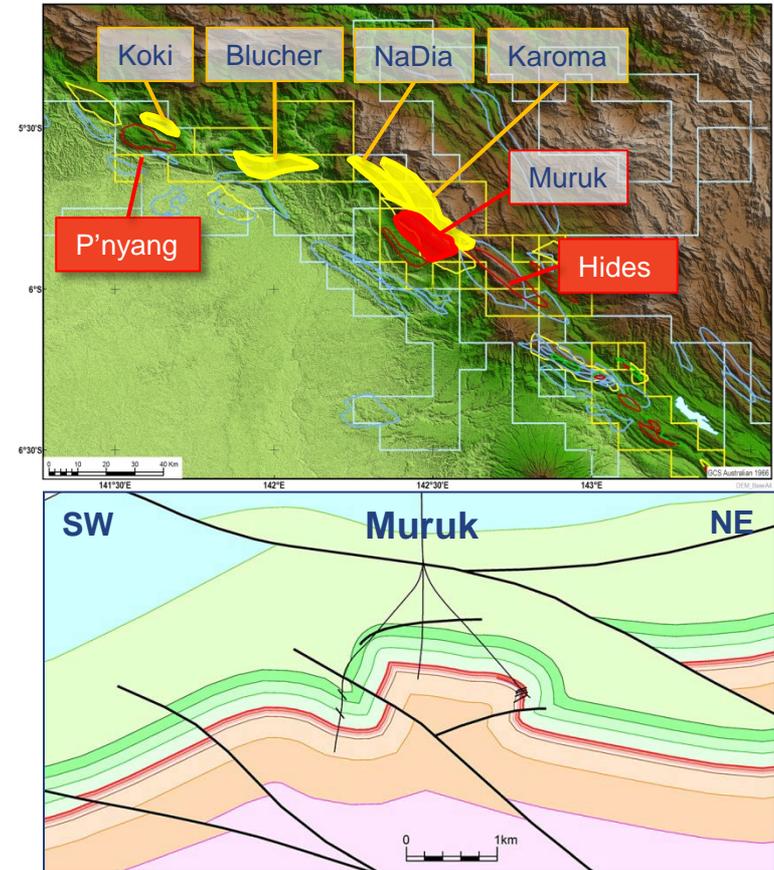
- ~ 8,000m drilled in vertical hole and three side-tracks
- ~ 780m highest to lowest known gas
- Two separate compartments (hanging wall and footwall gas confirmed)
- Aids Juha tie-in and high grades Hides-P'nyang trend
- Appraisal programme commencing 1Q18, subject to final joint venture approval

» Four additional multi-tcf prospects being matured:

- 2016/17 seismic confirming 2018+ drilling programme
- Trend has >10 tcf unrisks mean potential

» P'nyang South 2 well scheduled to be drilled in 2H17, well pad construction underway:

- Resource certification to take place after drilling



Initiative 5

Social Responsibility – initiatives in action



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Oil Search Foundation



Community health and hospitals



Access to power



Leadership and education



Women's protection and empowerment



Livelihood and local enterprise development



Supporting community organisations



Nationally significant infrastructure projects

For further information on: How we work responsibly: <http://www.oilsearch.com/how-we-work> | Oil Search Foundation: <http://www.oilsearchfoundation.org/>

Conclusions

Top tier production base with significant growth projects



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- » Excellent performance from PNG LNG:
 - Reached record annualised rate of 8.65 MTPA in June following compressor upgrade (25% above nameplate)
 - Material 1P and 2P reserve upgrade in Foundation fields
- » 10+ tcf 2C of discovered undeveloped gas in Elk-Antelope and P'nyang:
 - Can support additional 8+ MTPA expansion capacity
 - Discussions on LNG expansion underway focused on coordinated development
- » Muruk gas discovery – potentially significant new gas field, increases prospectivity of Hides-P'nyang trend
- » Continued strong performance from operated PNG oil fields and targeting growth through near field exploration
- » Material exploration potential to drive further growth

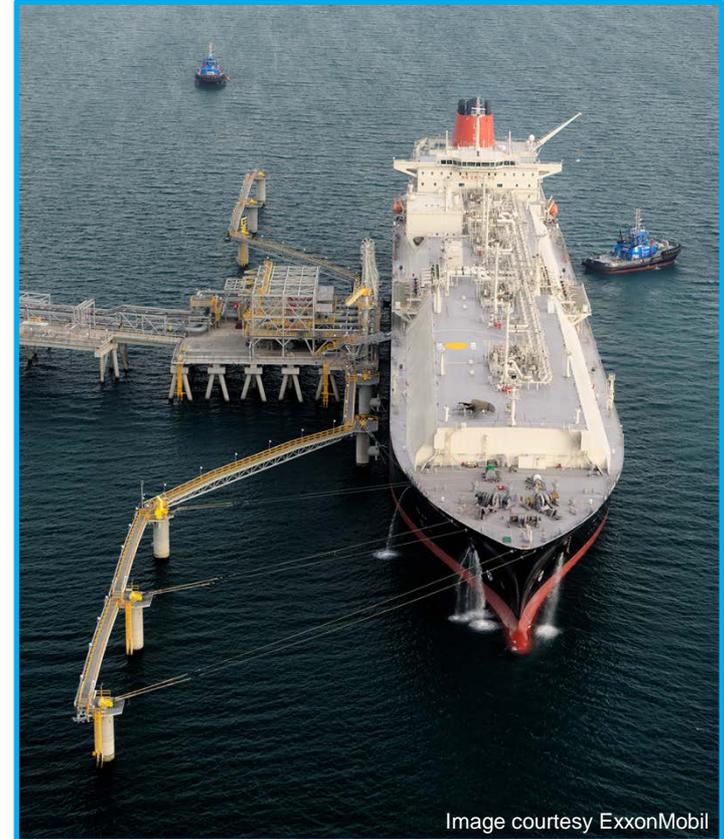


Image courtesy ExxonMobil



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