Oil Search Limited

PROCEDURE FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS - SUMMARY

1. Finding the right person

The Board's procedure when selecting and appointing new directors varies depending upon the circumstances of the Company at the particular time. Generally, however, the procedure for the selection and appointment of a new director will be based on the Corporate Governance and Nominations Committee doing the following:

- assessing the needs of the Board to ensure that there is a range of skills represented, including an understanding of:
  - the industry in which Oil Search operates;
  - the countries in which Oil Search operates; and
  - accounting, finance and legal matters;
- where a need is identified or arises, and as appropriate, engaging recruitment advisers to identify candidates with the skills and experience required by the Board;
- developing a short list of potential appointees taking into account, among other things, the particular skills and experience of each individual appointee and their ability to fit with the existing Board; and
- recommending to the Board the most appropriate person from the short list of candidates to be invited to become a director of the Company.

2. Short listed candidates

Prior to appointment, short listed candidates:

- are required to meet with members of the Board;
- must disclose the nature and extent of their other appointments and activities; and
- must demonstrate that they understand what is expected of them and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities.

Short listed candidates must also give undertakings in relation to their appointment to the Board, to their performance on the Board and to taking other appointments.

3. Policy for the appointment of new Directors

The Board’s policy for appointing new Directors, as part of the broader selection and appointment procedure, looks to ensure that the potential appointee best matches the needs of the Board at the time when the appointment is to be made.
Factors considered by the Corporate Governance and Nominations Committee when recommending a person for appointment as a director include:

- the time commitment required by a director to effectively discharge his or her duties to the Company;
- the number of existing directorships and other commitments that may demand the attention of the appointee;
- the nature of existing positions, directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgment;

- the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board;
- the appointee's experience in undertaking business in Papua New Guinea and other countries where the Company operates;
- the appointee's knowledge of the oil and gas industry or related industries;
- other experience or skill that a particular appointee may have including relations with government, membership of industry or professional organisations and business contacts;
- general suitability of the appointee and likely relationship with other Board members.

4. Following appointment as a Director

On appointment to the Board, a Director must:

- confirm his/her understanding of the Company's policy regarding independence of Directors and what is expected of them to ensure that the Board continues to have a majority of independent Directors;
- be willing to participate in the Board's annual performance evaluation process;
- be contactable at all reasonable times by the Company and provide appropriate contact details;
- behave consistently with the Company's Code of Conduct; and
- comply with all relevant statutory obligations.

In accordance with the Company's constitution, all new appointees to the Board to fill casual vacancies must resign at the next annual meeting after the date of their appointment and offer themselves for election. The policy of the Corporate Governance and Nominations Committee on notices of meeting involving the election of directors is that sufficient information should be made available to enable shareholders to make an informed choice about who should be elected a director. Accordingly, all candidates seeking election or re-election as a Director by shareholders must submit the following details for inclusion in the relevant notice of meeting:

- up to date biographical details including competencies and qualifications;
- information sufficient to enable an assessment of the independence of the Director;
- details of the relationship between the candidate and the Company and the candidate and other Directors of the Company;
- other directorships held;
- other positions held that involve significant time commitments;
- the term of office currently served by any Director seeking re-election; and
- any other particulars required by law.

5. Letter of Appointment

New Directors are required to sign a letter of appointment that sets out the key terms of their appointment.

6. Deed of Access and Indemnity

Finally, each Director is required to execute a deed of access and indemnity that:

- grants the Director certain rights of access to Company information and rights to be insured;
- provides the Director with certain indemnities; and
- imposes obligations on the Director to provide information required by the Company to meet its disclosure obligations.