

Oil Search Limited
Share Trading Policy
Revised 23 April 2010

1 Introduction

Oil Search Limited (“Oil Search” or “the Company”) values its good reputation and recognises the importance of honesty and fair dealing in protecting that reputation.

Oil Search’s overriding aim is to be a company that regulators, investors and market commentators have confidence in.

It is essential that all employees (including directors, executives and managers), contractors and other persons providing services to, or having dealings with Oil Search are aware of, and comply with, the legal restrictions on dealing in Oil Search securities and the securities of other companies while in possession of unpublished price sensitive information. Accordingly, this policy extends to all employees, directors and contractors of Oil Search. The policy also covers dealing in securities by persons connected to those persons.

To the greatest extent possible, Oil Search wants to prevent any misunderstanding arising or the creation of any suspicion regarding dealings in securities. In order to achieve this Oil Search firmly believes that it is necessary for its securities dealing policy to go beyond the strict requirements of applicable law and to limit share dealings that would otherwise be permitted by law. If any aspect of the policy is unclear you should in the first instance seek guidance from the Group Secretary.

2 Regulatory Background

The Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”), the Securities Act 1997 of the Independent State of Papua New Guinea (“Securities Act”) and the laws of other countries in which Oil Search group companies operate, restrict persons from dealing in shares and other securities.

Generally the restrictions apply whilst those persons are in possession of information which is not generally available and which, if it were generally available, would have an effect on the price or value of the securities concerned.

As noted above, however, Oil Search believes that it is necessary for its Securities Dealing Policy to go beyond the strict requirements of applicable law.

3 **Definitions**

In this policy, the following definitions apply:

"closed period" means:

- (a) the period from 1 January to 12 noon on the day after the release of the Company's full year results; and
- (b) the period from 1 July to 12 noon on the day after the release of the Company's half year results.

"connected person" means in relation to any person, his or her spouse/de facto spouse and any child of his or hers where such child is under the age of eighteen years and shall include any trust of which any such individuals are trustees or beneficiaries and any company over which they have control over the ability to make management decisions.

"dealing" means:

- (a) acquiring or disposing of securities;
- (b) mortgaging, charging, pledging or granting a lien over securities
- (c) entering into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over securities;
- (d) procuring or advising another person (such as a connected persons, friends, associates, brokers, financial advisors or financial planners) to apply for, acquire, dispose of , mortgage, charge, pledge or grant a lien over securities or to enter into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over securities; and
- (e) hedging or acquiring options over unvested securities.

"inside information" means information which:

- (a) is not generally available; and
- (b) if the information were generally available, a reasonable person would expect that information to influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of securities.

Information is considered to be "generally available" after it has been released to the Australian Stock Exchange and the Port Moresby Stock Exchange and those Exchanges have fully disseminated that information to the market.

“prescribed employee” means a particular employee or contractor or a member of a class of employees or contractors from time to time prescribed by the Company Secretary and as notified to that employee or contractor from time to time.

“restricted employees” means Executive General Managers and their direct reports, General Managers and their direct reports and those persons who are notified by the Company Secretary that they are a restricted employee.

“securities” means:

- (a) Oil Search shares;
- (b) Oil Search debentures;
- (c) a legal or equitable right or interest in an Oil Search share or debenture;
- (d) an option to acquire, by way of issue, any of the securities listed in paragraphs (a), (b) or (c);
- (e) derivatives (such as swap options, warrants) and other financial products issued by third parties in relation to Oil Search shares, debentures and options; and
- (f) securities of another company that may be affected by inside information (such as another party involved in a corporate transaction with Oil Search, a joint venture partner, a contractor or alliance partner).

“trading window” means:

- (a) the period of 4 weeks commencing at 12 noon the day after the release of the half year earnings results;
- (b) the period of 4 weeks commencing at 12 noon the day after the release of the full year earnings results;
- (c) the period of 4 weeks commencing at 12 noon the day after Oil Search’s annual meeting; and
- (d) Such other period as may be advised by the Company Secretary.

4 What Conduct is Prohibited?

4.1 General

You may not deal in securities if to do so would breach any restriction in this Paragraph 4 or Paragraph 5.

4.2 Insider Trading

Whenever you have inside information you must not:

- (a) deal in the securities; or
- (b) communicate this information to anyone else.

This prohibition applies to information that affects Oil Search securities or the securities of any other company.

This prohibition covers dealings by:

- executive and non executive directors;
- managers;
- other full time, part time and casual employees; and
- contractors, consultants and advisors,

of Oil Search and any of its group companies.

The Policy extends to all securities owned or controlled by you, whether those securities are held in your name, by a connected person, by a friend or in some other entity or arrangement. You must also inform your broker or financial advisors who may have discretion to trade on your behalf that they may be restricted from trading securities under this policy.

4.3 Possession of Inside Information by Prescribed Employees

Whether or not you have inside information may be difficult to determine.

To assist this determination the Company Secretary may from time to time declare by notice in the corporate governance section of the Oil Search intranet site that all employees and contractors or specified employees and contractors are to be treated as having inside information.

In deciding whether or not to deal in securities you must consult the Oil Search intranet site to see if there are any current declarations by the Company Secretary regarding employees or contractors in possession of inside information.

You must not deal in securities at any time when you or any class of employees or contractors to which you belong has been declared by the Company Secretary to possess inside information and the declaration is current.

4.4 Communication of Inside Information

You must not, directly or indirectly, communicate inside information or cause inside information to be communicated to another person.

4.5 Closed Periods

You must not deal in securities during a closed period.

4.6 Short Term or Speculative Dealing in Securities

You must not engage in short-term (less than three (3) months) or speculative dealing in securities and no dealing in unvested securities (including hedging unvested securities) is permitted.

You must disclose any existing hedging arrangements to the Company Secretary in writing and any trading as a result of a hedging arrangement must comply with the policy.

4.7 Margin Lending Arrangements

Prior to entering into a margin lending arrangement you must ensure that the margin lender agrees to comply with the Oil Search Share Trading Policy. For directors and restricted employees, the agreement must be in writing.

Any director or restricted employee who:

- wishes to enter a margin lending arrangement involving his/her Oil Search shares ("Margin Loan") must obtain the prior written consent of the Company Secretary before taking out the loan; or
- has already entered into a margin lending arrangement

must notify the Company Secretary immediately.

5 What conduct is permitted?

5.1 General

You may deal in securities provided that you do so strictly in accordance with this Paragraph 5 and subject to the restrictions in Paragraph 4.

5.2 Dealing by Employees

Subject to Paragraph 4, if you are not a director, a restricted employee or a prescribed employee you may deal in securities at any time outside a closed period.

5.3 Dealing by Prescribed Employees

If you are a prescribed employee you may trade in securities at any time except as may be notified in writing by the Company Secretary. Upon receiving such notice as a prescribed employee, you may not trade in securities until further notice is received.

5.4 Dealing by Directors and Restricted Employees

If you are a director or a restricted employee the rules set out below apply:

(a) Closed Periods

As set out in Paragraph 4.5, you must not deal in any securities during a closed period.

(b) Permitted Dealings

You may deal in securities at any time during a trading window provided that you give the Company Secretary not less than two (2) trading days' prior notice of any proposed dealing.

(c) Clearance to Deal

Except in a closed period when dealing is prohibited and in a trading window when prior notification is required, you must not deal in securities of the Company without first advising the Company Secretary in advance and receiving clearance. Clearance will be processed by the Company Secretary in accordance with approval procedures established by the Board from time to time.

5.5 Participation in Employee Share Plans

You are not required to seek consent or provide notification in connection with participation in an employee share plan (e.g. applying for an allocation of securities pursuant to an employee share offer or exercising vested rights or options). However, dealings with vested shares from employee share plans are still subject to Paragraph 4.2.

Where securities granted under an employee share plan cease to be held under that plan, any dealings in those securities must only occur in accordance with this policy.

6 Breach of Policy

A breach of this policy by any individual covered by this policy, including any connected person, will be regarded as serious misconduct and the Company reserves the right to take disciplinary action including immediate dismissal or termination of employment.

Contravention of the share trading and inside information provisions in the Corporations Act may result in civil or criminal liability (such as a fine of up to \$222,000, imprisonment for up to 5 years or both).

A breach of the share trading and inside information provisions in the Securities Act is also a criminal offence punishable by imprisonment for up to 5 years or a fine not exceeding K200, 000 or ten times the value of any profit or benefit derived from the commission of the offence, or both.

7 Further Information and Processing Requests for Approvals

If you require any further information or do not understand how this policy applies to you, please contact the Company Secretary.

All requests for approvals should be passed to the Company Secretary for processing.

8 Review of Policy

This policy will be reviewed regularly and updated as required.