



---

OIL SEARCH LIMITED

**Oil Search Limited**

**Securities Dealing Policy**

**Revised 22 October 2008**

**1 Introduction**

Oil Search Limited ("Oil Search") values its good reputation and recognizes 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 the legal restrictions on dealing in Oil Search securities and the securities of other companies while in possession of unpublished price sensitive information.

To the 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.

**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:

**“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 another person 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 managing director.

**“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).

**“senior manager”** means a member of Oil Search’s senior management team from time to time determined by the managing director.

**“trading window”** means:

- (a) the period of 4 weeks after the release of each of the full year earnings result and the half year earnings result;
- (b) the period of 4 weeks after Oil Search’s annual meeting; and;
- (c) such other period as may be approved in writing by the board from time to time.

## **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.

### **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.

### **4.3 Possession of inside information**

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

To assist this determination the managing director 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 managing director 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 managing director 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 Short term or speculative dealing in securities**

You must not engage in short-term (less than 12 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 Group Secretary in writing.

#### **4.6 Margin Loans**

Any director or senior manager who:

- wishes to take out a margin loan against his/her Oil Search shares ("Margin Loan") must obtain the prior written consent of the Chairman before taking out the loan; or
- has already taken out a Margin Loan must notify the Chairman immediately.

In both cases the Chairman will determine whether the full Board should be notified.

#### **4.7 Other dealings in securities**

Except as provided in Paragraph 5, you may not deal in securities.

#### **4.8 Long term incentive plans**

The conversion of performance rights or options to shares under any of Oil Search's long term incentive plans is excluded from this policy as those performance rights and options convert to shares at specific pre-determined points in time.

### **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**

If you are not a director, a senior manager or a prescribed employee you may deal in securities at any time during a trading window.

#### **5.3 Dealing by prescribed employees**

If you are a prescribed employee you may not trade in securities at any time except as may be approved in writing by the managing director.

#### **5.4 Dealing by directors and senior managers**

(a) If you are a director or a senior manager and you are not a prescribed employee, the following rules apply:

- If you are a director and wish to deal in securities, you must obtain the prior written approval of the chairman of the board;
- If you are a senior manager and wish to deal in securities, you must obtain the prior written approval of the managing director;
- If you are the chairman of the board and wish to deal in securities, you must obtain the prior written approval of the chairman of the audit committee.

(b) Generally approval will only be given under paragraph (a) to directors and senior managers to deal in securities during a trading window.

#### **6 Breach of policy**

Failure by any director, senior manager, other employee, contractor or any associated person constitutes cause for immediate dismissal or termination of contract.

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 general counsel/group secretary.

All requests for approvals should be passed to the general counsel for processing.