

Independent Assurance Practitioner's Limited Assurance Report on the 2017 Social Responsibility Report to the management of Papuan Oil Search Limited

We have undertaken a limited assurance engagement on the subject matter detailed below (the 'Subject Matter') presented in Papuan Oil Search Limited's ('OSL') 2017 Social Responsibility Report for the year ended 31 December 2017.

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 31 December 2017 is as follows:

Subject Matter	Reporting Criteria
Selected Sustainability Indicators	OSL's Social Responsibility Reporting 2017 Basis of Preparation ('the Reporting Criteria')
Integrity and Transparency	
<ul style="list-style-type: none">Total paid to Governments (US\$'000)	
Sustainable Development	
<ul style="list-style-type: none">Total investment in sustainable development (US\$'000)Total paid to suppliers and contractors in PNG (US\$'000)	
Responsible Operator	
<ul style="list-style-type: none">Total Recordable Injury RateTotal Number of High Potential IncidentsTotal Number of Tier 1 Process Safety Events ('PSEs') and Total Number of Tier 2 PSEsTotal Number of FatalitiesTotal Scope 1 and Scope 2 Greenhouse Gas ('GHG') Emissions and GHG emissions intensity (ktCO₂-e /mmboe)Total number of hydrocarbon and non-hydrocarbon spills > 1 barrel spilt into the environment and total volume of hydrocarbon and non-hydrocarbon spilt into the environment for spills > 1 barrel	
People and Organisation	
<ul style="list-style-type: none">% females on Board & Board Committee, Senior Management and overall workforce	

Subject Matter	Reporting Criteria
<ul style="list-style-type: none"> • % PNG nationals on Board & Board Committee, Senior Management and overall workforce • Employee turn-over by gender • Average amount and hours spent on training per Full Time Employee ('FTE') (\$US) 	
<p>Selected Assertions</p> <p>Reviewed a sample of assertions from the 2017 Social Responsibility Report against underlying evidence ('Selected Assertion Assurance') to confirm that information has been reported in accordance with the underlying evidence.</p>	<p>OSL's Social Responsibility Reporting 2017 Basis of Preparation ('the Reporting Criteria')</p>

OSL's Responsibility for the Subject Matter

The Directors of OSL are responsible for:

- Ensuring that the Subject Matter in the 2017 Social Responsibility Report is prepared and presented in accordance with the Reporting Criteria
- Confirming the measurement or evaluation of the underlying Subject Matter against the applicable Reporting Criteria, including that all relevant matters are reflected in the Subject Matter information
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter in the 2017 Social Responsibility Report is prepared and presented in accordance with the Reporting Criteria.

Assurance Practitioner's Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2017 Social Responsibility Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

- In respect of the Selected Sustainability Performance Indicators data:
 - Performing interviews with a selection of OSL's data owners responsible for the selected Sustainability Performance Indicators to confirm our understanding of the compilation and review process
 - Analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of Selected Performance Indicators information included in the 2017 Social Responsibility Report
 - Review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant Reporting Criteria.
- Reviewing a sample of assertions from the draft 2017 Social Responsibility Report against underlying evidence ('Selected Assertions Assurance') to confirm that information has been prepared and reported in accordance with the underlying evidence.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.

Inherent limitations

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of OSL's Reporting Criteria as set out in the 2017 Social Responsibility Report.

Limitations of use

Our assurance report has been prepared solely for the Directors of OSL in accordance with our engagement letter dated 14 November 2017. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of OSL or for any purpose other than that for which it was prepared.

Matters relating to electronic presentation of information

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2017 Social Responsibility Report after the date of this assurance statement.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 31 December 2017.

Deloitte Touche Tohmatsu
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Samantha Jones
Partner
Sydney, 29 March 2018