

## APEC Haus and Paga Hill Clarification

### Response to media reports

2 August 2017

In response to recent interest, Oil Search confirms it is not affiliated in any way with the Paga Hill Estate construction and development project, being undertaken by the Paga Hill Development Company (PHDC), or with PHDC itself.

The APEC Haus Project, a new function centre that will house the Asia-Pacific Economic Cooperation (APEC) Summit in 2018, and the Paga Hill Estate are two independent projects being developed separately.

Oil Search is project-managing the construction of APEC Haus under the PNG Government's tax credit scheme, which utilises industry expertise to help deliver Government-identified projects. The National Capital District Commission (NCDC) is the title owner of the reclaimed land on which APEC Haus is located.

PNG legislation governing tax credit schemes enables industry to partner with Government to develop projects of significance to host communities and to the country. Many of these projects focus on health, education, police and justice and local road infrastructure e.g. the Erave to Samberigi Road, a major transport link for the country. Oil Search has also been involved in several tax credit scheme projects, of national importance, including the construction of PNG's National Football Stadium and the upgrading of Government offices in Port Moresby.

All tax credit scheme projects are nominated by the Government to support the growth and development of PNG.

Under these tax credit schemes, Oil Search provides project management, resources, funding and other skills for construction and upgrade projects. Oil Search does not receive any financial benefit from its role in tax credit projects.

Oil Search's association with APEC Haus began in 2016 and the project moved into the detailed design phase in early 2017. Construction is targeted to be completed in mid-2018, ahead of the APEC Summit which commences in November 2018. APEC Haus will be an iconic building that showcases the country during the APEC Summit and beyond. It is anticipated that APEC Haus will likely be used by the Government as a museum and conference facility after the 2018 APEC Summit.

In 2016, Oil Search managed K101 million worth of tax credit projects on behalf of the PNG Government in the areas of health, education, roads and law and order:

| HEALTH                    | EDUCATION              | ROADS                   | LAW AND ORDER               |
|---------------------------|------------------------|-------------------------|-----------------------------|
| Kupiano District Hospital | Bimai Secondary School | Komo to Adjagaiba Road  | Nipa Police Station         |
| Kwaima Sub-health Centre  |                        | Erave to Samberigi Road | North Kagua Police Barracks |
|                           |                        | Kutubu Access Road      |                             |

Oil Search is a proud Papua New Guinean company established in 1929. Our respect for human rights underpins a socially responsible approach to all our operations.

For further information on PNG Tax Credit Schemes [www.oilsearch.com/sr-report-2016/making-png-lives-better](http://www.oilsearch.com/sr-report-2016/making-png-lives-better), and Oil Search please refer to our website [www.oilsearch.com](http://www.oilsearch.com).