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# PNG Production Update

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28 August 2019

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**SYDNEY (ASX: OSH | ADR: OISHY | PNGX: OSH)**

Oil Search advises that the mooring system at the Oil Search-operated liquids offshore loading facilities in the Gulf of Papua appears to be damaged. Due to adverse weather and sea conditions in the Gulf of Papua, Oil Search has not been able to complete the necessary inspections to fully assess the issue. Consequently, as a precautionary measure, Oil Search temporarily suspended scheduled liquids loading last week. In addition, to extend the liquids storage available in the liquids export system, the Company curtailed production from the Oil Search-operated oil fields and the PNG LNG Operator partially reduced PNG LNG production.

In collaboration with other key stakeholders, Oil Search has developed a temporary solution for the safe berthing and loading of vessels at the facilities, which enabled liquids loading to resume at a reduced rate from 25 August.

Oil Search is working closely with the PNG LNG Operator to ramp up production back to normal rates as soon as is practical, while the mooring system issue is fully investigated, and any necessary repairs are made. It is presently unclear whether it will be necessary to adjust our 2019 production guidance, as a result of these loading issues. A comprehensive review of optimising loading procedures, evaluation and repair options is now taking place and we will continue to keep the market informed as these mature.

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