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SIGNIFICANT PROGRESS MADE IN 2018/19 ON VALUE-ADDING INITIATIVES

❖ Landmark Papua LNG Gas Agreement signed in April 2019:
  – Commercial agreements close to completion
  – P’nyang Gas Agreement expected to be finalised 2Q19, enabling downstream FEED to commence

❖ Inaugural drilling campaign in Alaska successfully completed:
  – Material upgrade in 2C oil resource expected
  – Expect to enter FEED for first phase Pikka Unit development in 2H19
  – Progressing opportunities to optimise development
  – Work ongoing to maximise value of Armstrong Option through exercising and partial divestment, at appropriate time

❖ Gas encountered at Muruk 2. Data indicates reservoir continuity from Muruk 1 ST3

❖ Strong liquidity position of US$1.5bn at end March 2019 providing funds for growth project investment
LANDMARK PAPUA LNG GAS AGREEMENT SIGNED IN APRIL 2019

❖ Significant step forward for Papua LNG Project, following Nov 2018 Memorandum of Understanding
❖ Fair split of expected Project returns between State, Project participants and other stakeholders:
  – 5% Domestic Market Obligation
  – New production levy
  – Deferred mechanism for State’s payment of past costs
  – National Content plan to support local workforce development
❖ Upstream FEED-related activities on Papua LNG have commenced
❖ Commercial agreements governing integration of Papua LNG and PNG LNG nearing completion
❖ P’nyang Gas Agreement expected to be finalised 2Q19, enabling downstream FEED entry in 2H19
PROPOSED CONFIGURATION AT PNG LNG PLANT SITE

New LNG capacity underpinned by gas resources from Elk/Antelope (PRL 15), PNG LNG Project and P'nyang (PRL 3) fields.

Note: AGRU – Acid Gas Removal Unit
LNG DEVELOPMENT TIMELINE

2019 - 2024

**Commence FEED:**
- Papua LNG
- Downstream (LNG trains)
- Supporting Projects

**Licencing and Approvals**
- Early Works Tendering
- Early Works:
  - Clearing, early camps, roads
- Complete FEED:
  - Final cost and schedule
  - Construction tendering
- Project financing activities

**FIDs on:**
- Papua LNG
- PNG LNG downstream AGX

**Construction:**
- Complete infrastructure
- Complete site clearing
- Construction camps
- Site civils
- Plant and pipeline construction
- Drilling new wells
- Tie-ins and testing
- Commissioning

**Ready for Start-up**
- Introduction of hydrocarbons

**P’nyang FID**

**Gas Agreements**

**PNG LNG Access Agreements**

**JV Operating & Integration Agreements**

**Complete Pre-FEED**

**LNG Offtake negotiations**

**First LNG shipments**
GROWTH IN GLOBAL LNG DEMAND FORECAST TO CONTINUE

❖ Global LNG demand grew 6% in 2018 to 320 MT, expected to grow at 4.5% pa to 2030:
  – Driven by government policies, with NE Asia markets increasingly prioritising gas over coal and nuclear
❖ ~ 90 MTPA of uncontracted demand expected in 2025 (includes demand growth and expiring contracts), with ~120 MTPA of new supply required by 2030
❖ Renewed global interest from buyers for long term supply contracts to fill supply-demand gap, starting from early to mid-2020s
❖ In response to market requirement, 2018 saw first large-scale capacity sanctions since 2015, with further FIDs expected in 2019
❖ Buyers seeking LNG source diversification from new supply sources and regions
COMPETITIVE ADVANTAGES OF LNG FROM PNG

PAPUA LNG DEVELOPMENT AND PNG LNG/P’NYANG EXPANSION

❖ Strong partners, with LNG a corporate focus
❖ Existing infrastructure minimises capital costs, with savings as expected
❖ Strong financing base, with two majors and sensible compromise for Government’s past cost obligations
❖ Majors’ portfolio approach to LNG marketing helps underwrite market position
❖ Strong commitment by all parties in progressing FEED and reaching FID
SIGNIFICANT GAS DISCOVERY AT MURUK 2

- Testing has confirmed gas in pressure communication with Muruk 1 ST3
- Indicates reservoir continuity
- Extended well shut-in and pressure build-up phase has commenced to help constrain potential resource volumes

- Success at Muruk will provide field phasing optionality, given proximity to existing Hides infrastructure
- Further seismic acquisition planned over Karoma/adjacent acreage in 4Q19, to de-risk future drilling prospects along Hides-P’nyang trend
PNG EXPLORATION PORTFOLIO HAS MULTI-TCF GAS POTENTIAL

- Strategic studies completed on prioritising exploration/appraisal activities to ensure optimal use of capital

- Following successful Muruk appraisal, will continue to pursue opportunities for PNG LNG backfill and optimal gas field phasing in NW Foldbelt

- 2018 seismic identified multi-tcf leads and prospects in close proximity to planned Papua LNG infrastructure identified in onshore Gulf:
  - Follow up seismic to commence in 4Q19

- In Forelands, studies ongoing to establish optimal commercialisation route for Kimu and Barikewa following appraisal, and Uramu

- Seismic interpretation has highlighted multi-tcf potential in Offshore Gulf
PNG OIL FIELD OPPORTUNITIES

- Oil field optimisation programme commenced in Jan ’19:
  - Workover of IDT 21 at Kutubu completed 1Q19, to be brought online 2Q19
  - At Moran, workover of M4 complete, M9 underway
  - Moran X and UDT S wells to spud in 2H19

- First phase of several low risk opportunities identified to extend plateau oil production until 2023-24

- Low cost, value accretive opportunities have potential to add ~30mmbbl (net) to reserves and mitigate oil field production decline

ALASKA - SUCCESSFUL INAUGURAL DRILLING PROGRAMME

❖ Two-well appraisal programme met/exceeded OSH expectations

❖ Pikka B intersected thickest Nanushuk reservoir section to date

❖ Pikka B ST1: 71 deg angle hole, one stage stimulation, flowed at stabilised rate of 2,410 bopd (restricted by equipment), with potential flow rate of ~3,800 bopd:
  – Result has materially upgraded prospectivity in southern part of Pikka Unit and Horseshoe Block. Also enhanced by seismic data

❖ Pikka C ST1: horizontal sidetrack, six stage stimulation, flowed at stabilised rate of 860 bopd (restricted by mechanical issues / downhole blockages):
  – Modelling indicates potential for higher flow rates
  – Reservoir characteristics in line with expectations

❖ Material oil resource upgrade expected above current 500 mmbbl (gross) 2C estimate

❖ Sufficient data gathered on reservoir deliverability to support OSH plans to move into FEED in 2019
ALASKA – FORWARD PLAN

❖ Full integration of well and test results into development plan
❖ Record of Decision for Pikka Unit Development Statement (FEIS) expected shortly
❖ Evaluating opportunities to optimise development:
  – Sharing of production facilities, especially in the north
  – Early production opportunities being progressed
❖ Evaluation leading to decision on Armstrong Option and optimising value regarding equity sell down
❖ Planning underway for follow-up drilling in 2019/20 drill season, some road supported:
  – 2-3 exploration / appraisal wells will focus on southern field area
  – Further testing programme possible with other JVs
  – Commencement of early works, road construction etc
PIKKA UNIT BASE CASE TIMELINE, WITH OPPORTUNITIES TO OPTIMISE

2019 2020 2021 2022 2023 2024

<table>
<thead>
<tr>
<th>Appraisal</th>
<th>FEED</th>
<th>Development (permitted base case)</th>
<th>Production</th>
</tr>
</thead>
</table>

- Two-rig appraisal programme – Pikka B & C
- Update reservoir model and full data base
- Stakeholder engagement and implementation plan
- Early works
- FEED commitment, subject to EIS Record Of Decision
- Contracting strategy
- Permitting & approvals

- ~15 producers/injector pairs drilled from two drill sites by production start up (50 well pairs in total over project life)
- Construction of ~60 km pipelines, ~42 km roads
- Construction of central processing facility or cooperative development with adjacent operators
- Community projects
- Appraisal of expansion opportunities & satellite fields

2019 2020 2021 2022 2023 2024

- FEED
- Development (permitted base case)
- Production

- ~120,000 bbl/d plateau
- Initial permitted development based on up to 750 mmbbls recoverable oil resource
- Appraisal drilling and permit applications for expansion
EXPANDED LEASE POSITION
UNDERWRITES LONG-TERM GROWTH

❖ Expanded portfolio position with acquisition of interests in leases covering >215,000 acres

❖ Work underway on Horseshoe area Nanushuk reservoir model finalisation and well location selections

❖ Reviewing Alpine reservoir targets in Pikka Unit to determine appraisal strategy

❖ Grizzly area prospect evaluation

❖ Seismic “mega-merge” reprocessing project underway

❖ New seismic acquisition planned for 2019/20 season
FUNDING FOR LNG AND ALASKAN DEVELOPMENTS

❖ Dependent on oil prices, expect to generate operating cash flow of ~US$1bn p.a. over 2019–2024

❖ OSH total share of development costs from 2019 until first production (including capitalised interest and financing fees) estimated at ~US$4.5bn (LNG expansion ~US$3bn, Alaska ~US$1.5bn, based on 30-35%), subject to FEED outcome

❖ OSH total equity contributions ~US$1.5bn, funded from:
  – Existing cash balances and existing/new corporate facilities (current liquidity US$1.5bn) plus operating cash flow less other capex (largely discretionary)

❖ Debt funding sourced through expansion of PNG LNG project finance facility plus new project finance facilities for Papua LNG and Alaska Pikka Unit development

❖ At current oil prices, key financial metrics forecast remain comfortably within corporate facility lender covenants

❖ When onstream, PNG LNG, LNG expansion and Alaska will generate free cash flow of US$2–3bn pa, with large uplift from 2026 when PNG LNG foundation project debt is fully repaid

❖ Armstrong Option exercise being reviewed together with divestment value and timing

❖ Initial exercise easily funded from cash and cashflow
FACILITATING SOCIAL AND ECONOMIC DEVELOPMENT
KEY TO SUSTAINABLY OPERATING

❖ Ongoing social programmes, directly and through Oil Search Foundation, including:
  – Long-term earthquake recovery (public health, infrastructure)
  – Support of Hela Provincial Hospital and Health Authority
❖ Support for Government on PNG LNG benefits distribution:
  – Major progress made over past six months
❖ Delivery of critical infrastructure through Government’s Infrastructure Tax Credit Scheme
❖ Construction of 58 MW power station in Port Moresby – now operational
❖ Partnerships focused on women’s empowerment and gender based violence, youth engagement, education and training
❖ Climate Change Resilience report, prepared under TCFD guidelines, released in 2018, demonstrating LT resilience under range of scenarios, including 2°C pathway
❖ Transparency Report, VPSHR Report and Preliminary Modern Slavery Statement released in Apr ‘19
SUMMARY

❖ Major milestone reached on LNG expansion in PNG:
  – P’nyang Gas Agreement targeted for 2Q19 – FEED entry for the downstream development expected to occur shortly after
  – FID targeted for 2020 and first gas in 2024
  – Market appetite remains strong for LNG from PNG
❖ Positive results from inaugural appraisal drilling campaign in Alaska:
  – Potential for material resource additions
  – Targeting FEED entry for Pikka Unit development in 2019
  – Substantial potential value from Armstrong Oil Option
❖ Oil field optimisation underway including FEED preparations for AGX
❖ Continued focus on sustainable social development with ongoing social programmes, robust assets in carbon constrained world
❖ Strong balance sheet and excellent cash generation from operations to support growth opportunities
## APPENDIX 1: 2018 FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>US$m</th>
<th>2018</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume (mmboe)</td>
<td>25.02</td>
<td>30.04</td>
<td>-17%</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,535.8</td>
<td>1,446.0</td>
<td>+6%</td>
</tr>
<tr>
<td>Production costs</td>
<td>(290.0)</td>
<td>(262.8)</td>
<td>+10%</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>(145.4)</td>
<td>(141.1)</td>
<td>+3%</td>
</tr>
<tr>
<td>Other income</td>
<td>9.6</td>
<td>10.0</td>
<td>-4%</td>
</tr>
<tr>
<td>EBITDAX(^1)</td>
<td>1,110.0</td>
<td>1,052.1</td>
<td>+6%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(326.1)</td>
<td>(380.6)</td>
<td>-14%</td>
</tr>
<tr>
<td>Exploration costs expensed</td>
<td>(66.7)</td>
<td>(35.9)</td>
<td>+86%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(209.9)</td>
<td>(194.7)</td>
<td>+8%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>507.4</td>
<td>440.9</td>
<td>+15%</td>
</tr>
<tr>
<td>Tax</td>
<td>(166.2)</td>
<td>(138.8)</td>
<td>+20%</td>
</tr>
<tr>
<td>Net profit after tax</td>
<td>341.2</td>
<td>302.1</td>
<td>+13%</td>
</tr>
</tbody>
</table>

\(^1\) EBITDAX (earnings before interest, tax, depreciation/amortisation, non-core activities, impairment and exploration) is a non-IFRS measure that are presented to provide a more meaningful understanding of the performance of Oil Search’s operations. The non-IFRS financial information is derived from the financial statements which have been subject to review by the Group’s auditor.
APPENDIX 2: 2019 PRODUCTION OUTLOOK

<table>
<thead>
<tr>
<th>Production</th>
<th>2019 Guidance¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Search-operated</td>
<td>4.0 – 5.5 mmboe²,³</td>
</tr>
<tr>
<td>PNG LNG Project</td>
<td></td>
</tr>
<tr>
<td>LNG</td>
<td>106 – 113 bcf</td>
</tr>
<tr>
<td>Power</td>
<td>0.7 – 1.4 bcf</td>
</tr>
<tr>
<td>Liquids</td>
<td>3.1 – 3.6 mmbbl</td>
</tr>
<tr>
<td>Total PNG LNG Project</td>
<td>24.0 – 26.0 mmboe</td>
</tr>
<tr>
<td>Total production</td>
<td>28.0 – 31.5 mmboe</td>
</tr>
</tbody>
</table>

❖ PNG LNG:
- Sustainable rates of 8.5 – 9.0 MTPA achievable going forward, before normal levels of downtime
- 2019 forecast assumes production of 8.1 – 8.7 MT (gross), with approximately three weeks of reduced rates due to planned 2019 maintenance

❖ Operated Production:
- Impacted by natural decline in oil fields, EQ recovery, offset by oil optimisation activities

1 Numbers may not add due to rounding.
2 Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search’s reserves portfolio, using the actual calorific value of each gas volume at its point of sale.
3 Includes SE Gobe gas sales

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OIL SEARCH NET PRODUCTION (MMBOE)¹,²

1. LNG sales products at outlet of plant, post fuel, flare and shrinkage
2. Gas:oil conversion rate from 2014 onwards: 5,100 scf = 1 barrel of oil equivalent
* Oil Search operated production includes SE Gobe gas sales to PNG LNG Project
## APPENDIX 3: 2019 FULL YEAR GUIDANCE

### Capital costs

<table>
<thead>
<tr>
<th></th>
<th>2019 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration &amp; Evaluation</td>
<td>US$235 – 285m</td>
</tr>
<tr>
<td>Development</td>
<td>US$145 – 170m</td>
</tr>
<tr>
<td>Production</td>
<td>US$95 – 115m</td>
</tr>
<tr>
<td>Other PP&amp;E</td>
<td>US$55 – 65m</td>
</tr>
<tr>
<td>Power</td>
<td>US$15 – 20m²</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$545 – 655m</strong></td>
</tr>
</tbody>
</table>

### Production

<table>
<thead>
<tr>
<th></th>
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</tr>
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<tbody>
<tr>
<td>Oil Search-operated</td>
<td>4.0 – 5.5 mmboe¹²</td>
</tr>
<tr>
<td>PNG LNG Project</td>
<td>24.0 – 26.0 mmboe¹</td>
</tr>
<tr>
<td><strong>Total Production</strong></td>
<td><strong>28.0 – 31.5 mmboe¹</strong></td>
</tr>
</tbody>
</table>

### Operating Costs

<table>
<thead>
<tr>
<th></th>
<th>2019 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production costs</td>
<td>US$9 – 10 / boe</td>
</tr>
<tr>
<td>Other operating costs³</td>
<td>US$150 – 160 million</td>
</tr>
<tr>
<td>Amortisation – oil and gas assets⁵</td>
<td>US$11.50 – 12.50 / boe</td>
</tr>
</tbody>
</table>

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¹ Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search’s reserves portfolio, using the actual calorific value of each gas volume at its point of sale.

² Includes SE Gobe gas sales.

³ Includes gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, power expense and corporate administration costs (including business development), other expenses and inventory movements.

⁴ Excludes prior year POM Power station investment, which will be recognised in 2019 once ownership agreements are finalised.

⁵ Excludes depreciation of other plant and equipment.
APPENDIX 4: PNG LNG PROJECT CONTRACTS

- 7.9 MTPA of PNG LNG production contracted under long and mid-term agreements:
  - 6.6 MTPA under 20-year contracts with JERA, Osaka Gas, Sinopec and CPC
  - 3-year SPA with PetroChina for ~0.45 MTPA of LNG. Supply commenced Jul-18
  - SPA with BP for ~0.45 MTPA of LNG for 3 years, followed by ~0.9 MTPA for 2 years. Supply commenced Aug-18
  - SPA with Unipec for ~0.45 MTPA of LNG for 4 years. Supply commenced Apr-19

- Represents ~90% of 1Q19 annualised production, reducing exposure to weak current spot market

- Market exposure now spread over long-term, mid-term contracts and spot LNG market

PNG LNG CONTRACTUAL COMMITMENTS

- PNG LNG Foundation 6.6 MTPA
  - JERA - 1.8 MTPA
  - Osaka Gas – 1.5 MTPA
  - Sinopec – 2.0 MTPA
  - CPC – 1.2 MTPA