



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)
ARBN – 055 079 868

SALES AND PURCHASE AGREEMENT WITH SINOPEC 4 December 2009

Please see the attached release from ExxonMobil, the Operator of the PNG LNG Project, on the signing of a binding Sales and Purchase Agreement (SPA) with Unipec Asia Co., Ltd., a subsidiary of China Petroleum & Chemical Corporation (Sinopec) for the supply of two million tonnes per annum of Liquefied Natural Gas (LNG) from the PNG LNG Project.

Peter Botten, Oil Search's Managing Director said:

"It is very pleasing to have signed the first of four anticipated Sales and Purchase Agreements for the sale of LNG from the PNG LNG Project. This SPA signals the commencement of a long term relationship and we look forward to working closely with Sinopec in the future."

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Media Release

Sinopec and PNG LNG Finalize LNG Sale and Purchase Agreement

- **Important Project Milestone with Key Asian LNG buyer**
- **LNG to Supply Sinopec's First LNG terminal in Shandong Province**

Port Moresby, Papua New Guinea, December 3, 2009 – Unipecc Asia Co., Ltd., a subsidiary of China Petroleum & Chemical Corporation (Sinopec) and Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation and operator of the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project, today announced that Sinopec and the project participants have entered into a binding sales and purchase agreement for the long-term sale and purchase of LNG totalling approximately 2.0 million tonnes per annum.

Under the agreement, the PNG LNG Project will supply LNG to Sinopec's LNG terminal in Shandong Province, for a period of 20 years.

"We are pleased that the project has completed this important agreement with a key Asian LNG customer and look forward to a long and mutually beneficial relationship between Sinopec and the project," said Ron Billings, vice president, LNG, ExxonMobil Gas & Power Marketing Company. "This is a key milestone in the project's schedule."

"Sinopec is very pleased to reach the final sales and purchase agreement with the PNG LNG Project. The LNG we've committed will supply an LNG terminal that Sinopec is going to build in Qingdao, Shandong Province. Phase I capacity of the terminal is 3 million tons per annum. With the developments of the market, we will expand the facilities to receive 5-6 million tons per year in a Phase II stage. This LNG terminal will provide long-term and reliable clean natural gas resources to the Shandong market and will play a positive role in meeting the local demand, optimizing the energy mix and improving the local environment," said Wang Zhigang, senior vice president of Sinopec Corp.

China Petroleum & Chemical Corporation ("Sinopec Corp.") is listed in Hong Kong, New York, London and Shanghai, and it's also a fully integrated energy and chemical company. Its main businesses include exploration, development, production and trading of petroleum and natural gas; petroleum processing, manufacturing, trading, transportation, distribution and marketing of petroleum products; manufacturing, distribution and trading of petrochemical products. Sinopec is the largest domestic listed company based on its annual revenues in 2008, and it's also one of the major petroleum and petrochemical companies in China and Asia as well as one of the major producers and distributors of gasoline, diesel, jet fuel and other major petrochemical products in China and Asia.

The PNG LNG Project is an integrated development which includes gas production and processing facilities, onshore pipelines and offshore pipelines and LNG plant facilities. Participating interests are ExxonMobil (through various affiliates, including Esso Highlands Limited as Operator) 41.5%, Oil Search 34.0%, Santos 17.7%, Nippon Oil 5.4%, Mineral Resources Development Company 1.2 %, and Petromin PNG Holdings Limited 0.2%.

(Participation will change when the PNG State nominees join as equity participants at a later date).

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