
ASX Announcement

Status update on earthquake in PNG

5 March 2018

Oil Search has been informed by ExxonMobil PNG Limited, the operator of the PNG LNG Project, that it may take approximately eight weeks to repair and restore production from the PNG LNG Project, due to damage to the PNG LNG facilities caused by the magnitude 7.5 earthquake that struck the PNG Highlands on 26 February. (Please see attached release from ExxonMobil).

Following initial assessment of damage across our oil operations, it appears that there has been minimal impact on the Gobe production facilities and that the liquids export pipeline and offshore facilities are undamaged. Subject to more detailed inspections, oil production from the Gobe field will likely re-commence in the next one - two weeks. Damage to Oil Search's Central Processing Facility is less than feared, with the facility expected to be operational in the next two – three weeks. As a result, production from the Kutubu field is anticipated to be progressively restored over the coming month, subject to the progress of rehabilitation work now underway on the Oil Search-operated Ridge and Moro camps and associated facilities, which is required before the Company's production workforce can return to site. Repairs to a number of the control systems, wellpads, flow lines and fire water tank at the Agogo Production Facility (APF) and in the Moran field, the facilities most impacted by the earthquake, will be required prior to production reinstatement from this area. The timeframe to re-start production through the APF is still being reviewed.

The Oil Search facilities that support the PNG LNG Project are expected to be operational ahead of the recommencement of PNG LNG Project production.

Once the Company has more clarity on the progress of repair works, both at the PNG LNG facilities and within Oil Search's operations, Oil Search will provide the market with revised production guidance and the likely impact on Oil Search's 2018 earnings and capital outlook.

Peter Botten, Oil Search's Managing Director said:

"Last week, I travelled to the PNG Highlands to see first-hand the impact of the 26 February earthquake and subsequent after-shocks. Seeing the devastation caused by the earthquake reinforced for me how fortunate Oil Search was not to have suffered any serious injuries within our workforce.

Oil Search staff in the field, supported by personnel in Port Moresby and Sydney, did an outstanding job shutting down our wells and facilities safely in very difficult conditions and demobilising more than 600 staff, achieved with real dedication, professionalism and exemplary team work. They are now addressing the challenge of re-establishing essential services in our camps and restoring production, I would like to thank them for their tremendous efforts in getting us to this point safely.

The impact on local communities within our operational areas has been enormous, with many deaths in the region as well as the destruction of houses, schools, roads and bridges. Many communities are without basic

necessities, such as food, clean water, shelter and medical support. With much help needed in so many areas, Oil Search has committed US\$5 million in cash and kind to support disaster relief efforts in Hela and Southern Highlands Provinces.

As important infrastructure in Southern Highlands and Hela has been severely impacted by the earthquake, Oil Search's Moro logistical base is being used as an important hub for aid distribution. Oil Search helicopters and personnel have commenced distribution of initial emergency aid, provided by a range of donors and NGOs, and food and supplies donated by Oil Search, to the hardest hit villages.

In addition, Oil Search engineering and construction teams have commenced clearing the Kopi to Kutubu road, as an alternative to the Highlands Highway. Once open, this road will be an important route for the supply of food, fuel and restoration equipment to earthquake impacted areas.

We are working closely with the PNG Government's National Disaster Restoration Team and respective Provincial Disaster Committees, in close partnership with other donors, including the Australia and New Zealand Governments, to ensure we address the critical needs of our communities in the Highlands in the best way.

Our sympathies and prayers go out to all impacted by this tragic and unprecedented event."

PETER BOTTEN, CBE

Managing Director

For further information, please contact:

Ms Ann Diamant

General Manager, Investor Relations and Communications

Tel: +61 2 8207 8440

Mob: +61 407 483 128

Highlands earthquake update #4

Preliminary assessments on PNG LNG facilities

Port Moresby, 8:00am: Preliminary assessments by ExxonMobil PNG Limited on damage to PNG LNG facilities caused by the 7.5 magnitude earthquake in the Highlands on 26 February indicate that it may take approximately eight weeks to repair and restore production.

ExxonMobil PNG managing director Andrew Barry said the company withstood the earthquake extremely well because of the world-class design and construction of the facilities and the quick response by its staff.

“The initial rapid response by our well-trained workforce, coupled with controlled emergency shut-down systems, safely shut in our facilities, minimizing damage to equipment and ensuring there was no release of hydrocarbons,” Barry said.

“Most importantly, we were able to quickly account for all of our employees and contractors at our facilities and confirm that everyone was safe. Nearly 300 non-essential personnel were subsequently evacuated as quickly as possible.”

Work at the Hides Gas Conditioning Plant has turned to restoring camp and associated facilities.

“We have assembled a team of technical experts from ExxonMobil’s global workforce to help the local team complete damage evaluations and restore production,” Barry said. “It is very important that we recover as quickly as possible to restore normalcy for our workforce, help our nearby communities to recover and contribute important revenue for the country.”

While the gas conditioning plant was safely shut in, there has been some damage to various pieces of equipment and foundation supports that will need to be inspected and repaired. Initial visual inspections of the major processing equipment indicate that they have not been significantly impacted.

Surveillance of the pipeline conducted on 28 February confirmed it has not been damaged.

The wells remain safely shut in. A detailed inspection of some well pads has been hampered by earthquake-related impacts to the roads. It is hoped this work can be completed within the next week.

Komo airfield will remain closed. Options are being developed to return the airfield to service as soon as possible.

ExxonMobil PNG has also brought forward scheduled maintenance activity at the LNG plant and has redeployed maintenance and support staff from the Hides gas conditioning plant to assist.





MEDIA RELEASE | FOR IMMEDIATE RELEASE | 5 March 2018

For information: Anne Rix | Phone: +675 7092 0414 | Email: anne.c.rix@exxonmobil.com

ExxonMobil PNG's parent company Exxon Mobil Corporation has [announced US\\$1 million \(nearly PGK3.5 million\)](#) to the humanitarian relief effort to assist communities affected by the earthquake. This is in addition to the on-the-ground support ExxonMobil PNG is providing to relief agencies to help them rapidly assess priority needs and position and distribute resources to areas in the greatest need.

"This is an unprecedented event for the country and ExxonMobil PNG. I am extremely proud of the way our workforce has responded. Their professionalism and resilience is inspiring," Barry said. "We are continuing to work with our impacted staff to ensure they have the support they need to help them recover from this event."

"We look forward to restoring our operations to production as quickly as possible and once again showcasing what this country can achieve."

ENDS

Photos supplied x 2

Hides Gas Conditioning Plant process area, Thursday 1 March.

About ExxonMobil PNG

The PNG LNG Project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facilities. Participating interests are affiliates of Exxon Mobil Corporation (including ExxonMobil PNG Limited as operator), Oil Search Limited, Kumul Petroleum Holdings Limited, Santos Limited, JX Nippon Oil and Gas Exploration and Mineral Resources Development Company. Visit pnglng.com.

