

ASX Announcement

Recertification of P'nyang field results in significant increase in certified 1C and 2C gas resources

12 April 2018

Oil Search advises that a recertification of gas resources in the P'nyang field in PRL 3 (Oil Search – 38.51%) has been completed by independent expert, Netherland, Sewell & Associates, Inc. (NSAI). The recertification, which incorporated the results of the recent successful P'nyang South 2 ST1 appraisal well, as well as additional seismic and core data, has resulted in a material increase in both 1C and 2C certified gas resources. The certified 1C gross contingent gas resource has more than tripled, to 3.51 trillion cubic feet (tcf), while certified 2C contingent gas resources has increased to 4.36 tcf.

Oil Search's Managing Director, Peter Botten said:

"The significant increase in certified P'nyang 1C and 2C gas resources is an excellent result, with the NSAI certified volumes broadly in line with Oil Search's internal estimates following the remapping of the field with reprocessed seismic data and the successful P'nyang South 2 ST1 well. Oil Search will report any update to its internal resource estimates resulting from this additional information in its 2018 Reserves and Resources Report.

Combined with gas resources in the Elk-Antelope fields in PRL 15, Oil Search believes there is now approximately 11 tcf of certified gross undeveloped 2C gas resource available to support the proposed development of 8 MTPA of additional, globally competitive, LNG capacity at the existing PNG LNG plant site. Importantly, there is in excess of 8 tcf of 1C resource, which will greatly assist marketing activities within each venture.

Ongoing discussions are taking place between the PRL 3, PRL 15 and PNG LNG joint ventures, as well as the PNG Government, on the preferred development concept for LNG expansion, which proposes one new train underpinned by gas from P'nyang and the PNG LNG Project fields and two trains dedicated to Papua LNG, supplied with gas from the Elk-Antelope fields. The joint ventures are targeting entry into Front End Engineering and Design on this expansion in the second half of 2018."

P'nyang Resources (tcf)

	1C	2C
2012 certification (NSAI)	1.13	2.37
2018 certification (NSAI)	3.51	4.36

Participants¹

Oil Search affiliates	38.5%
ExxonMobil affiliates	49.0%
Merlin Petroleum Company (an affiliate of JX Nippon)	<u>12.5%</u>
Total	100.0%

¹ Gross interests pre-Government and landowner back-in, rounded to one decimal place.

PETER BOTTEN, CBE

Managing Director

12 April 2018

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FOR IMMEDIATE RELEASE
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ExxonMobil Announces 84 Percent Increase in P'nyang Resource, Potential Expansion in PNG

- 2 trillion cubic feet of gas added to P'nyang field resource estimate
- Recoverable resource now estimated at 4.36 trillion cubic feet of gas
- Supports three-train LNG plant expansion concept

IRVING, Texas – Exxon Mobil Corporation today announced that the size of the natural gas resource at the P'nyang field in Papua New Guinea has increased to 4.36 trillion cubic feet of gas, an 84 percent increase from a previous assessment completed in 2012. The increase supports a potential significant expansion of operations in the country.

The independent recertification study by Netherland Sewell and Associates follows the successful completion in January of the P'nyang South-2 well, located in the Western Province of Papua New Guinea.

The results support ExxonMobil's discussions with its joint venture partners on a three-train expansion concept for the PNG LNG liquefied natural gas (LNG) plant near Port Moresby, with one new train dedicated to gas from the P'nyang and PNG LNG fields and two trains dedicated to gas associated with the Papua LNG project.

"The increase in the estimated resource size of the P'nyang field helps illustrate the tremendous growth opportunities for our operations in Papua New Guinea," said Liam Mallon, president of ExxonMobil Development Company. "We are working closely with our joint venture partners and the government to progress the P'nyang field development proposal and secure the licenses needed to develop this world-class resource."

The development concept, which would add approximately 8 million tons of LNG annually, would double the capacity of the existing LNG plant operated by ExxonMobil.

"This investment would extend our gas pipeline infrastructure into the country's Western Province and have a meaningful and lasting economic impact for Papua New Guinea and its people," Mallon said.

The P'nyang field is located within petroleum retention license 3, which covers 105,000 acres (425 square kilometers). ExxonMobil affiliates operate the license with a 49 percent interest in the block. Affiliates of Oil Search have a 38.5 percent interest and JX Nippon has 12.5 percent interest.

Papua LNG is seeking to commercialize the Elk-Antelope fields located in petroleum retention license 15 in the Gulf Province of Papua New Guinea. An ExxonMobil affiliate holds 37.1 percent interest, and affiliates of operator Total S.A. and Oil Search Limited have 40.1 percent and 22.8 percent interest, respectively.

About ExxonMobil

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Statements of future events or conditions in this release are forward-looking statements. Actual future results, including project plans and schedules and resource recoveries could differ materially due to changes in market conditions affecting the oil and gas industry or long-term oil and gas price levels; political or regulatory developments; reservoir performance; the outcome of future exploration and development efforts; technical or operating factors; the outcome of future commercial negotiations; and other factors. References to "recoverable resources" mean quantities of oil and gas that are not yet classified as "proved reserves" under SEC definitions but that are expected to be moved into the proved reserves category and ultimately produced in the future.