

Company: Oil Search Limited
Title: 2019 Annual Meeting
Date: 10 May, 2019
Time: 10:30am

Start of Transcript

Richard Lee: So good morning, ladies and gentlemen. It is now 10:30 am and I declare resumed the 2019 annual meeting of Oil Search Limited. My name is Rick Lee and I'm Chairman of Oil Search and will be Chairman of this annual general meeting. Under the Oil Search constitution, a quorum is five natural persons, each of whom represents a different shareholder and is present for the business of the meeting and I declare that a quorum is present at the resumption of this meeting. This meeting is convened under Notice of Annual Meeting dated 15 March 2019 and distributed on 28 March 2019, which was adjourned earlier this morning pursuant to a vote of shareholders forming the quorum at that portion of the meeting. In line with Oil Search's focus on safety, I would like to first draw your attention to the emergency evacuation procedures for this room, which are shown on the screen and the exits are there and the door you came in. I'd also like to inform you that today's meeting is being recorded and also will be broadcast as a live webcast.

Can I first introduce you the other Oil Search Directors who are on the stage here with me. First, Peter Botten, who needs no introduction; Bakheet Al Katheeri, next to Peter; Kostas Constantinou; Susan Cunningham; Eileen Doyle; Fiona Harris; Agu Kantsler; and Mel Togolo. And I'd also like to introduce Stephen Gardiner, the Chief Financial Officer and Group Secretary of Oil Search. We also have in attendance today Matthew Donaldson, representing the Company's auditors, Deloitte Touche Tohmatsu, who is in the front row. The Company's share registry representative, Richard Powell, from Computershare is also in attendance along with his polling staff. This meeting has been convened to consider matters specified in the Notice of Meeting I mentioned earlier. I will be conducting today's meeting in accordance with the order of business contained in that notice. You will be asked to consider several items of business for which notice has been given. There will be reasonable opportunity to discuss each item of business and when addressing the meeting, please use the microphone that will be provided to you.

I ask that you identify yourself by giving your full name and, if appropriate, the name and - of the organisation you represent. Please note that only Oil Search shareholders or their duly appointed representatives may address the meeting, ask questions, join in debate or vote at the meeting. I ask that you restrict your comments to the particular item of business before the meeting. I would now like to provide an overview of our company's performance and achievements over the past 12 months. Later in the meeting, our managing director, Peter Botten, will provide a more detailed review of the company's activities. 2018 was an unprecedented year for Oil Search. Everyone here will recall that in February 2018 the PNG Highlands was devastated by a severe earthquake. Tragically, many lives were lost, housing and essential infrastructure destroyed and the livelihoods of the communities living in the Hela and Southern Highlands provinces and parts of Gulf and Western Province were impacted significantly.

Being one of the few organisations on the ground with the ability to help, Oil Search immediately mobilised a team to assist our local communities and made our Moro Airport available as a key logistics hub for earthquake support operations. In the first four weeks after the earthquake, we delivered approximately 80% of total food supplies to affected areas as part of our 17 million kina, equivalent to US\$5 million contribution to support the relief efforts. 15 months on, the company in partnership with the Oil Search Foundation continues to provide recovery assistance to impacted communities. Our focus is on helping restore public health and rebuilding infrastructure, such as hospitals, health centres and literacy libraries damaged by the earthquake. While we are doing this because we think it is simply the right thing to do, it was pleasing that our relief efforts were recognised last year with the receipt of the 2018 Platts

Global Energy Award for Corporate Social Responsibility and the PNG Chamber of Mines and Petroleum Outstanding Humanitarian Initiative Award.

For safety and precautionary measures, all our operated production in the Highlands and the PNG LNG project were temporarily shut in, following the earthquake. I'd like to thank all Oil Search employees and contractors who displayed courage and commitment in very challenging conditions for their efforts in bringing operated production back onstream safely and efficiently. Importantly, this was achieved with zero incidents and no loss of hydrocarbon containment, reflecting the world-class design and construction of the facilities. While sales volumes fell 17% due to the earthquake, this was more than offset by stronger global energy prices. Oil Search delivered a 2018 net profit of US\$341 million, 13% higher than in the previous year and generated a healthy operating cash flow of US\$855 million. The Company also maintained a very tight discipline on capital management, ending the year with liquidity of \$US1.5 billion. Despite the impact of the earthquake, total dividend payments increased in 2018 from \$0.095 per share in 2017 to US\$0.105, equivalent to 20 toea per share.

This represented a dividend payout ratio of 47% at the upper end of our 35% to 50% payout range. Our managing director, Peter Botten, will talk in more detail about our activities, but I'd like to mention some of the recent key developments. Steady progress was made on the world-class Papua LNG and PNG LNG P'nyang development projects over 2018. During the APEC conference in Port Moresby in November 2018, the PNG government and the Papua LNG joint venture signed memorandum of understanding, outlining the key terms and fiscal arrangements for the Papua LNG project. A major milestone for the project was reached last month when the gas agreement was signed. While negotiations were tough, we believe the final gas agreement is fair to all parties. It provides appropriate economic returns to the joint venture partners, including the state through Kumul Petroleum, in an increasingly competitive LNG marketplace, while also ensuring a strong and reliable income stream to the national and provincial governments and landowners.

The national content provisions will ensure many opportunities for Papua New Guinea businesses to become involved in the development, as well as provide thousands of jobs for Papua New Guineans. In addition, the introduction of a domestic market obligation or DMO will ensure a material volume of gas is available at a competitive price for local industry and for the generation of power. An example of what can be achieved with the DMO is the new, 58-megawatt power station located just outside Port Moresby. This power station has recently started operations. The power project constructed by New Power, a 50/50 joint venture between Oil Search and Kumul Petroleum, uses gas from PNG LNG project to provide much cheaper and more environmentally-friendly power than from other sources. It will make a real difference to the Port Moresby grid, improving the reliability of electricity supply to our nation's capital. We are hopeful that gas made available through the Papua LNG DMO will play a major role in the government's objective to deliver competitively-priced power to more than 70% of the population by 2030.

Discussions are now in full swing on the P'nyang Gas Agreement, while other commercial agreements are largely complete. The P'nyang Gas Agreement will pave the way for entry into front-end engineering and design, referred to as FEED, for the integrated Papua LNG and PNG LNG P'nyang three train development, which will double PNGs LNG capacity and transform the country's economy. In February 2018, we completed the acquisition of an exciting portfolio of oil assets on the north slope of Alaska in the USA. Since then, we have made real progress in unlocking value from this acquisition. Led by an experienced 100-strong team, Oil Search has just completed its first Alaskan drilling program in the Pikka Unit. The initial results have met or exceeded our expectations on all fronts and are expected to add material resource volumes to our current gross resource estimate of \$500 million barrels. We have also leveraged our stakeholder engagement experience gained in PNG to build strong, long-term relationships with local communities, joint venture partners, other local operators and government.

Oil Search has an ongoing commitment to sustainable development in PNG and creating a shared value for local communities and the government. We believe this is essential to maintaining a stable operating environment, which is critical to our long-term success. In 2018, Oil Search's socioeconomic contributions in PNG total more than 1.5 billion

kina, US\$451 million. This comprised payments to the PNG government through taxes, royalties and levies, providing employment and development opportunities, procuring goods and services from local suppliers and contractors and strategic community investment, both directly and through our contributions to the Oil Search Foundation. As mentioned previously, we donated almost 17 million kina in cash and kind to support earthquake disaster relief efforts and are continuing to provide assistance to help rebuild communities and livelihoods. We also continued to support the development of critical infrastructure in PNG through the government's Infrastructure Tax Credit Scheme and National Infrastructure Tax Credit Scheme.

In 2018, Oil Search project managed and delivered APEC Haus, a world-class venue used for the APEC summit last November. APEC Haus is an iconic building for the country, which can be used for the government's development aspirations into the future. We are working on many other projects too, including the Nipa to [Iamua] and the Kutubu access roads in the Highlands; the Erave to Samberigi Road project, which when complete will join the Highlands to the Gulk; a redevelopment of the Kupiano District Hospital; and support for the Kutubu High School, which suffered significant earthquake damage last year. Despite the interruption from the earthquake in early 2018, good progress has been made over the past year in completing phase 1 of the Landowner Benefits Identification process involving the final vetting of clans. In the first quarter of 2019, the identification process for PDLs 1 and 7 was completed and ministerial determination for both licences was gazetted. This was a major milestone for the project with the distribution of funds to landowners, which are currently being kept in a trust expected to start shortly.

Oil Search is continuing to support the government in resolving the Landowner Benefits Identification process for all remaining licence areas. These are approaching completion, subject to the removal of landowner injunctions which unfortunately are still impeding progress in two licence areas. During 2018, Oil Search continued to implement rigorous corporate governance practices across all our activities. A key focus area is on ensuring that there is transparency around the millions of dollars in royalties, taxes, levies and other fees and charges we pay to government. A detailed breakdown of what payments were made and to whom is detailed in Oil Search's 2018 transparency report. We remain an Extractive Industries Transparency Initiative, EITI, as it's referred to, a supporting company of - and while there is still room for improvement, we have been very pleased with PNG's progress towards EITI compliance over the past few years. Respect for human rights and the desire to do no harm are core values for Oil Search and underpin the way we operate.

In 2018, we released our second voluntary principles on security and human rights report as part of our verification for this initiative. We also released our first preliminary modern slavery statement in readiness for compliance requirements under new Australian modern slavery legislation. In March 2018, Oil Search was one of the first ASX-listed companies to release a climate change resilience report. In line with the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures. The report concluded that the Company's current and growth assets in PNG and Alaska are highly robust and would continue to generate returns to shareholders under a range of decarbonisation scenarios, including a two-degrees Centigrade pathway. In July 2018, Carbon Tracker, a London-based climate change thinktank ranked Oil Search in the top quartile of 72 of the largest oil and gas companies globally for resilience to climate-change risk. All these reports are available on the Oil Search website. 2019 marks Oil Search's 90th anniversary, since its incorporation in PNG.

Despite many challenges over this period, we have grown from a tiny exploration company to a regionally significant oil and gas producer and LNG exporter with an extensive exploration and appraisal portfolio. Oil Search enters 2019 in a strong operational and financial position. Our attractive growth opportunities in both PNG and Alaska have the potential to double Oil Search's annual production by the middle of the 2020s. I stress that this highly value-accretive production, low on the global cost curve, which will deliver significant upside to shareholders, governments and local communities in both PNG and Alaska. A management reorganisation and corporate restructure has commenced to ensure that the company has the right talent, experience, accountabilities and reporting lines to execute and deliver our ambitious growth objectives. As part of this process, the Board is well advanced on managing the succession plan for your

managing director, Peter Botten, who has led Oil Search very successfully for more than 25 years. The Board will keep shareholders fully informed as this process progresses.

In closing, I would like to recognise all Oil Search employees for their outstanding resilience and dedication during what was a very challenging year. I would like to congratulate Peter for his award of the Companion of the Order of Australia, reflecting his longstanding commitment to PNG, spanning almost 30 years. My appreciation also goes to my Board colleagues for their continued counsel. Finally, I would like to thank our shareholders for their longstanding support. As the company enters its 90th year, it has never been in a better position to continue to provide attractive returns to shareholders well into the future. Thank you again for your attendance here today and we will now start the formal part of the meeting.

Under our constitution, a poll is not required unless demanded by the meeting in accordance with clause 12.6 of the constitution. However, in the interests of good governance, I propose that a poll be conducted for the resolutions being put to the meeting today. I will explain how this process works shortly. I now seek the support of at least five shareholders to proceed with the poll by raising your voting cards. Thank you. I now declare the poll officially open. Our Group Secretary has tabled the proxies. As Chairman of the meeting and in my capacity as Chairman of Oil Search I hold up to [1,156,000,000] proxy votes representing more than 75% of the shares on issue, directing me how to vote or to use at my discretion in respect of each resolution. Other Directors hold a small number of proxy votes themselves directing them how to vote or to use at their discretion and there are also a number of proxy votes authorising people other than directors to vote on behalf of members.

The proxy vote tally indicates that the polling on all resolutions will be comfortably passed with more than 90% of proxy votes cast on each resolution being in favour of the resolution. The proxy votes cast for each resolution will be displayed on the screen when each resolution is put to the meeting. A comprehensive summary of the proxy tally from our share registry, Computershare, is available at today's meeting. Clause 12.8 of Oil Search's constitution specifies the methods of voting for a resolution. As decided earlier, voting will be by poll and shareholders are asked to vote using your voting card. Firstly, if there is any person present who believes they are entitled to vote, but has not registered to vote, would you please raise your hand for assistance. Yes. There's - Richard is coming to - I think Richard will be sorting that out, so perhaps we can continue. The persons entitled to vote on this poll are all shareholders, representatives and attorneys of shareholders and proxyholders who hold blue admission cards. Those kind of cards.

On the reverse of your blue admission card is your voting paper and instructions. So that's the other side of the blue card. I will now go through the procedure for filling in the voting papers. For those people entitled to vote at this meeting, attached to your blue admission card you have a summary of proxy votes which details the instructions on how to vote on the ordinary and special business items. By completing the voting paper when instructed to vote in a particular manner, you are deemed to have voted in accordance with those instructions. In respect of any open votes, a proxy holder may be entitled to cast, you need to mark a box beside the motion with a cross to indicate how you would wish to cast your open votes. Proxy holders should refer to the summary of proxy votes form attached to your voting paper for further information. Shareholders also need to mark a box beside the motion with a cross to indicate how you wish to cast your votes. Once you have finished your blue admissions card, please print your name on the bottom left-hand of and sign the voting paper.

I will now hand over to Ruth Waram, our Communications Manager, who will explain the polling procedure in Tok Pisin

Ruth Waram: Thank you, Chairman. [Spoken in foreign language]. Thank you.

Richard Lee: Is there anyone in the room who wants further assistance? We will proceed. Very good. We will proceed. Thanks very much, Ruth. There are four items of ordinary business to be considered today. These items deal with the 2018 financial statements and reports of the Company, the re-election of two directors and the reappointment of the

Company's auditor. The first item of ordinary business is to receive and consider the financial statements, together with the Director's Report and Auditor's Report for the year ending 31 December 2018. There is no requirement for shareholders to approve the financial statements and reports. However, shareholders will have an opportunity to ask questions or make comments about the statements and reports. As noted earlier, Matthew Donaldson of the Company's auditor, Deloitte Touche Tohmatsu, is present at today's meeting and will be able to answer any questions from shareholders relating to the audit of the Company's financial statements. And I will now invite questions and comments on those financial statements. No one has questions on those.

Well, I now move to item 2 and 3 of ordinary business which both relate to the re-election of Directors. First, the re-election of Dr Agu Kantsler. Agu Kantsler retires in accordance with clause 15.3(b) of the Company's constitution and, being eligible to do so, offers himself for re-election. Dr Kantsler joined the Board on 19 July 2010 and Dr Kantsler worked with Woodside Petroleum, where he held various senior roles, including Executive Vice President of Exploration and New Ventures Executive Vice President Health, Safety and Security. Dr Kantsler's full background and credentials are outlined in the Notice of Meeting. The Board assesses Dr Kantsler to be an Independent Director and with Dr Kantsler abstaining recommends that shareholders vote in favour of Dr Kantsler's re-election. Do I have any questions on the - Dr Kantsler's nomination as a Director? None. Well, I ask that those eligible to vote please mark your voting card for, against or abstain for ordinary business item 2.

The next item is the re-election of Sir Mel Togolo. Sir Mel retires in accordance with clause 15.3(b) of the Company's constitution and being eligible to do so offers himself for re-election. Sir Mel joined the Board on 1 October 2016. He has more than 25 years' experience in the mining industry. He is currently the PNG Country Manager for Nautilus Minerals and prior to that was the Head of Corporate Affairs at Placer Dome New Guinea Limited. Sir Mel's full background and credentials are outlined in the Notice of Meeting. The Board assesses Sir Mel to be an Independent Director and with Sir Mel abstaining recommends that shareholders vote in favour of Sir Mel's re-election. And, again, are there any questions on Sir Mel's nomination as a director? None. Well, I ask again that those eligible to vote please mark your voting card for, against or abstain for ordinary business item 3.

The next item, item 4, is the reappointment of the auditor. The Board recommends that shareholders vote in favour of the reappointment of Deloitte Touche Tomatsu. Are there any questions on this resolution? No? Thank you. I ask that those eligible to vote again please mark your voting card for, against or abstain for ordinary business item 4. There are three items of special business to be considered today. These items will be dealt with by ordinary resolution. With regards to items 1 and 2 of special business, pursuant to ASX listing rules 10.14 and 10.15A.6, Peter Botten is the only Director eligible to participate in the long-term incentive plan and any votes cast on the following items by him and any of his associates will be disregarded. The first resolution for special business is to approve the issue of 286,700 performance rights to the Managing Director, Mr Peter Botten. The key terms applying to the award of these performance rights are summarised in the Notice of Meeting. If approved by the meeting, the performance rights will be awarded to Peter Botten as soon as practicable following the close of this meeting.

The Board recommends that 286,700 performance rights be awarded to Peter Botten pursuant to the rules and terms of issue of the long-term incentive plan. Are there any people wanting to ask questions about this particular resolution? No. I ask then that those eligible to vote please mark your voting card for, against or abstain for special business item 1.

The second item of special business is to approve the issue of 228,242 restricted shares to the Managing Director, Peter Botten. These shares would be issued pursuant to the long-term incentive plan by way of a mandatory deferral of 50% of Peter Botten's short-term incentive in respect of the 2018 year just completed. The key terms applying to the issue of these restricted shares are summarised in the Notice of Meeting. If approved by this annual meeting, Peter Botten's restricted shares will be awarded to him as soon as practicable following the close of the meeting. The Board recommends that 228,242 restricted shares be awarded to Peter Botten pursuant to the rules and terms of issue of the long-term incentive plan. Are there any questions or comments on this particular resolution? If there aren't any

questions, I asked that those eligible to vote again please mark your voting card for against or abstain for special business item 2.

The third item of special business covers an increase of \$500,000 to a total of \$3 million to the maximum aggregate amount that may be paid to all Non-Executive Directors by way of fees in any calendar year. Pursuant to ASX listing rule 10.17, votes cast on item 3 by any Director and any of their associates will be disregarded. The reasons for the proposed increase to the aggregate payment limit for Non-Executive Directors fees are outlined in the Notice of Meeting. Are there any questions or comments on this particular resolution? None? Well, I again ask those eligible to vote to please mark your voting card for, against or abstain for special business item 3. Now that the resolutions have been put to the meeting, please remember to print your name, where indicated, and sign the voting paper. When you have finished filling in your voting paper, please lodge it in a ballot box to ensure your votes are counted. Ballot boxes are with the three Computershare staff around the room and if you need any help, please raise your hand and someone will provide assistance.

Unidentified Speaker: Sorry, just going back a couple of steps. The performance rights, the LTIs and the STIs for the Managing Director all comes under the Chair of the Remuneration Committee?

Richard Lee: That's right.

Unidentified Speaker: I noted Dr Agu Kantsler's report saying that the 2016 performance rights was not vested and therefore all has been revoked. I admire the man and yes, I've got no problems with his chairmanship in that area.

Richard Lee: Very good. Thank you very much for that.

I think we have now come to the end of the formal order of business and poll, if Richard, everything's - one minute. Okay. Computershare will now tally the results of the poll and we will announce the results after the MD's presentation, which is the next matter of business. I'll now hand over to Peter Botten, the MD of Oil Search, to give you further details of the performance of the Company and the outlook for Oil Search.

Peter Botten: Thank you, Chairman. [Spoken in a foreign language] Ladies and gentlemen, it's a real pleasure to once again address you today at our Company's Annual Meeting and during our 90th year since incorporation.

As I'm sure you know, this is actually my 24th AGM as the Company's CEO. Thank you for being patient with me and thank you for continuing to turn up.

As I stand here today, the prospects for our Company frankly have never been brighter in bringing value to our shareholders. We have some tremendous opportunities to build our business over the next four to five years through new high-returning identified growth opportunities. The complexities and challenges to deliver these projects are real but we are building the Company to appropriately address them and I believe we can deliver.

2018 was a momentous year for us, it really was, as our Chairman has said. It was a momentous year for us but also for our Highlands communities, and in fact, for the country as a whole with the impact of the February earthquake and many aftershocks still being felt right across our large operating area. Tragic event such as these bring communities and impacted people together to face challenges and help wherever we can. That was certainly the case with our all communities, staff and contractors who worked together in an unprecedented way to build, recover and return to normal life as soon as possible. There's still a way to go.

I'd like to express my appreciation to all our people for their efforts, especially in the field, and our support of our logistics people for their massive efforts, professionalism and dedication during 2018. It was a really difficult time for us all but it was made easier by us working together to address all the many challenges.

2018 was also one of the most active years in the Company's history with active exploration, drilling and development activities in Papua New Guinea and the establishment of a new operating area in Alaska. It has been remarkably busy with progress being made on so many important areas.

Of course, it always starts with safety of our personnel and contractors, ensuring we do everything we can to have our people come to work and go home uninjured and doing minimum harm to the environment. The first miracle of 2018 was that none of our staff or contractors were seriously injured during the earthquake and the many aftershocks that followed. There was also no loss of containment of hydrocarbons during the earthquake, a real tribute to the design and robustness of our facilities, and maybe, dare I say, a little bit of luck.

As you know we work in very challenging environments and commonly in very difficult terrain and in bad weather. We work with a hugely diverse workforce with a majority coming from our local communities. Building a strong safety culture across our Company and contractor workforce has never been more important as we move to developing a number of our fields, both in Papua New Guinea and Alaska.

It is pleasing to note that our total recordable incident rate dropped to 1.6 incidents per million person work hours, better than 2017. It's an improvement but not good enough as we strive for incident-free operations where no one gets hurt and no harm is done. There's also an improvement in our lost time injury frequency rate, but again, we're not satisfied with this outcome. We also improved, I might say, process safety performance and environmental management, recognising that this continues to be a long journey for all operators anywhere in the world.

Our leadership team is focused on driving improvement in all areas of safety performance. This is especially important as we move to significant operated development activities in both PNG and Alaska and we'll be launching a number of safety and environmental management initiatives to refocus all staff on safety performance and environmental responsibility.

In terms of production, it was very much a year of two halves, with the first six months severely impacted by the required shutdowns at our oil facilities and at PNG LNG as a consequence of the earthquake. Production rebounded quickly in the second half although the year-end production levels still ended 17% lower than in 2017 at just over 25 million barrels of oil equivalent production. Production from PNG LNG in the second half reached record levels at around 8.8 million tonnes per year equivalent. That's about 28% above the original design capacity for the plant.

Our oil facilities came back on production quickly. However, repairs are still taking place to some of our most remote wells and that will continue through 2019.

If we look at one of the basic strengths of the organisation, it's the reserve base, and a highlight of 2018 was our strong reserves and resources growth driven by appraisal and exploration success in some of our key fields along with the acquisition of resources in the Alaska Nanushuk field. Our proven and probable oil reserves and resources rose by 102% after deducting production for last year, and we now have approximately 250 million barrels in that category. Our proven and probable reserves and resources rose 6% to over - our gas resources - to something over 6.7 tcf; it's a big amount of gas.

Contributions were made from the booking of 127 million barrels of 2C resources from the Pikka field following the acquisition of our assets in Alaska. Additions were also made from successful discoveries at P'nyang, an appraisal at P'nyang and Kimu gas fields, and based on our 2018 production, Oil Search right now has a proven reserve life of 17 years and approval and probably reserve life of over 20 years. When you count then our resources in a proven and probable category as well as reserves, we have a life of over 63 years, a very long and tremendous platform to build our production base over many years to come.

Obviously, a highlight of operations in 2018 was the performance of the world-class PNG LNG project. The project has been enormously successful in putting Papua New Guinea on the world map for LNG supply but it's also been hugely successful in increasing investor confidence worldwide about the ability of Papua New Guinea to deliver world-class projects.

During 2018, the project was very successful in signing three new midterm contracts with BP, PetroChina and Unipet and that now takes our contracted volumes of gas up to 7.9 million tonnes, around 90% of production. We think that's very sensible in a market that's reasonably volatile, so locking new contracts away underscores our revenue stream into the future.

Our PNG oil fields continue to perform well as well, and as I show this map, there is a major program ongoing in our oil fields. They're very mature, they've been on production since 1992, but there's a major program now of drilling and workovers that has commenced to look at extending the production plateau out to 2023-2024, with the potential to add about 30 million barrels to our reserves net to Oil Search.

An important part of the PNG LNG expansion project is the development of the associated gas expansion project in our oil fields which will increase gas production from our oil fields to feed the third PNG LNG train. That project is an enormous project, probably costing around US\$1 billion. It will change the way we run the oil fields and will extend life of our production out for more 20 years. It changes the game for our oil fields. We also have some ongoing exploration, especially in the Gobi area, with the Gobi foot well to be drilled later this year, an exciting prospect that could add barrels and gas into the Gobi facilities, extending that field life.

When we look at our production forecast for 2019, you see prior to 2018 and the impact of the earthquake, substantial - a relatively flat production profile and we anticipate that that production profile will continue reasonably flat out to the time when our new projects come on stream, in Alaska's case, possibly 2023 and in expansion and development of new PNG a significant increase in '24 and '25. If we look at that graph now, we anticipate 2019 production to be in the 28 million to 31.5 million barrels of oil equivalent, but if you look out to the Company in 2025 with successful delivery of those projects, our production base will be towards 70 million barrels, more than doubling our production from existing known developments that we see and are involved in right now. As I say, an exciting place to be and in our 90-year history we have never been in a better shape; lots of challenges but a lot of opportunities.

Now, as I say, three major projects drive our value production growth and this is isn't just about production, it's about high value production, as our Chairman has said. The first project is the development of the Papua LNG project which is based on the [El Cantaloupe] field and the development of that field. The second project is expansion of PNG LNG and a third train for the PNG LNG project which is based on producing more gas out of the oil fields and then the development of the P'nyang gas field. Now, those two LNG projects are cooperating. Unlike many projects around the world and certainly in Australia, those projects that were built in 2009-2014 did not cooperate and did not share infrastructure. To get maximum value for the state, maximum value for all stakeholders, landowners and ourselves, these two projects will cooperate and share infrastructure using infrastructure that was built as part of the PNG LNG project, and will share and minimise capital cost to make those the most efficient and highest returning projects they can be, learning from lessons of unsuccessful sharing arrangements that failed to come into place in Australia.

Our third growth project is the development of the Pikka Unit in the Nanushuk, and I'll explain a little bit why we went into Alaska in a moment. As I mentioned, projects that are there now on that table, the three that you see there, are able to more than double our production by 2024/25. All three projects are in, or approaching, frontend engineering and design. We anticipate that in the second half of this year, all three projects will be moving ahead with development, bringing jobs, bringing investment, bringing new skills and talents developed for Papua New Guinea and, indeed, even Alaska. We also see that those projects will hopefully go to final investment decision and move forward with full construction in 2020. As I say, this is the best set of development prospects that the Company has had in its 90-year history, but it is very busy and it has many challenges.

There has been, as the Chairman said, material progress made on new LNG in this country. The signing of a gas agreement with Papua LNG represents a landmark for that project. As far as we see, this is a fair balance of risk and reward for all stakeholders in the project. It also addresses some key sensitivities, which we fully support in supplying more value to Papua New Guinea, in terms of domestic market gas, new production levies, some smart financing for the state's payment of parts costs, and a very strong national content which leverages the skillsets of Papua New Guineans to contribute to this project. Right now we're preparing and going through a contracting process to start to go into full feed in the upstream. So a series of contractor packages are out there in the market now for participation by people to come in and start the feed and full evaluation of the cost for the next phase of the project. Commercial agreements between the various joint venture partners are at a very advanced stage. Now we turn to the next critical part; because of the cooperation, we also need P'nyang and the third train of PNG LNG to move forward at the same time. The focus over the next few months is to progress the P'nyang development and gas agreement accordingly.

Now, what are we going to build? This is a bit of a stick diagram I suppose. But in reality, if I can get this to work, which I think I can, the existing LNG exercise, PNG LNG, has two trains. It has two LNG trains and it has got an export terminal. The gas for that LNG comes from the Highlands, at Hides, at Kutubu, at Gobe, down a gas pipeline to Port Moresby. The original project has the pipeline and obviously two trains, and all the facilities and infrastructure to support two trains. What we are intend to build is two trains that is supported by the Elk-Antelope development. That means building a new pipeline from Elk-Antelope down to Port Moresby. These trains will be built in the park outside Port Moresby, as we will see as we land and take off as we go in and out of the country.

There's also one train that will be based on Highlands gas and P'nyang gas. Those three trains will be built sequentially. The build will be coordinated by a number of contractors which are likely to have very strong PNG experience with strong PNG participation. So the gas comes in from Elk-Antelope, the gas comes in from the Highlands. It goes through two trains, it goes through three trains, and then goes out as LNG and sold as one group. It looks relatively simple on paper. It's a reasonably expensive exercise; anticipated costs in the \$12 billion to \$14 billion initial upfront. So a little bit cheaper than PNG LNG, but still a substantial amount of money that will be coming into country and a substantial number of jobs that are created out of this investment.

Well, where are we? We've got a lot to do and this diagram shows we're effectively there. We're basically doing the gas agreements, Papua's done, we've done access and commercial agreements and we've done a lot of engineering. So we're ready to move into this phase. Then we move into further licensing, landowner issues, early works, getting some activity on the ground early, getting final costs and final design, project financing and selling our LNG. Then we go into a construction phase with a lot of activity also happening, and first shipment which we believe will be sometime in 2024. Still a lot of work to do, but a lot of work's been done. We really are on the cusp of getting into serious development activities with serious investment in this country.

We have to get after it quickly, because if you look at the LNG market, the LNG market right now in a global sense is probably marginally over-supplied. There's more LNG in the market worldwide than there is actually demand for that LNG. That will change a little bit, which is shown in this diagram here, in around 2020, '21, where because few LNG projects were built in the period of 2014 to 2018, there's actually a shortage of LNG. But what's happening, and what's been happening in the last 12 months and what will happen over the next 18 months, is that a lot of new LNG capacity will be committed and has been committed. That means that there is likely to be at least balance, and likely even an over-supply, in the 2024, 2025, 2026 period. If you go late, if we are delayed or unable to deliver into that '24 window, PNG could be delayed for a long time. Our costs will go up and we may not get our LNG markets.

So it's essential that we do move forward quickly in a timely, responsible way - and I stress responsible way - because the market is moving and many projects around the world are being sanctioned, many projects. So to be competitive, we need to decide whether we do it or don't because the market is changing. We do have a lot of LNG demand and certainly at competitive prices. We see a bright future for LNG for a range of reasons, not least of which it's a

competitive energy supply in terms of cost, but also from an environmental standpoint. It's the ideal transition fuel to a lower-carbon future and we see LNG playing a critical role, and our projects playing a critical role, in that space.

PNG LNG has got very strong partners. I might say Papua has too, with Total and Exxon and [Cornwall] and MRDC as partners in this next phase of development for PNG LNG expansion and for Papua. We're using existing infrastructure in part. We're very globally competitive in terms of cost. We have a strong financial base and a proven track record of delivery in this country for which we should be proud. We're also a relatively small supplier. So people like buying things from - buying gas, LNG from Papua New Guinea. They might be full and be comfortable with the supply out of Australia or out of Indonesia. They want a diversity of supply and PNG provides that diversity. That's a big positive for our projects. But we also see, as I mentioned, a lot of competition. There are a number of projects in the US that have been sanctioned in the last 12 months. There are a number of projects sanctioned in the Arctic, in Africa. Around the world, LNG is a very competitive business. So we need to move forward, if we're moving forward. But do it, as I stress, in a responsible way.

There's a lot to do still in the exploration space in Papua New Guinea. We remain the most active explorer in the country. Last year we had four successful gas appraisal wells across our portfolio - P'nyang South, a very successful well proving up more reserves or more resources, Kimu 2, Barikewa and Muruk - all successful wells in the Highlands and Gulf areas which will feed into our commercialisation plans over the next few years. We're also building our portfolio, and building our portfolio specifically around the Gulf area, Elk-Antelope, both onshore and offshore. There's a lot to do. Seismic activities in the Gulf have been very active, as well as in the Highlands. We are seeing a number of prospects that are Elk-Antelope lookalikes, which could feed further LNG expansion into the future. But we really are focused now on making sure we see a road to commercialisation for our gas. Make sure it's predictable and making sure that the hundreds of millions we spend on exploration is not sitting in the ground, even if it's a discovery, and waiting for a commercial option.

I mentioned Muruk. Now, Muruk surprised me, and the Rotary lie detector that's drilling sometimes does surprise you. The Muruk 1 to Muruk 2 distance is quite large; it's 12 kilometres away. I must admit, my experience in Papua New Guinea said to me those two - if we find gas in Muruk 2, the gas won't be connected to Muruk 1. Well, I was wrong. That's good; sometimes exploration shows that way. So both those wells appear to be in pressure connection. Which means that we can prove up resources quicker and the complexity of the field may be a lot less because you can see the wells talking to each other and there are no barriers between the wells. A very good result. Muruk 2 is the highest well ever drilled in Papua New Guinea. It was drilled at something over 11,500 feet. A very challenging environment to get up to and have people work in. A really challenging place, but a very successful well and it will feed and look at sequencing how we develop Muruk into the future.

Well, I've talked a lot about PNG and our excellent prospects there, but why did we go into Alaska? Well, we have two world-class LNG projects in PNG now, with Papua moving forward and PNG LNG established. We are getting significant cashflows out of the project, PNG LNG, now. When developed, we'll get further cashflows. As I say, it will significantly increase our production. We also recognise that LNG projects are very complex. They require a lot of people, a lot of companies, a lot of stakeholders to work together over a number of years to bring the projects together. They require alignment of all parties, they require a large resource base which has to be commercially developed, and it requires the market to be in the right place to buy the gas. It can take many years for us to develop an LNG project. So if you look, PNG LNG was sanctioned in late 2009. The sanction we're proposing for Papua LNG and PNG LNG expansion is 2020, 11 years before new project sanctions and that's in a country that's got a lot of gas. That's a long time between new developments and production growth.

So for a number of years, we have been looking to find an oil business, a good-quality, world-class oil business that actually is complementary to our LNG business in Papua New Guinea. Alaska, we believe, represents that. It's much less complicated, quite challenging operating, but you can bring oil to market any time you can get it onstream. People will buy. You don't need the complexity of markets to buy it, you don't have the complexity of the building and the

alignment. So buying Alaska we think balances our portfolio really well. I must say, the stage of development of the Alaskan assets is perfect in terms of de-risking the acquisition; the discovery's already been made and there's substantial upside after the discovery. Now, the Alaskan asset was completed in February 2018 and we right now have a highly experienced team operating in Alaska. As our Chairman said, over 100 people and several - I think 300 - years of experience of operating on the North Slope in our team in Alaska. We also have people from Papua New Guinea over there, we also have people from Australia there. So we're using it as a branch of our own development of our workforce, giving them the opportunity to see Alaska. But equally it's interesting to see Alaskans come and experience the earthquake as they did last year, so seeing Papua New Guinea and seeing what PNG can offer.

Our first drilling campaign was really successful. We had two good wells. One, the Pikka B reservoir, was excellent and the flowrates were above our expectation, and the Pikka C horizontal well was on our expectation. We also learn, every time we drill, how to do things better. We'll now apply those lessons learnt into the next phase of our drilling campaign at the end of this year. We also will see a resource upgrade and we're working through the results now to highlight how much that might be. We presently believe our recoverable resource in the field is about 500 million barrels. We think we'll significantly increase that when we've integrated all our data and move forward with our 2019-20 drilling program. So right now we're working on the data, working on the results, working on the testing. We're evaluating opportunities for development. We're looking and discussing with adjacent operators how we can cooperate in a similar way to PNG LNG and Papua LNG is cooperating and sharing infrastructure; we're trying to do the same on the North Slope with adjacent operators. That could lead to early production, it could lead to early development, and certainly will lead to lower cost in terms of development.

We're also looking at exercising the option we have to buy the residual interest that Armstrong Oil has in Alaska. I think it's quite likely that we will exercise that option. We're still working on it though, but we have to make a decision on that by 30 June. We also see though that we want to optimise the value of our holdings in Alaska. That may well see us, instead of holding 50% if we exercise the option, selling down our interest to maybe 30% or 35% to balance out the risk of the business but also demonstrate value by selling down. We're looking at that option now, and certainly before FID that will take place.

We're right now looking later this year to receive our environmental approvals to move ahead with early works. Those environmental approvals from government are due imminently. We're also then looking at further evaluating the exploration opportunities as we go forward. This is a world-class set of assets which very, very much complement what we've got in Papua New Guinea. If you look at the same sort of slide as I put up for our LNG, we're again right now there. So when you look ahead for the next three, four years in PNG and Alaska, we're doing this. There's a lot of activity to go. Therefore, we're rebuilding the Company, the skillsets, the broad ability of us to manage significant new developments as we build these new projects.

I think what separates Oil Search from many companies is our real desire to participate in not just the economic development of the country, but the social development of the country. It is essential for Oil Search to be successful over many years, and it has been successful in Papua New Guinea over 90 years. It took a little while to get there; I think it was about 68 years before production started. But now we are here, we share the objectives of social development, and must do with all Papua New Guinea. Even with Alaska moving forward in 2024 and '25, 80% to 85% of our total value in the Company will be in Papua New Guinea. If you do not look and work through government systems, NGOs, the various social sectors to help develop schools, roads, hospitals, health facilities, we won't have a business in 2035, because we must work to develop the country, we must work to give the skills to the youth of the country.

In our operating areas right now, 68% of the population is under 20. So do you think we'll have an operation that's really working well if 68% of the population is not getting jobs, is not getting trained and has no future? A lot of marijuana being smoked up there. We must play a role sustainably through government, through our foundation and directly by Oil Search to play a role in social development. One area of focus for both the foundation and for Oil Search is the provision

of health in Southern Highlands, Hela and now Gulf. We now are servicing, through the government system and helping the government system, well over a million people in terms of health. In Hela alone we have 41 health clinics and major hospitals where major developments are taking place. Through our foundation, we've vaccinated thousands of people. We provide support for family sexual violence cases. We provide support for many, many social development causes, not just in our operating areas but around the country. But I believe we have a social requirement to do that, a moral requirement to do it, but a compelling business requirement to help because, in my view, we don't have a business here if the social issues in this country are not addressed. That sets us apart. So I'd rather spend \$50 million on social projects in villages than \$50 million on fences. Other people take a different view. But I think it does set us apart, it does set Oil Search apart to be part of the social development as well as the economic development of this country.

We have a strong balance sheet in this place, but we manage it carefully. We believe we have around US\$4.5 billion to find through borrowings and our direct equity contributions to the various developments we're in. We also are producing around US\$1 billion a year in cashflow. If you look at our ability both to finance and to support our equity position, we're actually pretty good, we're very much dependent on oil and gas prices. We manage our investments really well. We have a lot of discretion about how much we spend. We have got, as I say, a strong revenue stream coming in. We are though going to be careful and we are going to spend a lot of time working on the financing. So our CFO, Stephen Gardiner, will be spending a lot of his time over the next 18 months doing financing. That means that Papua New Guinea will come under again a microscope of banks who want to lend. I'm pleased to say it's been a great story for Papua New Guinea and we believe it'll continue. The Armstrong Oil option will, we believe, be funded out of our cashflow if we exercise it. Also, we will realise value by a potential sell-down from that option at a later time to deliver value. But we're in good shape in terms of balance sheet.

So if we look at the Company as we stand right now, we're reaching a really critical time. We have three major projects in Papua LNG, P'nyang. We are working hard now to close out the P'nyang gas agreement and move into full feed with a targeted final investment decision sometime next year. We see a lot of positive results out of Alaska. We're working to optimise the value of our new assets there, with new opportunities for early development and a significant build of production in that area. We've got some challenges in our local development. The building of the big gas project within our oil fields represents a big challenge. Sticking something into an operating oil field where things blow up is quite challenging, it needs great safety performance, but it's something that will change our oil business forever. We'll continue to work on our sustainability and work the social issues in the country. As I say, all of that is built off a strong balance sheet.

So since I've been here since 1992, I've never seen a set of opportunities that have been better for us. There are many, many challenges, very complex. We've just had a Board meeting which highlighted the complexity of many of those issues. There are many, many parts that are moving and many, many opportunities. But I believe we have the team, and are building that team through the Board and our management and our staff, to actually delivery on these projects over the next four to five years. It's a really exciting time, a challenging time to be in the Company and I want to sincerely thank you for your continued support. Thank you.

[Applause]

Rick Lee: Thanks very much, Peter. We will very shortly throw the meeting open to questions of the Board, of Peter, of the management of Oil Search. But, first, I think we probably have a result of the poll. Thank you very much, [Richard 75:14]. So based on the proxies received and the poll votes cast today, each of the resolutions has passed comfortably by the requisite majority and no material change, I don't believe, to the numbers that you saw which were the ones before the meeting came. So thank you very much for your support. The Board sincerely appreciates your continuing support of the Company. I think you will have seen from Peter's address that we have a lot to do, but we have a lot of great opportunities ahead of us. We recognise very greatly the contribution that we can and will make to the development of Papua New Guinea and, in due course, Alaska as well. But we're excited about those opportunities, but we are well aware of the many challenges that lie between now and delivery of those opportunities. So I think we now,

in accordance with the *Companies Act* and clause 12.7(a) of the Company's Constitution, open the meeting to the floor. If there are shareholders who'd like to ask questions, discuss, comment about the Company, about management, about the future, about any of the materials that were presented, please feel free to put your hand up and we will do what we can to answer your questions. Yes, a question from the front.

Warren Dutton: (Shareholder) Warren Dutton representing Ningerum Transport from the Western Province of Papua New Guinea. First, Mr Botten, a reminiscence and, second, a question. I remember attending the wake when Australian Petroleum Company had to be euthanised so that Oil Search could mature from an explorer to a producer. My question is the Western LNG, do you see a possible or potential relationship with new LNG and do you see it as a competitive one or a cooperative one?

Peter Botten: Thanks, Warren, I appreciate the question. That wake was even before my time, but I've read about it recently in a history of Oil Search that is actually being compiled right now. Look, Western Province definitely has a number of gas fields and we have interest in those gas fields, including Kimu and Barikewa. We also see that the development of P'nyang, with a pipeline from P'nyang which passes over or close to those fields, represents an opportunity for those fields to be commercialised. We do see that it will be - and I'm sure it may not be, but I think it's appropriate that it be a cooperative development and that the people of Western are able to share in the development opportunities that a pipeline and infrastructure brings into that area. P'nyang will bring many jobs to Western Province in the construction and operation phase. I'm sure that there'll be a staged process. Certainly our view is that a number of those fields can form part of an ongoing LNG business. I think it will be though cooperative.

Rick Lee: Thanks, Peter. Further questions. No. Yes.

Vic Sito: (Shareholder) Sorry, my name is [Vic Sito], I forgot to mention it in the first question I asked earlier. The theme for Oil Search 2018 annual report is rising to the challenge, and the challenge is brought about because of the number of opportunities both locally and overseas. Locally you have, of course, the Papua LNG and also soon the P'nyang PRL-3 LNG, and your buzz statements such as doubling of the gas production in five to six years' time. Overseas we have the Alaskan North Slope project and, again, buzz statements such as 500 million barrels of oil, potentially increasing to 1 billion barrels of oil subject to further exploration work done on the Nanushuk reserve. It is also pleasing to read that the Managing Director has committed to FID on the local projects. Yes, I do believe that there are challenges, yes, and you require continuity and also competent staff on hand. As a long-term shareholder, I've been through the bad times and we're in the good times. I look forward to coming announcements, both on the local and overseas project, and may the good times continue. As the Chairman said in his report, the Company has never been in a better position to continue to provide attractive returns to shareholders for the next decade. I look forward to it, thank you.

Rick Lee: Thanks very much, Vic, I appreciate those comments. We are well aware around the top table here of what responsibilities fall on our shoulders. But I think we are in good shape and will, as we move forward, demonstrate that your trust in us is well deserved. I think we will have a Company and a group of people who are very, very capable and committed to delivering the results that we all want to see. So I think it's been an interesting journey the last 90 years, but I think it'll be an even more interesting journey going forward. Are there any other questions? Yes, one over there.

Unidentified Speaker: [Inaudible]. (Shareholder) Thank you, Mr Chairman. Mr Chairman, I commend yourself and the Board for how you brought us up to this stage. This is my first time coming to a Board meeting. I just want to make a comment, firstly, to commend the Managing Director, Mr Peter Botten. Commend him because in some states he's been part of some things that have happened earlier. I remember the first time that Peter came in at that Sydney conference with Huli wigman dress, through some uproar of some people there. But for us up in the Highlands and especially the Hela people, we were impressed with Mr Botten. I don't remember when that year was, I think 2009 or '10 at that time. I'm impressed, Mr Botten, that you brought this Company up to this stage. I just want to thank you and your family for committing your time. For people who are new investors in this country, I would commend you to take up the approach that he has done. That has been a very successful approach.

Even the report that's come through now, Papua New Guinea seeks to become an investor overseas in Alaska and that's very impressive. A Papua New Guinean company and being an investor on a world stage, very impressive for us, for the country. As we go into the future, what you have said out there, it's very impressive for us. Many of us who are private, not so big investors, but small investors, we want to participate in this. The fact that drawing the picture of the future gives us a lot of confidence in this country - in this company. For other people who are coming in to invest even more, I think it's best to take up the kind of advice and kind of approach that Mr Botten has taken. In the end he was saying, if you do not invest into the social aspect of your investment and of a company's operations into the future, thinking into the future, as he said, we may not have anything to offer in 2035. That's very worthwhile advice. I want to thank you, Mr Botten. You've lived it, your life, [spoken in foreign language] Papua New Guinea. So god bless you.

[Applause]

[Unclear] comment, I just want to ask of you, when you are looking at all those money and everything going into the future, we have the landowners who definitely must take part in the benefits and all that. But also you have people like us who are private investors, not so big investors, small investors, but how were we not able to invest much is because we didn't have the money. I just want to put a thought out there. Perhaps investors and other investors, including Oil Search and others who come up for the future and even the government, to make it possible for Papua New Guinean private investors to be able to, if they fork out some money, maybe 1000, 10,000, whatever, that there may be some pro rata possibility, a loan or some possibility, that they can take up so they can invest more into their own future and their country. Thank you.

Rick Lee: Thank you very much for those comments and I'm sure Peter is very appreciate of your warm wishes. Certainly we will take your thoughts on board. I guess, as a public company, the shares trade every day. I'm not quite sure how we can do that. But I think we will certainly, and we have always tried to, encourage participation of local PNG citizens in the growth of the Company. I think it's certainly a very important part of the DNA of the Company, not only in relation to our commitment to, if you like, the social wellbeing of this country, and particularly the regions in which we operate, but also I think the country as a whole and through the share register. I think this gathering today is, I think, a great example. We enjoy coming here, we enjoy the opportunity to converse with you all, and we are very greatly appreciative of the continuing support that you show for the Company. I think we all believe that Oil Search has been a pretty good story. I think we are doing our darndest to make sure that that story continues to be a very good story going forward. So thank you for your support. We will do what we can to encourage and support shareholders taking continuing interest in the future of the Company. So thank you for that. Any other questions from the floor? Yes, another one.

Warren Dutton: (Shareholder) Could I again reminisce, this time with Sir Mel Togolo, and also raise a concern from our reminiscence. Sir Mel and I were on either sides of the negotiating table before Bougainville blew up. Bougainville's, I believe, greatest problem was the unrealistic expectations which were raised amongst the Bougainville people. When the price of gold was deregulated and went from \$50 an ounce to wherever it went to, and the price of copper created, for CRA or Bougainville Copper, obscenely greater profits than they expected and that's why they were so willing to negotiate. But the negotiations between the Bougainville Provincial Government and the State of Papua New Guinea were a bit more willing. My concern is, which I'd like to share with the Board, that the people of the Western Province, where P'nyang exists and where the other oil fields exist, do feel a very great dissatisfaction, to put it as politely as I could, with their treatment by successive governments of Papua New Guinea in respect of the Ok Tedi copper mine. This is something that I would suggest your Board needs to address very, very carefully with the people of the Western Province when going ahead to develop P'nyang and possibly a cooperative relationship with the other oil fields. Thank you.

Rick Lee: Thank you very much. You can be assured that the Board is very conscious of that importance, the importance of those relationships and the importance of the way in which we are able to be part of a project that deals

with those constructively. I mean clearly it is a very complex project, but I think we need to understand, and do understand I think, the importance of making sure that we carry the people of Western Province with us. The arrangements that are put in place have to make sense all around and we're working pretty hard to make sure that that happens. I think your comments about Bougainville I think are a very timely reminder of what can happen to destroy opportunity. I guess we're spending a lot of time looking at how we create it. We're spending as much time looking at the important things that we can do to ensure that we don't destroy the opportunity. So thank you for that particular comment and piece of advice. Any other questions from the floor?

Unidentified Speaker: (Shareholder) Thank you, Chairman. I've got a comment and a question. The diversity of the opportunity that Oil Search has got to move into the power industry has been a very good move with the development of new power. My question is when can we go into full production of the power station? Because, at the moment, we cannot export all the power that we can produce from the power station.

Rick Lee: Peter, do you know...

Peter Botten: Yes, the final piece of the jigsaw to go into full production is ICCC approval of the generation licence and then we can move forward with full-scale production. But we're ready to go. I know ICCC visited the plant site yesterday and they're doing their due diligence right now to be able to issue the ICCC certification. We hope that that will come very soon. It does provide cheaper power into the grid and more reliable power into the grid. So I'm sure we're all keen as somebody who resides in Port Moresby and elsewhere, as all of you do and I do sometimes as well. The reality is we all want good power, we all want cheap power, and use of gas produced in Papua New Guinea will give us that opportunity.

Rick Lee: Yes, another question down here.

Unidentified Speaker: (Shareholder) Thank you. It's complimentary. I feel proud sitting here and hearing about your history back into the 1930s and prior. My uncle was here helping to find oil and gas back in the '30s, so I feel very nice to hear your story. I'd like to see the story come out a little bit stronger, how it grew. One question I suppose has been asked a little bit first was your power supply in the country. You made comment about the Port Moresby grid. Have you got any comments about the development in the Markham and also the rest of the Highlands for supply?

Rick Lee: Peter, you're probably best equipped to...

Peter Botten: Thank you.

Rick Lee: ...give the overview.

Peter Botten: Look, the development in the Markham is an interesting one. We're, again, in quite critical discussions with PNG about how we can optimise that. There are many projects that are being proposed in Markham right now. We think our project, which involves thousands of local people in an agricultural project which provides trees, has got a lot more opportunity for social development again, but also competitively-priced power into that market. The establishment, I think we have around 1200 hectares of forest right now. It's important for the local community to have access and have jobs from that activity and have agriculture going on around our activity. It's a classic integrated social agricultural project, but it also has the opportunity to sell power through a biomass generation. So we'll continue to work very hard with PNG Power to get the right circumstances for that development to take place. At this stage, I'm reasonably optimistic that we can do that over the coming couple of months. But at the end of the day, there's also opportunities in the Highlands for power generation. I know a number of our landowner companies wish to participate in that and I really encourage them to do that based on supply of gas out of our gas and oil fields. I think it's a real opportunity to develop local skills through landowner companies and deliver power to many millions of people in the Highlands that desperately need it.

Rick Lee: Any other comments, questions? Well, I think taking your last question, you took us back to some of the early years through your own connections. We do have a little treat before everyone leaves. That is a short video celebrating our ninetieth anniversary that does cover some of that territory. So if you will stay in your seats for a few minutes longer before we go out and enjoy a cup of tea or whatever, we would like you to look at - sorry.

Unidentified Speaker: (Shareholder) Yes, [Jones]. Thank you, Chairman and Board and to Peter, AC. Thanks very much for arranging some alternative transport for my son and I here from where our abode was for the proposed meeting, so thank you for that. I did write and congratulate Peter on his Australia Day award and I'm sure that he would remember that letter. But I just note that as this is the ninetieth year of Oil Search, our family's had those years shares for 90 years. So our initial lot, like the gentleman over here was talking, was bought by my father and I hope our family will continue to have them for the next 90 years and get those lovely dividends. Thank you very much.

Rick Lee: Thank you.

[Applause]

Rick Lee: Thank you very much. Well, if there are no other questions - and we can chat outside afterwards - if I can get the video showing to look back a little bit on the history of the Company. But I think, like everyone else, we like to have our focus very much in the years ahead, but it's good occasionally to reflect on where we've come from. So whoever's pressing the button, go ahead.

[Video playing]

[Applause]

Rick Lee: Thank you all. I think it, certainly up here, makes us feel very proud of the company that we're involved in and I hope you feel the same. So thank you. I think that is the end of our formal proceedings for the day. There are refreshments outside. I'd be delighted to catch up with out there. So thank you for your support and look after yourselves. Thank you.

End of Transcript