
ASX Announcement

PNG LNG signs mid-term sales agreement with PetroChina

20 July 2018

Oil Search advises that the PNG LNG Project co-venturers have entered into a mid-term LNG sale and purchase agreement (SPA) with PetroChina International (Hong Kong) Corporation Limited (PCI), for the supply of LNG commencing in July 2018.

The mid-term SPA is for a supply of approximately 0.45 million tonnes of liquefied natural gas (LNG) per annum (MTPA) over a three-year period.

This SPA takes the total contracted volumes from the Project to 7.0 MTPA, with 6.6 MT of PNG LNG's annual output already committed under long-term contracts to JERA, Osaka Gas, Sinopec and CPC.

Peter Botten, Oil Search's Managing Director said:

"We are delighted to have entered into a SPA with PetroChina, which has been an active buyer of spot LNG cargoes from PNG LNG. The first sale under the new agreement is expected to take place this week.

This is the first mid-term sale to be finalised for the supply of up to 1.3 million tonnes per annum (in aggregate) from PNG LNG for a period of up to five years. ExxonMobil, on behalf of the PNG LNG Project participants, is in negotiations with a number of other parties for potential LNG supply agreements, which are expected to be finalised in the near term."

Oil Search has a 29% interest in the PNG LNG Project.

PETER BOTTEN, CBE

Managing Director

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