Oil Search Profile

- Established in Papua New Guinea (PNG) in 1929
- Operates all of PNG’s producing oil and gas fields. Current gross production ~40,000 boepd, net share ~21,000 boepd
- Proven reserves base of 344 mmboe, proven and probable of 567 mmboe plus 281 mmboe in the 2C resource category still to be commercialised
- PNG Government is largest shareholder with 15%. In early 2009, Govt issued exchangeable bond over shares to IPIC of Abu Dhabi
- 29% interest in PNG LNG Project, world scale LNG project operated by ExxonMobil. Project in construction, first LNG sales expected 2014
- Exploration interests in PNG and Middle East/North Africa
- Market capitalisation ~US$7 billion. Listed on ASX (Share Code OSH) and POMSOX, plus ADR programme (Share Code OISHY)
Strong Long Term Share Price Performance

Annualised TSR of 29.5% for five years to end 2009, top ASX 100 performer
Oil Search Strategic Priorities

- Assist ExxonMobil in delivering PNG LNG Project on time and on budget:
  - Transformational impact on Oil Search and PNG
  - ExxonMobil quality operator
  - Lays foundation for major LNG industry in PNG

- Focus on further LNG development:
  - Gas exploration and appraisal activities in PNG
  - Strategic PNG gas acquisitions
  - Partner alignment

- Optimise current oil field production

- Undertake measured oil exploration in PNG and MENA
PNG LNG Project
PNG LNG Project Overview

- 6.6 MTPA, 2 train LNG development, operated by ExxonMobil
- Fully contracted to quality Asian customers (Sinopec, TEPCO, Osaka Gas & CPC) with continuing strong market interest
- Financial Close in March 2010, construction underway
- First LNG sales targeted for 2014
- Estimated investment for initial phase: US$15 billion
- Capital cost (incl capitalised interest, fees etc) being funded 70:30 debt: equity. US$14bn project finance facility secured during GFC
PNG LNG Project Competitive Advantages

- ExxonMobil quality operator with strong reputation for project delivery on time and on budget
- Complemented by OSH’s PNG country expertise
- Conventional LNG project, based on tried and tested technology
- Contracts underpinned by 1P reserves, with commitment of 9.3 tcf 2P reserves
- Project returns enhanced by top quality onshore resource with high liquids content
- Fiscal stability agreement in place
- Highly supportive host Government - also equity partner
OSH PNG Operated & Participating Projects

- **Hides Nogoli Camp**
- **Hides GTE Plant**
- **PDL 1 – Hides Field**
  - 8 new wells
- **PDL 7 – Juha Facility**
  - 4 new wells
- **Juha Facility**
  - 22km gathering lines
- **PDL 9 – Juha Field**
- **Komo Airfield**
  - PL 7 – Juha ~55km Gas & Liquids Pipeline
- **PL 4 – HGCP to LNG Plant (Onshore)**
  - ~284km Gas Pipeline
- **PL 5 – HGCP to Kutubu**
  - 88km Condensate Pipeline
- **PDL 7 – South Hides**
- **Hides Gas Conditioning Plant**
- **Hides Field**
- **PDL 8 – Angore Field**
  - 2 new wells
- **Hides GTE Plant**
- **PNG LNG Facilities**
  - PL 5 – HGCP to Kutubu
  - 88km Condensate Pipeline

**OSH Facilities**

**PNG LNG Facilities**
OSH PNG Operated & Participating Projects
OSH PNG Operated & Participating Projects
OSH PNG Operated & Participating Projects

- Kopi Dock & Camp
- Kopi – major extension to logistics site
- PL 4 (Offshore) ~407km Gas Pipeline
- OSH Facilities
- PNG LNG Facilities
- Kumul Marine Terminal
OSH PNG Operated & Participating Projects
PORT MORESBY
Sogeri
OSH PNG Operated & Participating Projects

OSH Facilities
PNG LNG Facilities

LNG Facility
Capacity 6.6 MTPA
2 x 165,000m³ LNG tanks
2 x 8,500m³ condensate tanks
LNG Jetty
Materials offloading facility

OIL SEARCH LIMITED
Head Office
PORT MORESBY
PNG LNG Project Construction Activities Planned/Underway

LEGEND
- PNG LNG Project Pipeline Route
- Kutubu Crude Oil Export Pipeline
- Highlands Highway
- Other roads
- Town
- Existing Facility
- Proposed New Facility

EPC1 - Telecommunications (Not Shown on Map)
EPC2 - Offshore Pipeline
EPC3 - LNG Plant
EPC4 - Hides Gas Conditioning Plant (HGCP)
EPC5A - Pipeline and Infrastructure
EPC5B - Komo Airfield
C1 - Support Infrastructure - Upstream
C2 - Support Infrastructure - LNG Plant
PNG LNG Project
Logistics: Highlands Highway - Bridge construction
Logistics: Kopi Wharf
Proposed LNG Plant Layout

Future Expansion
LNG Plant site construction
PNG LNG Project - Graduates
Proposed Hides Plant and Wellpads
Growth Opportunities
PNG Gas Growth

- PNG LNG will have expansion capabilities with excellent cost structure:
  - Use of capacity in pipeline, jetty, tanks and services
  - Trained local work force
- Additional synergies available if construction follows T1/2
- Government is very supportive of, and expects, future gas growth
- T3 would have highly competitive and positive position in the LNG market
PNG Gas Growth

Two core development strategies:

- **Train 3 Development**
  - PNG LNG Expansion
    - Brown fields development leveraging synergies
    - Underwritten by PNG LNG fields resource base

- **Train 4 Development**
  - Utilising discovered gas resource base
  - Augmented by exploration, concentrating on offshore licence base
PNG LNG Dedicated Fields

- Potential upside possible in all PNG LNG fields

- Near term focus on:
  - Associated Gas Fields (Kutubu/Moran/Gobe/Agogo)
    - Recent wells and additional production history indicate increased gas resource. Recertification required
  - Hides
    - Yet to test depth of gas water contact or northern segment
    - Two development wells scheduled to test both in 2012
    - Currently considering accelerating drilling
Requirements for LNG train growth in PNG

1. P'nyang, Juha North, SE Gobe
2. Barikewa, Kimu, Pandora, Uramu, Cobra, Iehi
Major strategic review underway to optimise growth path and prepare for substantial production and revenue growth. Dedicated review team in place

Focus areas:
- PNG oil and gas operations interface
- PNG LNG delivery
- Gas New Business (T3 & T4) plus other options
- Growth and business development
- Capital management, pre and post LNG cash flows
- Organisation capability

Provide programmes and organisation to deliver value and maximise shareholder returns through to, and beyond, first LNG production
Production Outlook

Despite maturity, recent development drilling success expected to reduce oil production decline curve prior to first LNG. High value barrels

PNG LNG adds ~18 mmboe pa to OSH at plateau in 2015 onwards. 30 year Project life

T3 could add an additional ~9 mmboe pa, with T4 of similar magnitude
Summary

- Company undergoing major transformation through development of PNG LNG
- PNG LNG T1/2 construction progressing steadily, timing and budget estimates unchanged. Project is in good hands
- With PNG LNG underway, new OSH strategic objective is LNG expansion:
  - De-risking/appraisal of existing gas discoveries and further gas exploration to underpin train expansion
- Core oil production remains solid, generating strong cash flows
- Measured oil exploration in PNG and MENA
- Activities underwritten by strong balance sheet and ample liquidity to meet LNG obligations, T3/T4