TRANSPARENCY REPORT 2018

RISING TO THE CHALLENGE
OVERVIEW

Oil Search has a deep-rooted commitment to transparency. We work in environments with varying cultural norms and ethical standards, including some jurisdictions that are perceived as having high levels of bribery and corruption risk. The unequal distribution of power, wealth and opportunity that can result has the potential to undermine stability in our operating environment. We therefore disclose the revenue payments to governments and other socio-economic contributions resulting from our activities. Transparency helps us to build trust, improve understanding, create accountability and provide citizens with access to information.

We are continually strengthening our approach to transparency. We are an Extractive Industries Transparency Initiative (EITI) Supporting Company, a signatory to the United Nations Global Compact (UNGC) and an active participant in the Papua New Guinea (PNG) EITI Multi-Stakeholder Group (MSG).

The payments and contributions outlined in this Report are the result of our aspiration to create meaningful impacts through excellence in socially responsible oil and gas production. We support the economic growth and stability of countries where we operate by employing local staff, using and helping to develop local suppliers, and by paying taxes and royalties. Our economic contributions provide governments with the opportunity to deliver essential services to their citizens and communities. We also have an unwavering commitment to sustainable development and play a significant role in improving the lives of citizens and communities through health care, infrastructure and education.

The Oil Search 2018 Transparency Report brings together information on all our payments to governments and socio-economic contribution and describes our approach to tax transparency. We have improved our level of disclosure to include more detail on our tax strategy and how we share benefits from our operations. This is so we can improve transparency and accountability, address corruption perceptions in these countries and create more awareness.

This Report covers countries where we had a presence for the year ending 31 December 2018. See the 2018 Basis of Preparation in our Social Responsibility Report for more information.
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Transparency benefits both Oil Search and the wider community. By publicly reporting our payments to governments and socio-economic contributions every year, we are not only building trust with our stakeholders, we are helping citizens to hold their leaders to account. Equipped with the latest information, citizens are empowered to ensure governments share the wealth generated by extractive industries with the community.

MESSAGE FROM OIL SEARCH’S MANAGING DIRECTOR

PETER BOTTEN
While we understand there are potential issues with transparency in countries where we operate, we effectively manage associated risks such as corruption, which can undermine how communities benefit from resource development. Transparency is a complex area where stakeholder expectations are changing all the time; and while we are not perfect, we are continually improving our approach and performance to reflect these changing expectations.

PNG is a good example of our approach in action. For decades, Oil Search has made a major socio-economic contribution to the country via resource development and by direct and indirect investment in sustainable development. In 2018, we contributed a total of US$451 million (K1.5 billion) in socio-economic contributions to PNG, including US$115 million (K380 million) in payments to the PNG Government in the form of royalties, taxes, fees and charges. Since 2013, we have formally encouraged the PNG Government to be more open and accountable through its participation in, and adoption of, EITI principles. We participate in the EITI MSG in PNG alongside our extractive industry peers and civil society. The MSG has been instrumental in improving the situation in PNG and will continue to be so.

As well as actively supporting the long-term goals of the EITI through our participation and by disclosing our payments, Oil Search works closely with the PNG Government to help resolve any immediate and ongoing concerns related to our projects. During 2018, outstanding Government benefits payments triggered increasingly negative community sentiment, causing unrest and disruption in our host communities - presenting a risk to our goal of maintaining a stable operating environment.

The PNG Government’s clan-vetting process for PNG LNG benefits distribution, an essential part of ensuring benefits are distributed correctly and fairly, faced delays in 2018 due to the major earthquake in February, which disrupted Government clan-vetting activities, and legacy landownership disputes. The process was resumed later in the year by the Government and significant progress was made in completing phase one which involved the mapping, identification and vetting of various clans. While clan-vetting remains a government responsibility, we will continue to support the Government to facilitate the release of landowner benefits and encourage the completion of the identification and verification process.

As this Report shows, Oil Search is fully committed to openness about the payments we make. To make the information as widely available as possible, we have published the Report on the Oil Search website and produced printed copies. We welcome any feedback — please email socialresponsibility@oilsearch.com.

Peter Botten
MANAGING DIRECTOR
TRANSPARENCY REPORT 2018

SUMMARY

US$115 million (K380 million) in payments to the PNG Government

US$21 million (K69 million) in wages and benefits to our PNG-based employees

US$66 million (K218 million) in community investment

US$1 million (K3 million) to shareholders

US$248 million (K818 million) in payments to PNG owned and operated suppliers and contractors

US$451 million (K1.5 billion) to socio-economic development in PNG.
Oil Search pays millions of dollars every year in royalties, taxes, levies and other fees and charges to governments. As the largest Papua New Guinean company, these payments represent a meaningful proportion of the PNG Government’s revenue from the private sector and is one of our most significant socio-economic contributions.
Our commitment to transparency is underpinned by the principles of our Social Responsibility Policy, our commitment to the UNGC and our support for EITI implementation in PNG. We have been an EITI Supporting Company since 2013 and are an active participant in PNG’s EITI MSG.

Oil Search supports and advocates for improved transparency and believes transparency is an essential part of responsible resource development. We are committed to revenue transparency and recognise that payments to governments are important for regulatory stability and socio-economic progress. In addition, we believe transparency promotes responsible use of taxes to provide government services and infrastructure to the communities and citizens of countries in which we operate. By voluntarily disclosing our payments and contributions, we aim to build an understanding of the economic benefits generated by our activities, and how this benefits domestic economic and social development.

Oil Search has a zero-tolerance approach to bribery and corruption and requires all employees, contractors and third parties acting on our behalf to perform their duties ethically, honestly, responsibly, diligently, and in full compliance with the law. Our approach is set out in our Code of Conduct and Corruption Prevention Policy.
As a responsible operator, the Oil Search Group\(^1\) pays taxes in full compliance with both the letter and intent of the tax laws that govern our operations and commercial dealings. We seek to comply with statutory obligations and disclosure requirements on a full and timely basis.

\(^1\) The Oil Search Group operates primarily in PNG, but also has activities in Australia, the US, Japan and the Middle East.
Oil Search’s tax strategy is supported by our principle-based tax management approach. This aligns with the Company’s core values, including acting with integrity, acting responsibly, and respecting communities, partners and governments that we work with. It also supports our efforts to provide information to governments and their agencies, so they can review tax policy and enhance their tax system’s equity, effectiveness, efficiency and administration in the jurisdictions where we operate.

**TAX GOVERNANCE**

Oil Search’s internal tax compliance procedures ensure our business is committed to implementing our tax management approach and meeting our tax obligations. The Board Audit and Financial Risk Committee (AFRC) is responsible for overseeing tax management and has endorsed our tax strategy. The Group’s Chief Financial Officer holds direct responsibility for tax management and communicates with and advises the AFRC on tax affairs and risks with support from our corporate tax team. The Group Head of Tax is responsible for implementing our approach to tax.

Our risk management approach to tax management includes the following core principles:

- Align tax principles with Oil Search’s core values, including: acting with integrity; acting responsibly; respecting communities, our partners and governments that we work with; and building mutually beneficial relationships based on openness and trust.
- Comply on a full and timely basis with statutory obligations and disclosure requirements.
- Comply with both the letter and the intent of the tax laws that govern our commercial dealings.
- Align Group structure and related party dealings with genuine commercial substance, risk allocations and value creation within Oil Search’s supply chains.
- Foster high-quality engagement with regulators and other stakeholders.
- Support timely decision-making and dispute resolution.

**EFFECTIVE TAX RATE AND INCOME TAX**

Oil Search’s effective tax rate is disclosed in our Annual Report along with our income tax expense for the year. Our Annual Report is prepared in accordance with International Financial Accounting Standards and is independently audited.

Our effective tax rate in 2018 was 32.8% compared to 31.5% in 2017. Our income tax expense for the year ended 31 December 2018 was US$166 million. The balances of deferred tax assets and deferred tax liabilities at 31 December 2018 were US$761 million and US$1,076 million respectively.

**ADDRESSING OTHER TAXATION ELEMENTS**

**Subsidiaries**

The Oil Search Group includes seven subsidiaries incorporated in the British Virgin Islands, six of which were incorporated to hold exploration interests in the Middle East. This structure provides stability and flexibility in relation to potential future divestment or equity-raising in relation to each jurisdiction and has minimal effect on our tax obligations in all relevant jurisdictions. Any income

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**TAXATION AND THE EXTRACTIVES SECTOR**

Citizens in resource-rich countries seek to understand whether companies are paying an appropriate amount of tax, and whether these payments represent a fair share of natural resource wealth. A new tool by Global Witness, Finding The Missing Millions, is a useful guide for people wishing to better understand how resources projects are taxed and how to measure whether resources projects are paying their ‘fair share’ of tax. It enables citizens to scrutinise payments data and hold their governments and the industry accountable for vital public funds. This understanding is especially relevant when they want to compare expected versus actual taxes paid in relation to a project.
from these investments is subject to tax in accordance with the tax laws of the jurisdiction where the exploration licences are located.

The Group currently has minimal activities in the Middle East and the existence of these subsidiaries therefore has only a negligible effect on the overall tax position.

The seventh subsidiary is an in-house finance company in the British Virgin Islands with no material profits.

The Oil Search Group also maintains a dormant exploration subsidiary in the Cayman Islands.

Uncertainty in tax laws
Where there is a degree of uncertainty in relation to the application of a tax law, Oil Search applies a ‘more likely than not’ principle to determine the intended operation of the tax law and its application to the Oil Search Group. In doing so, we consider technical legal interpretive issues, established administrative guidance and precedents, all relevant facts, reasonable and generally accepted valuations methodologies and independent advice (where relevant).

Payment of ‘fair share of tax’
The amount of tax we pay in each of the jurisdictions in which we operate is determined by the laws of that jurisdiction, as enacted by the relevant governments. We are obliged to report and pay tax in accordance with these laws. Our approach is designed to ensure there is no difference between the tax that is expected to be paid in accordance with enacted laws and the tax we actually pay. Our approach to tax compliance and transparency is also designed to provide sufficient information for governments to formulate tax policy settings and enact laws that provide for a ‘fair share of tax’ in each jurisdiction.

Tax concessions
The Oil Search Group does not receive any unique tax concessions. All tax liabilities are calculated in accordance with relevant legislative requirements. Some jurisdictions include provisions such as accelerated depreciation for capital equipment used in oil and gas production and/or fiscal stability. These provisions may be generalised or may relate to specific projects. These kinds of provisions are common in jurisdictions that seek to attract investment in large-scale, long-life oil and gas projects and each government determines its preferred tax settings based on its policy objectives.

Tax credits
Oil Search contributes to the socio-economic development of PNG by supporting critical infrastructure development through the PNG Government’s Infrastructure Tax Credit Scheme (ITCS). ITCS payments are voluntary pre-payments of income tax that contribute to the delivery of infrastructure projects selected by the PNG Government. The PNG Government pays no interest and the tax credits remain outstanding until we offset them against future income tax liabilities. Limits apply to the value of tax credits that can be claimed as a tax offset in a particular income year.

ENGAGEMENT AND DISCLOSURE
We maintain a transparent and constructive dialogue with governments and tax authorities regarding our tax approach and disclosures. This supports our efforts to enhance tax system effectiveness, such as through
direct engagement on tax reform and the commitments associated with being an EITI Supporting Company.

As a long-time supporter of PNG’s journey towards compliance with the EITI, we continue to work with the PNG Government, communities and industry peers to support its implementation in PNG. In December 2016, the PNG Government published a roadmap highlighting the need to include beneficial ownership disclosure in its national priorities. We support this initiative as it makes a positive contribution to transparency and accountability in a manner that is consistent with EITI objectives.

Oil Search actively participates in formal consultations with the relevant tax authorities in countries where we have a presence. We are also a member of the PNG Chamber of Mining and Petroleum sub-committee that engages with the Internal Revenue Commission, International Monetary Fund and Department of Treasury on tax reform matters.

We voluntarily provide information on our payments to governments on a country-by-country basis in our Social Responsibility Report. Being open about these payments is in the best interests of our shareholders, employees, host communities and other stakeholders. Transparency allows for an informed debate on the integrity of tax regimes and highlights the benefits of contributions we make to our host countries.

**Correlation between Taxes Paid and Oil Price**

Taxes paid by the Oil Search Group are positively correlated to oil and gas prices. A large reduction in petroleum prices from 2014 to 2016 resulted in a significant reduction in the amount of taxes we paid. Taxation payments from Oil Search’s projects will be higher when oil and LNG prices are higher.
The long-term nature of our operations enables Oil Search to generate considerable value – both financial and social – in countries where we operate. Our 2020 Social Responsibility Strategy places great emphasis on the strategic importance of sustainable development and aims to improve peoples’ lives by undertaking sustainable development activities that set the industry standard.
By providing employment, supporting local businesses, investing in sustainable development and making payments to governments, we are aligned with the interests of our host communities and government, with the intention of sharing in our success.

In 2018, we generated approximately US$1.53 billion in revenue and contributed US$451 million (K1.5 billion) to socio-economic development in PNG. This included:

◊ US$248 million (K818 million) in payments to PNG owned suppliers and contractors
◊ US$115 million (K380 million) in payments to the PNG Government
◊ US$21 million (K69 million) in wages and benefits for our PNG-based employees
◊ US$66 million (K218 million) in community investment including our contributions to the Oil Search Foundation, community development projects, disaster relief and education sponsorships.
◊ US$1 million (K3 million) in value generation for our PNG shareholders through dividend payments

PAPUA NEW GUINEA

PNG has been an EITI member since 2014. Oil Search has actively encouraged and demonstrated transparency in support of PNG’s journey towards EITI compliance by participating in PNG’s EITI MSG, publicly disclosing payments we make and working with the PNG Government, civil society and peers to advocate formal adoption and implementation of the EITI in PNG.

Payments to PNG Government

Extractive industries make a major contribution to the PNG economy. The PNG Government earns revenue through taxes, royalties and levies raised from resource development. In 2018, our government payments amounted to US$115 million (K380 million).

PNG has been an EITI member since 2014. Oil Search has actively encouraged and demonstrated transparency in support of PNG’s journey towards EITI compliance by participating in PNG’s EITI MSG, publicly disclosing payments we make and working with the PNG Government, civil society and peers to advocate formal adoption and implementation of the EITI in PNG.

<table>
<thead>
<tr>
<th>PAYMENTS TO PNG GOVERNMENT (US$’000)</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties</td>
<td>5,885</td>
<td>8,360</td>
<td>8,403</td>
</tr>
<tr>
<td>Development levies</td>
<td>2,222</td>
<td>2,461</td>
<td>2,371</td>
</tr>
<tr>
<td>Oil Search share dividend</td>
<td>0</td>
<td>5,976</td>
<td>7,470</td>
</tr>
<tr>
<td>Oil Search Directors’ tax</td>
<td>636</td>
<td>660</td>
<td>637</td>
</tr>
<tr>
<td>Petroleum Tax</td>
<td>22,121</td>
<td>1,191</td>
<td>11,829</td>
</tr>
<tr>
<td>Salary &amp; Wages Tax</td>
<td>27,911</td>
<td>28,108</td>
<td>26,860</td>
</tr>
<tr>
<td>Other Government taxes</td>
<td>14,730</td>
<td>14,654</td>
<td>9,900</td>
</tr>
<tr>
<td>Payments to PNG Police</td>
<td>1,357</td>
<td>701</td>
<td></td>
</tr>
<tr>
<td>Other Government fees &amp; charges</td>
<td>540</td>
<td>616</td>
<td>809</td>
</tr>
<tr>
<td>Pre-payment of tax for ITCS projects</td>
<td>39,311</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL PAID TO PNG GOVERNMENT</td>
<td>114,714</td>
<td>62,728</td>
<td>68,279</td>
</tr>
</tbody>
</table>

2. Royalty payments were lower in 2018 compared to 2017 due to the production disruption caused by the 2018 PNG earthquake.

3. Includes payments made to the Royal PNG Constabulary (RPNGC) in line with the Police Act 1998, the Public Services (Management) Act 2014 and the PNG National Government Public Service General Orders. Payment is in the form of per diem allowances, made with the full consent and approval of the RPNGC.

4. Included in “total paid to the PNG Government” figure from 2018 onwards. Previous year’s numbers were not classified as a payment to government and therefore have not been readjusted to include this figure.
Socio-economic contribution to PNG

While payments to the PNG Government make up a significant portion of our contribution to the economy, Oil Search also makes significant broader socio-economic contributions. These include providing employment and development opportunities for local citizens and contractors, enabling local content by procuring goods and services from local suppliers, and managing the impact of our operations on communities through strategic community investment.

By playing a vital role in the economic and social development of PNG, our sustainable development programmes help maintain operating stability while improving development outcomes for the people. There is more information on our socio-economic contribution to PNG in our 2018 Social Responsibility Report.

<table>
<thead>
<tr>
<th>SOCIO-ECONOMIC CONTRIBUTION IN PNG (US$'000)</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total paid to PNG Government</td>
<td>114,714</td>
<td>56,752</td>
<td>60,808</td>
</tr>
<tr>
<td>Total paid to suppliers and contractors</td>
<td>247,703</td>
<td>208,182</td>
<td>148,393</td>
</tr>
<tr>
<td>Total community investment</td>
<td>65,838</td>
<td>88,828</td>
<td>60,808</td>
</tr>
<tr>
<td>Total paid to shareholders</td>
<td>1,083</td>
<td>6,836</td>
<td>7,604</td>
</tr>
<tr>
<td>Total paid to PNG based-employees</td>
<td>21,473</td>
<td>23,048</td>
<td>21,110</td>
</tr>
<tr>
<td>TOTAL SOCIO-ECONOMIC CONTRIBUTION TO PNG</td>
<td>450,810</td>
<td>383,647</td>
<td>284,058</td>
</tr>
</tbody>
</table>
Supporting the distribution of benefits

Distribution of revenues from the oil and gas industry in PNG is governed by the Oil and Gas Act. If this distribution does not meet community and national expectations, it can threaten the stability of our operating environment. For this reason, we actively assist the PNG Government to meet its obligations.

The landowner identification process is a highly complex clan-vetting exercise conducted by the PNG Government that is integral to understanding and determining the allocation and value of benefits to be distributed. With approximately 35,000 landowners undergoing this exercise, in 2018, this process experienced delays due to inter-clan and inter-generational disputes over land ownership and/or legitimacy and slower than anticipated government processes.

During the year, despite these delays and the significant work required for the earthquake and APEC, the PNG Department of Petroleum focused on resuming the landowner identification process and made significant progress in completing phase one, which involved mapping, identifying and vetting various clans. Phase two will involve a process of ‘no-objection’ to ensure landowners agree with the clan-vetting process carried out in phase one. Once complete, the Government will work towards opening bank accounts so payments to vetted, impacted beneficiaries can be facilitated.

Oil Search continues to support the PNG Government to facilitate the release of landowner benefits pending the completion of landowner identification and verification. As a participant in the EITI, Oil Search’s commitment to transparency plays an important role in establishing and maintaining our credibility and supporting strong and effective relationships.

**OTHER COUNTRIES**

**Australia**

Oil Search has no extractive-based operations in Australia. Our presence is in the form of an administrative office.

The Australian Government has been a supporter of the EITI since 2006. The Australian Taxation Office (ATO) is a non-corporate Commonwealth entity that governs and administers the Tax Law and has an added focus on tax governance and transparency. The ATO also administers the Tax Transparency Code (TTC) and the Oil Search Group prepares and files country-by-country tax reporting information in accordance with Organisation for Economic Co-operation and Development (OECD) Action Item 13, as enacted in Australia and PNG.

**United States (Alaska)**

While the United States is no longer an EITI-participating country, our intention is to report payments made to the US Government as part of our organisational commitment to the EITI.

**Kurdistan Region of Iraq**

Iraq has been an EITI-compliant country since 2013. We relinquished our interest in the Taza licence in 2016 and are working with the Kurdistan Regional Government on a relinquishment agreement.

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**PAYMENTS TO OTHER COUNTRY GOVERNMENTS (US$’000)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AUSTRALIA</th>
<th>USA</th>
<th>KURDISTAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>32,046</td>
<td>6,506</td>
<td>2</td>
</tr>
<tr>
<td>2017</td>
<td>26,826</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>2016</td>
<td>25,343</td>
<td>0</td>
<td>91</td>
</tr>
</tbody>
</table>

**Total paid to governments**

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15

We have undertaken a limited assurance engagement on the subject matter detailed below (the "Subject Matter") presented in Papuan Oil Search Limited’s ('OSL') 2018 Transparency Report for the year ended 31 December 2018.

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 31 December 2018 is as follows:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Reporting Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
<td>OSL's 2018 Social Responsibility Reporting Basis of Preparation ('the Criteria')</td>
</tr>
<tr>
<td>• Total paid to Governments (US$'000) (all countries, including PNG, USA, Australia and MENA)</td>
<td></td>
</tr>
<tr>
<td>• Total socio-economic contribution to PNG:</td>
<td></td>
</tr>
<tr>
<td>o Total paid to PNG Government (US$'000)</td>
<td></td>
</tr>
<tr>
<td>o Total paid to suppliers and contractors (US$'000)</td>
<td></td>
</tr>
<tr>
<td>o Total community investment (US$'000)</td>
<td></td>
</tr>
<tr>
<td>o Total paid to PNG-based employees (US$'000)</td>
<td></td>
</tr>
</tbody>
</table>

OSL’s Responsibility for the Subject Matter

The Directors of OSL are responsible for:

• Ensuring that the Subject Matter in the 2018 Transparency Report is prepared and presented in accordance with the Reporting Criteria
• Confirming the measurement or evaluation of the underlying Subject Matter against the applicable Reporting Criteria, including that all relevant matters are reflected in the Subject Matter information
• Designing, establishing and maintaining internal controls to ensure that the Subject Matter in the 2018 Transparency Report is prepared and presented in accordance with the Reporting Criteria.

Assurance Practitioner’s Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Member of Deloitte Touche Tohmatsu Limited
The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner’s Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (‘ASAE 3000’), issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter in the 2018 Transparency Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

- Making enquiries of management to understand and evaluate the appropriateness of the Basis of Preparation used and related disclosures made by OSL
- In respect of the agreed Selected Transparency Performance Indicators:
  - Interviewing key data owners responsible for the Selected Transparency Performance Indicators to understand the compilation, calculation and review processes
  - Analysing and inspecting on a sample basis, the key systems, processes, procedures and controls relating to the collation, validation, presentation and approval process of Selected Transparency Performance Indicators included in the 2018 Transparency Report, including assessing evidence for a sample of transactions or events, where applicable
  - Based on our understanding, using analytical procedures to identify and discuss any usual payments included in the 2018 Transparency Report
  - Reconciling the underlying records to the 2018 Transparency Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter has been properly prepared and presented, in all material respects, in accordance with Reporting Criteria.
Inherent limitations

Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information.

Limitations of use

Our assurance report has been prepared solely for the Directors of OSL in accordance with our engagement letter dated 5 February 2019. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of OSL or for any purpose other than that for which it was prepared.

Matters relating to electronic presentation of information

Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the 2018 Transparency Report after the date of this assurance statement.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been properly prepared and presented, in all material respects, in accordance with the Reporting Criteria for the year ended 31 December 2018.

Chi Woo
Partner
Sydney, 28 March 2019
2018 SOCIAL RESPONSIBILITY REPORTS

Enquiries and feedback on this reporting and performance are welcome. Please contact the Oil Search social responsibility team on:

socialresponsibility@oilsearch.com

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