DISCLAIMER

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2018 HIGHLIGHTS

- 2018 was one of the most challenging years in OSH’s history:
  - 1H dominated by Highlands earthquake in February and subsequent activities to restore operations and deliver relief to impacted communities
  - 2H strong recovery, with PNG LNG achieving record half-year production rate of 8.8 MTPA and progressive recovery in operated production

- 13% increase in NPAT to US$341 million, despite 17% lower production

- Strong capital management:
  - Liquidity at end 2018 of US$1.5 billion

- 2018 final dividend of 8.5 US cents, taking full year dividend to 10.5 US cents (47% pay-out ratio)

- Significant growth in Reserves and Resources:
  - 2P and 2C liquids Reserves and Resources more than doubled to 253.5 mmbbl, with gas up 6% to 6.7 tcf
  - Underscores tangible growth developments

Oil Search won the 2018 Platts Global Energy Award for Corporate Social Responsibility and the PNG Chamber of Mines and Petroleum Outstanding Humanitarian Initiative Award following our response to the 2018 earthquake.

The UN estimates that Oil Search delivered ~80% of total food supplies to affected areas in the first four weeks following the earthquake.
2018 HIGHLIGHTS (CONT.)

- Good progress on LNG development in PNG:
  - Papua LNG and downstream pre-FEED studies matured and Memorandum of Understanding signed between Papua LNG and PNG Government in November

- Muruk 2 reached target Toro in January 2019. Preliminary indications of likely hydrocarbons – wireline logging and pressure testing underway

- Material upside in oil fields identified, with potential to add ~30mmbbl (net) to reserves

- Significant progress in Alaska after assuming operatorship in March 2018:
  - 2018/19 appraisal drilling programme underway, with potential for material resource upgrade
  - Initial results encouraging
  - Discussions underway with several parties on potential exercise of Armstrong Option and partial divestment

Pikka B well located on the Alaska North Slope
IMPROVED SAFETY AND ENVIRONMENTAL PERFORMANCE

TOTAL RECORDABLE INCIDENT RATE (TRIR)

- TRIR of 1.6 per million hours worked:
  - No injuries to OSH staff and contractors due to earthquake and aftershocks
  - PNG operations celebrated TRI-free year in November
- LTI improved despite challenging work activities conducted during 2018
- Zero Tier 1 and three Tier 2 process safety events – none directly related to earthquake
- No major environmental incidents:
  - No loss of hydrocarbon containment as a result of earthquake
- Further focus on driving improved safety and environmental performance, together with social programmes to support operating stability
The many exciting investment opportunities in PNG were centre-stage for the 21 visiting members at the Asia-Pacific Economic Cooperation (APEC) Forum in November 2018.
Net profit after tax (NPAT) of US$341.2m, 13% higher than 2017:

- Revenue up 6% on higher realised prices, offset by 17% lower product sales due to earthquake
- Production costs up 10% reflecting earthquake repairs, restart costs and maintenance
- DD&A down 14% on lower production volumes

US$33.6 million earthquake insurance recoveries released to date, partially offsetting cost of repairs

Exploration expense higher on increased seismic acquisition and higher expenditure associated with holding additional licences

Effective tax rate of 32.8% compared to 31.5% in 2017, with 2017 rate impacted by one-off recognition of carried forward deferred tax asset losses
Unit production cost increase reflected earthquake costs offset by insurance recoveries. Excluding impact of earthquake, unit production costs in line with 2017.

Higher royalties and levies due to higher realised prices, offset by lower gas purchases (Hides GTE, SE Gobe) reflecting lower production.

Other costs of production included funding for LNG related projects and studies.
Positive operating cash flow, despite earthquake impact on sales volumes, buoyed by strong oil and gas prices

- Investing cash outflows included US$415.4 million for Alaska North Slope acquisition
- US$331.9 million of PNG LNG project finance debt repaid over 2018
- Net debt of US$2.69 billion at end 2018, with all outstanding debt related to PNG LNG
- Total liquidity of US$1.5 billion, comprising US$900 million undrawn corporate debt facilities and US$601 million of cash
FUNDING AVAILABLE FOR LNG EXPANSION AND ALASKA

- Dependent on oil prices, expect to generate annual operating cash flow of ~US$1bn over 2019–2024

- OSH total share of development costs from 2019 until first production (including capitalised interest and financing fees) estimated at ~US$4.5bn (LNG expansion ~US$3bn, Alaska ~US$1.5bn, based on 30-35%), subject to FEED outcome

- OSH total equity contributions ~US$1.5bn, funded from:
  - Existing cash balances and existing/new corporate facilities (current liquidity US$1.5bn) plus operating cash flow less other capex (largely discretionary)

- Debt funding sourced through expansion of PNG LNG project finance facility plus new project finance facilities for Papua LNG and Alaska Pikka Unit development

- At current oil prices, key financial metrics forecast remain comfortably within corporate facility lender covenants

- When onstream, PNG LNG, LNG expansion and Alaska will generate free cash flow of US$2–3bn pa, with large uplift from 2026 when PNG LNG foundation project debt is fully repaid
2019 FULL YEAR GUIDANCE

Capital costs | 2019 Guidance
--- | ---
Exploration & Evaluation | US$235 – 285m
Development | US$145 – 170m
Production | US$95 – 115m
Other PP&E | US$55 – 65m
Power | US$15 – 20m^4
Total | US$545 – 655m

Production | 2019 Guidance
--- | ---
Oil Search-operated | 4.0 – 5.5 mmboe\(^1,2\)
PNG LNG Project | 24.0 – 26.0 mmboe\(^1\)
Total Production | 28.0 – 31.5 mmboe\(^1\)

Operating Costs

| | 2019 Guidance |
--- | --- |
Production costs | US$9 – 10 / boe |
Other operating costs\(^3\) | US$150 – 160 million |
Amortisation – oil and gas assets\(^5\) | US$11.50 – 12.50 / boe |

---

1. Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search’s reserves portfolio, using the actual calorific value of each gas volume at its point of sale.
2. Includes SE Gobe gas sales.
3. Includes gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, power expense and corporate administration costs (including business development), other expenses and inventory movements.
4. Excludes prior year POM Power station investment, which will be recognised in 2019 once ownership agreements are finalised.
5. Excludes depreciation of other plant and equipment.
The Central Processing Facility in the PNG Highlands resumed operations four weeks after the February 2018 earthquake.
2018 PRODUCTION – STRONG RECOVERY IN 2H18

- 2018 production of 25.2 mmboe, 17% lower than 2017, reflecting temporary shutdown of operations due to February earthquake

- PNG LNG Project contributed 22.1 mmboe (97.5 bcf LNG, 3.0 mmboe liquids):
  - Operating at/above pre-earthquake levels since production resumed in April, due to modifications to HGCP and maintenance work on LNG trains undertaken during shutdown period

- OSH-operated production contributed 3.1 mmboe:
  - All facilities now back online:
    - CPF (March), GPF (April), Hides GTE (May), APF (July)
  - Production expected to be back at pre-EQ levels in 2H19

**NET PRODUCTION (MMBOE)**

*Includes SE Gobe gas sales*
**OIL SEARCH 2P + 2C GROWTH**

<table>
<thead>
<tr>
<th>Year</th>
<th>2P Reserves (mmbbl)</th>
<th>% Change</th>
<th>2C Resources (mmbbl)</th>
<th>% Change</th>
<th>Total 2P &amp; 2C (mmbbl)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>543.4</td>
<td>-3%</td>
<td>185.5</td>
<td>252%</td>
<td>728.9</td>
<td>102%</td>
</tr>
<tr>
<td>2015</td>
<td>514.2</td>
<td>+4%</td>
<td>151.0</td>
<td>+72%</td>
<td>665.2</td>
<td>+91%</td>
</tr>
<tr>
<td>2016</td>
<td>551.1</td>
<td>+3%</td>
<td>185.5</td>
<td>252%</td>
<td>736.6</td>
<td>107%</td>
</tr>
<tr>
<td>2017</td>
<td>526.7</td>
<td>+15%</td>
<td>185.5</td>
<td>252%</td>
<td>712.2</td>
<td>+98%</td>
</tr>
<tr>
<td>2018</td>
<td>501.1</td>
<td>+15%</td>
<td>185.5</td>
<td>252%</td>
<td>686.6</td>
<td>+95%</td>
</tr>
</tbody>
</table>

*Gas volumes converted to boe using Oil Search specific conversion factor of 5,100 scf = 1boe*

- On 2018 production of 25.2 mmboe:
  - 1P Reserves life: 17 years
  - 2P Reserves life: 20 years
  - 2P Reserves and 2C Resources life: 63 years

- Reserves and Resources position underpins long term, high-value growth in identified projects which are resilient in most decarbonisation scenarios, including 2°C pathway.
Commenced oil field optimisation programme in Jan-19 with workover of IDT 21. To be followed by workovers of M4 and M9 wells.

Moran X and UDT S wells to be drilled in 2H19.

First of several low risk opportunities identified to extend plateau oil production until 2023-24.

In aggregate, could add ~30mmbbl (net) to reserves.
2019 PRODUCTION OUTLOOK

PNG LNG:
- Sustainable rates of 8.5 – 9.0 MTPA achievable going forward, before normal levels of downtime
- 2019 forecast assumes production of 8.1 – 8.7 MT (gross), with approximately three weeks of reduced rates due to planned 2019 maintenance

Operated Production:
- Impacted by natural decline in oil fields, EQ recovery, offset by oil optimisation activities

<table>
<thead>
<tr>
<th>Production</th>
<th>2019 Guidance¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil Search-operated</td>
<td>4.0 – 5.5 mmboe²,³</td>
</tr>
<tr>
<td>PNG LNG Project</td>
<td></td>
</tr>
<tr>
<td>LNG</td>
<td>106 – 113 bcf</td>
</tr>
<tr>
<td>Power</td>
<td>0.7 – 1.4 bcf</td>
</tr>
<tr>
<td>Liquids</td>
<td>3.1 – 3.6 mmbbl</td>
</tr>
<tr>
<td>Total PNG LNG Project</td>
<td>24.0 – 26.0 mmboe</td>
</tr>
<tr>
<td>Total production</td>
<td>28.0 – 31.5 mmboe</td>
</tr>
</tbody>
</table>

PNG LNG sales products at outlet of plant, post fuel, flare and shrinkage

1. LNG sales products at outlet of plant, post fuel, flare and shrinkage
2. Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf = 1 boe, which represents a weighted average, based on Oil Search’s reserves portfolio, using the actual calorific value of each gas volume at its point of sale.
3. Includes SE Gobe gas sales
In 2018, Oil Search’s first all-female geoscientist team completed a field trip to the seismic operations in Gobe.
DEVELOPMENT OF NEW LNG CAPACITY IN PNG

- Good progress made in 2018 on pre-FEED downstream studies for new LNG capacity (3 x 2.7 MTPA trains):
  - Downstream concept agreed, with two new trains dedicated to, and owned by, Papua LNG and one new train dedicated to PNG LNG/P’nyang
  - Engineering work on design, process and layout optimisation nearing completion:
    - Brownfield tie-ins, compressor driver selection, LNG loading and shipping, condensate treatment and execution planning
- Upstream pre-FEED on Elk-Antelope (PRL 15) well advanced:
  - One Antelope wellpad (up to 7 wells), one Elk pad (one well), one produced water reinjection well
  - Multiphase gathering system
  - Central Processing Facility and related infrastructure
  - Export Pipelines (gas and condensate):
    - 60km onshore, 260 km offshore
- Upstream studies supporting PNG LNG/P’nyang train progressing well:
  - Completion of development concept for Associated Gas Expansion (AGX) project planned for 2Q19
  - P’nyang (PRL 3) Project Definition studies ongoing
  - P’nyang field 1C and 2C gas resource upgraded post P’nyang South 2ST1
PROPOSED CONFIGURATION AT PNG LNG PLANT SITE

Utilities, power generation
New Utilities, power generation

PNG LNG Onshore Boundary

LNG Export

Condensate/Naphtha Export

Field Condensate

Existing PNG LNG facilities
Proposed new infrastructure

Note: AGRU – Acid Gas Removal Unit
AGREEMENTS BEING FINALISED

- Memorandum of Understanding signed between Papua LNG and Government in November 2018, setting key terms and conditions for Gas Agreement:
  - Equitable split of value between State and Developers
  - Fiscal arrangements and method for smoothing early tax flows for government, if required
  - Domestic Market Obligation, National Content
  - Deferral of repayment of past costs until first production
- Fully-termed Papua LNG Gas Agreement on track to be finalised by end March 2019
- Gas Agreement between State and P'nyang (PRL 3) JV to be finalised shortly afterwards, allowing aligned FEED entry
- Material progress made between JV partners on commercial agreements supporting integration, including site and facility access
- Discussions on contract strategy and project finance ongoing
## LNG DEVELOPMENT TIMELINE

### 2019 - 2024

<table>
<thead>
<tr>
<th>Year</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2019</strong></td>
<td>Gas Agreements, Early Works Tendering, Complete FEED: Papua LNG downstream</td>
</tr>
<tr>
<td></td>
<td>(LNG trains)</td>
</tr>
<tr>
<td></td>
<td>Supporting Projects</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td>Licencing and Approvals, Early Works: Clearing, early camps, roads</td>
</tr>
<tr>
<td></td>
<td>Early Works Tendering</td>
</tr>
<tr>
<td></td>
<td>Complete FEED: Final cost and schedule, Construction tendering</td>
</tr>
<tr>
<td></td>
<td>Project financing activities</td>
</tr>
<tr>
<td></td>
<td>LNG SPAs</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td>FIDs on: Papua LNG, PNG LNG downstream AGX</td>
</tr>
<tr>
<td></td>
<td>Construction: Complete infrastructure, Complete site clearing, Construction camps, Site civils, Plant and pipeline construction, Drilling new wells, Tie-ins and testing, Commissioning</td>
</tr>
<tr>
<td><strong>2022</strong></td>
<td>Ready for Start-up: Introduction of hydrocarbons</td>
</tr>
<tr>
<td><strong>2023</strong></td>
<td>P’nyang FID</td>
</tr>
<tr>
<td><strong>2024</strong></td>
<td>First LNG shipments</td>
</tr>
</tbody>
</table>
SUBSTANTIAL GROWTH IN GLOBAL LNG DEMAND

- Global LNG demand grew 6% in 2018 to 320MT
- 4.5% pa global LNG demand growth forecast increased to 2030:
  - Driven by government policies, with NE Asia markets increasingly prioritising gas over coal and nuclear
- 90 MTPA of uncontracted demand in 2025 (demand growth and expiring contracts):
  - 2018 saw first large-scale capacity sanction since 2015
  - Several new projects need to take FID by 2020
- By 2030, a further ~120 MTPA of new supply required

*Source: Data interpreted from IHS Markit*
STRONG MARKET INTEREST IN OIL SEARCH EQUITY VOLUMES

- Renewed global interest from buyers for term supply to fill supply-demand gap from early to mid-2020s
- Buyers seeking LNG source diversification from new countries and new sellers

Attractions of PNG/OSH equity marketing
- Marketing LNG with attractive high heating value from brownfield expansion
- PNG expansion provides buyers with security of supply from proven project
- Geographic proximity to key Asian LNG markets, offering shorter shipping times
- OSH has received positive responses from key buyers and markets to equity marketing of new capacity

CONTRACT EXPIRATIONS BY YEAR

TOTAL CONTRACT EXPIRATIONS (CUMULATIVE)

Data Interpreted from IHS Markit
PNG PORTFOLIO HAS MULTI-TCF POTENTIAL

- Strategic studies completed on prioritising exploration/appraisal activities to ensure optimal use of capital

- In NW Foldbelt, will continue to pursue opportunities for PNG LNG backfill and optimal gas field phasing to create value

- In Forelands, studies ongoing to establish optimal commercialisation route for Kimu and Barikewa following appraisal, and Uramu

- Onshore Gulf attractive, with many multi-tcf structures in close proximity to planned Papua LNG infrastructure:
  - 25% farm-in to PPLs 474, 475, 476, PRL 39, adjacent to Elk-Antelope fields completed
  - Seismic acquired in 2018, second phase to commence early 2019, to identify drilling locations from late 2020

- Seismic interpretation has highlighted multi-tcf potential in offshore Gulf
MURUK 2 UPDATE

- Muruk 2 appraisal well operations ongoing
- Provisional results indicate objective Toro reservoir likely to be hydrocarbon bearing
- Extensive data acquisition programme underway, including coring, wireline logging and pressure testing
- Forward plan to be determined once data is available

- Success at Muruk will provide field phasing optionality
- Further seismic acquisition being planned for late 2019/early 2020 in Muruk area, to further constrain Muruk and nearby prospects
A PNG delegation travelled to Deadhorse, Alaska including: Chris Haiveta (Governor, Gulf Province), Larry Andagali (Managing Director, Trans Wonderland), Mark Sakai (Chairman, Trans Wonderland and Director, Petroleum Resources Kutubu) and John Kapi Natto (Director, Petroleum Resources Kutubu)
OIL SEARCH ALASKA FULLY ESTABLISHED AND OPERATIONAL

- Alaska acquisition completed in Feb-18, operatorship assumed in Mar-18
- Highly experienced team in Anchorage (>300 years of combined North Slope experience), including senior personnel from ConocoPhillips, BP and Exxon, with extensive operating capability
- Commenced preparations for 2018/19 drilling season:
  - Best rigs secured
  - 25 miles of ice-roads and three bridges completed ahead of schedule
  - Commenced drilling Pikka B in late December, Pikka C in January
- Major milestone achieved for proposed Pikka Unit development with issue of Final Environmental Impact Statement in Nov-18
- Discussions ongoing with key stakeholders (State, JV partners, ConocoPhillips and local Native corporations) to optimise cooperation
- Constructive engagement with several parties on process to capture value from Armstrong US$450m option
UPDATE ON 2018/19 DRILLING PROGRAMME

- Two-well appraisal programme (Pikka B and Pikka C). Objectives include:
  - Pikka B/B ST1: Add 1C resource around DS 3. Flow test planned, to establish reservoir quality and deliverability:
    - Pikka B intersected thickest Nanushuk reservoir to date
    - Total of 237 metres (780 ft) of cores cut
  - Pikka C/C ST1: Penetrate Nanushuk 3 reservoir facies. Drill ‘Proof of concept’ development-type horizontal hole and flow test
  - Gather formation data, including logs, core, reservoir pressure and fluid samples, from both wells

- Positive results could add up to 250 mmbbl to current 500 mmbbl 2C gross resource for Pikka Unit development:
  - Revised estimates will be incorporated into FEED analysis
WELL DESIGN FOR PIKKA B/B ST1 AND PIKKA C/C ST1

- Continuous core
- Frac stimulated production test

Pikka B/BST1 Deviated Trajectory
Pikka B Vertical Trajectory
Top Nanushuk
Nanushuk 3
Nanushuk 2
8,635' MD, 5,000' TVDSS
5,047' MD, 4,904' TVDSS

Big Island PSDM Full Stack

Core from Pikka B well
PIKKA UNIT DEVELOPMENT TIMELINE

2019

Appraisal

- Two-rig appraisal programme – Pikka B & C
- Update reservoir model and full data base
- Stakeholder engagement and implementation plan
- Early works – Apr-19
- FEED commitment, subject to appraisal & EIS Record Of Decision, by mid 2019
- Contracting strategy
- Permitting & approvals

2020

Arctic Fox rig, Pikka B

2021

Ice road construction

DEVELOPMENT TIMELINE

FEED

2022

Development (permitted base case)

- ~15 producers/injector pairs drilled from two drill sites by production start up (50 well pairs in total over project life)
- Construction of ~60 km pipelines, ~42 km roads
- Construction of central processing facility or cooperative development with adjacent operators
- Community projects
- Appraisal of expansion opportunities & satellite fields

2023

2024

Production

- ~120,000 bbl/d plateau
- Initial permitted development based on up to 750 mmbbls recoverable oil resource
- Appraisal drilling and permit applications for expansion

Development planning

Supply warehouse
EXPANDED LEASE POSITION PROVIDES MATERIAL EXPLORATION UPSIDE

- Expanded portfolio position with recent acquisition of interests in leases covering more than 215,000 acres
- Material exploration upside:
  - Aiming to drill up to three wells in 2019/20 drilling season
- Work underway on Horseshoe area Nanushuk reservoir model finalisation and well location selections
- Reviewing Alpine reservoir targets in Pikka Unit to determine appraisal strategy
- Grizzly area prospect evaluation
- Seismic “mega-merge” reprocessing project underway
- New seismic acquisition planned for 2019/20 season
OUTLOOK FOR 2019

Perpetua Oseia, winner of the 2018 PNG Apprentice of the Year at the annual National Trade Testing Board (NATTB) awards.
STRATEGIC OBJECTIVES FOR 2019

- Progress high-value projects to FEED:
  - Enter into aligned FEED for Papua LNG and PNG LNG/P’nyang expansion, including FEED for OSH-operated AGX project
  - Enter into FEED on Pikka Unit development in Alaska

- Implement oil optimisation activities, to mitigate oil production decline rate

- Undertake prioritised exploration and appraisal activities in PNG, to support further LNG expansion and mid-term monetisation

- Complete Alaska Option exercise and divestment, to introduce quality partner to JV

- Continue socially responsible development:
  - Build sustainable social contributions in PNG and Alaska, working with governments and communities
  - Address environmental sustainability in a carbon constrained world
MAINTAINING OPERATING STABILITY THROUGH SOCIAL INITIATIVES

- Ongoing social programmes, directly and through Oil Search Foundation, including:
  - Continued earthquake relief (public health, infrastructure)
  - Support of Hela Provincial Hospital and Health Authority
- Promotion of new partnerships addressing sustainable education and training, focusing on women's empowerment and gender based violence (eg “Bel Isi” project) and youth engagement
- Power projects, in line with Government development aims:
  - New Port Moresby power station expected to commence operations in March
- Support for Government on benefits distribution:
  - Major progress, with benefits in Highlands areas expected to flow in April
- Climate Change Resilience report, prepared under TCFD guidelines, released in 2018, demonstrating LT resilience under range of scenarios, including 2°C pathway
- Human Rights Plan and VPSHR update in early 2019

Nearly 2,000 people marched, including Oil Search employees, in peace and solidarity to mark the International Day for the Elimination of Violence Against Women (EVAW)

58MW gas fired power station, located adjacent to PNG LNG plant site January 2019
SUMMARY

- Strong production outlook:
  - 2019 Production at or above 2018 earthquake levels
- Progress being made on PNG LNG Expansion and Papua LNG:
  - On target to sign PRL15 Gas Agreement by end 1Q19
  - Gas Agreement for PNG LNG Expansion (P’nyang) to occur shortly after, allowing contractor bidding and aligned FEED entry
  - First gas targeted for 2024
  - Market appetite remains strong for LNG from PNG
SUMMARY (CONT.)

- Positive results from Alaska appraisal:
  - Potential for resource additions
  - Moving to FEED on Pikka Unit development
  - Advanced discussions on Armstrong Oil Option and equity divestment

- Optimisation of oil operations underway:
  - Infield drilling opportunities being pursued

- Significant resource upgrade:
  - Successful drilling at P'nyang, Kimu, Barikewa
  - Positive early results out of Muruk 2, Pikka B and C

- Continued focus on sustainable social development:
  - Improved benefits distribution
  - Development of social infrastructure and sustainable business opportunities
  - Sustainability and economic robustness of assets in carbon constrained world
## APPENDIX 1: 2018 FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2018</strong></td>
</tr>
<tr>
<td>Sales volume (mmboe)</td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Production costs</td>
</tr>
<tr>
<td>Other operating costs</td>
</tr>
<tr>
<td>Other income</td>
</tr>
<tr>
<td>EBITDAX¹</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
</tr>
<tr>
<td>Exploration costs expensed</td>
</tr>
<tr>
<td>Net finance costs</td>
</tr>
<tr>
<td>Profit before tax</td>
</tr>
<tr>
<td>Tax</td>
</tr>
<tr>
<td>Net profit after tax</td>
</tr>
</tbody>
</table>

¹ EBITDAX (earnings before interest, tax, depreciation/amortisation, non-core activities, impairment and exploration) is a non-IFRS measures that are presented to provide a more meaningful understanding of the performance of Oil Search’s operations. The non-IFRS financial information is derived from the financial statements which have been subject to review by the Group’s auditor.
APPENDIX 2: OPERATING MARGINS

EBITDAX Margin for 2018 revenue impacted by PNG earthquake remediation costs and higher royalties and levies.

Positive cash margins maintained:
- PNG LNG ~US$49/boe
- PNG Oil and Gas ~US$16/boe
APPENDIX 3: 7.5 MTPA OF PNG LNG PRODUCTION CONTRACTED

- 7.5 MTPA of PNG LNG production contracted under long and mid-term agreements:
  - 6.6 MTPA under 20-year contracts with JERA, Osaka Gas, Sinopec and CPC
  - 3-year SPA with PetroChina for ~0.45 MTPA of LNG. Supply commenced July ‘18
  - 5-year SPA with BP for ~0.45 MTPA of LNG for 3 years, followed by ~0.9 MTPA for 2 years. Supply commenced Aug ‘18
- Terms for additional mid-term tranche of ~0.45 MTPA under negotiation
- Remaining uncommitted volumes sold on spot market
- Market exposure now spread over long-term, mid-term contracts and spot LNG market