



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

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PNG LNG PROJECT UPDATE

2 September 2013

Please see attached a PNG LNG Project update by the operator of the PNG LNG Project, Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation.

Peter Botten, Oil Search's Managing Director said:

"As highlighted in our recent 2013 half year results release, the PNG LNG Project is progressing well and is now more than 90% complete. The operator has confirmed that the estimated cost of the Project remains unchanged, at US\$19 billion, and that the Project remains on track to commence LNG sales in 2014, with first deliveries expected in the second half of the year. Esso Highlands Limited should be commended for their continued delivery of this highly complex project.

The commissioning phase of the Project has recently commenced, with gas from the Kutubu field now being sent through the pipeline to the LNG plant near Port Moresby. This gas will be used to provide power to the LNG plant site and to test and commission new facilities and equipment at the site. While considerable work remains to be completed before first LNG sales, this is an important step for the Project and I would like to congratulate Esso Highlands and all the Oil Search staff and contractors who have contributed to the start-up of commissioning gas."

PETER BOTTEN, CBE
Managing Director

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First PNG LNG Project Delivery on Track for Second Half of 2014

- Project more than 90 percent complete
- Antonov cargo delivery operations into Komo complete
- Project cost unchanged from 2012 estimate

Port Moresby: Esso Highlands Limited (EHL), operator of the PNG LNG project, said today the project is more than 90 percent complete and is on schedule for first delivery of liquefied natural gas (LNG) during the second half of 2014.

“With more than 19,000 people currently working across the project, including more than 7,500 Papua New Guineans, we are making significant progress,” said Decie Autin, PNG LNG project executive.

“Antonov cargo aircraft operations into Komo airfield were completed on 13 August 2013, and installation of equipment delivered from Komo to the Hides Gas Conditioning Plant is currently under way.

“We have started the commissioning phase at the LNG plant in preparation for the first LNG production in 2014. This includes sending gas from Oil Search’s Kutubu Central Processing Facility to the LNG plant to provide power and enable testing and commissioning of key facilities and equipment.

“Drilling at Wellpad B is complete, and the drilling rig is being moved to the next wellpad to support further drilling activity,” Ms Autin said.

As forecasted last year, the estimated cost of the project remains at US\$19 billion (excluding Port Moresby administration facilities and shipping), reflecting disciplined project management in a unique and challenging working environment.

“ExxonMobil successfully develops projects around the world under a broad range of technical, operational and financial conditions,” Ms Autin said. “The project has been able to maintain its schedule in PNG under unique and challenging circumstances. Our focus on disciplined project execution has allowed us to meet our scheduling commitments without further cost increases.”

EHL continues to assess and advance new expansion and development opportunities in PNG.

ENDS





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Cautionary Note: *Statements of future events or conditions in this release are “forward-looking statements”. Actual future results, including project plans, startup schedule, and costs, could differ materially due to a variety of factors. These include changes in long-term oil or gas prices or other market conditions affecting the oil and gas industries; timely completion of development projects; unforeseen technical difficulties; war and other political or security disturbances; changes in law or government regulation; the outcome of commercial negotiations; and other factors discussed under the heading “Factors Affecting Future Results” on ExxonMobil’s website at www.exxonmobil.com.*

The PNG LNG Project is an integrated development that includes natural gas production and processing facilities, onshore and offshore pipelines and liquefaction facilities. Participating interests are affiliates of Exxon Mobil Corporation (including Esso Highlands Limited as operator), Oil Search Limited, National Petroleum Company Papua New Guinea, Santos Limited, JX Nippon Oil and Gas Exploration, Mineral Resources Development Company and Petromin PNG Holdings Limited. Visit www.pnqlng.com.

