

Investor Field Trip

November 2015



Oil Search



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Presentation Agenda

Welcome

PNG Production

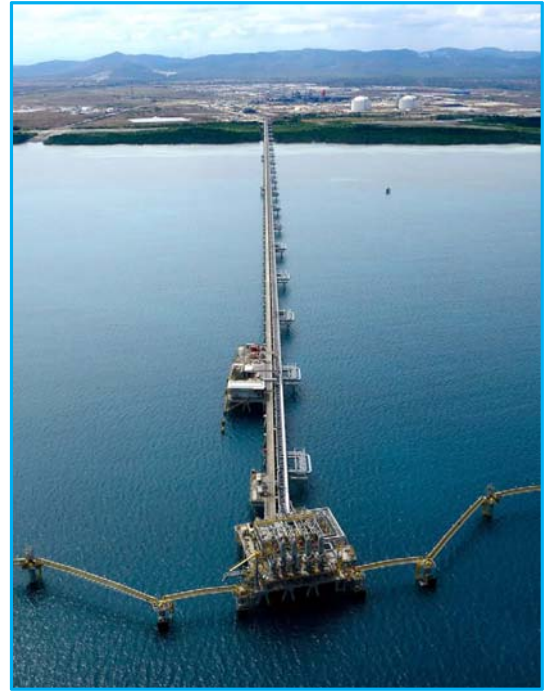
Gas Development

Exploration

Operating in a US\$50/bbl world

Social responsibility

Wrap up



Field Trip Route



PNG Production



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Oil Search – the National Champion

- » Four-fold increase in production achieved over past two years:
 - Highly profitable production, with low cost base
 - Low ongoing maintenance capex requirements
- » OSH has unique and specialised operating expertise in PNG:
 - OSH has operated >70% of all wells drilled in PNG since 2003
 - Oil fields – have not missed a cargo loading in 24 years of operations
 - Provide 20% of gas for PNG LNG Project and manage all liquids exports:
 - Meeting/exceeding ExxonMobil's operating requirements
- » Undertake work on behalf of Majors, including drilling, seismic
- » Well developed logistics/supply chain in challenging environment
- » Cultural awareness of landowner management/interactions and business development
- » >83% of PNG workforce are PNG nationals
- » Range of social programmes to manage operating and social risks
- » Work with Government and public service to ensure stable operating environment

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PNG LNG Project – a major success story

- » Annualised production in 3Q15 of ~7.4 MTPA (1H15 of ~7.1 MTPA), vs nameplate capacity of 6.9 MTPA:
 - ExxonMobil stated increase in gross capacity from 6.9 MTPA to 7.3 MTPA, reflecting “focus on maximising the value of installed capacity and improving profitability”*
 - Supported by strong upstream deliverability (including OSH-operated gas supply) and LNG plant reliability
- » Current focus on production optimisation / debottlenecking:
 - Already delivering substantial incremental value, with further upside potential
 - Debottlenecking opportunity in 2017 coincident with scheduled compressor maintenance
- » Project has delivered major infrastructure, Government and landowner support, Tier 1 LNG customers, financier confidence



* ExxonMobil 3Q 2015 earnings conference call

PNG LNG’s competitive advantages

- » Conventional LNG project
- » Substantial proven reserves base
- » High heating value, suitable for Asian reticulation networks
- » High liquids, enhancing economics
- » Onshore location with existing oil infrastructure base
- » Located close to Asian LNG markets
- » Stable fiscal regime with strong Government support
- » Top tier operator, ExxonMobil, augmented by OSH’s 86 years of in-country experience:
 - OSH’s in-country role highly valued by partners (including Government and landowners) and financiers
 - OSH operations (responsible for 20% of gas for LNG, all PNG LNG liquids handling) meets all ExxonMobil’s standards
- » Provides attractive returns and extremely robust to product price movements

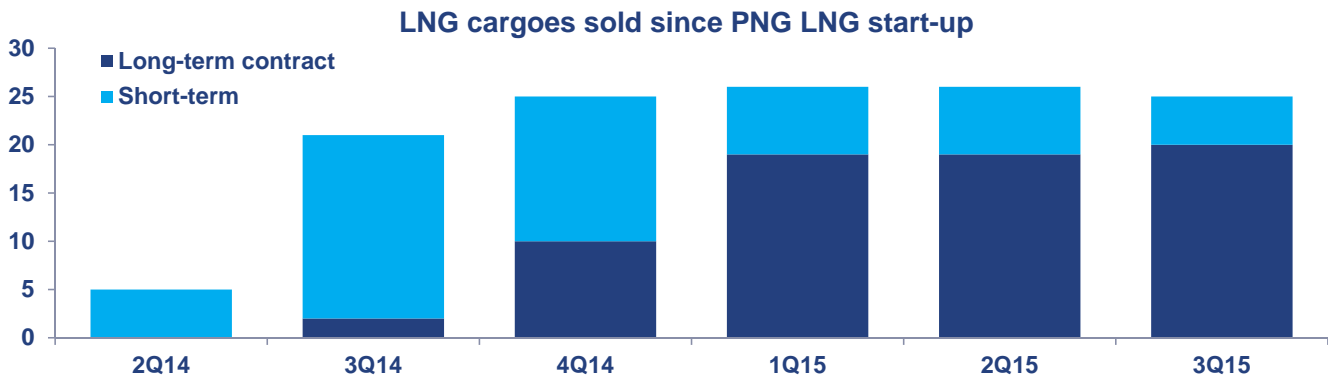


Solid demand for PNG LNG spot cargoes



Oil Search

- » Project has quickly established reputation as a reliable gas supplier
- » Full contractual volumes being taken by offtakers, with contract ramp-up underway to plateau of 6.6 MTPA in 2Q16
- » Good demand for short-term volumes, >80% of uncontracted cargoes sold to Project's contract customers

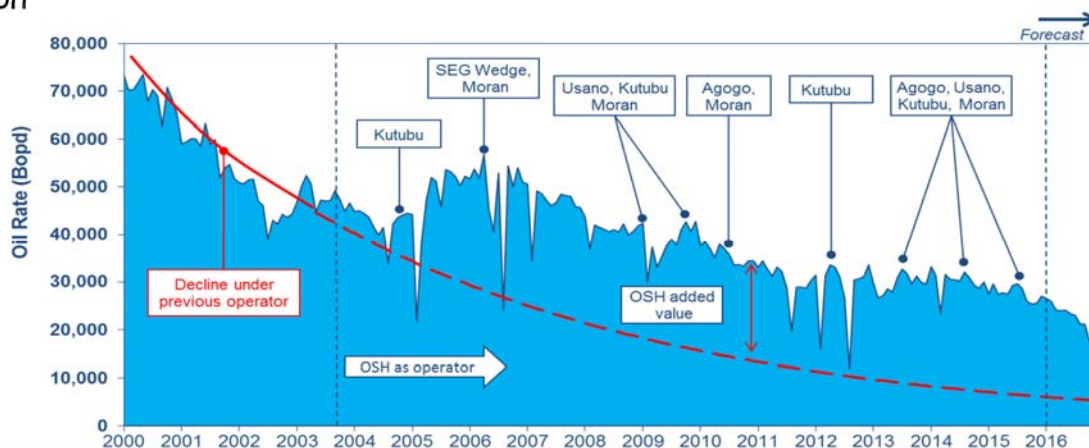


Proven success in optimising production from mature oil fields



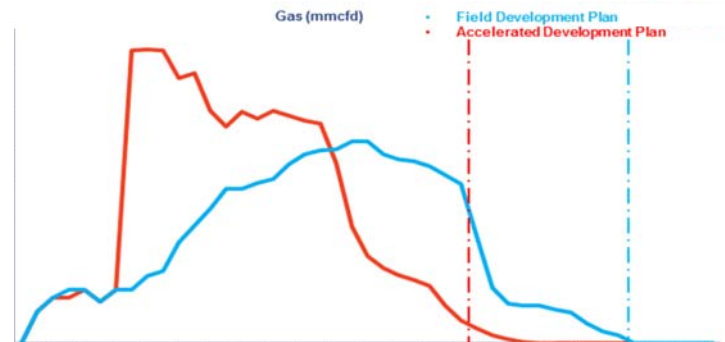
Oil Search

- » Since taking over oil field operatorship in 2003, Oil Search has:
 - Drilled 43 development wells with ~85% success rate
- » In past four years alone, added +49 mmbbls oil (gross) to 1P reserves (+ further 32 mmbbls to 2P) through high resolution reservoir modelling, successful drilling and field management
- » Achieved key 2010 objective of maintaining oil production broadly flat until first PNG LNG production



Material opportunities still exist to add value, even in mature oil fields

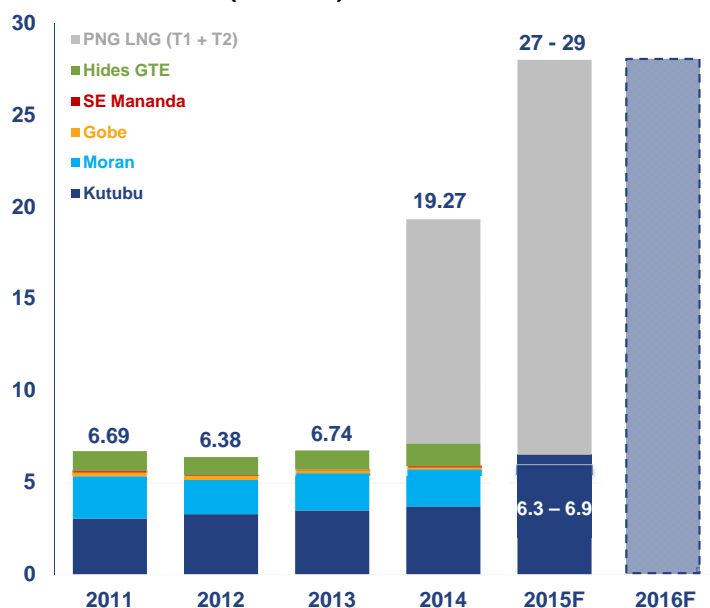
- » With mature reservoirs and US\$50/bbl oil, traditional opportunities are more challenging. Investment discipline applied to new projects
- » Operating efficiencies being achieved through optimisation programme:
 - Optimising production organisation to ensure resources are focused on areas which will deliver most value, with personnel committed to well-defined targets and KPIs
 - Reducing planned downtime through integrated activity planning, focusing on optimal plant performance, stability and reliability
- » Further major value opportunities being actively pursued:
 - Life of Asset Planning progressively developed over last 12 months
 - Gobe field optimisation and gas blow down
 - Kutubu fields accelerated blow down – potential game changer for oil fields and LNG production optimisation
 - Major Project Team formed, 2016 feasibility and possible FEED, subject to commercial and fiscal progress
 - Significant value opportunity
 - Optimisation of export and loading facilities and operations
 - Continued coordinated operations optimisation and investment discipline through 2016



Production Outlook

- » Production has quadrupled in past two years
- » 2015 production expected to be at upper end of 27 – 29 mmboe guidance range:
 - 6.3 – 6.9 mmboe from operated oil fields and Hides GTE*
 - 21 – 22 mmboe from PNG LNG Project
- » 2016 production expected to be similar to 2015:
 - » Subject to sign-off of budgets, 2016 work programmes and PNG LNG production optimisation/debottlenecking opportunities
- » Production remains highly profitable even in current lower oil price environment

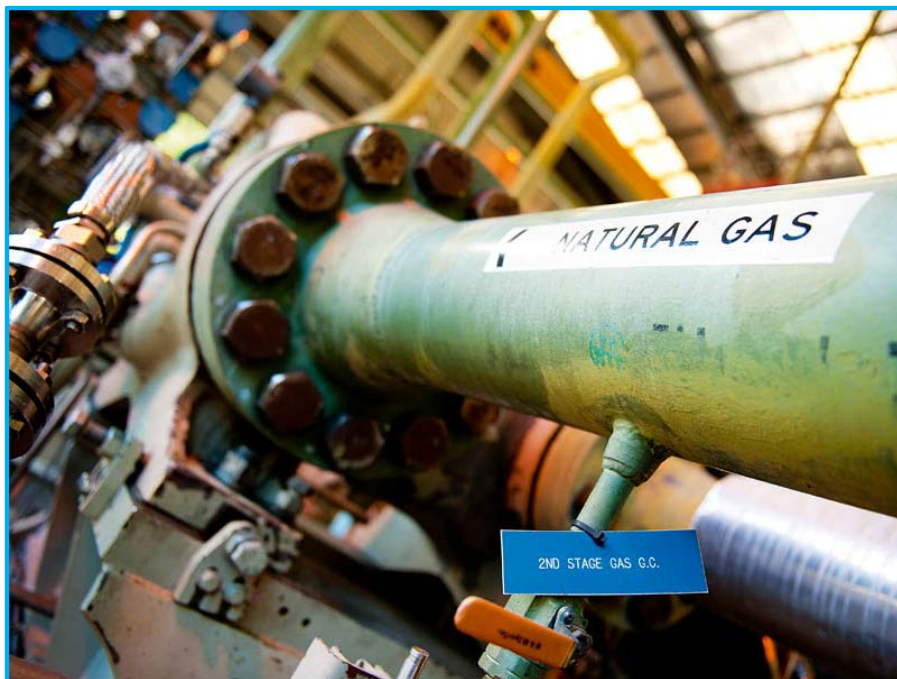
Net Production (mmboe)



¹ LNG sales products at outlet of plant, post fuel, flare and shrinkage
² Gas:oil conversion rate used in 2014 & 2015: 5,100 scf = 1 barrel of oil equivalent (prior years 6,000 scf/boe)

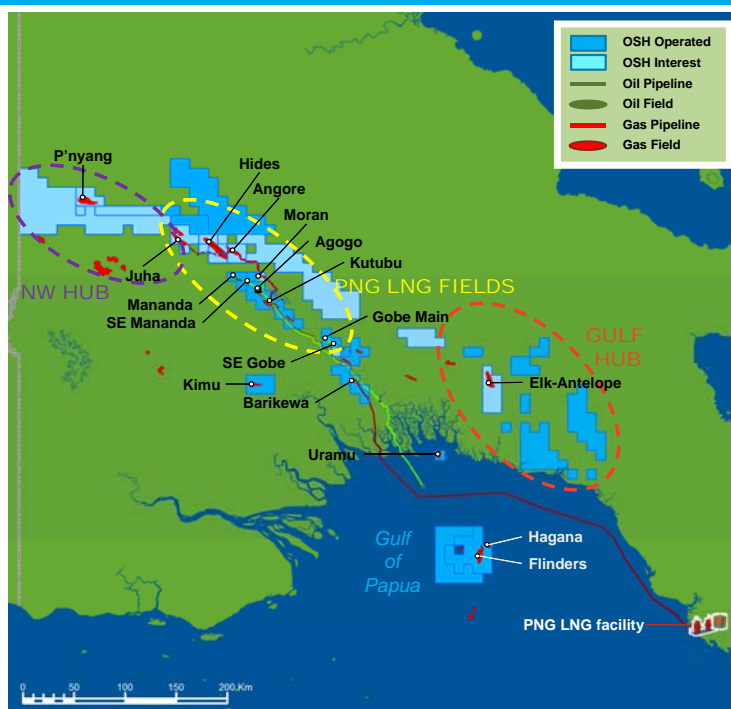
* Includes SE Gobe gas sales

PNG Gas Development



PNG gas development summary

- » Successful delivery of PNG LNG has put PNG on map as reliable producer of high heating value gas that provides buyers with geographical diversification
- » OSH in privileged position, with unprecedented opportunity to participate in PNG LNG Project expansion and Papuan LNG development:
 - Potential to deliver at least two more trains and third train with modest drilling success
 - Globally very competitive, with clear path to commercialisation and attractive returns even under revised oil price scenario
 - Identified as having lowest project break-even costs in region by WoodMac
 - Potential to double OSH production again by 2021/2022
- » Aiming for top tier Asian buyers in LNG market window in early 2020s
- » High-value LNG growth highest priority for OSH – capital being managed to ensure developments are fully supported
- » Major drilling programme underway, multiple opportunities to provide gas for expansion, additional trains and power supply
- » Delivery of near-term additional trains is common objective for industry, communities and Government



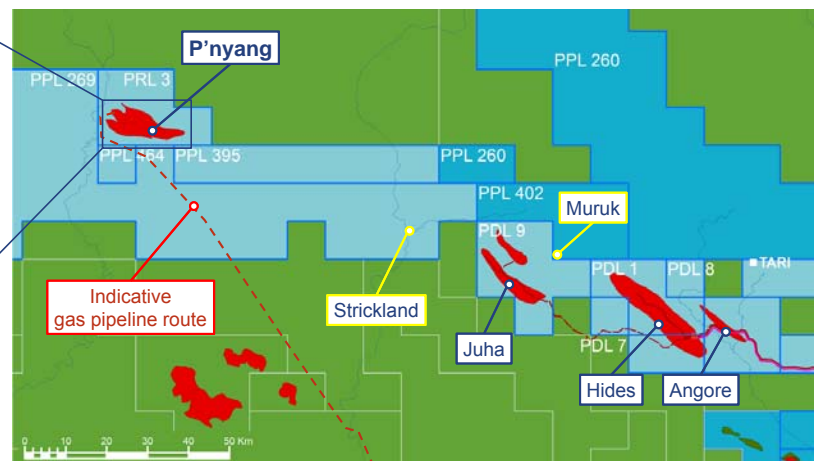
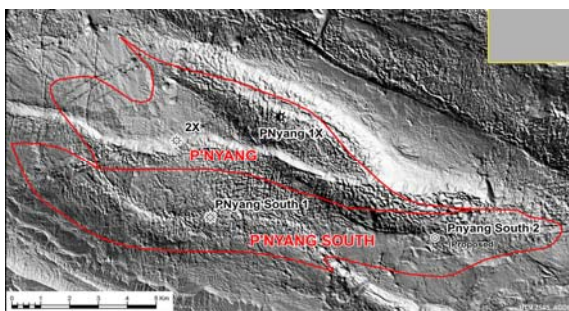
PNG LNG Project expansion underway



* ExxonMobil 2Q 2015 earnings conference call

- » PNG LNG expansion identified by ExxonMobil as “very well positioned to compete” globally*
 - Supported by successful delivery and performance of foundation Project, competitive cost structure, stable and transparent fiscal terms
- » PNG LNG Project expansion comprises:
 - High-value production optimisation/debottlenecking
 - Potential third LNG train
 - Delivery of domestic power to PNG (25MW of interruptible electricity from PNG LNG plant to PNG Power in Port Moresby commenced in July)
- » Underpinned by Foundation Project fields, P’nyang gas field and other
- » Benefits:
 - Fiscal regime agreed with Government, with DMO addressed
 - Simple expansion of project finance facility
 - Brownfield expansion – less infrastructure/capex and engineering

P’nyang (PRL 3) – key resource for expansion

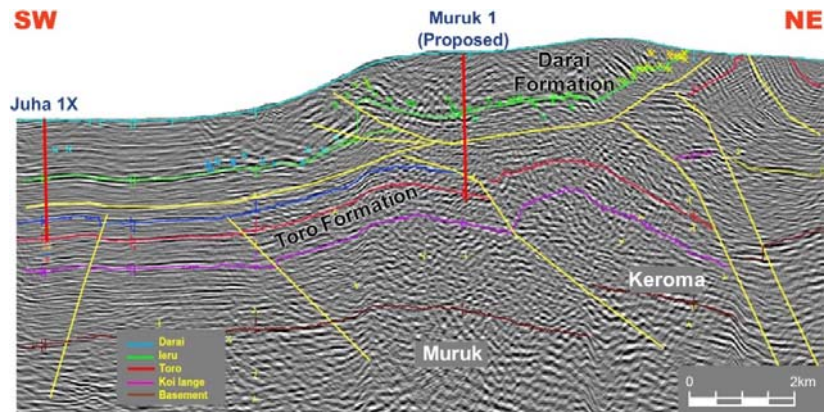


PRL 3	WI %
ExxonMobil affiliates (operator Esso PNG P’nyang Ltd)	49.0
Oil Search	38.5
JX Nippon	12.5

- » PNG Government expected to commence landowner Development Forums shortly
- » Award of PDL for P’nyang imminent (expected Dec 2015), with immediate integration of P’nyang into PNG LNG Foundation Project
- » Preparatory work underway for P’nyang South 2 well plus potential second well, to add 1C resource and confirm increased 2C resource
 - Location in SE of structure agreed by PRL 3 JV, to be drilled 3Q16
- » Targeting FID on T3 by end 2017

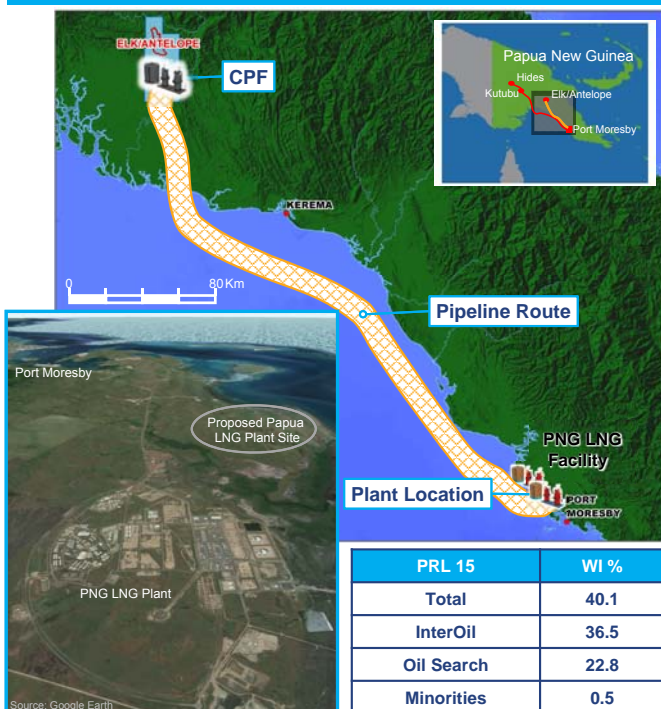
Muruk 1 (PPL 402): High potential NW Highlands exploration

- » Muruk 1 targeting multi-tcf exploration prospect on-trend with Hides
- » Located north-east of Juha and Juha North pools
- » Operated by OSH in co-venture with ExxonMobil
- » High-impact well and potential new source of gas for PNG LNG expansion, if successful
- » Expected to spud in 1Q16, subject to pad readiness and rig mobilisation
- » Part of coordinated OSH 2016 Highlands drilling campaign to source gas for expansion



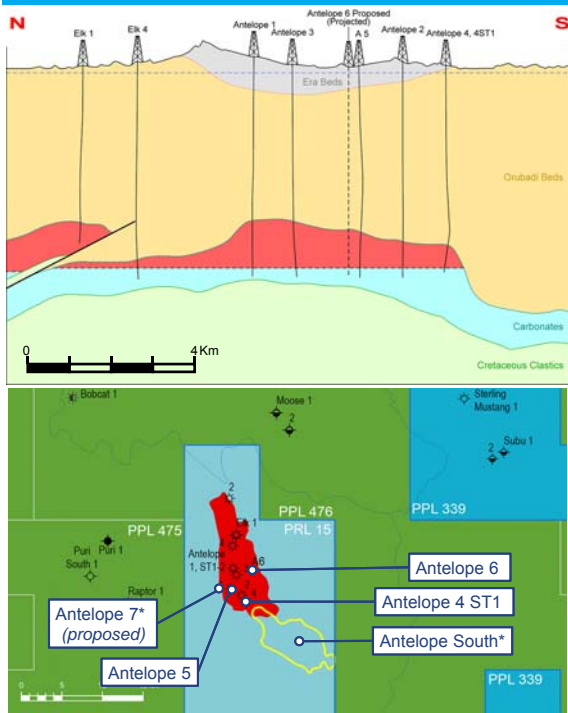
PPL 402	WI %
Oil Search	50.0
Esso PNG Wren Ltd (ExxonMobil affiliate)	50.0

Papua LNG: high-returning LNG development opportunity



- » Significant progress on Papua LNG achieved in 2015:
 - Locations of key infrastructure sites agreed by PRL 15 JV and supported by Government
 - Commencement of financing – financial, tax and legal advisors appointed, JV discussions on financing structure continue
 - Transfer of operatorship to Total SA effective 1 August 2015. Total operating Antelope 6
 - OSH community affairs personnel seconded to Project to support Total in landowner engagement
- » Selection of final development concept after completion of appraisal programme and resource evaluation
- » Entry to Basis of Design, including decision on one or two trains, in 2H16 followed by FEED:
 - Potential for early works from mid-2017
- » Expected to provide material benefits for Gulf communities

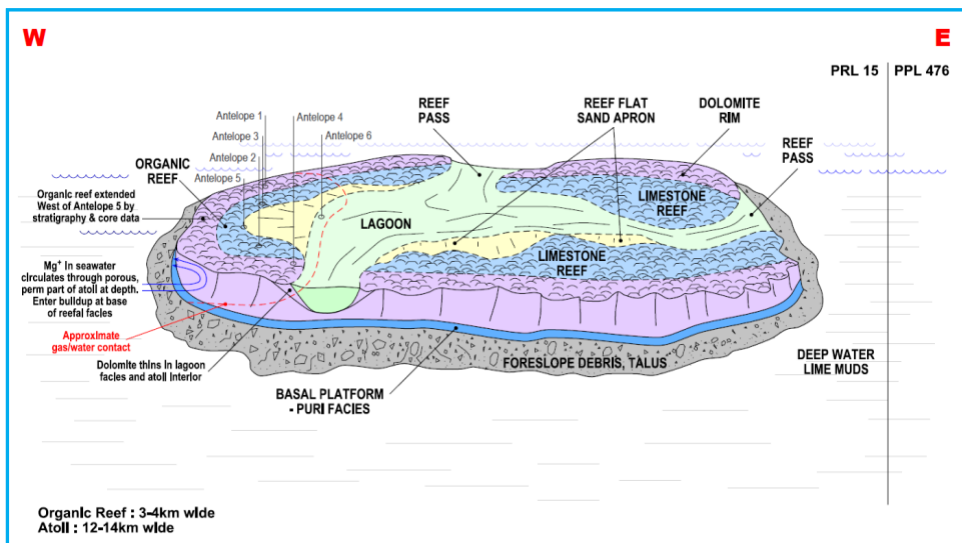
Elk-Antelope appraisal results encouraging



- » Results of appraisal programme to date have increased OSH's resource expectations:
 - Antelope 4 and 5 extended good quality reservoir to south and west
 - Antelope 5 testing confirmed substantial resource base, excellent reservoir quality and deliverability, pressure communication between Antelope 5 and Antelope 1
 - Antelope 4 ST1 encountered reservoir 32 metres high to prognosis. Preliminary interpretation of logs indicates extensive high quality dolomite section
- » Remaining appraisal will further define resource:
 - Antelope 6 to spud December 2015, to test eastern flank. Lower quality reservoir expected
 - Further Antelope 5 and Antelope 1 interference testing to commence shortly. Will investigate connected gas in place
 - JV considering Antelope 7 appraisal well in 2016, to assess potential western field extension

* Subject to JV approval

Elk-Antelope – carbonate reef



Glover's Reef Atoll, Belize



Potential analogue: Coral reef located on tilted fault block off coast of Belize. Scale: Atoll is 10km wide and 20 km long

OSH certification to complete July 2016



- » OSH certification under SPA with Pac LNG commences mid-March 2016, expected to complete mid-July 2016
- » Two expert independent certifiers engaged – Gaffney Cline and NSAI
- » Elk-Antelope field has sufficient resources to underpin one 5 MTPA LNG train (basis for entry into PRL 15) with ~5 tcf 2P, or depending on outcome of appraisal, potentially two PNG LNG-sized trains requiring >7 tcf 2P
- » Resource base >7 tcf would deliver higher returning LNG project (PNG LNG “look-alike”) and trigger certification payments to Pac LNG (US\$0.775/mcf for volumes >7 tcf based on average of both certifiers)

PNG value drivers

- » PNG can learn from other global LNG developments and expansions
- » Adjacent locations of PNG LNG and Papua LNG plant sites provides real potential for cost and operational synergies, including full integration
- » OSH seeking to increase value of both PNG LNG expansion and Papua LNG through project cooperation:
 - OSH is only company with equity interests in both projects
- » PNG Government will also have equity in both projects and is supportive of cost-effective and timely development
- » Expect to continue to play key role supporting operators in Government and landowner negotiations by leveraging OSH’s unique local knowledge
- » Extensive exploration portfolio provides potential for additional trains or plateau extension





LNG industry: Undergoing fundamental change **Oil Search**

» Markets and LNG pricing:

- Current oversupply through commissioning of major projects
- Gas prices globally have normalised, now trading in US\$7 - 8/mmBtu range
- More globally connected and significantly more LNG being traded
- Increased pricing and delivery flexibility with short-medium term commitments
- Current market not reflective of longer term demand/supply
- Project delays or deferrals globally
- Medium and long term demand growth in Asia

» In Australia:

- Project structures and economics challenging
- Search for capital efficiency
- Impacts on local gas pricing

» LNG projects from PNG well placed in this environment



Image courtesy ExxonMobil

Medium to long-term LNG demand forecasts still robust



Oil Search

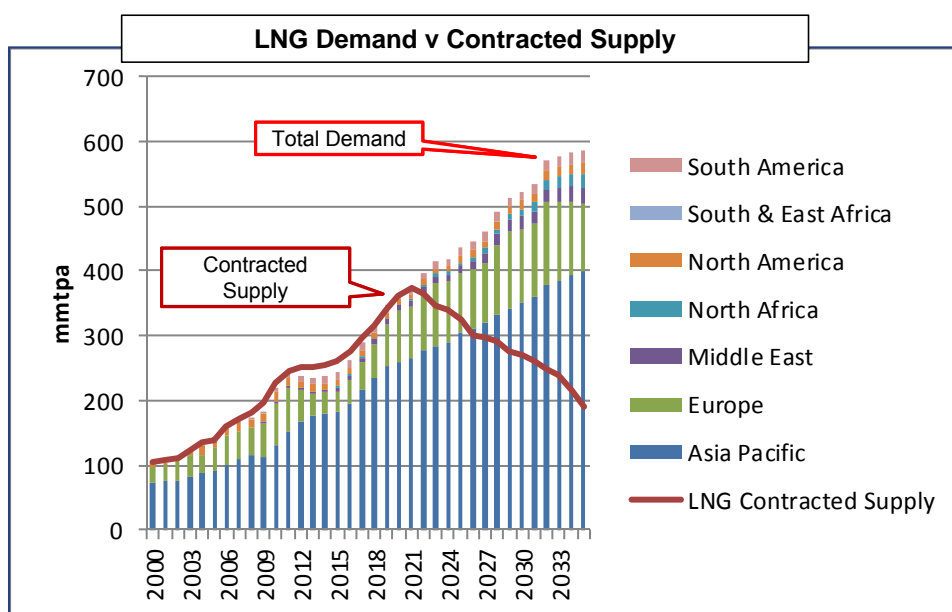
» Global contractual supply expected to be >30 MTPA short of demand in 2022, >120 MTPA short by 2025, as demand increases, old contracts roll off:

- Few LT contracts have been signed in past 2-3 years

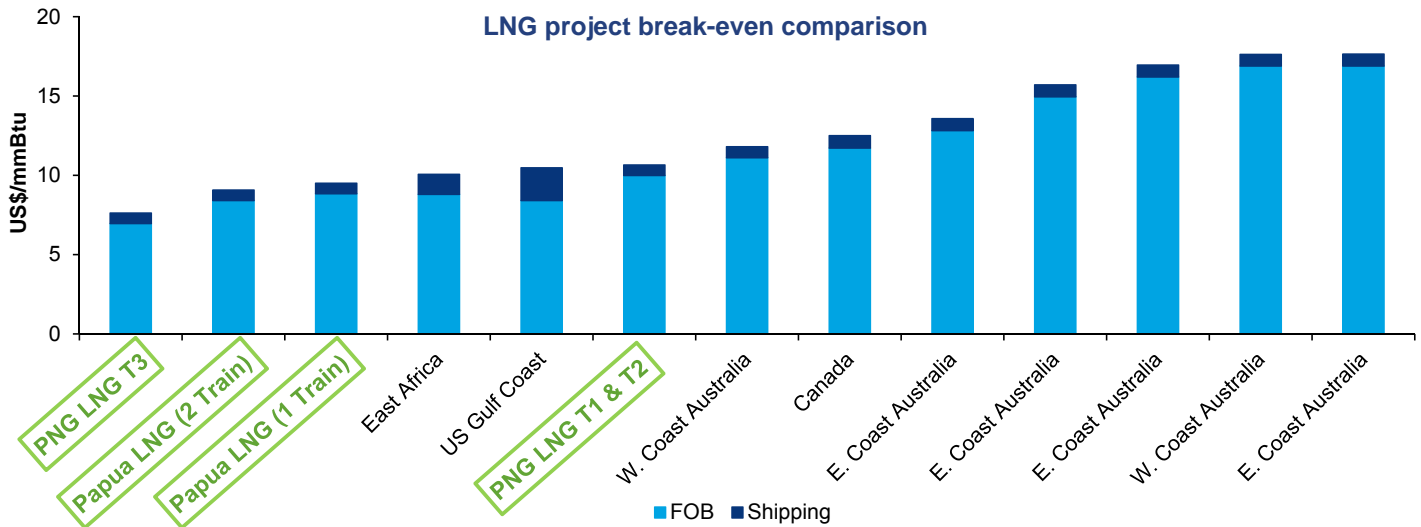
» >25 MTPA of net existing contracts expire in Japan, Korea and Taiwan between 2020 and 2025, leaving region >40 MTPA short

» Window opening aligns with timeframes for potential PNG LNG T3 and Papua LNG developments

» Both projects aimed at high quality Asian customers



LNG projects from PNG competitive versus Australian and global alternatives (WoodMac)



Source: Wood Mackenzie, full-life breakeven, 12% discount rate, Shipping costs are to Japan

- » PNG LNG well placed compared to recently commissioned Australian projects
- » Production optimisation at PNG LNG is adding material project value; debottlenecking can further improve economics
- » OSH analysis demonstrates PNG LNG T3 has robust economics underpinned by P'nyang
- » Papua LNG 1 or 2 train options highly competitive with global LNG project alternatives

Exploration





Revitalising acreage and drilling programmes **Oil Search**

- » OSH analysis indicates Yet-to-Find potential of >5 bnboe in PNG
- » Focus on building PNG acreage to support >10 year growth platform:
 - LNG expansion and potential additional trains
 - High-graded conventional oil
 - Potential new 'game changer' plays
- » Systematic appraisal and exploration planned:
 - OSH's 18 month programme targeting ~6-7 tcf gas (mean prospective resources*)
 - Targeting 4-6 quality exploration wells in PNG each year for foreseeable future
- » Programme focused on wells with clear commercialisation options
- » Innovation and new technology – new approach = significant potential savings:
 - Civils – cooperating with local companies (landowner and forestry groups)
 - Seismic – utilisation of vibroseis and nodes along existing logging roads
 - Drilling – small fit-for-purpose truck mounted rigs (minimal footprint and crew)

Potential PNG resource base*

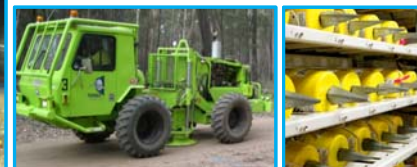


YTF = USGS P50 & IHS Estimates
YTF includes all prospective resource estimates in all PNG sedimentary basins

Drilling



Seismic



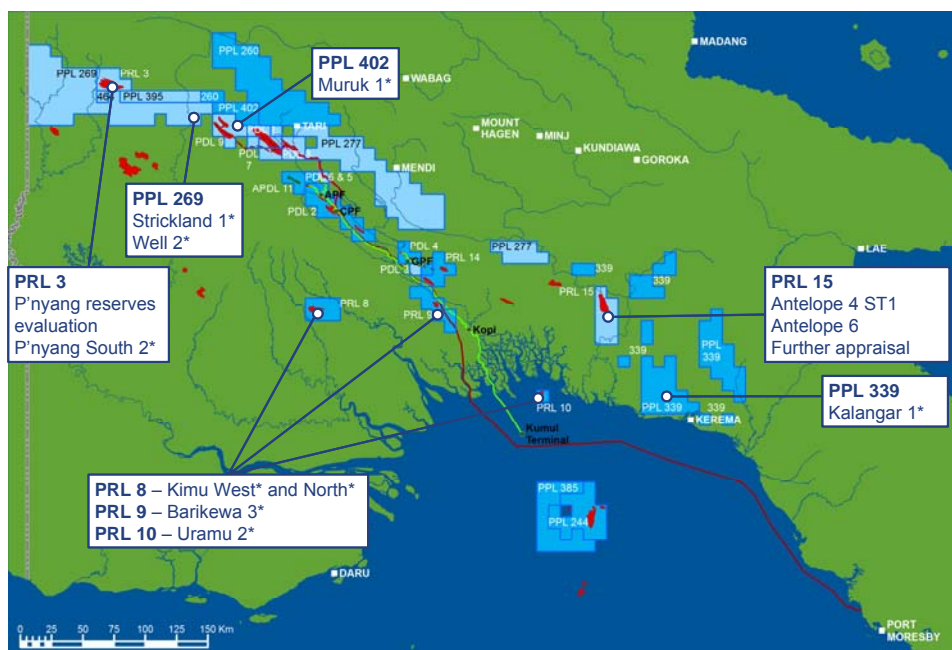
* Mean gross prospective resources. OSH 2015 internal analysis. P50/best estimate equivalent is ~4 - 4.5 tcf. All estimates are unrisks

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Active PNG exploration/appraisal programme proposed



Oil Search

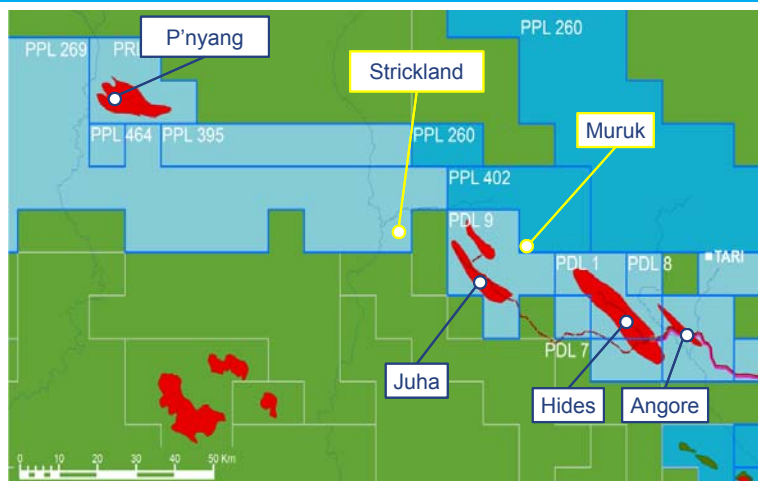


* Subject to JV approval



NW Foldbelt: High impact exploration in LNG heartland Oil Search

- » Three exploration wells planned in 2016, targeting ~3-4 tcf mean prospective resources*
- » Highly prospective for large gas in proven Toro sandstone play:
 - Muruk 1 – PPL 402 (OSH 50%). On trend with Hides. Operated by OSH, to spud in late Q1 2016, subject to pad readiness and rig mobilisation. Potential multi-tcf structure and high-impact well in core area for PNG LNG expansion
 - Two wells planned in PPL 269 (OSH 10%, operated by Repsol). First well, Strickland 1, located west of Juha, expected to spud in 1Q16. Second well target being finalised
- » Commencing field operations on Greater P'nyang seismic programme to mature 2016+ drilling targets



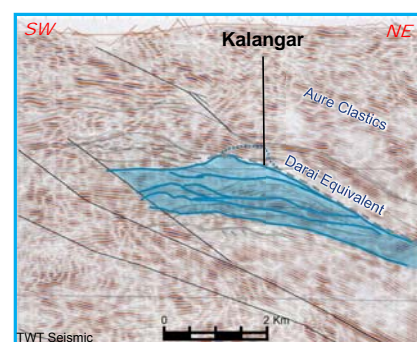
* Mean gross prospective resources. OSH 2015 internal analysis. P50/best estimate equivalent is ~2.7 tcf. All estimates are unrisksed

Gulf/Aure Foldbelt – targeting 1 tcf in 2016



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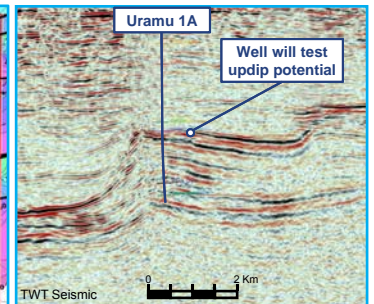
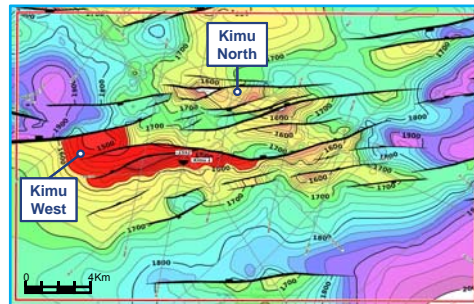
- » 2016 wells targeting ~1 tcf mean prospective resources*
- » Gulf area, on trend with Elk-Antelope field, highly prospective and under-explored Miocene play:
 - Antelope appraisal ongoing
 - Kalangar 1 – PPL 339 (OSH 70%), potential carbonate build-up, well defined by gravity/seismic data at relatively shallow depth. Large upside potential and strong external interest
 - Drilling cost reduction programme utilising smaller rigs, simpler logistics (road supported etc)



* Mean gross prospective resources. OSH 2015 internal analysis. P50/best estimate equivalent is ~0.5 tcf. All estimates are unrisksed

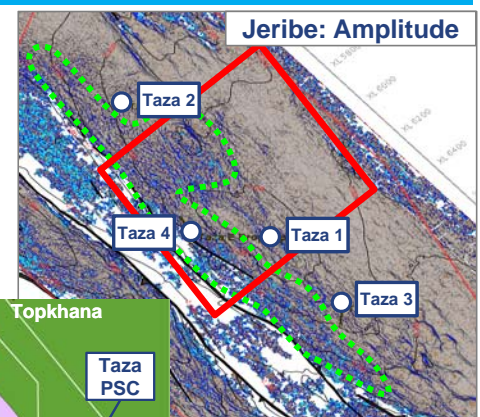
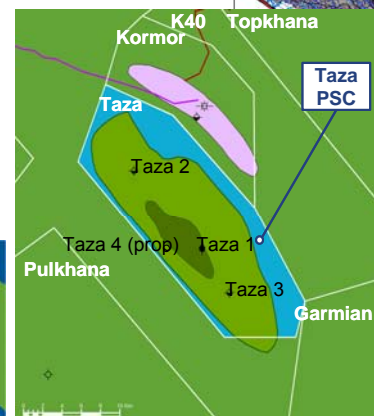
Forelands/Gulf – material upside in existing fields

- » 2016 programme includes appraisal of existing discoveries, targeting increase in 2C resource, plus exploration targeting new fault blocks
- » Remapping has upgraded resource potential, with 2016/17 wells targeting ~1 tcf mean prospective resources
- » Kimu (PRL 8, OSH 60.7%). Cluster of exploration prospects and upside in western part of discovery (Kimu West)
- » Barikewa (PRL 9, OSH 45.1%). One/two wells to confirm 1C and 2C resource. Field ideally located in relation to existing infrastructure
- » Uramu (PRL 10, OSH 100%). High-quality reef. Well to be drilled to constrain upside
- » Development options include:
 - Existing LNG project integration/small-scale LNG
 - Power generation
 - Petrochemicals



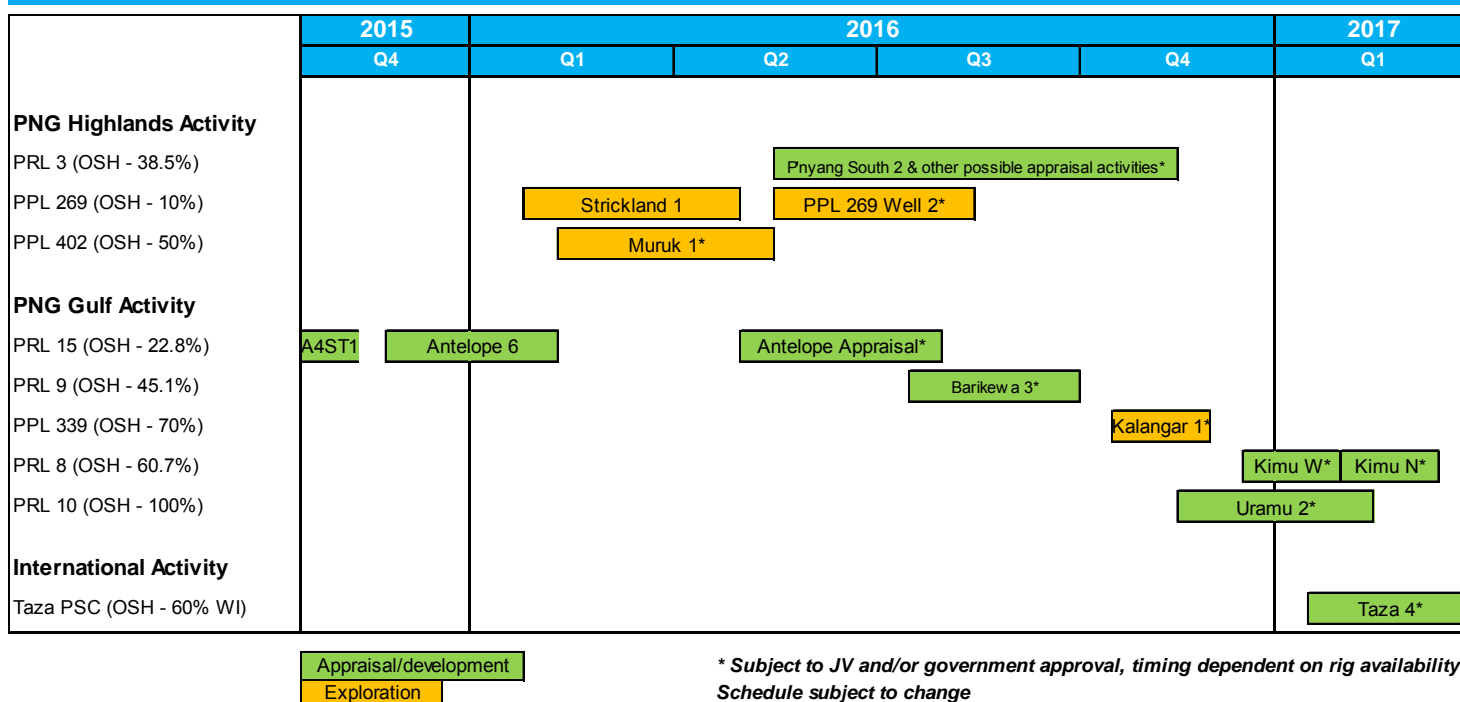
Measured appraisal of Taza in Kurdistan

- » Major work on licence complete:
 - » Three wells and 680km² 3D seismic survey
 - » Varying drilling results with clear compartmentalisation shown on 3D seismic
 - » Excellent community and Government interaction
 - » Major security and operational risk management studies
- » Challenging operating environment in Kurdistan:
 - » Security situation remains fluid, making long term planning challenging
 - » OSH recognised as committed explorer and well supported by Government
- » Reduced spend in 2016:
 - » Integrate well and seismic results
 - » Undertake detailed economic analysis
 - » Assess forward operating conditions





Exploration and appraisal programme

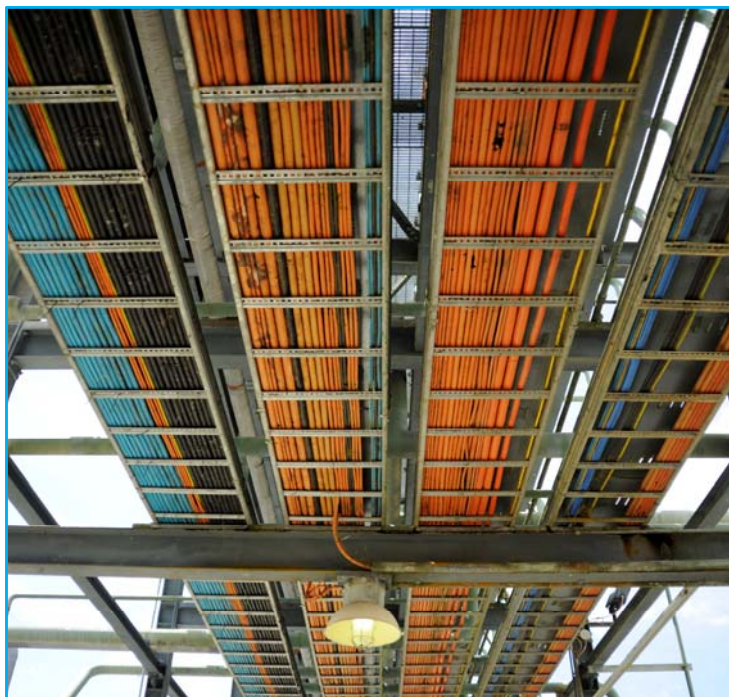


Exploration summary

- » Significant exploration upside remains in PNG, with only half of PNG’s estimated full potential of 10 bnboe discovered so far
- » Aim to support PNG gas growth by drilling high impact wells through 2015-2016 and beyond
- » Maximise value of existing international portfolio
- » New Ventures will focus on PNG growth opportunities. Any new international exploration/appraisal oil assets will be disciplined and assessed against high-returning PNG growth assets
- » Exploration programmes targeting 150% resource replacement (5 year rolling average)
- » Total exploration and appraisal budget (PNG and international) for 2015–2016 of US\$200-300m pa
 - Spend focus is in PNG with clear short and medium-term programme



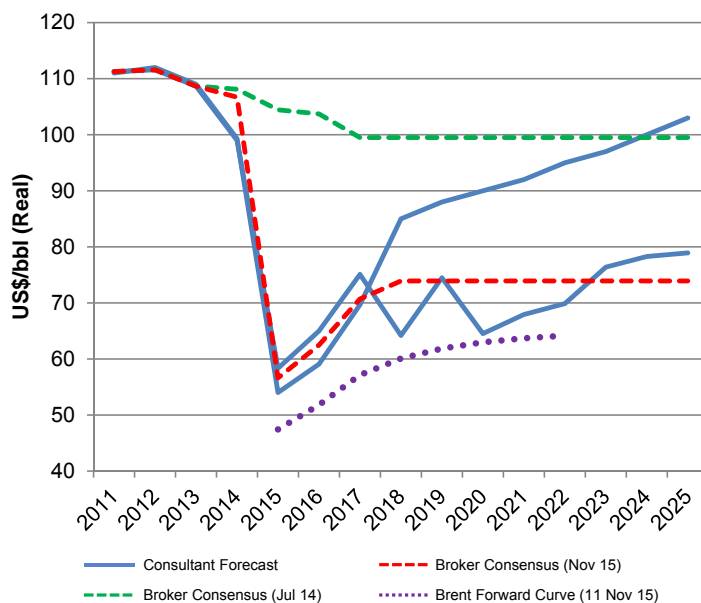
Operating in a US\$50/bbl world



Business environment outlook

- » Wide range of oil price forecasts
- » Oil market appears oversupplied into 2016, inventories remain at record levels
- » 'Lower for longer' pervasive in management thinking
- » Global industry reaction:
 - Marginal projects stalled, discretionary spend reduced
 - Contractors asked to share the pain
 - Equity funding hard to obtain
- » OSH remains well positioned:
 - Strong production and cash flows
 - Solid balance sheet and liquidity, with significantly reduced capital expenditure obligations
 - Two globally competitive LNG growth projects in lowest quartile for costs

Brent Oil Price Forecasts to 2025



Source: FACTS Global Energy, Wood Mackenzie, Various Brokers, OSH analysis

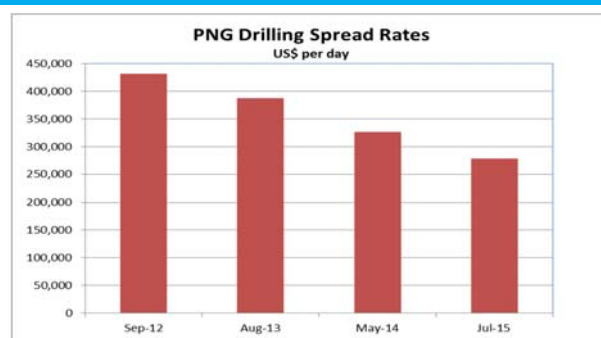


- » Clear focus on capital efficiency and prioritisation:
 - Dividends
 - Debt management
 - Investment prioritisation
 - Cost reduction and efficiency
- » Significant downsizing led by contractors
- » Major capital projects stalled, especially in high cost conventional oil and LNG
- » Capital deflation likely to exceed 30%
- » Operating efficiencies yielding 20%+ cost reductions
- » Significant reduction in discretionary spending
- » Consolidation and acquisition – the buy:sell spread

OSH response: Performance and innovation – sustainable efficiencies and cost reduction



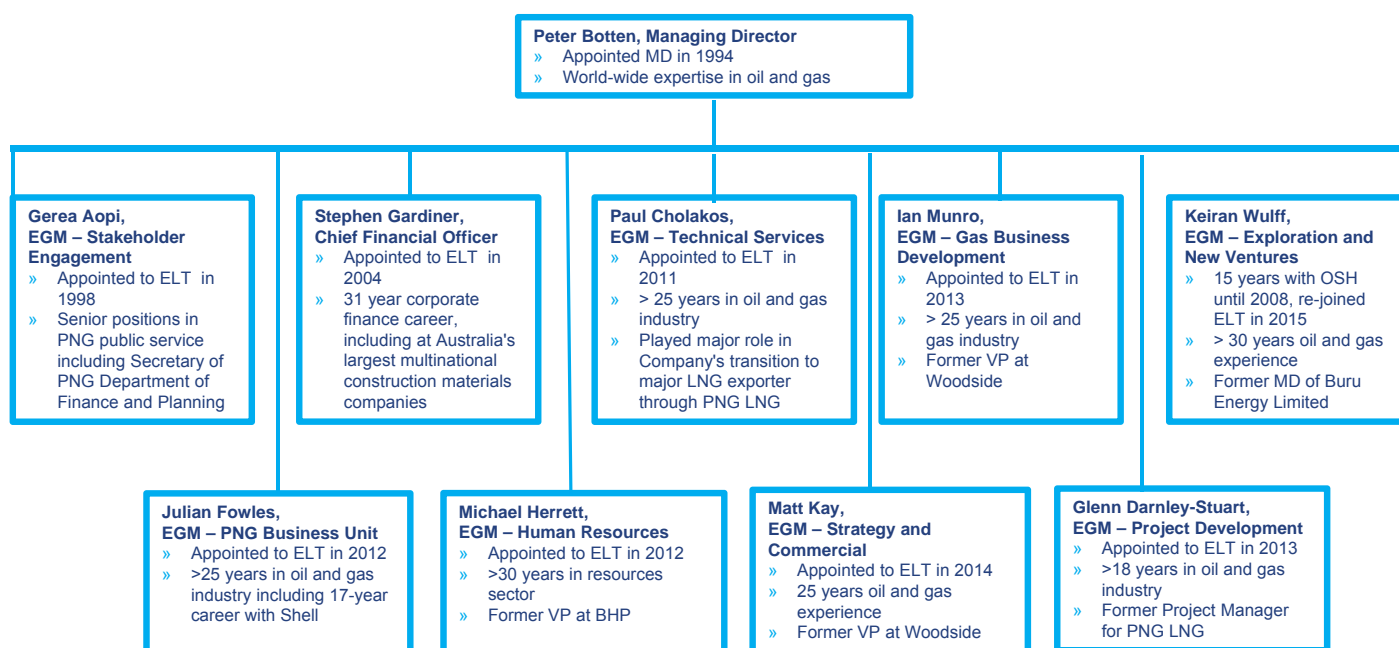
- » 2Q15: initiated business optimisation programme:
 - Company-wide review of strategic priorities in low oil price environment
 - Identified opportunities to improve processes, reduce costs and increase efficiencies without compromising safety performance
 - Creating slimmer, fit for purpose organisation with recalibrated cost base, by taking advantage of business climate to reset internal costs and negotiate lower supplier costs
 - Focus on attractive LNG growth projects, with measured spend on other activities
 - Safety, citizen development and PNG country stability initiatives a priority
- » 4Q15: initiated performance and innovation programme, aimed at:
 - Developing disciplined and focused continuous improvement culture
 - Developing and embedding high performing capability throughout Company
 - Completing delivery of identified pipeline of improvement initiatives (including stretch targets) and identifying and developing further improvement initiatives
 - Ensuring OSH leverages best of external innovative thinking and industry/technological developments



OSH response: Clear, measurable objectives and actions

Initiative	Objective	Actions
Organisation efficiency and effectiveness	Right sized Performance focus Optimal planning Clear priorities	Reduce Australia/MENA offices, reduce footprints in field operations, re-set organisation and streamline decision-making
Citizen Development Programme	Long-term capability of citizens Increased citizen senior management Clear KPIs	Accelerated development programme, focused leadership training succession planning
Production optimisation	Optimise production Stretch targets Enhance efficiency and facilities uptime Clear KPIs	Step change focus on work efficiency, shutdown and well intervention planning, rationalise facilities' projects
Cost reduction and cost effectiveness	3 rd party rates Services and facilities Clear KPIs	Optimise infrastructure and equipment utilisation and material consumption, reduce transportation costs
Spend management	Maximise efficiency and cost effectiveness of end-to-end supply chain Clear accountabilities and KPIs	Complete Company-wide review and gap analysis, improve contract management, simplify category spend strategies
Drilling performance	Spread-rate reduction Minimise mob/demob costs Fit-for-purpose civils Rig technology and innovation	Increased project management focus on civils and logistics support, rig drilling and services performance, improved inventory management

Strong Executive Leadership Team

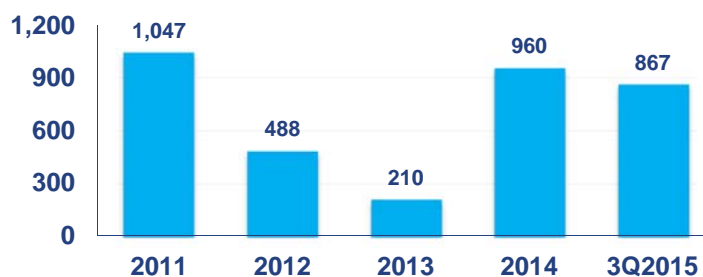




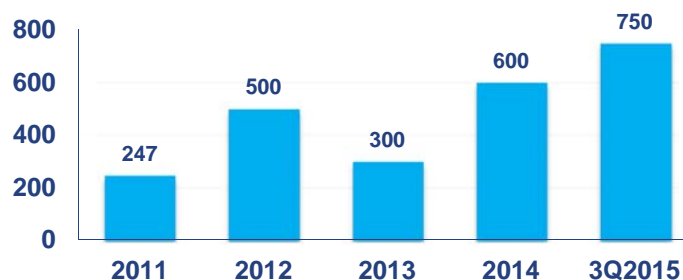
OSH in strong financial position

- » Strong liquidity position of US\$1.62 bn*:
 - US\$867m of cash
 - US\$750m of undrawn revolving facilities
- » Total debt of US\$4.29bn: OSH's share of debt drawn under PNG LNG Project finance facility
 - Non-recourse debt with 11 year, semi-annual mortgage-style repayment profile
- » Capital spend being managed carefully:
 - Expect all 2016 expenditures (capex, debt repayments, dividends) to be funded from operating cash flow
 - Maintaining liquidity capacity for priority growth projects
 - New developments expected to be funded with combination of project debt and equity

Cash (US\$m)

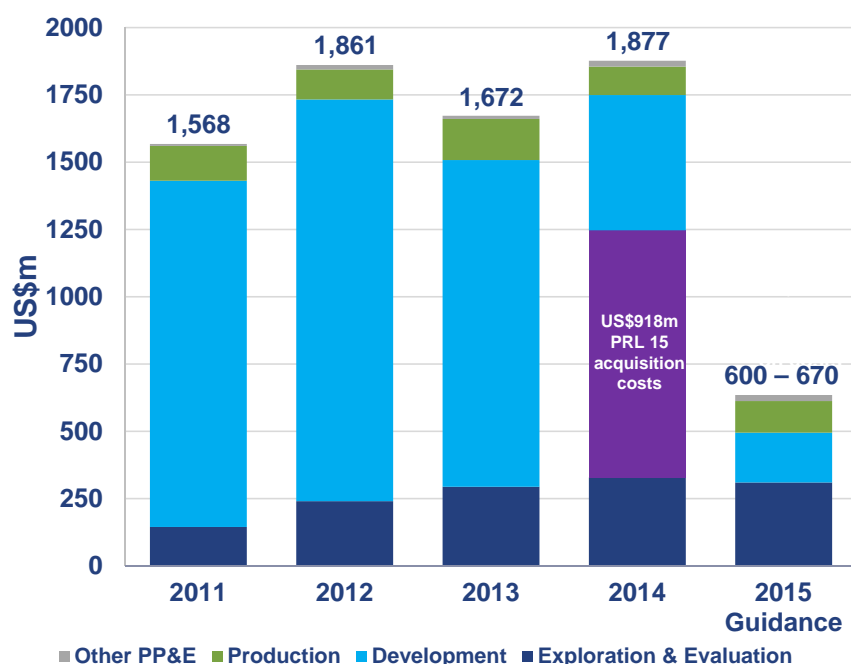


Corporate Facilities Available (US\$m)



* As at 30 September 2015

Investment Outlook



» 2015 capital spend forecast US\$600 – 670m:

- Exploration & Eval: US\$300 – 320m
- Development: US\$170 – 200m
- Production: US\$110 – 125m
- Other PP&E: US\$20 – 25m

» 2016 budgets yet to be finalised, capex expected to be ~40-50% lower than 2015:

- Significantly lower development spend (PNG LNG T1/T2 development complete)
- Production spend more than halved (no infill drilling and reduced sustaining capex for operated oil and gas assets)
- Lower exploration spend (limited Taza appraisal), completion of P'nyang and Antelope appraisal programmes, PNG exploration wells



2015 Guidance Unchanged

Production	2015 Guidance	2016 Direction
Oil Search operated (PNG Oil and Gas)	6.3 – 6.9 mmboe	
PNG LNG Project		
LNG	92 – 97 bcf	
Liquids	3.0 – 3.2 mmbbl	
Total PNG LNG Project ¹	21 – 22 mmboe	
Total Production¹	27 – 29 mmboe (upper end)	Similar to 2015
Operating Costs		
Production costs	US\$9 – 11 / boe	↓ OSH operated costs down ~US\$3/boe ³
Other operating costs ²	US\$145 – 165 million	TBA
Depreciation and amortisation	US\$13 – 14 / boe	↑ Reflecting higher PNG LNG production

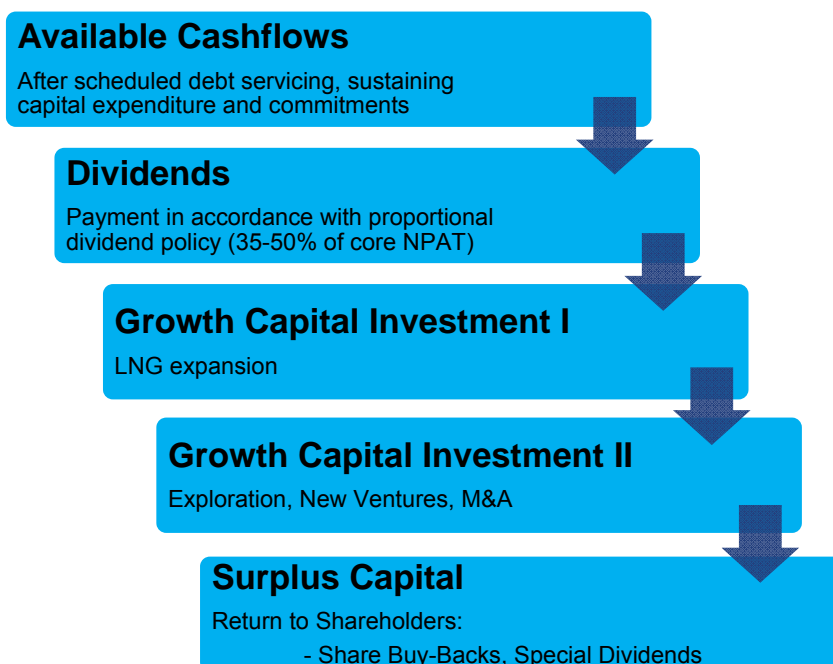
¹ Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf per boe, which represents a weighted average, based on Oil Search's reserves portfolio, using the actual calorific value of each gas volume at its point of sale.

² Includes Hides GTE gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, corporate administration costs (including business development) and inventory movements.

³ Based on 2015 production volumes



Cash Flow Priorities





Sustainable. Oil Search.



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Social Responsibility



Contributing to long-term sustainability in PNG

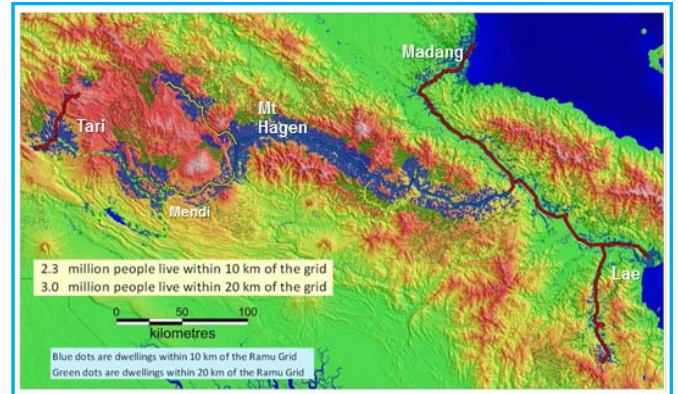
- » OSH plays unique role in PNG:
 - Based on 86 years of operating in-country, unprecedented relationships
 - Activities help reduce risks inherent in operating in a developing country as well as the right thing to do
- » PNG has unprecedented opportunity to benefit from PNG LNG expansion and Papuan LNG development, with both projects having potential to significantly impact economy
- » Operating and political stability essential for long-term sustainability
- » Landowner and community expectations have not changed with fall in oil and gas prices
- » Requirement to have transparent, efficient benefits distribution
- » Budget stresses and impacts of drought represent major challenges
- » OSH focus areas:
 - Provision of competitively priced, reliable power:
 - Partnerships on infrastructure development eg Lloyd Robson Oval, Marea Haus, education and judicial services (Infrastructure Tax Credit Scheme)
 - Partnerships on health programmes, women's empowerment and protection and education (Oil Search Foundation)
 - Capacity development – education (both ways), PNG leaderships, new Colombo Plan initiative
- » Partnership between State and private sector vitally important





Ramu Power Project (RPP)

- » Major, multi-phase power delivery project aimed at connecting up to 1m people to larger and improved electricity grid by 2030
- » Partnership between PNG Government, PNG Power Ltd and Oil Search
- » In April, first phase of RPP completed – commencement of continuous 24-hour power generation and supply to Tari
- » In September, PNG Government and Oil Search signed statement of intent on next phases of RPP:
 - Biomass IPP
 - Highlands IPP
 - Hides to Tari Transmission Line
 - Highlands distribution and connection
- » RPP expected to provide up to 100 MW of additional electricity generating capacity in the Morobe, Highlands and Tari provinces
- » Working towards signing Power Purchase Agreements for two projects by year end



PNG Biomass Project – large scale impact with landowners



- » Joint venture between Oil Search and Aligned Energy
- » Involves establishment of 30MW net (15MW + 15 MW) biomass power station in Markham Valley, Morobe Province
 - 18,000 ha of dedicated new fuel plantations
- » Will provide baseload power for Lae region
- » Non-subsidised, competitively priced power
- » Cost effective, reliable and socially sustainable option
- » Wood chips from trees grown in Markham Valley plantations used in power plants that generate power
- » By 2019, power expected to feed Ramu Grid



Strategic sustainable development and social responsibility

- » OSH has made significant contributions to health outcomes for staff and communities:
 - Major provider of healthcare across operating areas in PNG
 - Working with National and Provincial Government to:
 - Improve access to HIV prevention, counselling and treatment
 - Save lives with supervised deliveries and immunisations
 - Control malaria with surveillance and quality diagnosis and treatment
 - Align with PNG's national development priorities and Vision 2050
 - Oil Search Foundation manages grants and receives external funding from Global Fund and Australian Government
- » OSH expanding scope of Foundation to include:
 - Health: Integrated primary care in HIV, TB, malaria and family health
 - Women's Protection and Empowerment: Providing PNG women with means to break cycle of violence and empowerment programmes
 - Leadership & Education: Developing next generation of PNG leaders
 - Tari Hospital: Improving hospital services for people of Hela



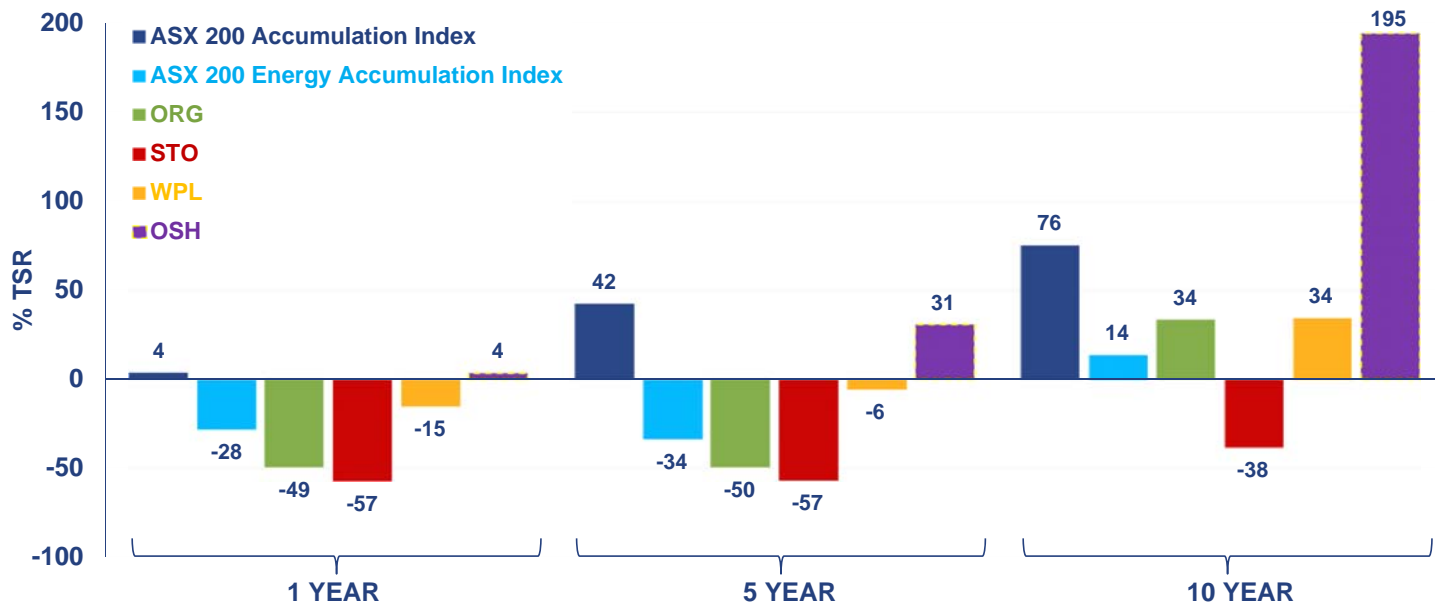
OSH rejects Woodside's non-binding conditional indicative proposal

- » On 8 September 2015, OSH announced receipt of non-binding, conditional indicative, scrip only proposal from Woodside:
 - One WPL share for every four OSH shares
- » Proposal highly conditional:
 - Completion by WPL of satisfactory due diligence on OSH
 - Execution of mutually acceptable confidentiality agreement
 - Exclusivity period
 - OSH to obtain support from key stakeholders and shareholders
 - Likely to be supported by PNG Government
- » On 14 September, following detailed evaluation, OSH Board unanimously rejected WPL proposal:
 - Highly opportunistic
 - Grossly undervalues OSH
 - Dilutes OSH's growth profile, with attractive low-cost LNG growth opportunities:
 - Expansion of PNG LNG Project through debottlenecking and construction of third LNG train
 - Development of proposed Papua LNG Project
- » Overwhelming feedback from shareholder engagement that proposal had little merit
- » OSH Board remains committed to acting in best interests of shareholders. Board will assess and engage on any future proposals that reflect compelling value for OSH shareholders



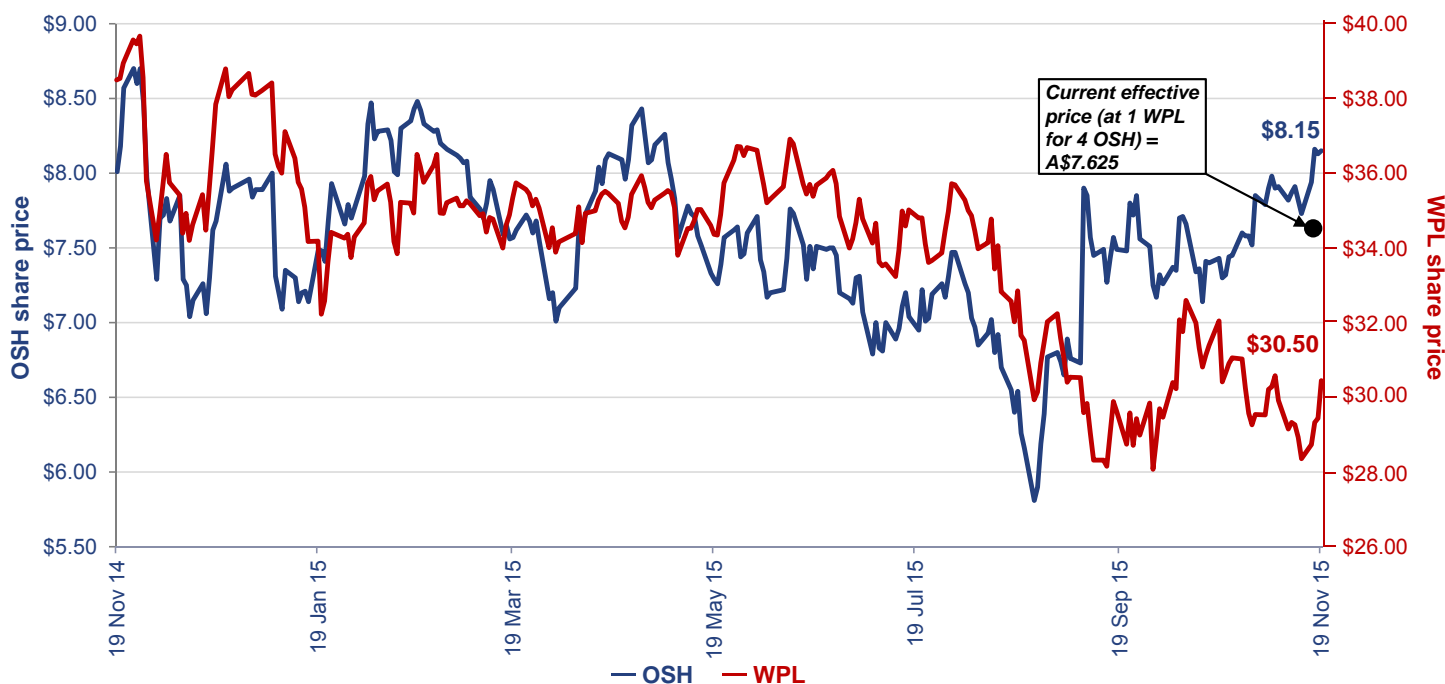
Relative TSR performance to 20 Nov 2015

Total Shareholder Return (%)



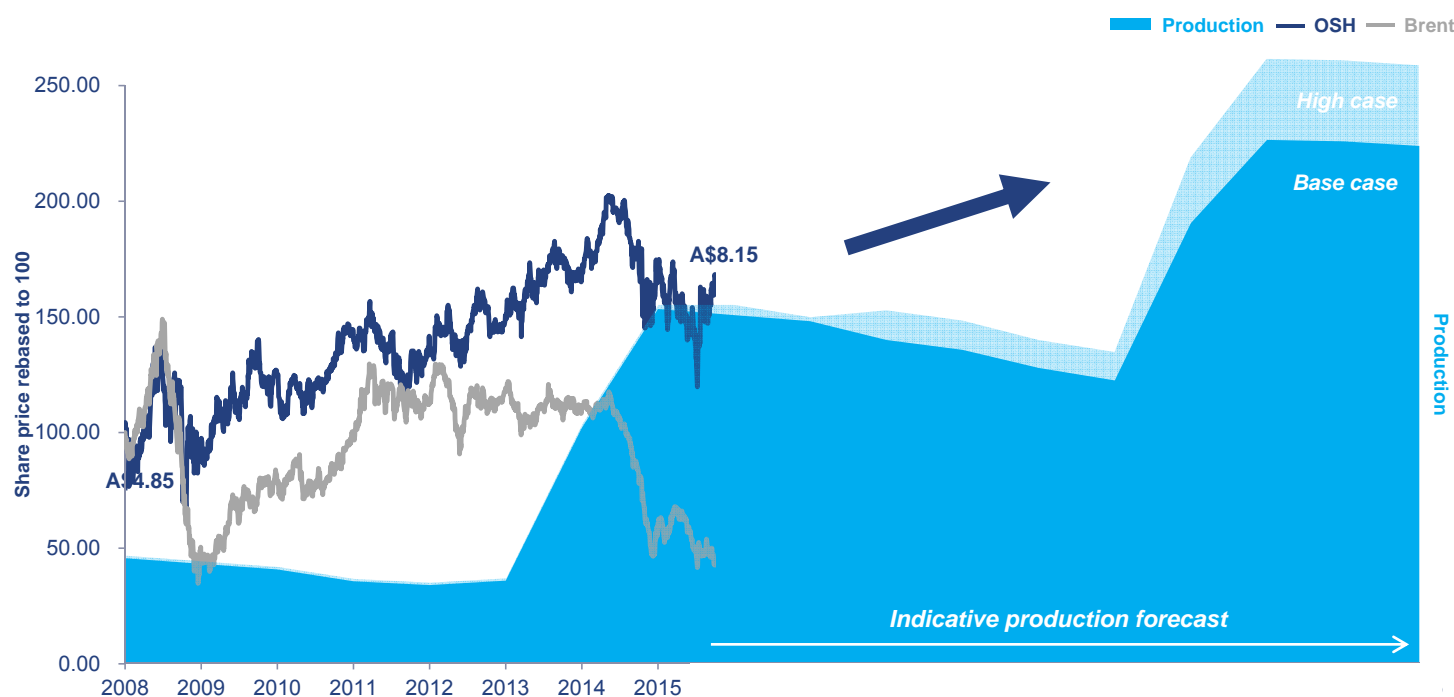
Source: OrientCap

WPL vs OSH share price performance – last 12 months





Production and share price growth potential



Summary



- » Strong production, with excellent performance from PNG LNG Project and steady output from operated PNG fields:
 - Capacity of PNG LNG has increased 6% to 7.3 MTPA with further upside – material additional value
 - High-margin barrels with strong cash flow
- » Business optimisation and performance and innovation programmes launched with results already being delivered. Material production optimisation opportunities identified
- » Good progress on PNG LNG Project expansion and Papua LNG Project
 - Top quartile returns, globally competitive and remain commercially sound even in lower oil price environment
- » Revitalised exploration programme planned over next 18+ months, targeting material gas resources
- » Sound balance sheet, with liquidity being actively managed to fund growth
- » Woodside proposal unanimously rejected by OSH Board



Appendix 1: Key milestones*

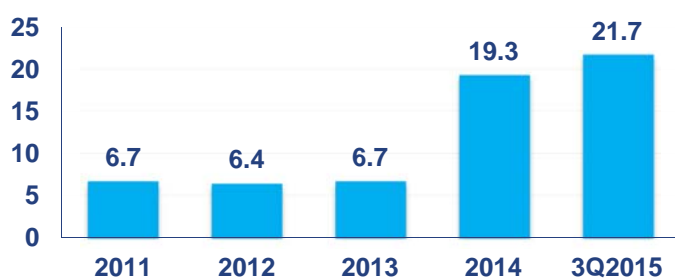
2015	2016	2017
<p>PNG LNG Project/Expansion</p> <ul style="list-style-type: none"> Continued operation above nameplate capacity of 6.9 MTPA Target award of PDL for P'nyang field and integration into PNG LNG Foundation Project <p>Papua LNG Project</p> <ul style="list-style-type: none"> Facilities site selection Drill Antelope 4 ST1 and Antelope 5 Interference test Spud Antelope 6 <p>Exploration and Appraisal</p> <ul style="list-style-type: none"> Complete testing of Taza 3 ST1 	<p>PNG LNG Project/Expansion</p> <ul style="list-style-type: none"> Drill P'nyang South 2 plus prepare for potential second well <p>Papua LNG Project</p> <ul style="list-style-type: none"> Commercial resource certification of Elk-Antelope field Selection of final development concept Enter Basis of Design <p>Exploration and Appraisal</p> <ul style="list-style-type: none"> Drill Muruk well in PPL 402 in NW Highlands Spud Strickland 1 (PPL 269) and possible second PPL 269 well Barikewa (PRL9) and Kalangar (PPL339) (subject to 2016 budget) Potential exploration/appraisal well in PRL15 	<p>PNG LNG Project/Expansion</p> <ul style="list-style-type: none"> Resource certification of P'nyang and Hides Redetermination of PNG LNG equities Target FID for expansion train by year end <p>Papua LNG Project</p> <ul style="list-style-type: none"> FEED entry Potential early works <p>Exploration and Appraisal</p> <ul style="list-style-type: none"> Targeting 6+ exploration wells Potential FEED decisions on small-scale LNG, domestic power gas developments

* Timing contingent on Government and Joint Venture approvals, rig availability and subject to change

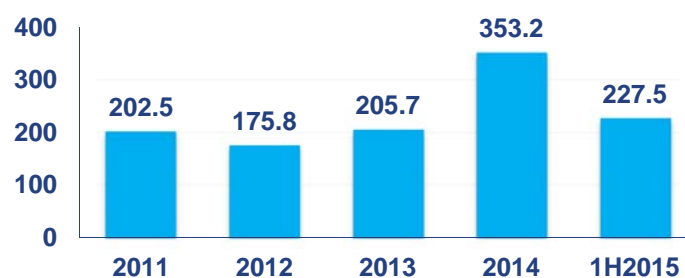


Appendix 2: Key metrics

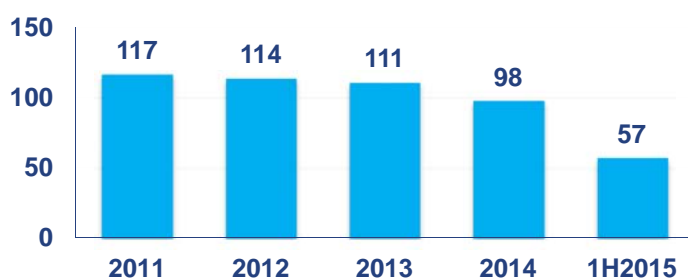
Production (mmboe)



Net Profit After Tax (US\$m)



Oil Price (US\$/bbl)



DPS (US cents)



Appendix 3: PNG LNG Project – quick facts



OVERVIEW		INFRASTRUCTURE	
Nameplate capacity	6.9 MTPA, 2 train development Producing >7.3 MTPA	LNG jetty length	2.4km
Project investment	US\$19 billion	LNG tank capacity	2 x 160,000m ³
Joint Venture partners	ExxonMobil (33.2%), Oil Search (29.0%), National Petroleum Company of PNG (PNG Govt) (16.8%), Santos (13.5%), Nippon Oil (4.7%), MRDC (PNG Landowners) (2.8%)	HGCP production capacity	960mmcf/day
Contracts	6.6 MTPA contracted to Asian buyers: Sinopec (China) ~2.0 MTPA TEPCO (Japan) ~1.8 MTPA Osaka Gas (Japan) ~1.5 MTPA CPC (Taiwan) ~1.2 MTPA	Komo Airfield length	3.2km
PRODUCTION		Total length of pipelines	~800km (including condensate lines)
Production over project life	>9tcf gas and >200 mmbbl condensate	Onshore pipeline length	292km
Associated oil fields contribution	~20% (OSH operated)	Offshore pipeline length	407km
Cargo loads per year	>90 cargoes	WORKFORCE	
LNG ship size	125,000 – 220,000m ³	Total construction workforce	>55,000
LNG ship count	6 ships	Peak construction workforce	21,220 (4Q 2012), comprising 40% PNG citizens
DRILLING		Construction work hours completed	~200 million
Drilling rigs	2 x 60m tall weighing 725 metric tonnes	SOCIAL ENGAGEMENT DURING CONSTRUCTION	
Wells (field life)	13 production wells (9 Hides ¹ + 2 Angore + 2 Juha) + 1 produced water disposal well	Landowner company spend	>2.72 billion Kina
Production well depth	Up to 3,000m (excluding PWD)	In-country spend	~11 billion Kina
		Training provided	>2.17 million hours via ~13,000 training programmes
		Entrepreneurs assisted	>17,000 via Enterprise Centre to develop business capacity
		Community engagements	>4,500 engagements with >165,000 attendees

Source: ExxonMobil
¹ Includes Hides F1 Deep well drilled to Toro reservoir



Oil Search