

# Acquisition of InterOil and MoU with Total Creating a Major Independent PNG Regional Oil & Gas Champion



**Oil Search**



20 May 2016

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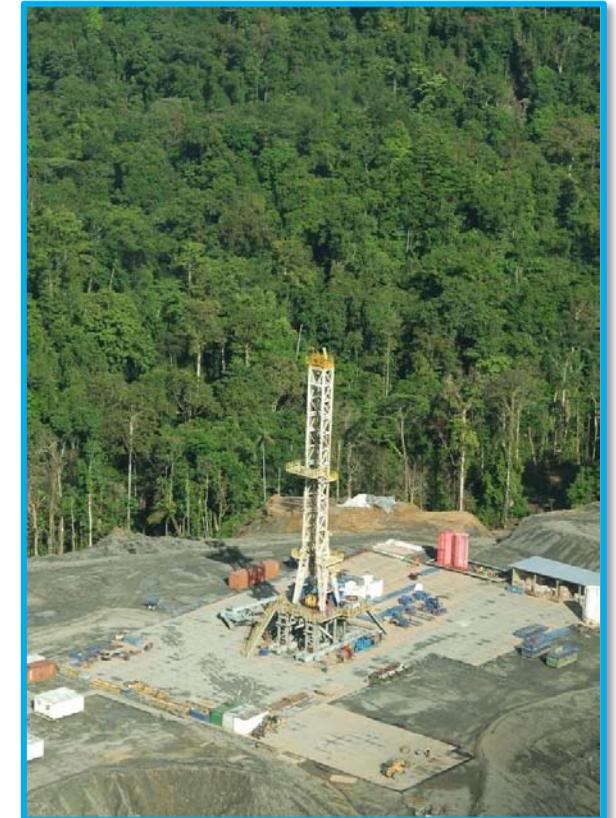
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# Overview

# Platform to deliver higher returns and to optimise further LNG development

- » Oil Search announces agreements to create major independent PNG regional oil and gas champion:
  1. Acquisition of 100% of InterOil
  2. Execution of MoU with Total for back-to-back farmout
- » Agreements result in Oil Search increasing its stake in Papua LNG Project to 29.0% and Total increasing to 48.1% (both after government back-in), de-risking InterOil acquisition
- » Agreements expected to deliver material immediate and long term strategic and financial benefits for shareholders of both Oil Search and InterOil:
  - Oil Search achieves alignment of significant equity interests in two world-class LNG projects
  - Oil Search's shareholders gain increased interest in Papua LNG Project, providing potential to double production from 2022 – 2023 and upside from surrounding exploration acreage, while maintaining strong and flexible balance sheet
  - Provides pathway to optimise cooperation and/or integration between Papua LNG and PNG LNG, driving capital efficiency, superior returns and NAV per share accretion for Oil Search shareholders
  - InterOil shareholders receive immediate value at significant premium and access to further potential upside through shareholding in Oil Search and possible resource based payments through contingent value right (CVR)
  - Agreements provide additional scale to Oil Search, leveraging high-quality, low-cost production base, balance sheet strength, excellent growth opportunities and leading in-country relationships



# Deal highlights

# InterOil Acquisition

## Oil Search enters into agreement to acquire InterOil



Oil Search announces agreements to create a major independent PNG regional oil and gas champion

<b>Offer price and consideration</b>	<ul style="list-style-type: none"><li>» Oil Search agrees to acquire 100% of InterOil Corporation for 8.05 Oil Search shares for each InterOil share plus Contingent Value Right (CVR)</li><li>» Share consideration implies US\$40.25 per InterOil share<sup>1</sup></li><li>» Oil Search will also provide InterOil shareholders with cash alternative, up to total of US\$770 million</li><li>» InterOil shareholders to own approximately 21% of combined entity<sup>2</sup></li></ul>
<b>Contingent Value Right</b>	<ul style="list-style-type: none"><li>» CVR equivalent to US\$6.05 per InterOil share for each incremental tcf above 6.2 tcf</li><li>» CVR payment triggered on Elk-Antelope fields 2C resource certification</li><li>» Subject to receiving confirmation from ASX, CVR will be structured as listed debt instrument on ASX</li></ul>
<b>Unanimous recommendation</b>	<ul style="list-style-type: none"><li>» InterOil acquisition unanimously approved by InterOil and Oil Search boards</li><li>» InterOil board unanimously recommends that InterOil shareholders vote to approve transaction</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>» One current InterOil director to join Oil Search Board</li></ul>
<b>Share buyback</b>	<ul style="list-style-type: none"><li>» Following successful completion of Oil Search's offer, Oil Search plans on-market share buyback to reduce dilution to Oil Search shareholders<sup>3</sup></li><li>» Final size of share buyback will depend on take-up of cash alternative and will not exceed US\$770m</li></ul>
<b>Structure</b>	<ul style="list-style-type: none"><li>» InterOil acquisition structured as Plan of Arrangement under Business Corporations Act (Yukon)<ul style="list-style-type: none"><li>— Process similar to Australian Corporations Act Scheme of Arrangement</li></ul></li></ul>
<b>Roadmap to completion</b>	<ul style="list-style-type: none"><li>» Conditions include:<ul style="list-style-type: none"><li>— InterOil shareholder approval – 66 2/3% of those voting</li><li>— Court approval</li></ul></li><li>» Completion is expected in 3Q16</li></ul>

<sup>1</sup> Based on Oil Search's 10-day VWAP, converted daily to USD using the RBA's reference AUDUSD rate, up to and including 19 May 2016, of US\$5.00 per share. Excluding any potential cash payment associated with the CVR.

<sup>2</sup> Pre-any buyback and assumes no take up of cash alternative; enlarges Oil Search's issued capital by 411m shares

<sup>3</sup> Share buyback to be conducted over a 12 month period post completion of the Total transaction to the extent that InterOil shareholders do not take up the full US\$770m cash alternative

# InterOil Acquisition Contingent Value Right



InterOil shareholders benefit from uncapped upside potential in Elk-Antelope fields resource

## CVR terms and benefits

<b>Terms of CVR</b>	<ul style="list-style-type: none"> <li>» CVR payable in cash to InterOil shareholders based on results of interim resource certification of Elk-Antelope fields</li> <li>» US\$0.77/mcfe for 2C resource over 6.2 tcf, on 40.1275% (interest sold to Total), divided by number of InterOil shares (51.1m)</li> <li>» CVR equivalent to US\$6.05 per InterOil share for each incremental tcf above 6.2 tcf</li> <li>» Expected to be paid in first half 2017, following drilling of Antelope-7 well<sup>1</sup></li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>» InterOil shareholders gain direct exposure to uncapped upside in resource</li> <li>» Ensures InterOil shareholders retain upside of resource-linked payment under Total 2014 sale, but downside is protected</li> <li>» Higher resources mean two train development likely – beneficial for all stakeholders</li> </ul>
<b>Other details</b>	<ul style="list-style-type: none"> <li>» Board subcommittee with an InterOil appointee and independent chairman to be established to oversee a fair and transparent resource certification process for the CVR</li> <li>» Approximately 60% funded by sell-down to Total</li> <li>» Subject to receiving confirmation from the ASX, the CVR expected to be structured as a listed debt instrument on the ASX</li> </ul>

## CVR example

Certified Resource	6.2 tcf	6.5 tcf	7.0 tcf	8.0 tcf
Excess resource above 6.2 tcf	-	0.3 tcf	0.8 tcf	1.8 tcf
CVR payment	-	US\$93m	US\$247m	US\$556m
<b>CVR payable per InterOil share</b>	<b>-</b>	<b>\$ 1.81</b>	<b>\$4.84</b>	<b>\$10.88</b>

1. Drilling of Antelope-7 well subject to agreement by PRL15 joint venture participants

# InterOil Acquisition

## Immediate and long term value for InterOil shareholders

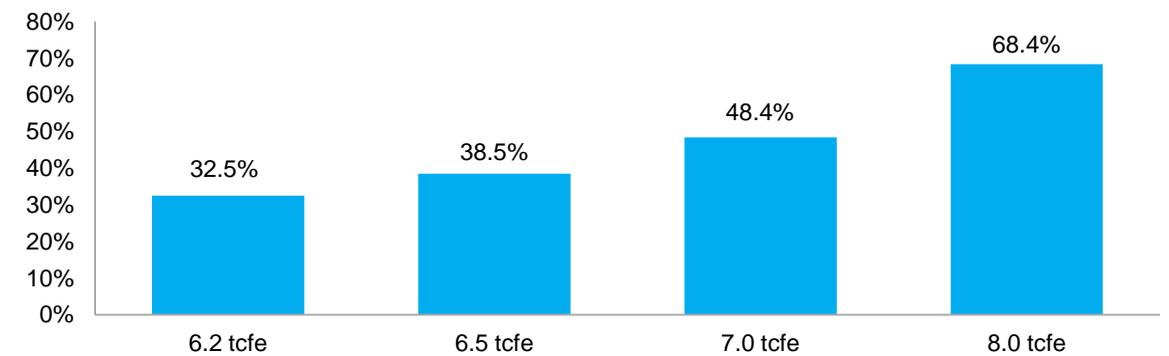


<b>Material and immediate premium</b>	<ul style="list-style-type: none"> <li>» Share Consideration delivers immediate and significant premium (before upside of CVR):             <ul style="list-style-type: none"> <li>— 27.2% to InterOil's last closing price<sup>3</sup></li> <li>— 32.5% to InterOil's 3-month VWAP<sup>3</sup></li> </ul> </li> </ul>
<b>Uncapped upside potential in Elk-Antelope fields</b>	<ul style="list-style-type: none"> <li>» Additional value through ongoing exposure to uncapped upside potential in Elk-Antelope fields resource volumes above 6.2 tcf through CVR consideration</li> <li>» Resource certification to benefit from potential drilling of Antelope-7 well (subject to agreement by JV participants)</li> </ul>
<b>Exposure to benefits of combined company</b>	<ul style="list-style-type: none"> <li>» InterOil shareholders gain 14 – 21% interest in combined company<sup>1</sup></li> <li>» Exposure to world-class Oil Search assets including PNG LNG Project and existing PRL15 interest</li> <li>» High quality, low-cost production base and excellent growth opportunities with potential to double production from 2022-23</li> <li>» Establishes larger platform with stronger balance sheet to drive growth from its low cost assets and maximise returns</li> <li>» Benefit from Oil Search's strong operating platform, management capabilities and unrivalled in-country relationships</li> </ul>

### Material premium to InterOil shareholders

US\$ per share	6.2 tcf	6.5 tcf	7.0 tcf	8.0 tcf
Share Consideration <sup>2</sup>	40.25	40.25	40.25	40.25
CVR Consideration	-	1.81	4.84	10.88
<b>Aggregate Consideration</b>	<b>40.25</b>	<b>42.06</b>	<b>45.09</b>	<b>51.13</b>
Premium to last close <sup>3</sup>	27.2%	32.9%	42.5%	61.6%
Premium to 1-month VWAP <sup>3</sup>	26.3%	31.9%	41.4%	60.4%
Premium to 3-month VWAP <sup>3</sup>	32.5%	38.5%	48.4%	68.4%

### Implied premium to 3-month VWAP



1. Subject to take up of Cash Alternative

2. Based on Oil Search's 10 day VWAP of US\$5.00 per share as at 19 May 2016

3. Based on InterOil's closing price of US\$31.65 per share as at 19 May 2016 and InterOil's 1-month VWAP and 3-month VWAP of US\$31.88 per share and US\$30.37 per share respectively up to and including 19 May 2016.

# Total MoU

## MoU between Oil Search and Total SA

### » MoU sets out key principles:

- Oil Search sell down to Total 60% of interest acquired from InterOil in PRL 15 and 62% of InterOil's interests in its other exploration assets, following completion of InterOil acquisition
- Oil Search and Total to seek to maximise stakeholder value through pursuit of cooperation and/or integration opportunities with PNG LNG Project

### » Sell-down agreement:

- Post sell-down, Oil Search and Total expect to have 29.0% and 48.1% equity respectively in PRL 15 (post government back-in)
- Total to pay Oil Search 60% of InterOil acquisition cost (~US\$1.2bn) on settlement of InterOil purchase, US\$141.6m on 1 July 2017 and US\$230m on FID of Papua LNG Project plus 60% of any CVR payment > 6.5tcfe
- Oil Search and Total committed to fair and transparent resource certification process of Elk-Antelope fields for CVR calculation and for guiding Papua LNG Project development
- Further potential equity sale to strategic participants to be considered, if it maximises value

### » MoU expected to deliver significant value to Oil Search, InterOil and Total shareholders:

- Underpins value of InterOil acquisition and immediately de-risks Oil Search's acquisition of InterOil, delivering certainty and incremental liquidity for Oil Search and InterOil shareholders
- Establishes long term alignment between Total and Oil Search, both with material interest in Papua LNG Project
- Provides avenue to maximise value of Papua LNG Project through pursuit of cooperation and/or integration opportunities with PNG LNG Project
- In standalone project case, aligns Total and Oil Search to deliver robust LNG project with equity available for new strategic participants

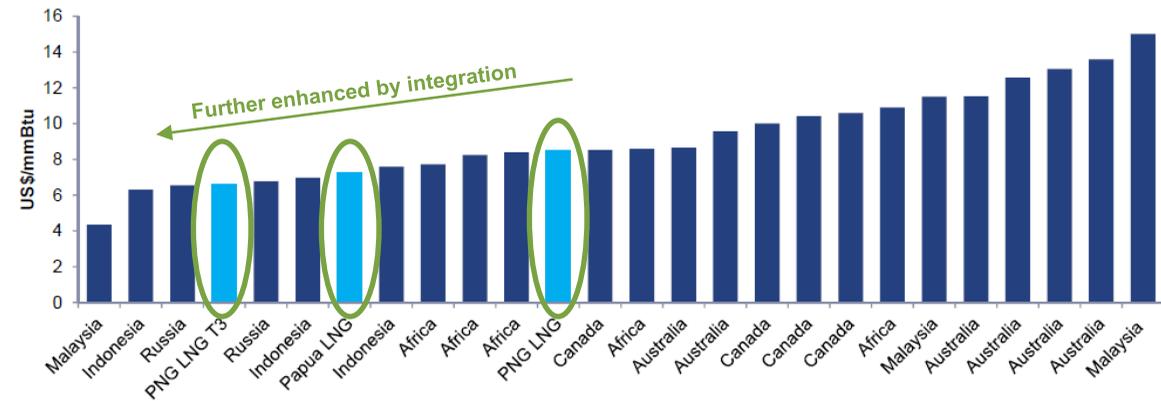
# Strategic rationale

# InterOil further strengthens Oil Search's world-class LNG position



- » Both PNG LNG potential expansion and Papua LNG projects making progress while many less competitive projects being delayed or cancelled
- » Long term market outlook for gas remains strong, with shortages anticipated early next decade:
  - Current market in potential oversupply until early 2020s
  - Potential PNG LNG expansion and Papua LNG Project expected to commence production early next decade, coinciding with increased demand and shortage of supply
- » World-class Papua LNG Project expected to be next major LNG development in PNG:
  - Even after payment of CVR to InterOil shareholders, Oil Search acquires gas at value accretive price per tcf of resource that could potentially underwrite sequenced multiple train development
- » Papua LNG Project has potential to be further enhanced by close cooperation with PNG LNG:
  - Agreements create opportunity to commence pathway to cooperation and/or integration of two world-class LNG projects
  - Agreements facilitate Oil Search's alignment of interests across two projects
  - Aids in maximisation of returns and capital efficiency for strong future growth, with potential to double production from 2022-2023

## Best-in-class break-even costs<sup>1</sup>



## PRL 15 Project Interests

Entity	Pre back-in	Pre back-in Post transactions	Post back-in Post Transactions
InterOil	36.5%	-	-
<b>Oil Search</b>	<b>22.8%</b>	<b>37.4%</b>	<b>29.0%</b>
Total	40.1%	62.1%	48.1%
Indirect interests	0.5%	0.5%	0.4%
PNG Government	-	-	20.5%
Landowners	-	-	2.0%

## PNG LNG Project interests

Current interests	
ExxonMobil	33.2%
<b>Oil Search</b>	<b>29.0%</b>
PNG Government	16.8%
Santos	13.5%
Nippon Oil	4.7%
MRDC	2.8%

Oil Search is only party with interests in both projects (other than PNG Govt)

<sup>1</sup> Wood Mackenzie February 2016, full-life FOB breakeven cost, 12% discount rate, shipping costs to Japan.

# Pathway to cooperation and/or integration of two world-class LNG projects in PNG

Agreements pave way for potential material capex and opex savings plus anticipated schedule acceleration of Papua LNG development, facilitating superior returns and NAV per share accretion for Oil Search shareholders

- » Focus in 2016 is on resource confirmation and definition of development plans
- » Strong case for greater cooperation and/or full integration, where it makes sense for all parties
- » Current oil price and cost environment conducive to alignment of joint venture interests
- » Oil Search's role:
  - Unique position with interests in PNG LNG and Elk-Antelope fields resources and in key NW Highlands and Gulf Province exploration licences
  - Well positioned to support operators, ExxonMobil and Total, and to promote benefits of cooperation
  - Leverage strong foundations – extensive in-country operating experience, strong Government, community and landowner relationships
- » PNG Government will also have equity in both projects and will be major beneficiary of cost-effective and timely development
- » Proven successes in Trinidad, Egypt and Qatar of value created from integrated projects over standalone projects

## Examples of potential areas of cost savings

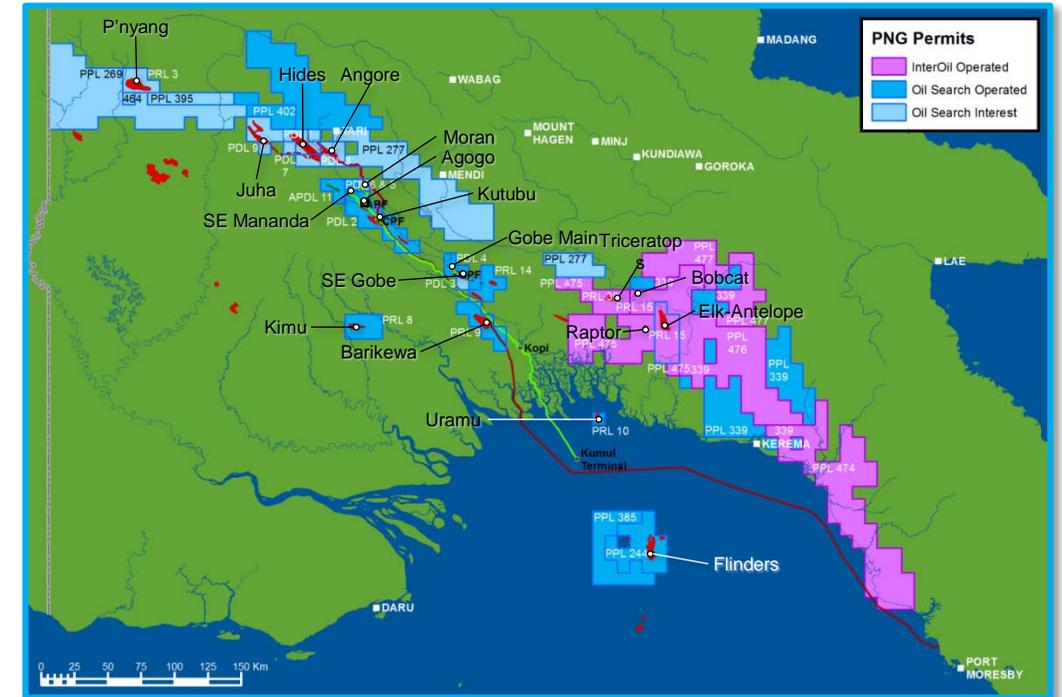
Base Cost	Existing Contractor Rel.
	Contractor/Op Synergy
	Lessons Learned
	Execution experience
Infrastructure	Storage
	Marine Facilities
	Accommodation
	Pipeline Corridors Access Roads
	Warehousing
	Shipping Channel
Front end	Pre-FID costs
	FEED
	Environmental Approvals & Surveys
Liquids Exports	Export System
	Improved Schedule
Project	PMT
	Improved Schedule
	Contractor Execution Plan
	Detailed Engineering
	Reduced Contingency
Process	Commissioning & Start Up
	Pre-treatment
	Sparing
	LNG, LPG and NGL Process

# Material exploration portfolio supports long term, focused growth

## Oil Search existing PNG portfolio



## Oil Search plus InterOil's PNG portfolio



- » Combined Oil Search and InterOil PNG acreage results in world-class exploration portfolio with multiple play types and growth opportunities
  - Opportunity for further equity alignment / farm downs
- » Exploration and appraisal upside in close proximity to existing discoveries (eg Triceratops, Raptor, Bobcat)
- » Disciplined approach to exploration spend to focus on high impact exploration through portfolio high-grading:
  - Ability to manage commitments
- » Alignment with Total to support long term, focused growth
- » Oil Search will be operator for the exploration licences and PRL39

# Financial considerations

# Oil Search expected to remain cashflow positive with a strong balance sheet well positioned for growth



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- |  |  |
|--|--|
| <b>Continue to generate positive cashflow</b>          | <ul style="list-style-type: none"><li>» Oil Search expected to continue to generate positive cash flows, even at oil prices well below current levels</li><li>» Cash flow breakeven (opex plus interest) in 2016 forecast at ~US\$19/bbl and at low US\$30/bbl level after principal repayments and sustaining capex</li><li>» No planned change to dividend policy – Oil Search expects to continue to distribute 35 – 50% of annual core profits</li></ul>   |
| <b>Cash alternative/ share buyback</b>                 | <ul style="list-style-type: none"><li>» Cash alternative up to US\$770 million to be funded from liquidity, currently in excess of US\$1.6 billion<ul style="list-style-type: none"><li>— Total cash of US\$914m and available corporate revolving facilities of US\$748m<sup>1</sup></li></ul></li><li>» To extent InterOil shareholders do not take up all cash alternative, surplus cash used to fund on-market share buyback to reduce dilution to Oil Search shareholders</li></ul>   |
| <b>Total MoU de-risks integration</b>                  | <ul style="list-style-type: none"><li>» Upfront payments from Total expected to be ~US\$1.2 billion, received shortly after closing<sup>2</sup><ul style="list-style-type: none"><li>— Total to fund 60% of CVR payment above 6.5 tcf certification, with Oil Search funding balance</li></ul></li><li>» Total MoU paves way for potential material capex and opex savings plus anticipated schedule acceleration</li></ul>  |
| <b>Strong balance sheet well positioned for growth</b> | <ul style="list-style-type: none"><li>» Pro-forma net debt increases to ~US\$4.2 billion at completion of InterOil acquisition<sup>3</sup></li><li>» Pro-forma net debt decreases to ~US\$3.0 billion post completion of sell down to Total, or ~US\$300 million lower than position pre InterOil acquisition, with liquidity increasing by the same amount</li><li>» Capex guidance for 2016 of US\$315 – 400 million maintained</li><li>» Balance sheet and liquidity well positioned to fund LNG growth projects, including Papua LNG Project</li></ul> |
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1. As at 31 March 2016

2. Total sell-down payments, pre any CVR payment

3. Pro-forma net debt based on InterOil and Oil Search net debt at 31 March 2016 and assumes Cash Alternative fully taken up by InterOil shareholders; excludes transaction costs and pre any CVR payment.

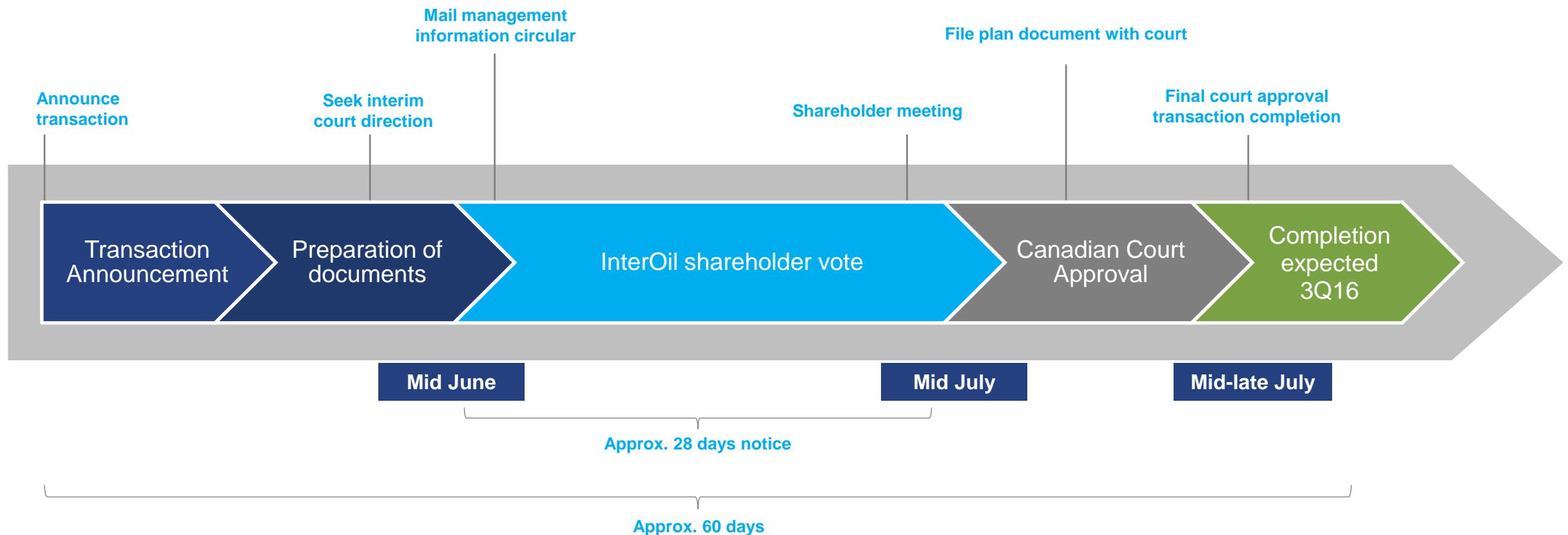
# Expected timetable to completion

# Expected timetable to completion

InterOil acquisition structured as Plan of Arrangement under Business Corporations Act (Yukon)

» Process similar to Australian Corporations Act Scheme of Arrangement (although 66 2/3% vote, not 75%)

## Expected roadmap to completion



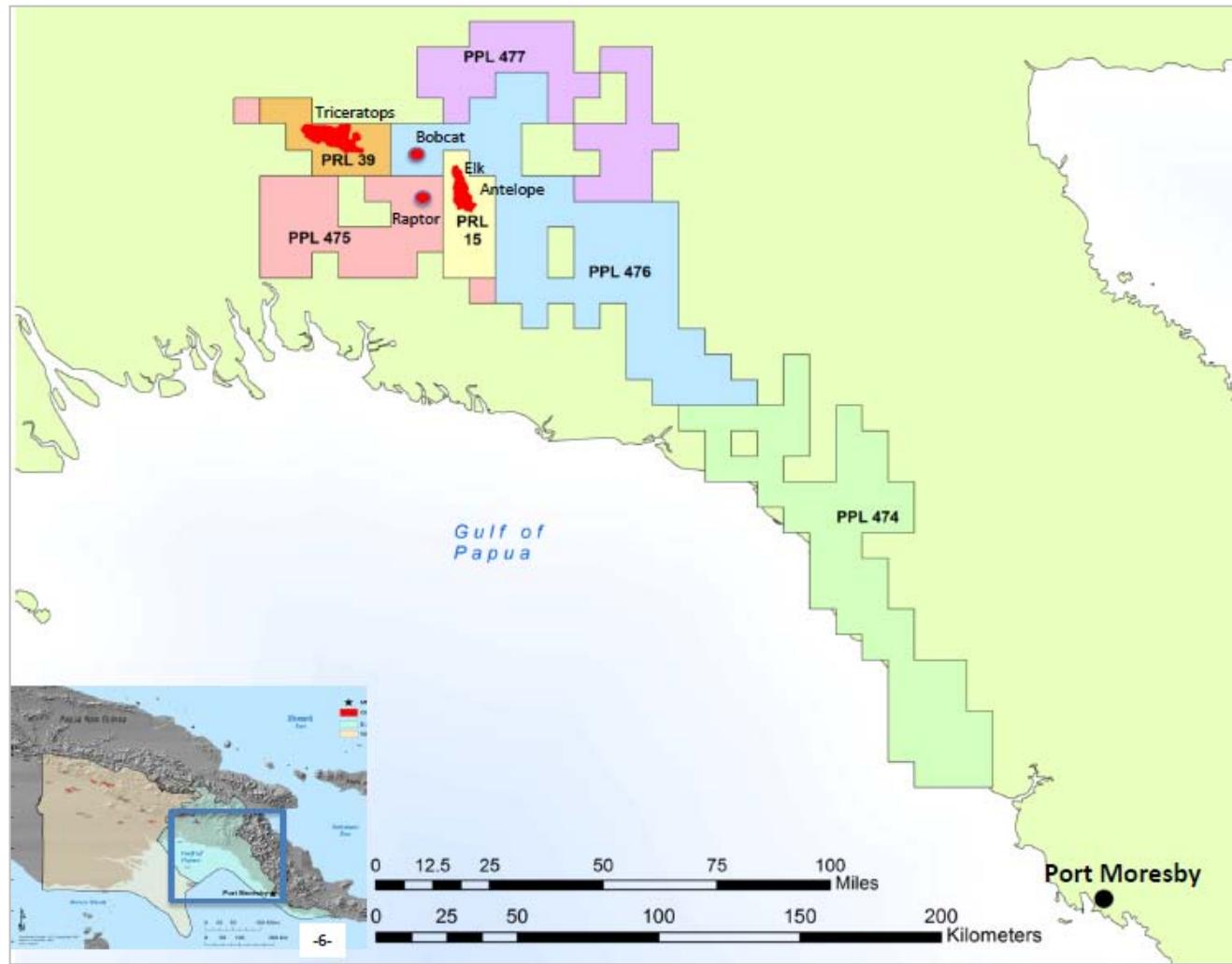
# Appendix



**Oil Search**

# Appendix: Overview of InterOil

## Key assets<sup>1</sup>



Source: InterOil PNG Mining and Petroleum Conference Presentation (25 November 2015)

## Corporate snapshot

Highlights		
Close as of 19 May 2016	US\$/sh	31.65
1-month VWAP	US\$/sh	31.88
Market Capitalisation <sup>2</sup>	US\$m	1,617
Net Debt <sup>2</sup>	US\$m	146
Enterprise Value <sup>2</sup>	US\$m	1,764
Listing		NYSE
Country of Incorporation		Canada

<sup>1</sup> InterOil company filings

<sup>2</sup> As at 19 May 2016, net debt based on debt of US\$190m as at 30 March 2016, and cash of US\$44m as at 30 March 2016. InterOil diluted shares outstanding of 51.1m shares

# Appendix: InterOil – Working interests in licences\*

Permit Discovery	PRL 15 Elk-Antelope	
Entity	Pre back-in	Post back-in
InterOil	36.5%	28.3%
Oil Search	22.8%	17.7%
Total S.A	40.1%	31.1%
IPI Holders	0.5%	0.4%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PRL 39 Triceratops	
Entity	Pre back-in	Post back-in
InterOil	69.1%	53.5%
Pacific Rubiales	12.9%	10.0%
IPI Holders	12.5%	9.7%
PNGDV	5.6%	4.3%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PRL 39 Excl. Triceratops	
Entity	Pre back-in	Post back-in
InterOil	81.3%	63.0%
Pacific Rubiales	12.9%	10.0%
IPI Holders	-	-
PNGDV	5.75%	4.5%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 475 Raptor	
Entity	Pre back-in	Post back-in
InterOil	79.1%	61.3%
IPI Holders	15.1%	11.7%
PNGDV	5.8%	4.5%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 475 Excl. Raptor	
Entity	Pre back-in	Post back-in
InterOil	94.3%	73.0%
IPI Holders	-	-
PNGDV	5.8%	4.5%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 476 Bobcat	
Entity	Pre back-in	Post back-in
InterOil	78.6%	60.9%
IPI Holders	14.6%	11.3%
PNGDV	6.8%	5.2%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 476 Excl. Bobcat	
Entity	Pre back-in	Post back-in
InterOil	79.1%	61.3%
IPI Holders	15.1%	11.7%
PNGDV	5.8%	4.5%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 477 n/a	
Entity	Pre back-in	Post back-in
InterOil	79.1%	61.3%
PNGDV	5.8%	4.5%
IPI Holders	15.1%	11.7%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Permit Discovery	PPL 474 n/a	
Entity	Pre back-in	Post back-in
InterOil	94.3%	73.0%
PNGDV	5.8%	4.5%
PNG Government	-	20.5%
Landowners	-	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

\*Sourced from pages 18-20 of the InterOil Annual Information Form 2015 dated 30 March 2016. Note: figures above have been rounded to one decimal place  
Note: PRL denotes a Petroleum Retention Licence and are discovery permits. PPL denotes a Petroleum Prospecting Licence and are exploration permits

# Appendix: Key Transaction metrics



		6.2 tcf	6.5 tcf	7.0 tcf	8.0 tcf
Share exchange ratio	x	8.05	8.05	8.05	8.05
Oil Search shares issued <sup>1</sup>	m	411	411	411	411
Oil Search 10D VWAP <sup>2</sup>	US\$/sh	5.00	5.00	5.00	5.00
Share consideration	US\$/sh	40.25	40.25	40.25	40.25
CVR consideration	US\$/sh	-	1.81	4.84	10.88
<b>Aggregate equity consideration (per share)</b>	<b>US\$/sh</b>	<b>40.25</b>	<b>42.06</b>	<b>45.09</b>	<b>51.13</b>
Share consideration	US\$m	2,057	2,057	2,057	2,057
CVR consideration	US\$m	-	93	247	556
<b>Aggregate consideration (total)</b>	<b>US\$m</b>	<b>2,057</b>	<b>2,150</b>	<b>2,304</b>	<b>2,613</b>
Total base payments (at close of selldown) <sup>3</sup>	US\$m	1,234	1,234	1,234	1,234
Total base payments (as at 1 July 17)	US\$m	142	142	142	142
Total base payment (at FID)	US\$m	230	230	230	230
Total share of CVR payment	US\$m	-	-	93	278
<b>Total consideration (total)</b>	<b>US\$m</b>	<b>1,606</b>	<b>1,606</b>	<b>1,698</b>	<b>1,884</b>
Cash alternative / share buyback	US\$m	(770)	(770)	(770)	(770)
Less CVR payment	US\$m	-	(93)	(247)	(556)
<b>Net Oil Search Cash Received</b>	<b>US\$m</b>	<b>836</b>	<b>743</b>	<b>681</b>	<b>558</b>

1. Based on InterOil diluted shares outstanding approx. 51.1m

2. Based on Oil Search's 10D VWAP converted daily to US\$ using the RBA's reference AUDUSD rate up to and including 19 May 2016, implying a price of US\$5.00 per share.

3. Calculated based on equity value Oil Search pays for InterOil and 60% sell down to Total at acquisition cost. Note this does not account for any net debt and liability adjustments. CVR payment above 6.5 tcf is funded 60% by Total.

# Disclaimer

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None of the securities anticipated to be issued pursuant to the Plan of Arrangement, pursuant to which Oil Search intends to acquire InterOil (“the Arrangement”) have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued in the Arrangement are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

There can be no assurance that the Arrangement will occur. The proposed Arrangement is subject to certain approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or any such conditions will be met.

Further details regarding the terms of the transaction are set out in the Arrangement Agreement and will be provided in a management information circular which will be available under the profile of InterOil Corporation at [www.sedar.com](http://www.sedar.com).

## **Forward Looking Statements**

This release includes “forward-looking statements”. All statements, other than statements of historical facts, included in this release that address activities, events or developments that InterOil, Total or Oil Search expect, believe or anticipate will or may occur in the future are forward-looking statements. These include in particular information and statements relating to Oil Search’s MoU with Total and the anticipated benefits, InterOil’s agreement with Oil Search and the anticipated benefits, the combined company’s expected growth profile, the anticipated market capitalization of the combined company, the combined company becoming a leading exploration and production champion for Papua New Guinea, the success of integration of LNG Projects, the profitability of the combined company, the completion of the Arrangement resources, hydrocarbon volumes, well test results, the estimated timing of the LNG project, the timing and quantum of the certification payment, the costs and break-even prices and potential revenues of the LNG project, the estimated drilling times of the exploration or appraisal wells and estimated 2016 budgets and expenditures. These statements are based on our current beliefs as well as assumptions made by, and information currently available to Total, InterOil and Oil Search. No assurances can be given however, that these events will occur. Actual results could differ, and the difference may be material and adverse to the combined company and its shareholders. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Total, InterOil and Oil Search, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements.

Some of these factors include the risk factors discussed in InterOil’s and Oil Search’s publicly available filing, including but not limited to those in InterOil’s annual report for the year ended December 31, 2015 on Form 40-F and its Annual Information Form for the year ended December 31, 2015, and in Oil Search’s annual report for the year ended December 31, 2015, as well as the risk that Oil Search and Total do not enter into definitive agreements relating to the MoU. In particular, there is no established market for natural gas or gas condensate in Papua New Guinea and no guarantee that gas or gas condensate will ultimately be able to be extracted and sold commercially. Actual results may vary materially from the expected results expressed in forward-looking statements, including due to a range of operational, cost and revenue factors and uncertainties including oil and gas prices, changes in market demand for oil and gas, currency fluctuations, drilling results, field performance, the timing of well work-overs and field development, reserves depletion and fiscal and other government issues and approvals.

Total, InterOil and Oil Search disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws.