

Investor Field Trip

November 2016



Oil Search



Presentation Agenda

Welcome

PNG Production

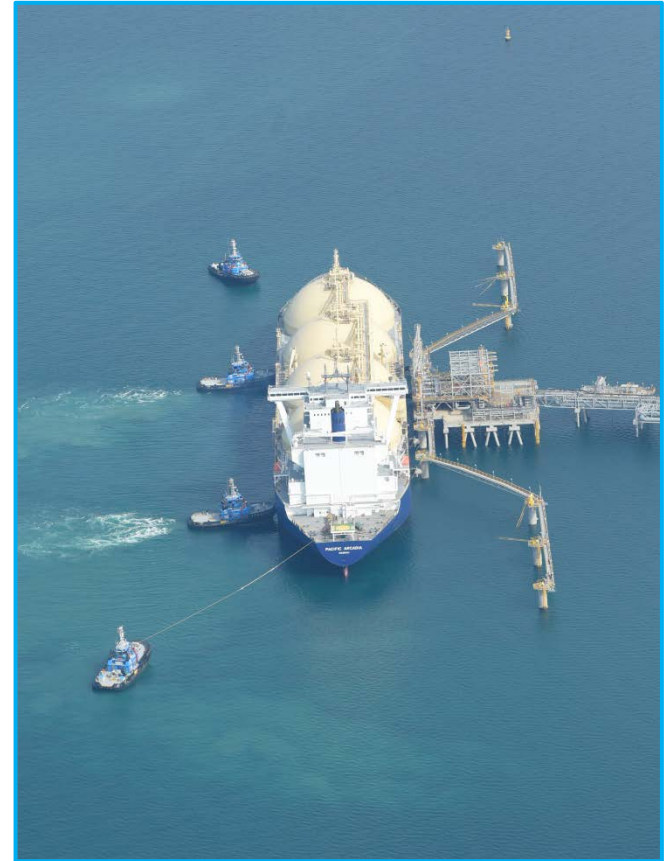
Gas Development

Exploration

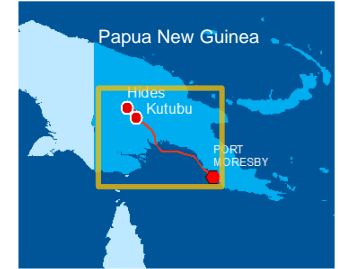
Financial Overview & Strategy Update

Social Responsibility

Summary



Field Trip Route





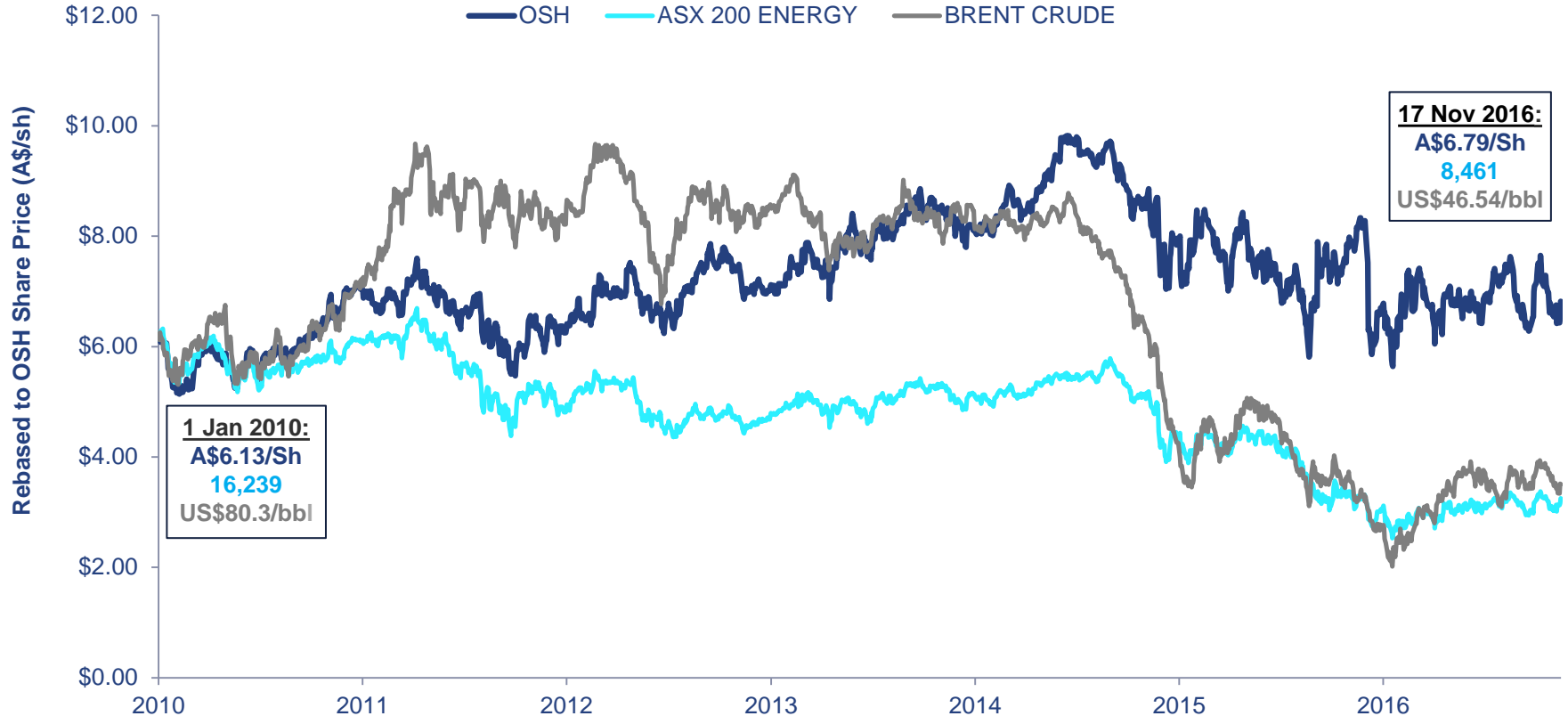
Well positioned for future growth

- » Strong production base from high quality, low cost assets with low sustaining capital requirements:
 - Trending towards upper end of 2016 production guidance of 28 – 30 mmboe
- » Generating positive cash flows:
 - Forecast 2016 cash flow breakeven (opex plus interest) of ~US\$17/bbl and ~US\$28/bbl after principal repayments and sustaining capex
- » Solid balance sheet with liquidity of ~US\$1.7bn, incl ~US\$940m in cash
- » Making progress on high-potential LNG growth opportunities, assessed to have lowest quartile breakeven costs in region:
 - Expansion of PNG LNG through proven additional capacity of existing trains
 - Material PNG resource base, underpinned by Elk-Antelope and P'nyang, for at least a two train expansion
 - Project cooperation/integration likely, making next phase of LNG from PNG one of the most competitive in region



Muruk 1, PPL 402, PNG Highlands

Core strategies have delivered long term share price stability in volatile market



Source: Bloomberg as at 16 November 2016



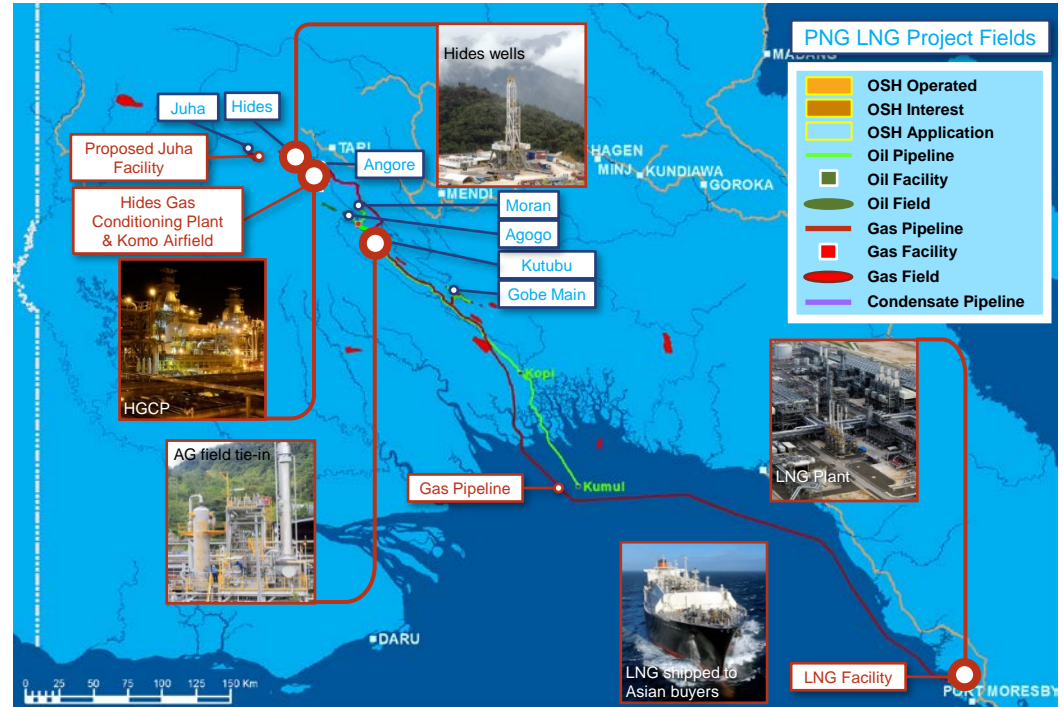
Oil Search

PNG Production



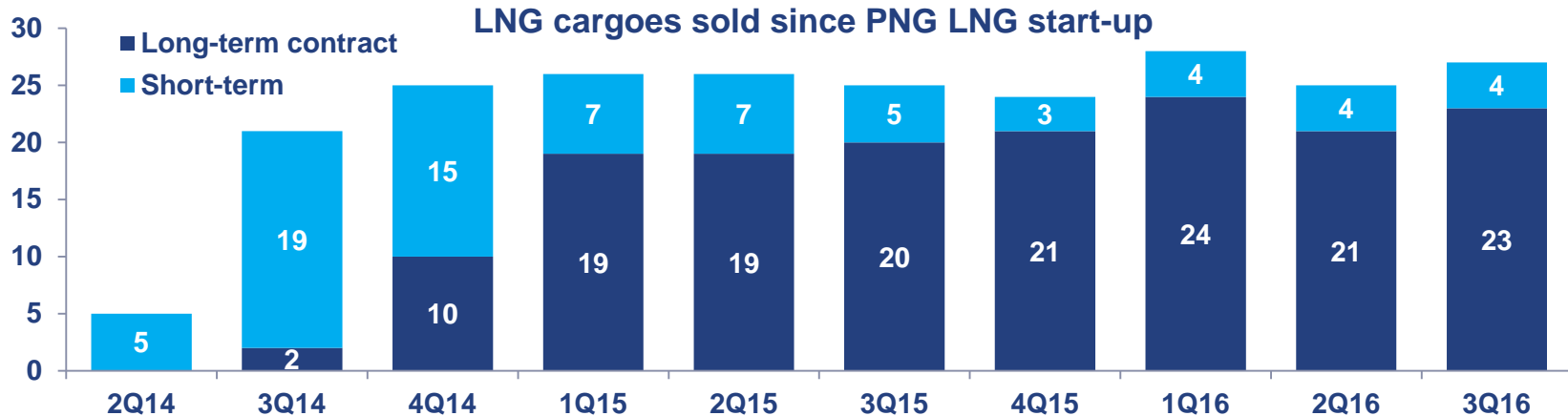
PNG LNG Project – continues to produce well in excess of nameplate capacity

- » Annualised production to end Oct 2016 of 7.9 MTPA (Oct '16 ~8.2 MTPA), compared to nameplate capacity of 6.9 MTPA
- » 89 LNG cargoes delivered to end Oct 2016:
 - 75 sold under long term contract
 - 14 spot cargoes
- » Strong upstream contribution from OSH-operated Associated Gas (AG) fields and third party sales from SE Gobe
- » YTD 2016 opex and capex both below operator budget
- » Operator continues to optimise production, with planning for optimisation work at HGCP
- » Angore tie-in in 2018
- » Excellent safety performance
- » Reserves recertification currently underway:
 - Results to be included in OSH 2016 year end Reserves and Resources report



PNG LNG sales

- » Full contractual volumes of 6.6 MTPA being taken by long term contract customers (TEPCO, Osaka Gas, Sinopec, CPC)
- » Consistent demand for spot volumes, reflecting:
 - High heating value gas – well suited to Asian reticulation network
 - Geographical proximity
 - Excellent reputation as a reliable gas supplier
- » Expanding customer base beyond foundation customers, with nine of 14 spot cargoes YTD 2016 sold to customers in Japan
- » Success with short term strip contract sales, further short term contracts anticipated once reserves recertification has been concluded



PNG LNG's competitive advantages



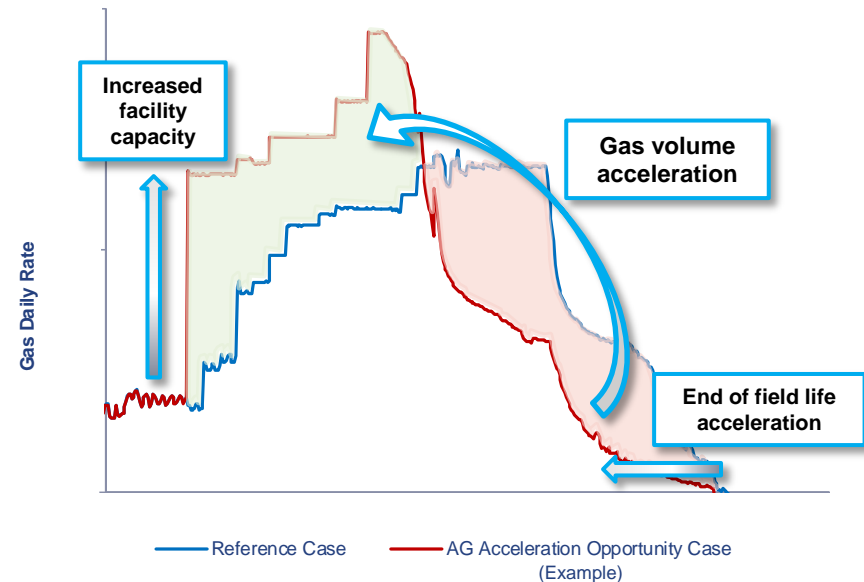
Oil Search

- » Conventional LNG project, tried and tested, highly reliable technology, with very high uptime
- » Substantial proven reserves base, with upside through recertification currently underway
- » 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:
- » Provides attractive returns and extremely robust to product price movements



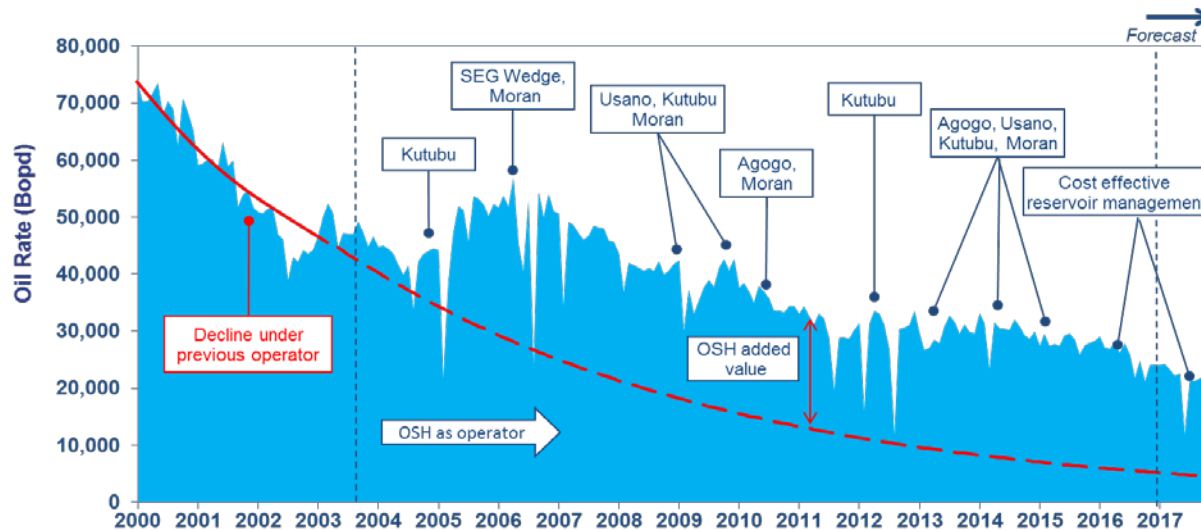
Associated Gas Acceleration (AGA) – significant value opportunity for oil fields and PNG LNG

- » AGA key value drivers are acceleration of competitive gas supply option for PNG LNG while enhancing efficiency of oil and gas operations
- » Kutubu, Agogo and Moran field recovery accelerated, representing optimisation opportunity for both oil fields and LNG production
- » Project team formed in January 2016. Working closely with PNG LNG operator to develop optimised concept
- » Select phase study work (APF and CPF) expected to be completed in 1H17



Optimising production from mature oil fields

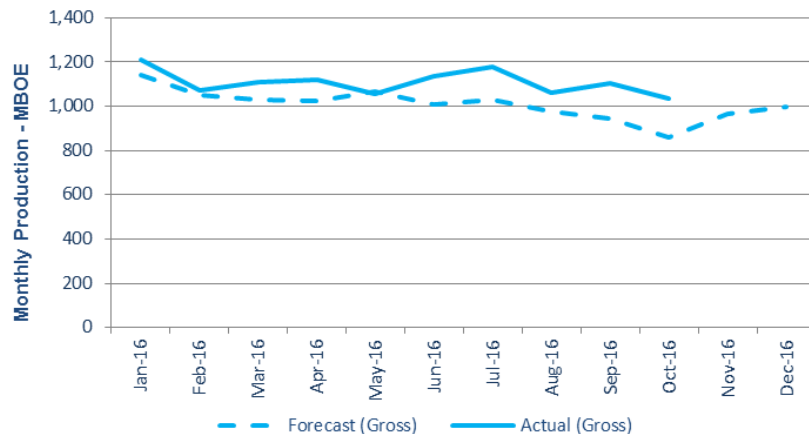
- » Production continues to perform at high end of long term forecast
- » Since taking over oil field operatorship in 2003, OSH has drilled 44 development wells with ~85% success rate
- » In past five years alone, added >49 mmbbl oil (gross) to 1P reserves (plus further 32 mmbbl (gross) to 2P) through high resolution reservoir modelling, successful drilling and field management (reserve estimates based on independent audit)
- » Successful reservoir and well work in 2016, combined with anticipated work programmes in 2017, have added >1 mmbbl (gross) to 2017 forecast over 2015 expectations



Oil field performance 2016/17

- » Oil production in 2016 full year expected to materially exceed forecast at beginning of year:
 - Strong production from Usano Main and Hedinia Digimu as well as from Moran early in year, with M1X and M6X wells contributing well above forecast
 - Specific focus on plant stability and reliability
- » Natural decline expected in 2017, but significantly above forecast made 12 months ago:
 - Active well intervention programme at Kutubu and Moran:
 - Slick line, coil tubing and stimulation treatments
 - Workovers at Moran 4X and Moran 9
 - Continued focus on plant performance to minimise downtime

2016: Total Oil Search Operated Production



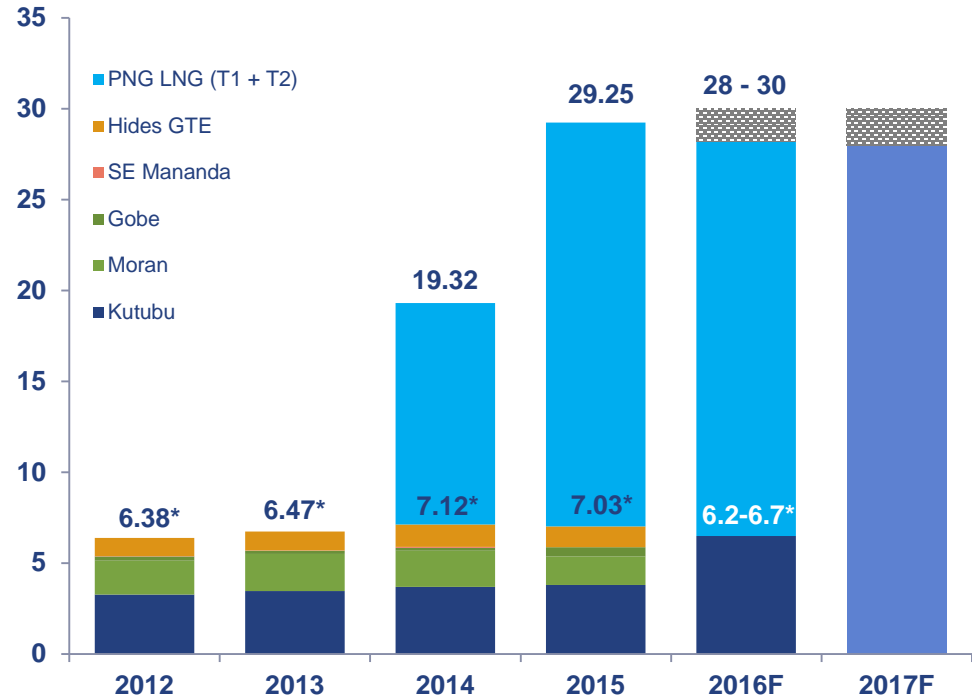
- » Strong focus on incremental oil:
 - Accessing remaining in-field pools through cost effective alternative drilling technologies and well interventions:
 - Investigating tertiary recovery technologies (EOR) which may be applicable to existing reservoirs
 - De-risking and prioritisation of exploration prospects within economic catchment of facilities

Production Outlook 2016/17

- » 2016 production expected to be at upper end of 28 – 30 mmboe guidance range:
 - 6.3 – 6.7 mmboe from operated oil fields and Hides GTE*
 - 22 – 23 mmboe from PNG LNG Project
- » 2017 production expected to be similar to 2016, with lower operated production offset by continued strong PNG LNG performance:
 - Dependent on 2017 work programmes
- » Seeking to maintain production level largely flat over next few years
- » Production remains highly profitable even in current lower oil price environment:
 - Production cost per boe of ~US\$8 - 10/boe

* Includes SE Gobe gas sales

OSH Net Production (mmboe)^{1,2}



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

2. Gas:oil conversion rate from 2014 onwards: 5,100 scf = 1 barrel of oil equivalent (prior 6,000 scf/boe)

* Oil Search operated production, including SE Gobe gas sales to PNG LNG Project

Gas Development



Delivering OSH's gas strategy of two new LNG trains with further expansion upside



- » PNG LNG Project has established PNG as reliable producer of high heating value gas that provides buyers with geographical diversification
- » OSH well positioned to play key role to ensure optimum development:
 - Total and ExxonMobil have expressed preference to work together to develop optimal outcomes for LNG development
 - Benefits of achieving successful integration expected to be substantial
 - Sufficient resource within Elk-Antelope and P'nyang to support two additional LNG trains
 - Strategy Refresh reviewing key integration options
 - PNG expansion in lowest quartile for costs globally, coordinated development further enhances economics
 - Preliminary discussions taking place, with detailed negotiations to commence following closure of XOM/IOC transaction
- » Multiple exploration opportunities being prioritised to supply further material gas for LNG including from PRL 15

“Co-operation between our two large LNG projects, the expansion of the PNG LNG Project and the development of Papua LNG, is in the best interest of our nation.”

Source: The Prime Minister, Hon. Peter O'Neill CMG MP, Office of the Prime Minister news release, 22 May 2016

“ExxonMobil will work with co-venturers and the government to evaluate processing of gas from the Elk-Antelope field by expanding the PNG LNG Project. This would take advantage of synergies offered by expansion of an existing project to realize time and cost reductions that would benefit the PNG Treasury, the government's holding in Oil Search, other shareholders and landowners.”

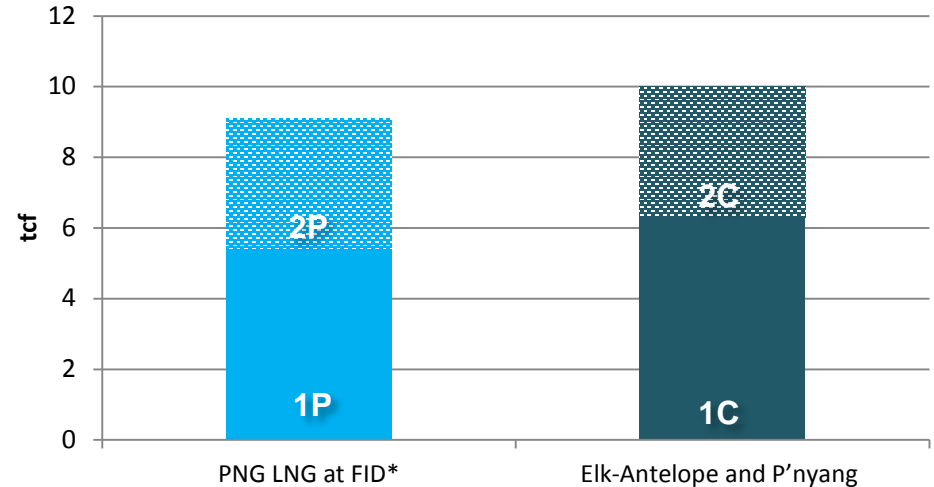
Source: ExxonMobil news release of intention to acquire InterOil, 21 July 2016

“Total, as operator of PRL15, is committed to cooperate with the PNG LNG Project in order to maximize the value of the Elk and Antelope fields for the benefit of the country of Papua New Guinea and the shareholders of PRL 15.”

Source: Total SA media statement regarding InterOil assets, 20 July 2016

10 tcf 2C gas resource in Elk-Antelope and P'nyang, underpins two trains

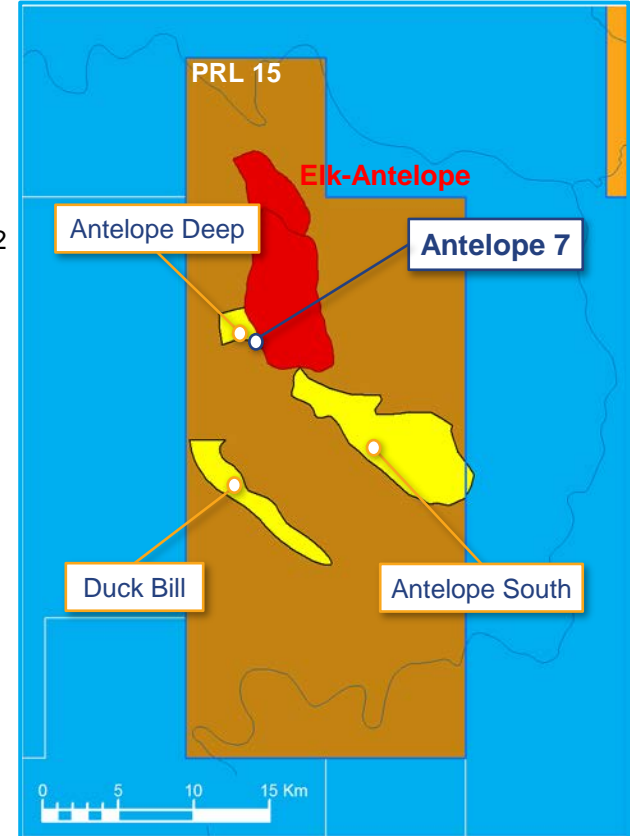
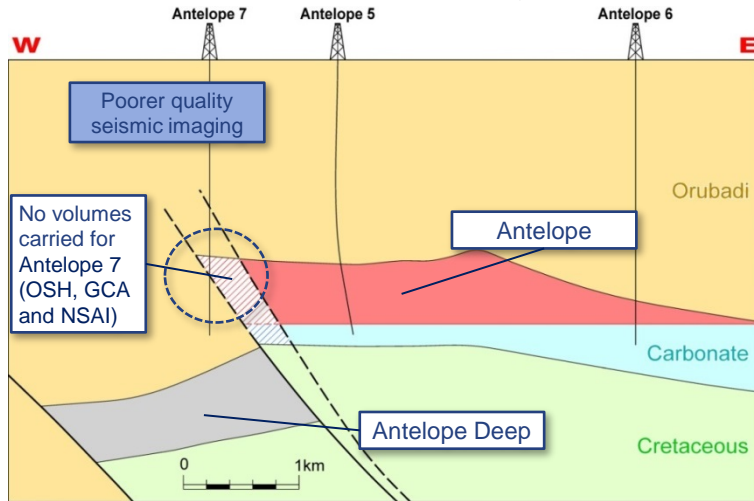
- » Foundation PNG LNG fields 1P / 2P recertification underway, to supply increased T1/T2 capacity
- » Certification of Elk-Antelope completed in July 2016 by two world-class certifiers
- » Combined Elk-Antelope and P'nyang resource of 1C resource >6 tcf and 2C ~10 tcf:
 - Can supply two x 4 MTPA train integrated development
 - Provides sufficient resources to underpin project financing and LNG marketing
 - Exceeds 2C resource that underpinned PNG LNG Project when sanctioned in 2009
- » No further drilling required to support two trains



*Reserves of PNG LNG Project at sanction (Reference OSH 2009 Annual Report)

Potential for upside in PRL 15

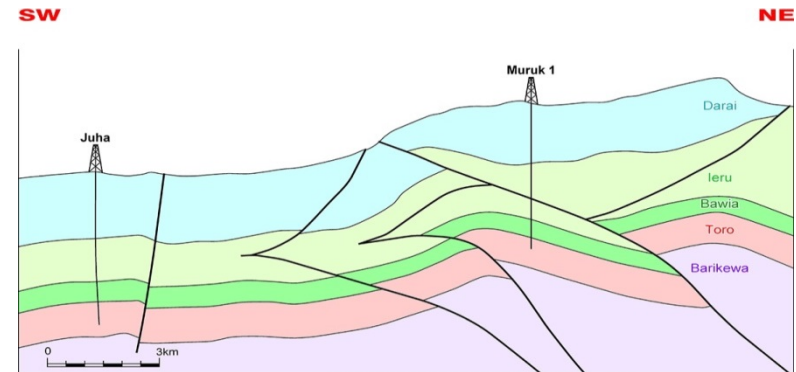
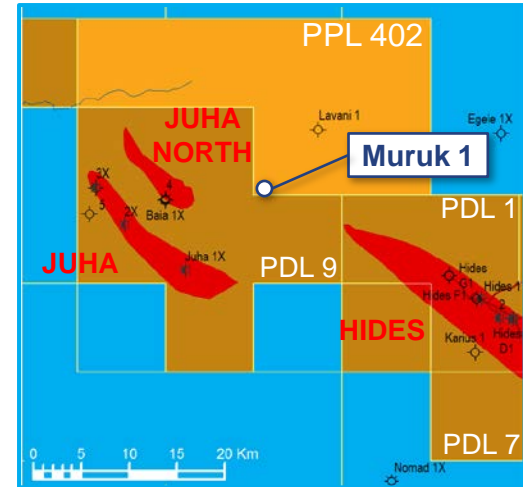
- » Additional prospects in PRL 15 have potential to underpin third expansion train
- » Near term upside from Antelope 7/ Antelope Deep:
 - Antelope 7 spudded early November, to test poorly imaged western flank of Antelope field
 - OSH (GCA and NSAI) do not carry volumes in Antelope 7. Potential upside of 1-2 tcf
 - Antelope Deep - if Antelope 7 is deepened to test separate feature below primary target
 - Antelope South - deeper structure south of Antelope field with unrisks resource potential of 1-2 tcf
- » Additional exploration prospects including Antelope South, Duck Bill and Whitetail



Potential for upside in NW Highlands

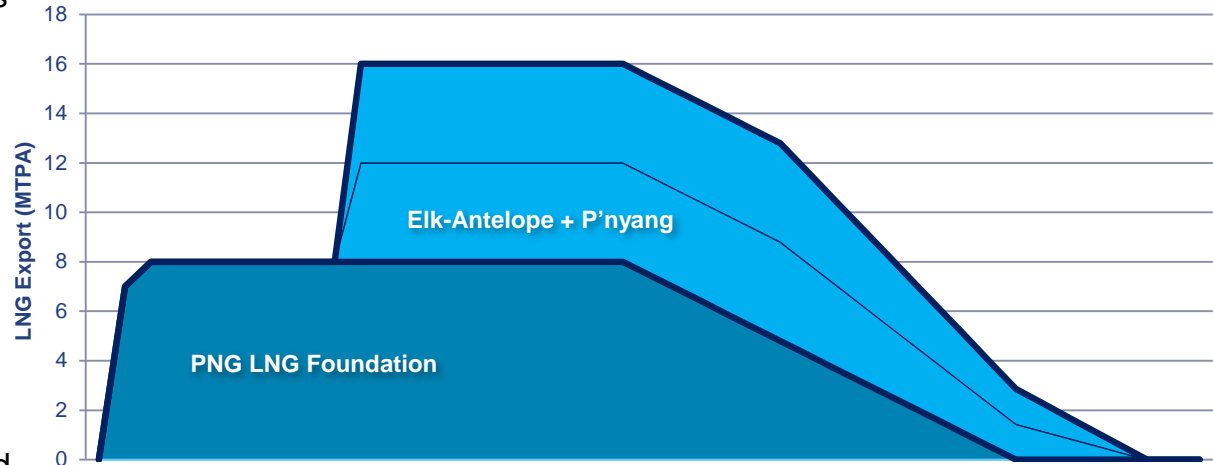
- » Muruk 1 (PPL 402) exploration well spudded 2 November
- » Operated by OSH in co-venture with ExxonMobil
- » Exploration prospect on-trend with Hides and north-east of Juha and Juha North fields, very close to PNG LNG infrastructure
- » Targeting mean gas resource of approximately 2 tcf in Cretaceous sands of Toro Formation:
 - Proven petroleum system and established play
- » Part of coordinated OSH Highlands drilling campaign to source gas for expansion or backfill
- » Follow up potential in event of success

PPL 402	WI %
Oil Search	37.5
Santos	20
Esso PNG Wren Ltd (ExxonMobil affiliate)	42.5



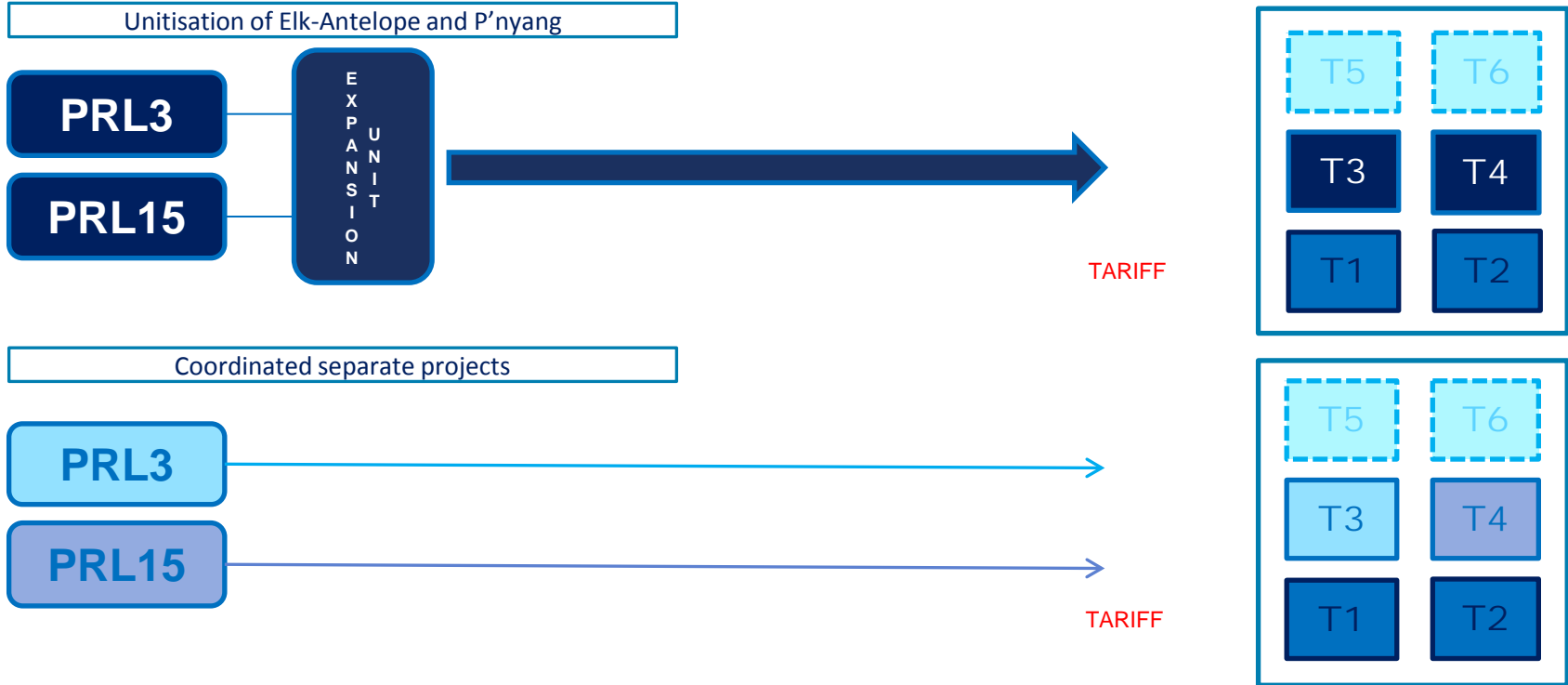
Cooperative LNG expansion agenda provides opportunity to maximise value

- » OSH and its co-venturers driving towards coordinated development:
 - Delivers cost synergy
 - Optimises timing of spend
 - Reduces wasteful duplication of infrastructure
 - Offers material capex / opex savings and schedule acceleration
- » Various options for delivering coordinated approach through commercial structuring
- » Informal discussions ongoing with joint venture partners and Government on optimum commercial structures

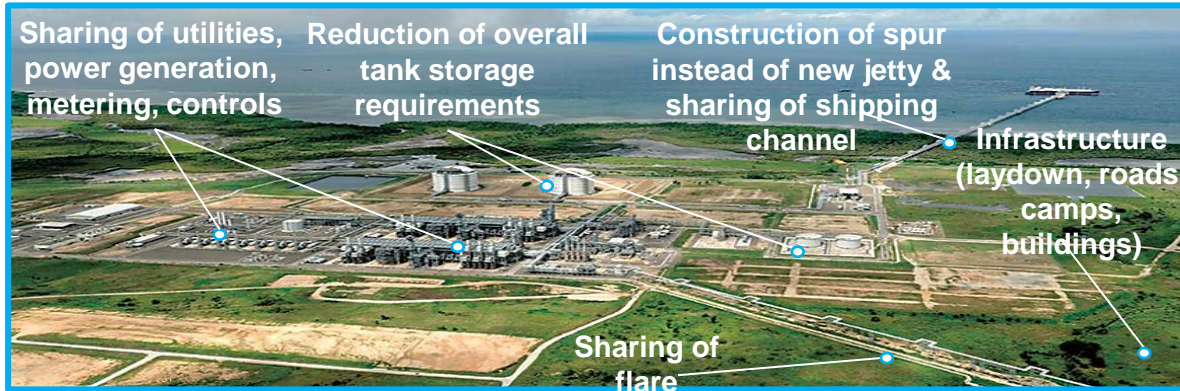


- » Various commercial models can be applied to ensure fair sharing of significantly increased value between Elk-Antelope, P'nyang and PNG LNG owners. Aim is to deliver two new ~4 MTPA trains constructed together at existing PNG LNG site. Spectrum of options ranges from:
 - Full unitisation of upstream fields (Elk-Antelope and P'nyang) and new downstream trains
 - Coordinated separate projects
- » Numerous multi-train global analogues of successful LNG integration

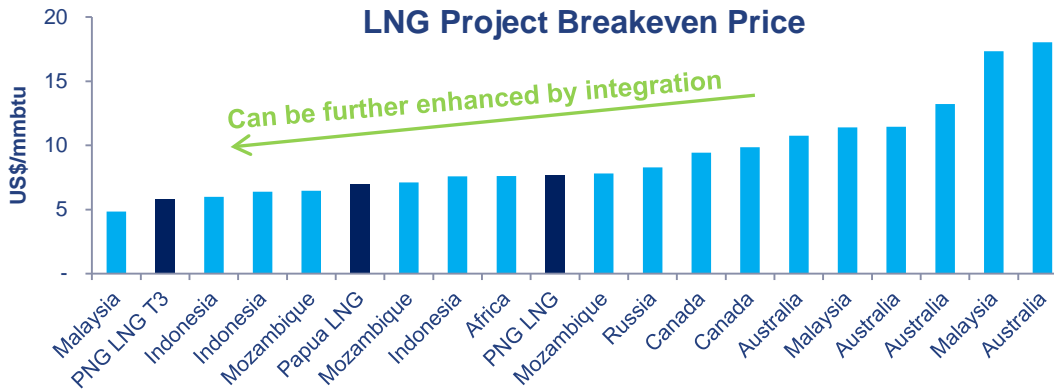
Cooperative LNG expansion examples. Value prize will incentivise all stakeholders



Cost benefits for LNG expansion integration, with material opex and capex savings



- » ExxonMobil and Total supportive of cooperation
- » PNG Government a major beneficiary of cost-effective and timely development
- » PNG projects consistently rated lowest quartile development by industry analysts
- » Potential downstream capex savings of US\$2-3bn
- » Potential opex savings of US\$125m pa
- » Potential additional savings in:
 - PMT/Owner's costs
 - Upstream synergies
 - Schedule acceleration



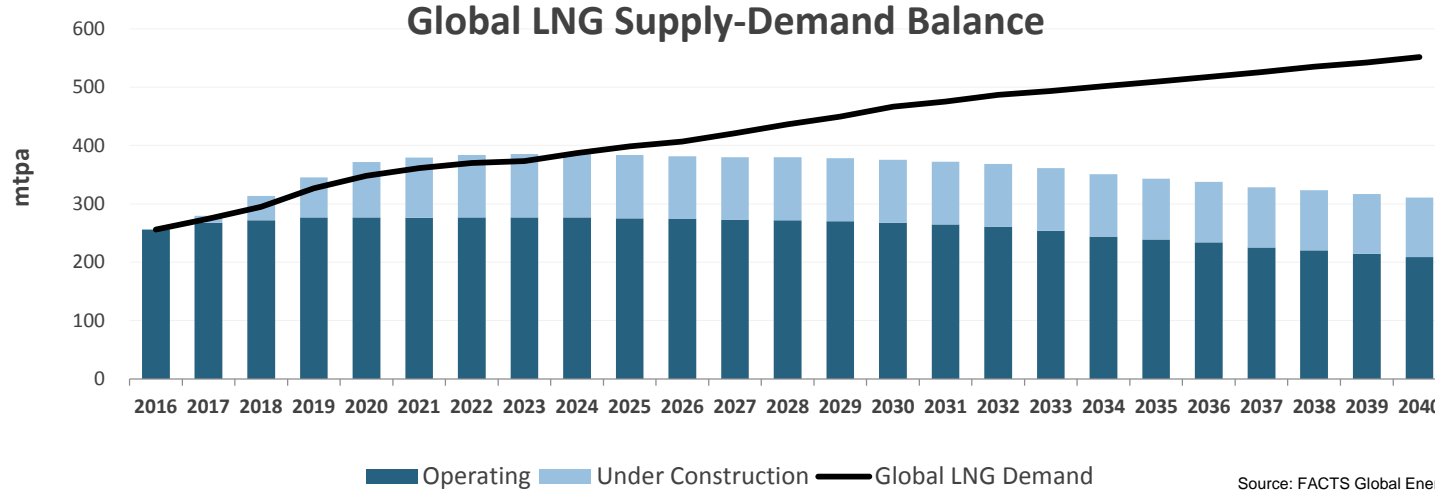
Source: Wood Mackenzie 3Q LNG Tool, full-life breakeven, 10% discount rate, FOB

Global cost reduction trend

- » Material reductions evidenced in development costs globally
- » High expectations for cost savings:
 - Chevron have reported rate reductions of 20-50% in major drilling and completion spend categories
 - Majors such as BP, Shell and Pioneer have reported cost reduction expectations of 20-30% for 2016+
 - WoodMac consider industry expectation of 20-30% cost reductions achievable



LNG expansion well placed for market capture



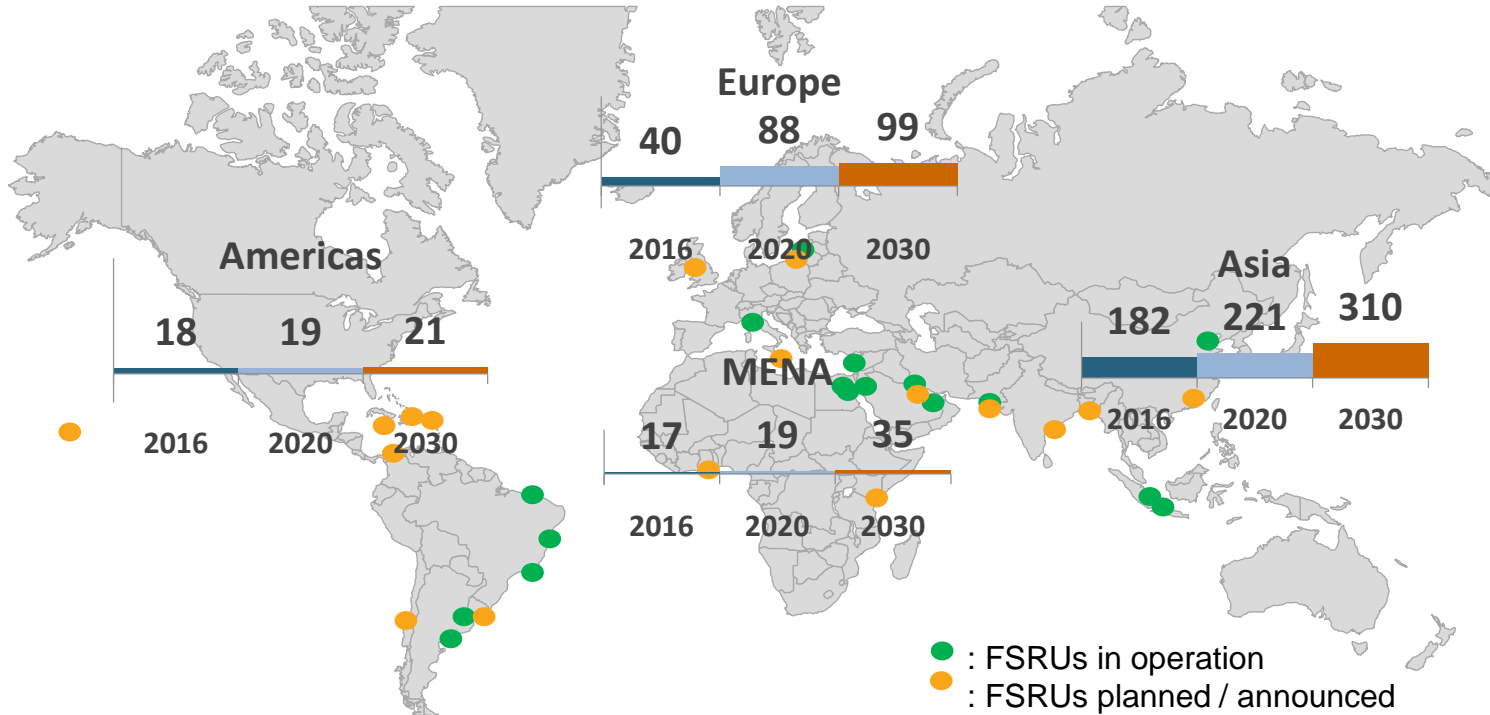
North East Asia – expiring LNG contracts 2017 – 2026 (MTPA)	
Japan	>45
Korea	>20
Others	~7

- » Timing of PNG expansion coincides with new market demand requirements
- » Additional supply required from ~ 2024 to meet global demand
- » FID for new supply is required this decade
- » New supply required to meet both market growth and expiring contracts from early 2020s
- » Key growth region continues to be North East Asia
- » LNG expansion in PNG highly competitive and geographically advantaged

Asian LNG demand forecast to continue to grow strongly



Oil Search



- » Asia continues to be dominant market
- » New markets have begun to emerge, including through deployment of FSRUs
- » PNG supply has strong competitive geographic advantage for supply into Asia

Source: FACTS Global Energy Sep 2016

North East Asian LNG market will continue to be key for PNG

- » Quality Asian buyers require volumes post 2020 that can more than underpin ~8 MTPA expansion from PNG
- » PNG proximity ideal for market capture of North East Asia buyer requirements
- » LNG buyers continue to sign new long term LNG SPAs with oil-price linked slopes
- » Strong PNG/Japan mutual interest and natural alignment:
 - Japan highly supportive of PNG economic development
 - Supply of additional LNG from PNG can support Japan's goal of supply source diversification
 - Elk-Antelope heating value meets Japan domestic requirements
- » Mid term:
 - Spot market prices expected to recover as excess supply capacity is absorbed by market growth
 - Long term SPA pricing will tend to levels that support FID of new projects, with first deliveries coinciding with re-balancing of LNG market
 - Security of supply will continue to be key focus of North East Asian utilities



Delivering OSH's gas strategy

Cooperative development agenda

- ✓ Key stakeholders ExxonMobil, Total and Government
- ✓ OSH well positioned to play key role to ensure optimum development

Material PNG resource base for at least two train expansion

- ✓ Elk-Antelope and P'nyang 1C resource >6 tcf and 2C ~10 tcf

Potential for upside in PRL15 and NW Highlands

- ✓ Gas upside for potential third expansion train with drilling success

Material opportunity for opex and capex savings through infrastructure sharing

- ✓ Capex savings of US\$2-3bn, opex savings of US\$125m pa

PNG expansion ideally placed for market capture

- ✓ RFSU aligns with opening of LNG market window

Exploration



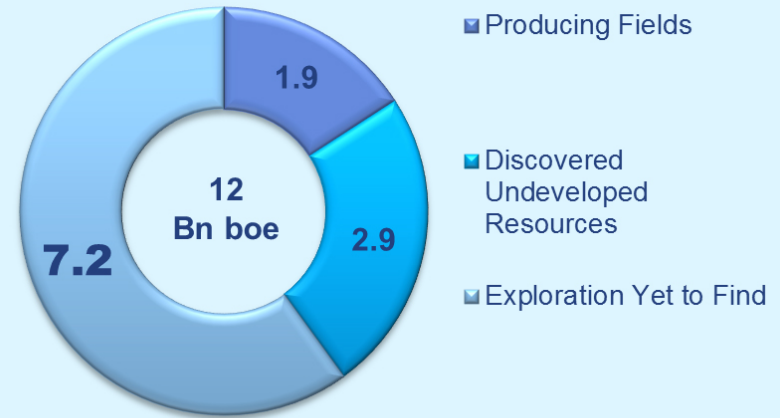


Revitalising acreage and drilling programmes

- » PNG-wide prospectivity review completed in 2015/16 to underpin long term exploration strategy
- » 60% of PNG's petroleum resource remains to be discovered. >7 billion barrels oil equivalent, including giant fields (~1bn boe), yet to find
- » >90% of yet to find hydrocarbons expected to be gas
- » Multiple high potential play types exist within proven petroleum system with world class reservoirs
- » OSH expanding its PNG acreage position, with focus on supporting gas expansion and delineating remaining oil
- » Portfolio of opportunities, including several game changers and play openers, exist with clear commercialisation options to support >10 year growth platform
- » Technology levers and industry cost rebasing offer significant potential cost savings and expectation of improved exploration drilling success

~7 Bn boe remains to be discovered

- 92% Gas + 8% Oil
- 40 Tcf Gas & 550 mmbbl oil
- Giant Fields are likely

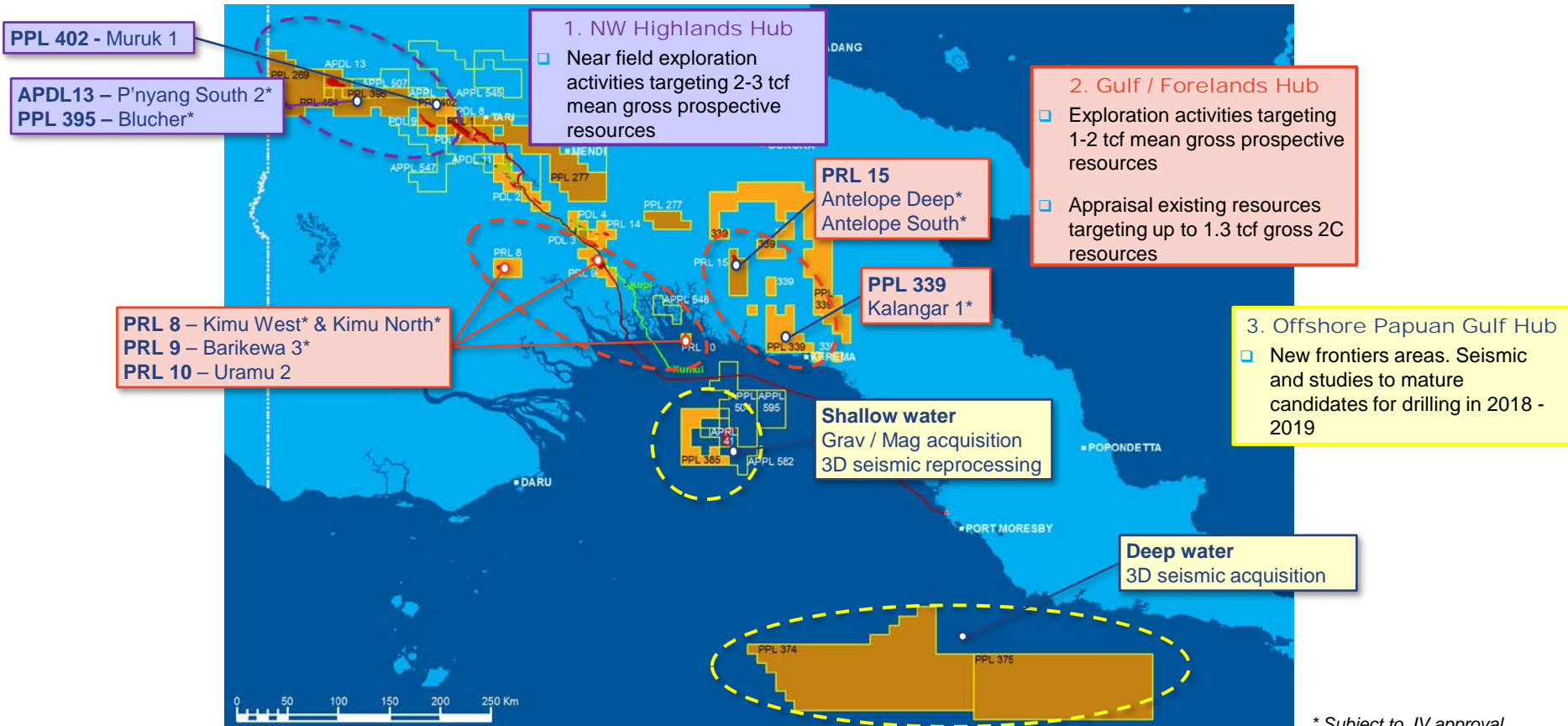


YTF = OSH Jun 2015 Estimates

2016/17 exploration / appraisal programme targeting 4-6 tcf, 3 key hubs, multiple play types



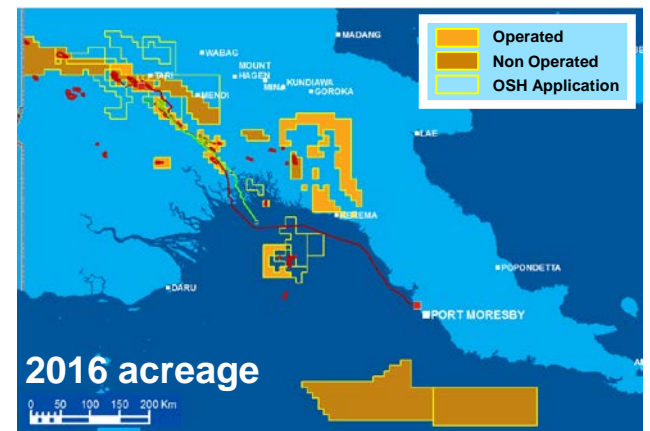
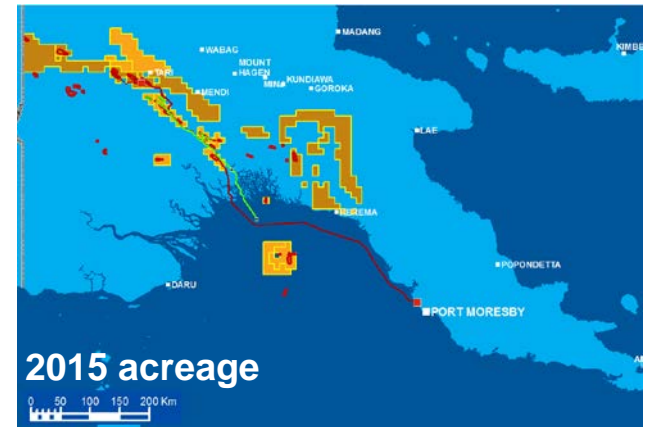
Oil Search



* Subject to JV approval

Systematically enhancing PNG portfolio

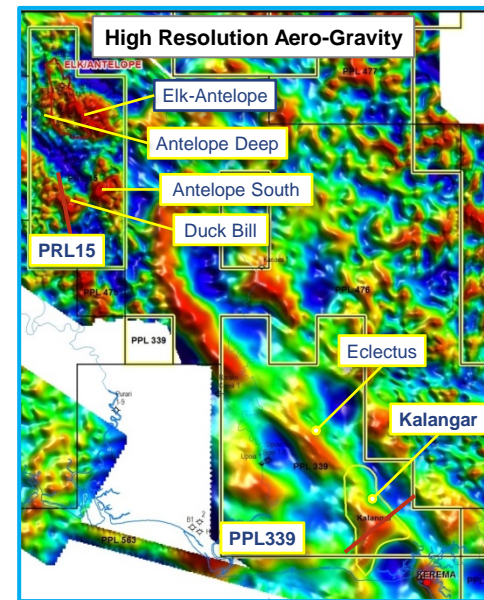
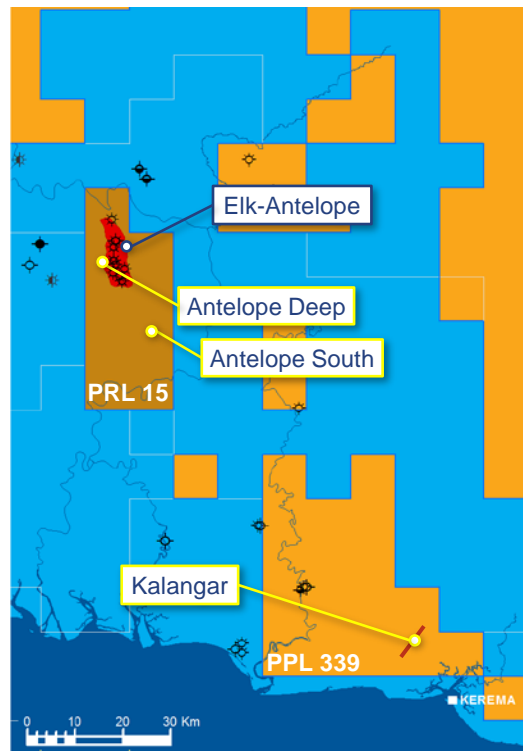
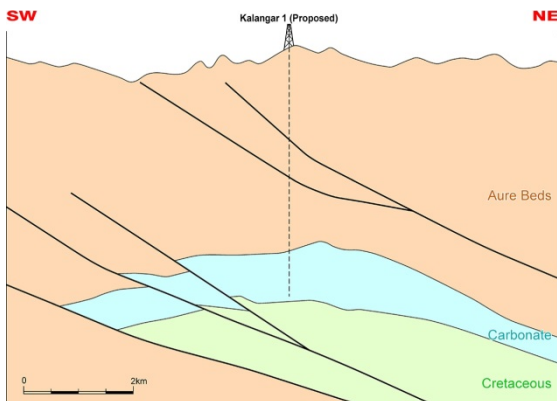
- » OSH's 2015/16 prospectivity review has identified and high graded several new focus areas and led to:
 - 14 new licence applications
 - Six potential farm-ins
 - Rebalancing portfolio risk exposure via process of targeted farm-downs to strategically aligned partners
 - Upgrading resource potential in Kimu, Uramu and Barikewa
- » Programme focused on:
 - Supporting long term growth for LNG expansion
 - Delivering secure and predictable programme
 - Diversifying risk
 - Testing new frontiers with material resource potential
- » Targeting to drill 4-5 wells/year, subject to oil prices



Multiple opportunities on trend and adjacent to Antelope in Gulf (Aure Foldbelt) Oil Search



- » Under-explored region on-trend with Elk-Antelope:
 - Seismic & aero gravity defined number of near field exploration opportunities
 - Close to existing road network and established infrastructure
- » PPL 339 (OSH 70%):
 - Kalangar 1 – high potential 2017 exploration well
 - Close to coast, with on-trend follow up at Eclectus

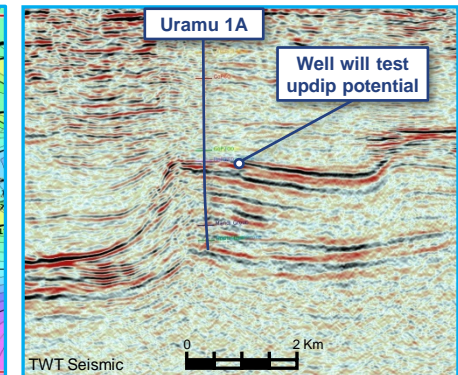
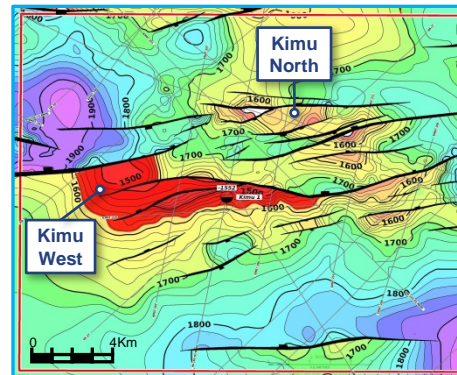
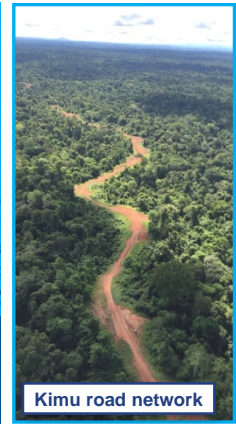
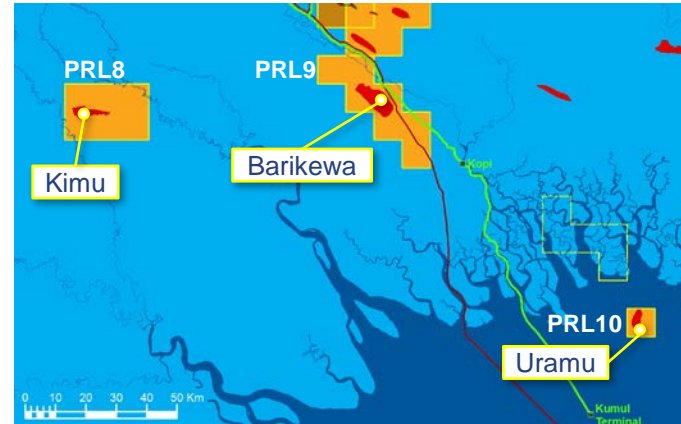


Appraisal of material upside in existing Foreland fields



Oil Search

- » Appraisal to define 2C resource and near field exploration opportunities (Kimu North):
 - 2016 seismic acquisition / remapping upgraded resource potential
 - 2017/18 wells targeting ~1 tcf mean prospective resources
- » Kimu (PRL 8, OSH 60.7%). Cluster of exploration prospects with recently identified upside
- » Barikewa (PRL 9, OSH 45.1%). One/two wells to confirm 1C and 2C resource, field located adjacent to existing infrastructure
- » Uramu (PRL 10, OSH 100%). High-quality reef, shallow water offshore, well to be drilled to constrain upside
- » Resource definition to help constrain / enable optimisation of development option selection:
 - Tier 1: Existing LNG project integration
 - Tier 2: Small-scale LNG
 - Tier 3: Power generation / petrochemicals



Offshore play types

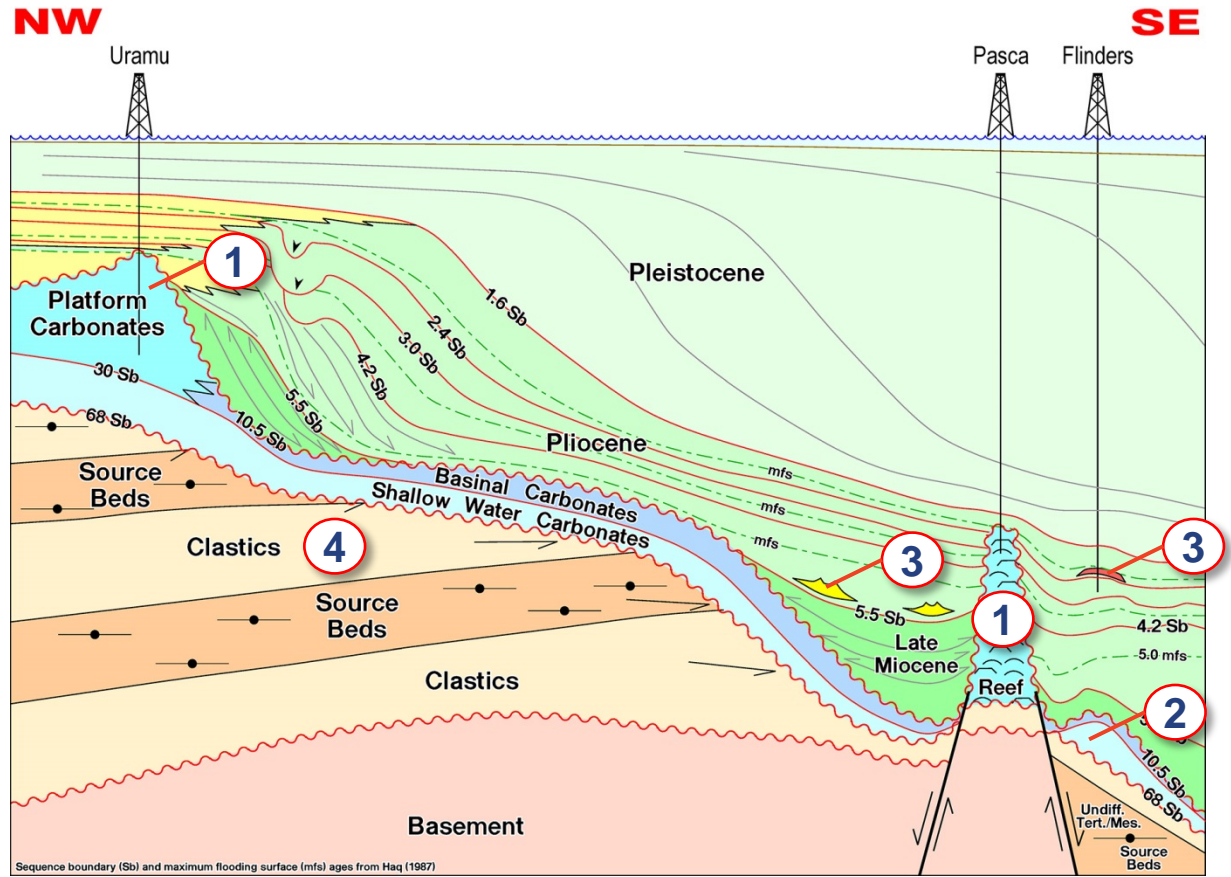
- 1** Miocene reef play:

 - Uramu, Pasca, Antelope and other seismically defined but undrilled reefs
- 2** Eocene reefal banks play:

 - New opportunity defined by existing 3D seismic with prolific global analogues
- 3** Plio - Pleistocene turbidite play:

 - Flinders, Hagana and multiple seismically defined anomalies
- 4** Jurassic - Cretaceous play:

 - Proven onshore (Kutubu, Hides etc) but limited in the offshore by uplift and erosion

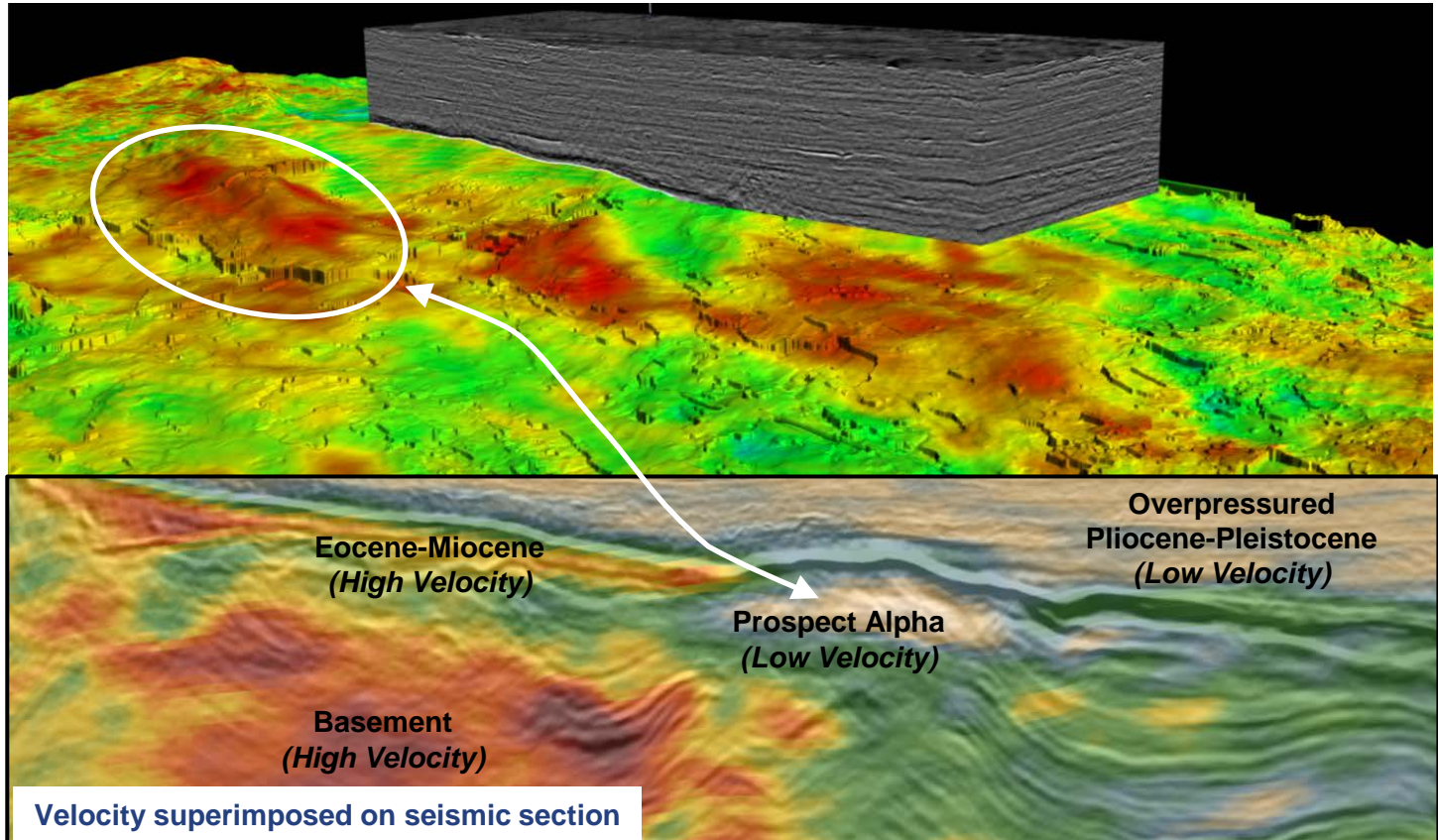


Offshore - shallow water Gulf of Papua



Oil Search

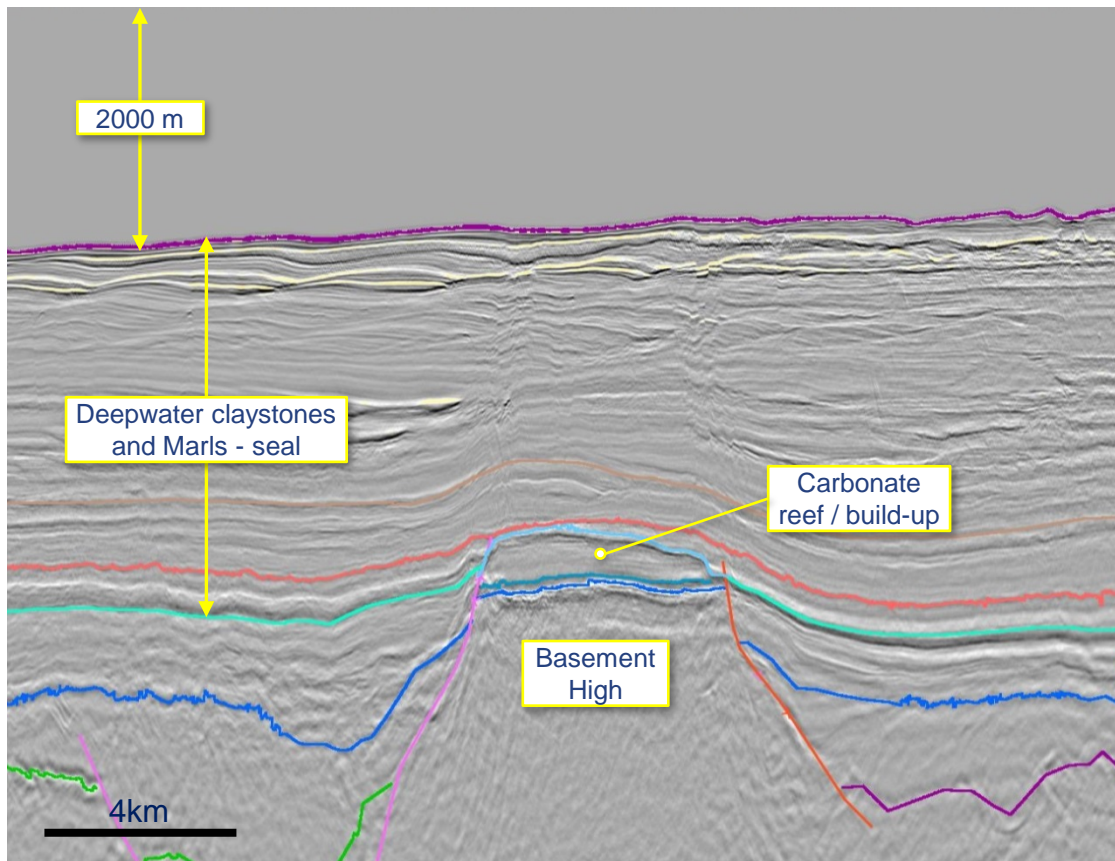
- » High quality 3D seismic grids
- » Number of materially significant multi tcf “game changer” opportunities
- » OSH operated licences





Offshore - deep water Gulf of Papua

- » Frontier basin with no wells
- » Water depth 1,500-2,000 metres
- » Constrained by regional scale grid of 2D seismic data
- » Multiple plays and number of significant opportunities identified, including series of large reefal features



Exploration and appraisal programme



Oil Search

	Location	Licence	Activity
4Q16	NW Highlands	PPL 402	Muruk
	Onshore Gulf	PRL 15	Ant 7 /Deep
1Q17	NW Highlands	PPL 395	2D Seismic*
3Q17	Onshore Gulf	PRL 9	Barikewa B*
4Q17	NW Highlands	PPL 402	2D Seismic*
			P'nyang SE 2*
	Onshore Gulf	PRL 15	2D Seismic*
		PPL 339	Kalangar*
		PRL 8	Kimu West*
	Offshore Shallow water	PRLX	Grav / Mat*
	Offshore Deep water	Licence A	3D Seismic*

	Location	Licence	Activity
1Q18	Onshore Gulf	PRL 14	2D Seismic*
	Onshore Gulf	PRL 15	Ant South*
		PRL 8	Kimu Nth*
	Offshore Shallow water	PRL 10	Uramu 2
	Offshore Deep water	Licence B	3D Seismic*
		Licence C	3D Seismic*
3Q18	NW Highlands	PPL 395	Blucher*
	Onshore Gulf	PRL 9	Barikewa A*
4Q18	Onshore Gulf	PPL 339	2D Seismic*
	Offshore Shallow water	PRL 41	Exploration 1*
1Q18	NW Highlands	PPL 402	Karoma*
	Offshore Deep water	Licence A	Exploration 1*
2Q19	Offshore Deep water	Licence B	Exploration 1*

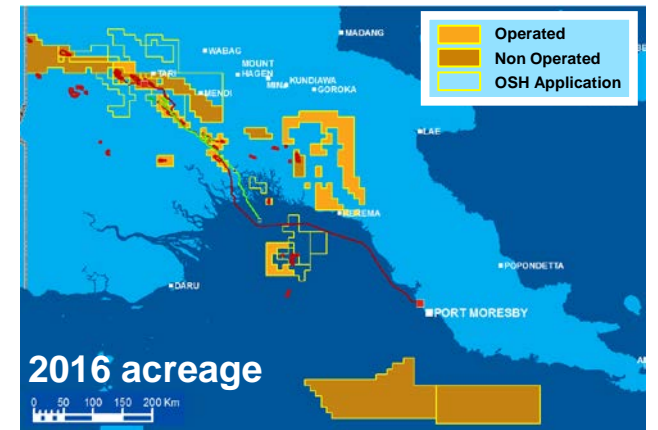
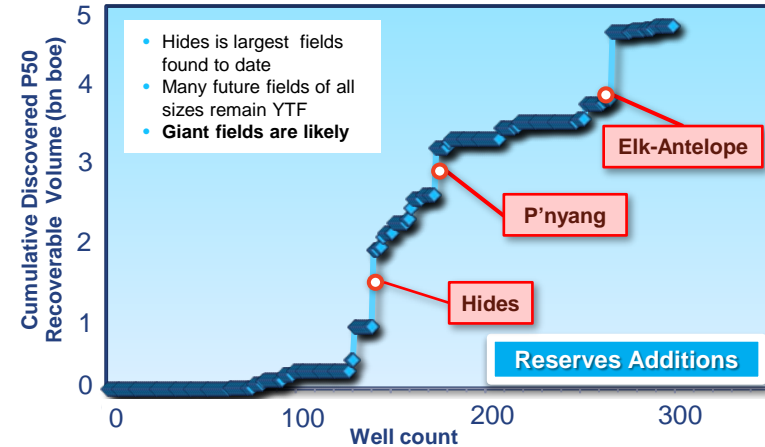
Seismic	Exploration well	Appraisal well
---------	------------------	----------------

**Subject to JV and/or Government approval; timing dependent on rig availability*

Schedule subject to change

Exploration summary

- » Significant exploration upside remains in PNG:
 - 40 tcf & 500 million barrels oil remain to be discovered (60% of total petroleum PNG resource)
 - Giant fields (~1 billion barrels oil equivalent) remain to be found
- » OSH's PNG acreage position expanding:
 - Focused on capture of material gas opportunities to support gas growth
 - Portfolio of opportunities being matured to provide clear commercialisation options for >10 year growth platform
 - Technology levers will enhance trap definition and risk mitigation and improve exploration drilling success
 - Several high impact wells will be drilled between 2016-2020
- » Disciplined approach to any new international exploration/appraisal, assessed against high-returning PNG growth assets
- » Preliminary 2017 exploration and appraisal budget of US\$200-300m



Power Initiatives



Oil Search Power: Rationale and Strategy



Oil Search

- » Power a significant development challenge in PNG
- » OSH has mandate to find PNG power solutions in support of Government's goals for electrification
- » Focus is on viable, scalable and competitive solutions that can grow in step with demand
- » Building strong and lasting partnerships with PNG's major energy companies:
 - Collaborative efforts that strengthen PNG Power Limited (PPL) will likely reduce requirement for substantial sovereign guarantees
- » Solutions must:
 - Be domestically sourced
 - Be tailored to geographic and timeline diversity of demand
 - Create local employment opportunities



Markham Valley Biomass

Existing underutilised
grasslands



- » Plantations established on Kunai grasslands that are unused for productive agricultural purposes
- » Adjacent to Power Station enables secure supply and shortest transportation distance



18,000 ha dedicated
plantation



15MWe Biomass IPP
(Boiler + Steam turbine)



- » Log Storage Yard
- » Chipping
- » Incineration
- » Power Generation



Power to consumers via
existing transmission lines



- » Transmission & Sale

Highlands Integrated Power

- » Work underway since 2013
- » Large proportion of PNG's potential electricity consumers live in proximity to Ramu Grid:
 - 2.3 million people live within 10km
 - 3.0 million people live within 20km
- » Initial demand from customers likely to be relatively low and slow to build: 70MW per million connections
- » Oil Search has signed alliance with PPL to progress Highlands power solutions:
 - Tari compound O&M support contract established and ready for award
 - Small-scale LNG for off-grid mobile fuel
 - OSH sponsoring consumer connection trial planned for Tari
- » Study on optimal fuel and generation to manage system growth in Highlands being finalised (Highlands Power Systems Study Scope)



Other power opportunities: Domestic LNG

- » Commercialising discovered-but-undeveloped gas resources from Gulf, Western and Highlands Provinces
- » Market capture is key:
 - Price needs to be locally competitive, with customers looking for protection from global hydrocarbon price escalation
 - Potential value-add from accessing spot LNG
 - Early market capture using alternative fuel could significantly de-risk project
 - Lae and Lihir markets provide scale that may make domestic LNG viable
 - Important to establish alignment with strongest local partners and promote opportunity as market coordination and aggregation will be required
 - Focus on using PNG-produced and not imported fuels



Finance



Robust cash flow and balance sheet to fund development activities in capital efficient manner



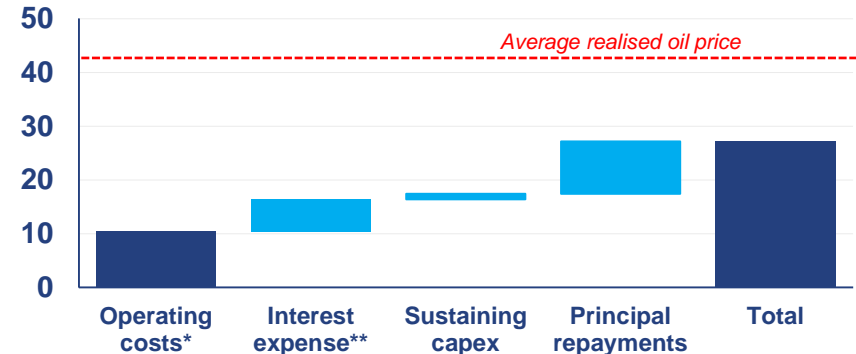
Oil Search

- » Forecast 2016 production costs of <US\$8.50/boe compared to US\$10.08/boe in 2015:
 - >15% reduction
- » Cash operating costs of ~US\$11.00/boe for core consolidated operations
- » Forecast 2016 operating cash flow breakeven (opex plus interest) of ~US\$17/boe and ~US\$28/boe after sustaining capex and principal repayments
- » Liquidity of US\$1.69 bn:
 - Cash of US\$939 m
 - Undrawn facilities of US\$748 m
- » US\$1.26 bn of cash distributions from PNG LNG since Financial Completion
- » Capital spend being managed carefully:
 - Maintaining liquidity capacity for priority growth project
 - LNG development expected to be funded with combination of project debt and equity

Liquidity (US\$m)



Cash flow break-even analysis – 1H16 (US\$/boe)

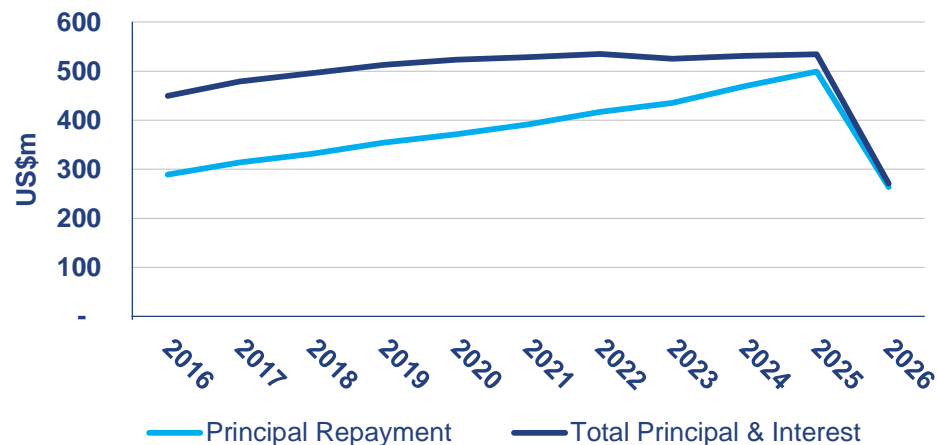


* Excludes Hides GTE gas purchase costs, inventory movements, donations, IOC acquisition costs, power expense and rig operating costs
 ** Includes interest from finance leases

Debt profile

- » Total debt of US\$4.08bn, representing OSH share of debt drawn under PNG LNG Project finance facility:
 - OSH guarantee to LNG lenders terminated at Financial Completion, debt now non-recourse
 - Principal repayments in June and December each year
 - 20% fixed rate, 80% floating against LIBOR
- » Interest and principal paid semi-annually over next 10 years (mortgage-style repayment profile)
- » PNG LNG debt service costs for 2016 forecast to be <US\$16/boe
- » US\$250m of bilateral facilities refinanced in December 2015 for three year term
- » US\$500m revolving facility to be refinanced in 1Q17

Indicative Annual Repayment profile





Financing approach for expansion

Unitised two train development facilitates joint project financing:

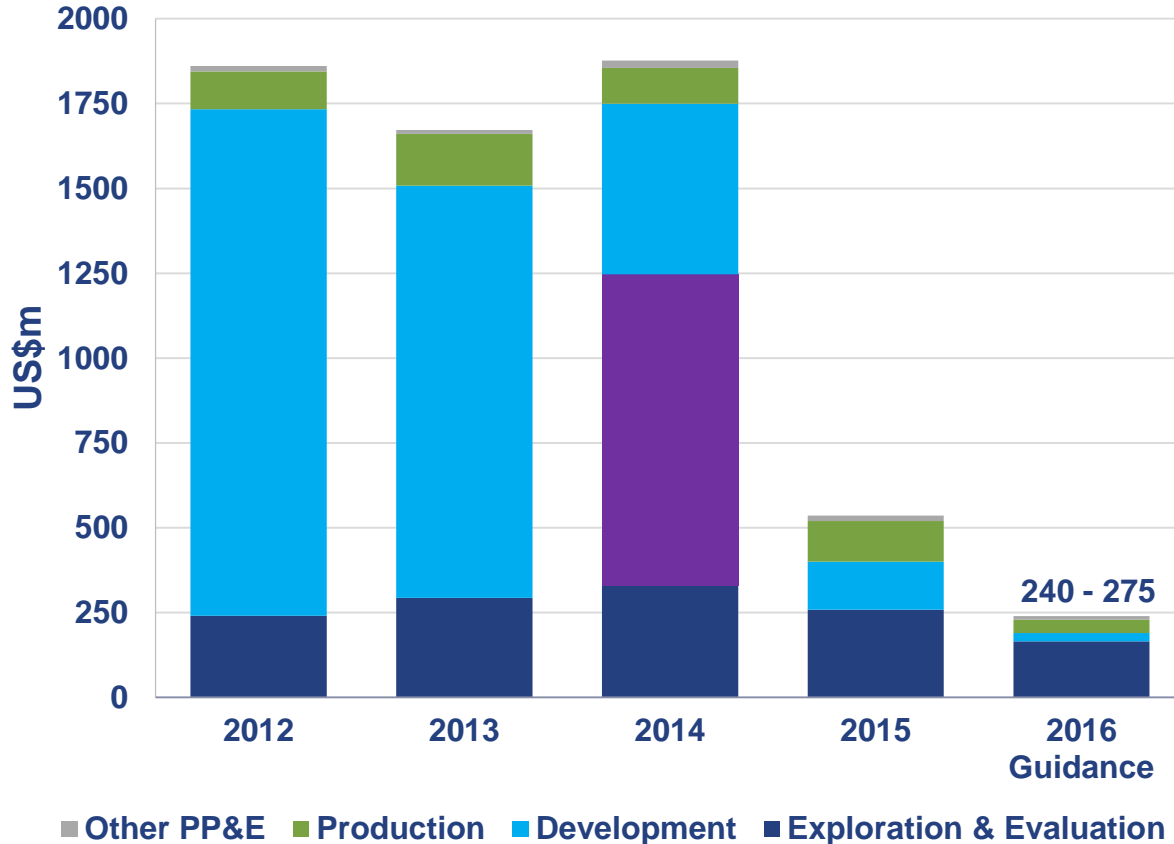
- » Structure mirrors PNG LNG
- » Familiar to prospective lenders and leverages success of PNG LNG
- » Minimises interfaces between separate developments
- » Simplifies lender security and optimises asset ring-fencing
 - Proven solution for PNG Government negative pledge constraint
 - Maximises project gearing and opportunity for nonrecourse funding post completion
- » Removes competition for funding between individual sponsors, broadens access to MLA/ECA funding sources
- » Sponsors with weaker credit carried by stronger sponsor halo effect – “last man standing” cross default provisions a major risk mitigant for lenders
- » Financing for all sponsors delivered on same schedule – de-risks timeline to FID

Robust forecast liquidity and equity funding capacity:

- » Phased development of Antelope and P’nyang fields optimises capital spend and lowers peak debt
- » Over FEED/construction phase of Papua LNG, US\$2.2 billion of PNG LNG project debt repaid, freeing up gearing and debt servicing capacity at corporate level
- » Cash flow modelling through to Papua LNG first gas indicates:
 - Sufficient existing liquidity and future free cash flow (assuming ongoing recovery in oil prices) to fund equity share of development costs, comprehensive exploration programme and cash dividend distributions in line with policy (35-50% payout)
 - Consolidated gearing not exceeding current level (40%)
- » If required, additional liquidity levers include cutting back discretionary exploration spend and activating underwritten DRP



Capital investment Outlook



2016 capital cost guidance (US\$240 – 275m)

- » Exploration & Evaluation: US\$165 – 180m
 - » Development: US\$25 – 30m
 - » Production: US\$40 – 50m
 - » Other PP&E: US\$10 – 15m
-
- » 2017 budgets yet to be finalised
 - » Capex expected to be higher than 2016 due to increased exploration and gas development programmes



2016 Guidance Summary

Production	2016 Guidance	2017 Direction
Oil Search operated (PNG Oil and Gas)	6.3 – 6.7 mmboe	
PNG LNG Project		
LNG	95 – 98 bcf	
Liquids	3.3 – 3.5 mmbbl	
Total PNG LNG Project ¹	22 – 23 mmboe	
Total Production¹	28 – 30 mmboe (<i>upper end</i>)	In line with 2016
Operating Costs		
Production costs	US\$8 – 10 / boe	Within 2016 range
Other operating costs ²	US\$135 – 155 million	TBA
Depreciation and amortisation	US\$13.5 – 14.5 / boe	Within 2016 range

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), power costs and inventory movements. Excludes costs associated with InterOil bid.



Cash flow priorities remain unchanged

Available Cashflows

After scheduled debt servicing, sustaining capital expenditure and commitments

Dividends

Payment in accordance with proportional dividend policy (35-50% of core NPAT)

Growth Capital Investment I

LNG expansion

Growth Capital Investment II

Exploration, New Ventures, M&A

Surplus Capital

Return to Shareholders:

- Share Buy-Backs, Special Dividends

Strategy Refresh



Strategy Refresh

- » OSH undertook major review of corporate strategy in 2014 which identified that top quartile returns for shareholders could be delivered by competitive LNG expansion in PNG
- » Undertaking focused refresh of strategy:
 - Backdrop of global macro-economic factors – lower for longer commodity prices, deferral of LNG project FIDs – and PNG specific factors
- » Acquisition of IOC by ExxonMobil will drive a cooperative agenda for LNG expansion in PNG:
 - Likely to result in material added value through integration of downstream elements of PNG LNG and Papua LNG plus additional upstream synergies
 - Reviewing key aspects and options for cooperation, in preparation for formal discussions with partners and Government
- » 2H16 timely opportunity to identify key drivers and activities up to FID of next LNG trains, optimisation of producing assets and identification of resources for potential additional expansion
- » Refresh expected to be completed by end 2016





Sustainable. Oil Search.



WE SUPPORT

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Social Responsibility



Helping preserve a stable operating environment

- » OSH plays unique role in PNG:
 - Based on 87 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 will benefit substantially 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
- » Partnership between State and private sector vitally important
- » Long-standing commitment to social responsibility and sustainable development:
 - Fundamental to maintaining stable operating environment
 - Helps forge strong relationships with Government, communities, other partners



Contributing to long-term sustainability in PNG

» Responding to PNG's development priorities through the Oil Search Foundation:

- Oil Search Health Foundation operating since 2011. Relaunched in 2015 to include Leadership and Education, and Women's Protection and Empowerment development streams as well as health
- OSH has committed US\$56 million over five years (2016 – 2020) to fund Foundation's core operational costs and signature programmes

» Other OSH activities :

- Facilitate delivery of important infrastructure through Tax Credit Scheme projects (roads, APEC Haus, Manasupe Haus and National Football Stadium)
- Public-Private Partnership (PPP) with Government for Hela Regional Hospital (in conjunction with OSH Foundation)
- Capacity building – Citizen Development and Graduate Programmes, New Colombo Plan initiative

» Government strongly supportive of Oil Search's PPP approach



“When a company’s success is so closely tied to the well-being of a nation, as Oil Search’s is to PNG, the nation’s issues become the company’s issues.”

~ PETER BOTTEN
MANAGING DIRECTOR, OIL SEARCH

PNG election timeframe

'Your Choice, Protect the Democracy - Election 2017'



Oil Search

2017											
January	February	March	April	May	June	July	August	September	October	November	December

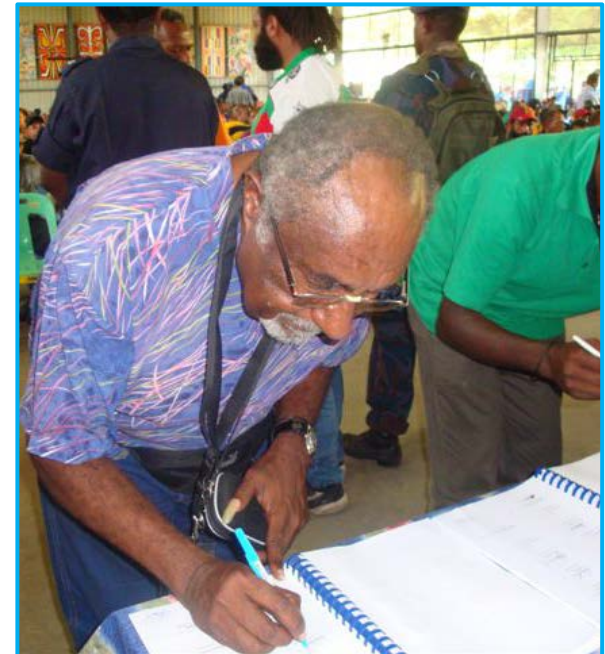
Last sitting of Parliament	Writs/Period	Vote	Writs Ret	Gv fm	Gv fm
----------------------------	--------------	------	-----------	-------	-------

» Timing

- Last sitting of Parliament
 - Friday, 5 February 2017
- Issue of Writs & Nominations
 - Open: Thursday 20 April 2017
 - Close: Thursday 27 April 2017
- Voting:
 - Start: Saturday 24 June 2017
 - End: Saturday 8 July 2017
- Return of Writs
 - By Monday 24 July 2017
- Government is formed (with contingency timing) :
 - August

PNG Major Political Party's as at Nov 2016*	Seats held	% of seats
People's National Congress Party	27	24.3%
Triumph Heritage Empowerment Rural Party	12	10.8%
Papua New Guinea Party	8	7.2%
National Alliance Party	7	6.3%
United Resources Party	7	6.3%
People's Party	6	5.4%
People's Progress Party	6	5.4%
Social Democratic Party	3	2.7%
Coalition for Reform Party	2	2.7%
Melanesian Liberal Party	2	2.7%
New Generation Party	2	2.7%
People's Movement for Change Party	2	2.7%
People's United Assembly Party	2	2.7%
People's Democratic Movement	2	2.7%
Independent	16	14.4%

*Parties with one seat not shown

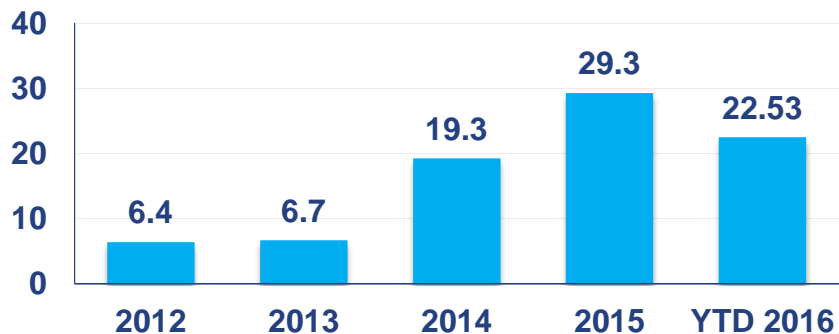


- » Downstream integration of Papua LNG and PNG LNG projects de-risked by ExxonMobil's bid for InterOil:
 - Total and ExxonMobil have expressed willingness to work together to develop optimal outcomes for LNG development
 - Benefits of achieving successful integration expected to be substantial
 - Sufficient resource within Elk-Antelope and P'nyang to support two additional LNG trains
 - Strategy Refresh reviewing key integration options
- » Drilling programme comprising Antelope 7, testing 1-2 tcf of upside in Elk-Antelope, and Muruk, with P'nyang drilling in 2017:
 - Together with replenished exploration portfolio, provides line of sight to potential third additional LNG train
- » Liquidity position remains robust, with ~US\$1.7 billion of cash and undrawn facilities. Combined with very competitive breakeven cash flows, OSH has strong capacity to fund its growth
- » Well placed for future oil price recovery:
 - Strong cash flows from quality assets, with recalibrated cost structure
- » OSH's interests in PNG LNG, Papua LNG and exploration portfolio create unprecedented platform for long-term growth
- » In-country initiatives remain high priority

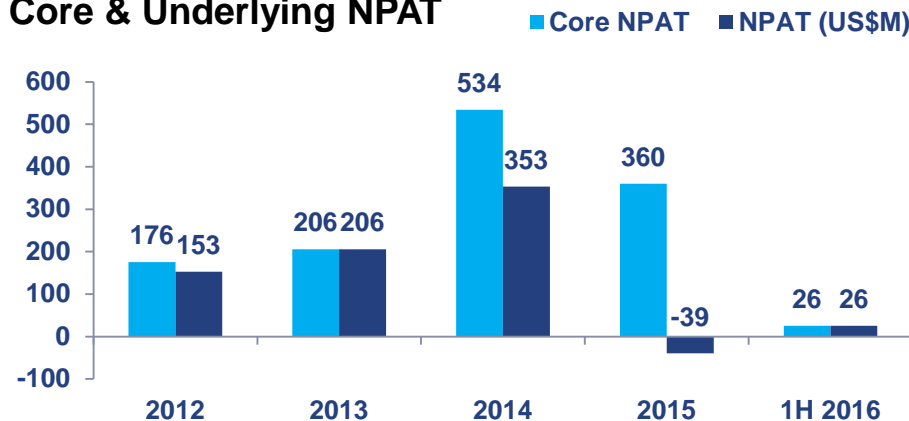


Appendix 1: Key metrics

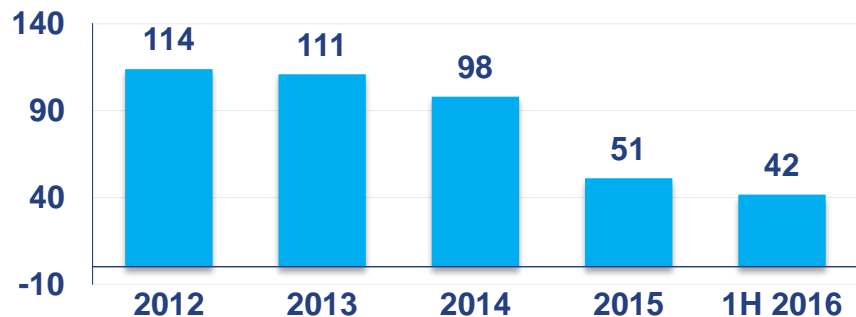
Production (mmboe)



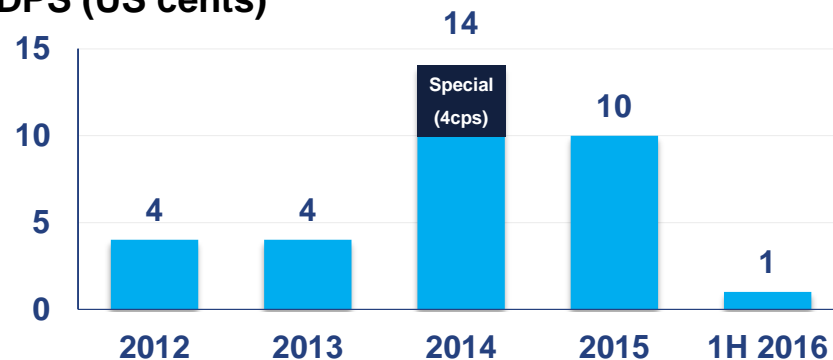
Core & Underlying NPAT



Oil Price (US\$/bbl)

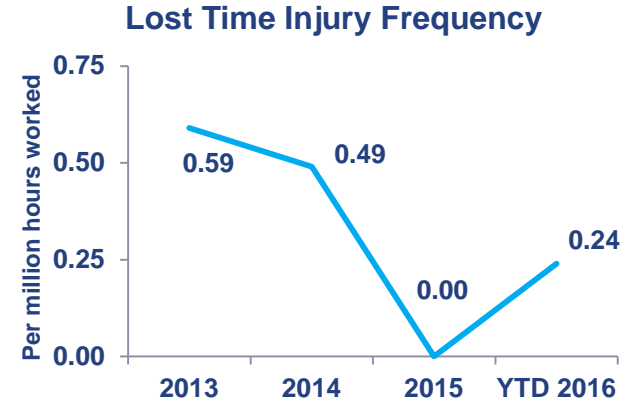


DPS (US cents)





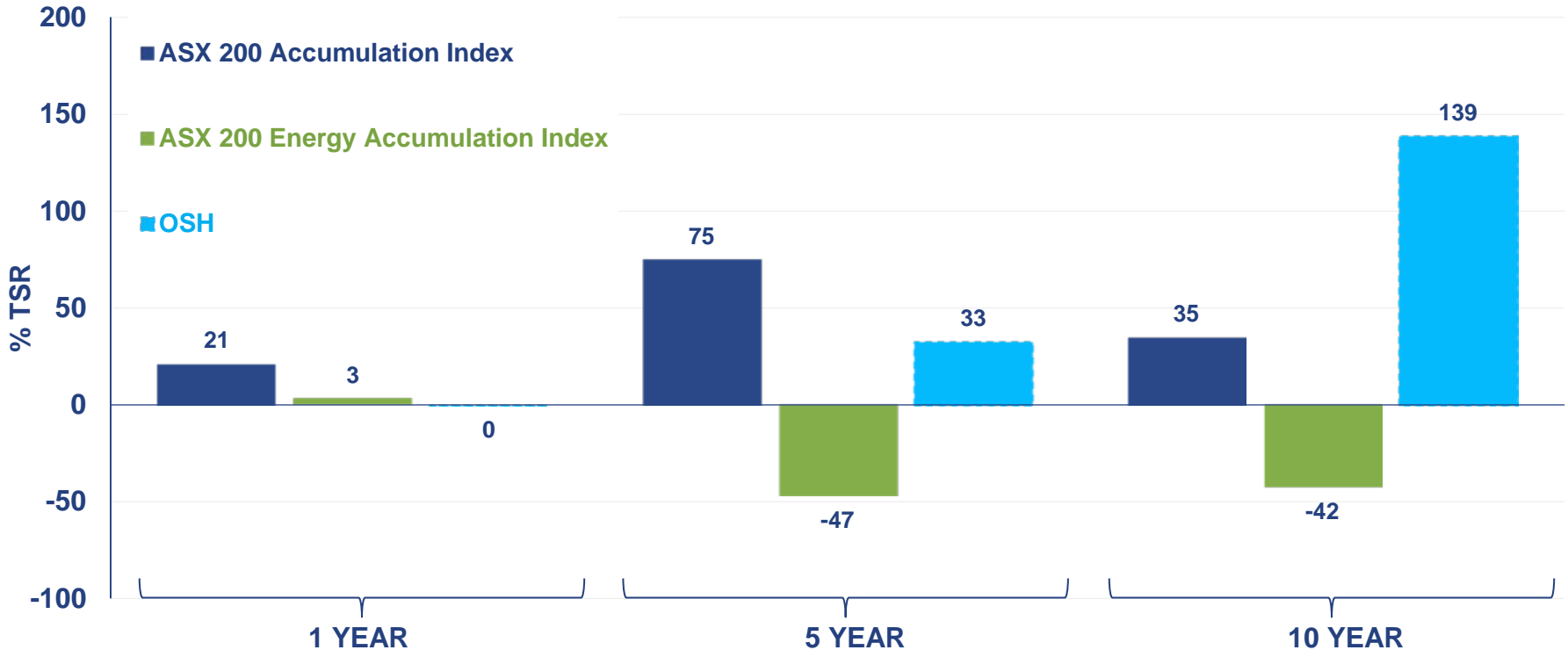
Appendix 2: Safety a key priority



- » Safety improvement plan introduced following increase in TRIR in 1H16 related to small number of areas
- » TRIR for period to end September reduced to 1.99

Appendix 3: Relative TSR performance to 30 Sep 2016

Total Shareholder Return (%)



Source: OrientCap



Oil Search

Oil Search Limited

ARBN 055 079 868