



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)
ARBN – 055 079 868

15 December 2004

THE AUSTRALIAN STOCK EXCHANGE
(SYDNEY) LIMITED
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Company Announcements Officer

Dear Sir/Madam

**Re: Oil Search Limited
WMC INCREASES MAXIMUM GAS SALES VOLUMES**

Please find attached.

Yours sincerely

MICHAEL SULLIVAN
General Counsel/Group Secretary

Encl.

AUSTRALIAN REGISTERED OFFICE

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WMC INCREASES MAXIMUM GAS SALES VOLUMES

15 December 2004

ExxonMobil today announced that WMC (Olympic Dam Corp.) has increased the maximum volume of gas covered by the conditional gas sales agreement signed in December 2003, from 20 PJ pa to up to 30 PJ pa (see attached release).

Commenting on the announcement, Oil Search's Managing Director, Mr Peter Botten said:

"Although this remains a conditional agreement, it is encouraging that volumes committed to the Project continue to grow. This attests to the attractiveness of terms offered and a building demand for a new gas supply for eastern and southern Australia."

PETER BOTTEN
Managing Director

For further information please contact:

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Media Release

15 December 2004

INCREASED SALE OF PNG GAS TO WMC (OLYMPIC DAM CORP.)

Port Moresby - Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation, as operator of the PNG Gas Project, today announced that the Project Owners have agreed with WMC (Olympic Dam Corporation) Pty Ltd to amend the commercial terms in the conditional agreement for the sale gas signed in December 2003.

Under the revised terms, the agreement covers the sale of gas over a period of 20 years from Project start-up. Total quantities will now be up to 30 petajoules per year. Previously, the agreement had been for quantities between 12-20 petajoules per year. The sale remains subject to successful feasibility studies by WMC.

The gas is to be supplied to Olympic Dam in South Australia for liquid fuel replacement and gas fired power generation.

The PNG Gas Project Owners are ExxonMobil (Esso Highlands Limited as project operator), Oil Search, MRDC (a PNG company representing landowner interests) and Nippon Oil Exploration Limited.

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Port Moresby

An **ExxonMobil** Subsidiary