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UBS Global Oil and Gas Conference

Beijing

September 2010



Oil Search Profile

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- Established in Papua New Guinea (PNG) in 1929
- Operates all of PNG's producing oil and gas fields. Current gross production ~40,000 boepd, net share ~21,000 boepd
- Proven reserves base of 344 mmboe, proven and probable of 567 mmboe plus 281 mmboe in the 2C resource category still to be commercialised
- PNG Government is largest shareholder with 15%. In early 2009, Govt issued exchangeable bond over shares to IPIC of Abu Dhabi
- 29% interest in PNG LNG Project, world scale LNG project operated by ExxonMobil. Project in construction, first LNG sales expected 2014
- Exploration interests in PNG and Middle East/North Africa
- Market capitalisation ~US\$7 billion. Listed on ASX (Share Code OSH) and POMSOX, plus ADR programme (Share Code OISHY)



Oil Search Locations

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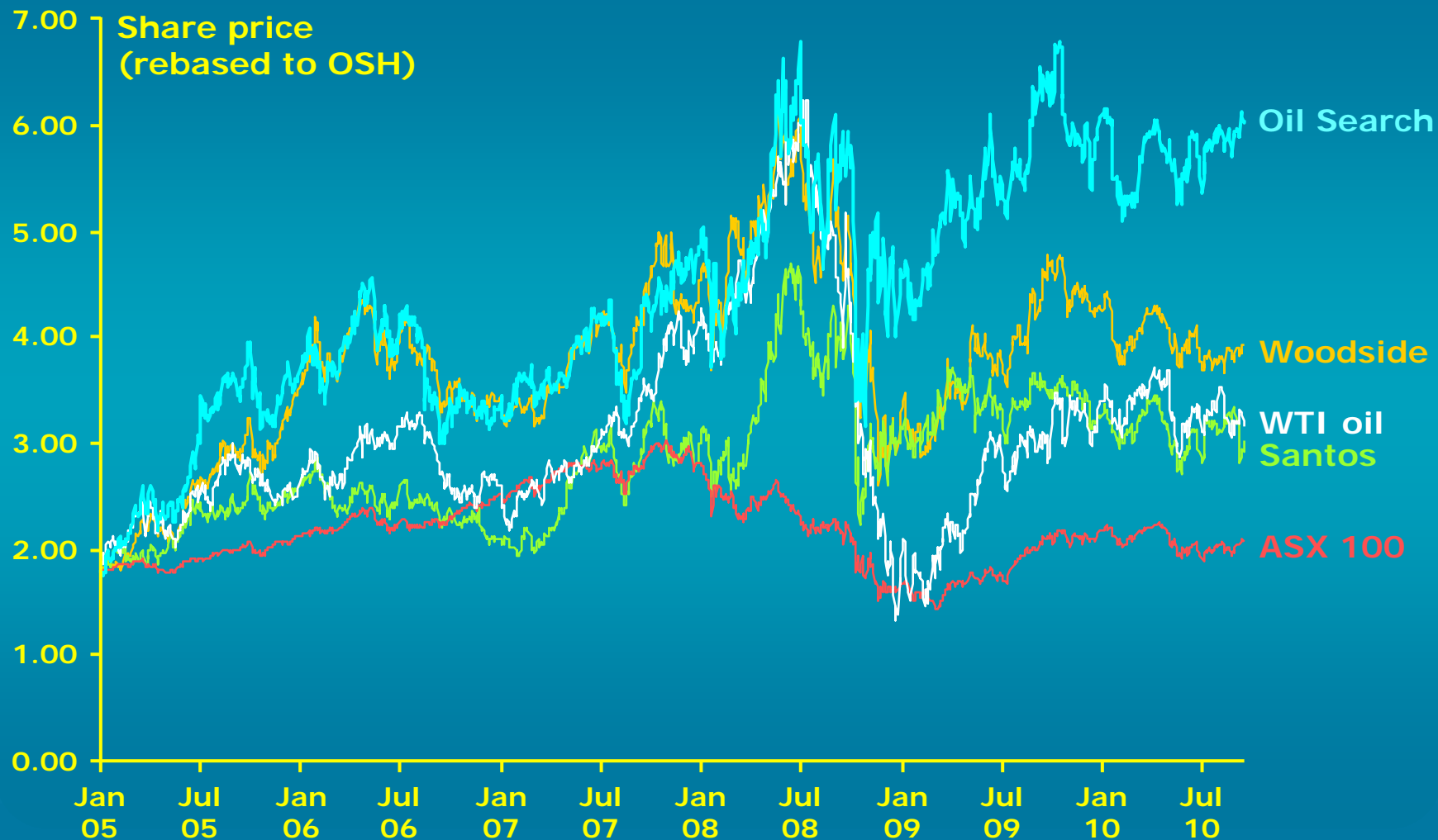
Strong Long Term Share Price Performance

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Annualised TSR of 29.5% for five years to end 2009, top ASX 100 performer





Oil Search Strategic Priorities

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- Assist ExxonMobil in delivering PNG LNG Project on time and on budget:
 - Transformational impact on Oil Search and PNG
 - ExxonMobil quality operator
 - Lays foundation for major LNG industry in PNG
- Focus on further LNG development:
 - Gas exploration and appraisal activities in PNG
 - Strategic PNG gas acquisitions
 - Partner alignment
- Optimise current oil field production
- Undertake measured oil exploration in PNG and MENA



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PNG LNG Project



PNG LNG



PNG LNG Project Overview

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- 6.6 MTPA, 2 train LNG development, operated by ExxonMobil
- Fully contracted to quality Asian customers (Sinopec, TEPCO, Osaka Gas & CPC) with continuing strong market interest
- Financial Close in March 2010, construction underway
- First LNG sales targeted for 2014
- Estimated investment for initial phase: US\$15 billion
- Capital cost (incl capitalised interest, fees etc) being funded 70:30 debt: equity. US\$14bn project finance facility secured during GFC





PNG LNG Project Competitive Advantages

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- ExxonMobil quality operator with strong reputation for project delivery on time and on budget
- Complemented by OSH's PNG country expertise
- Conventional LNG project, based on tried and tested technology
- Contracts underpinned by 1P reserves, with commitment of 9.3 tcf 2P reserves
- Project returns enhanced by top quality onshore resource with high liquids content
- Fiscal stability agreement in place
- Highly supportive host Government - also equity partner



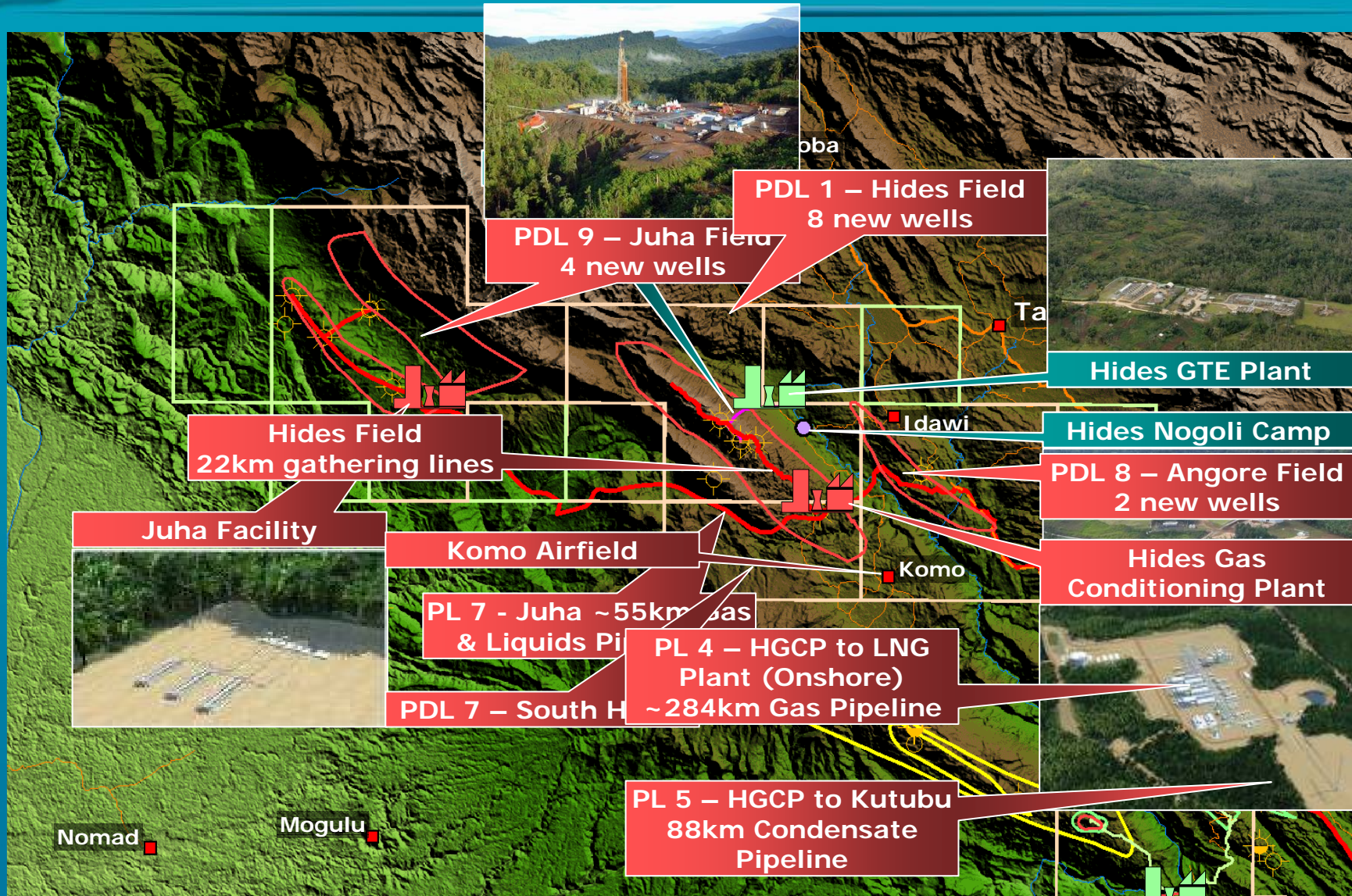


OSH PNG Operated & Participating Projects

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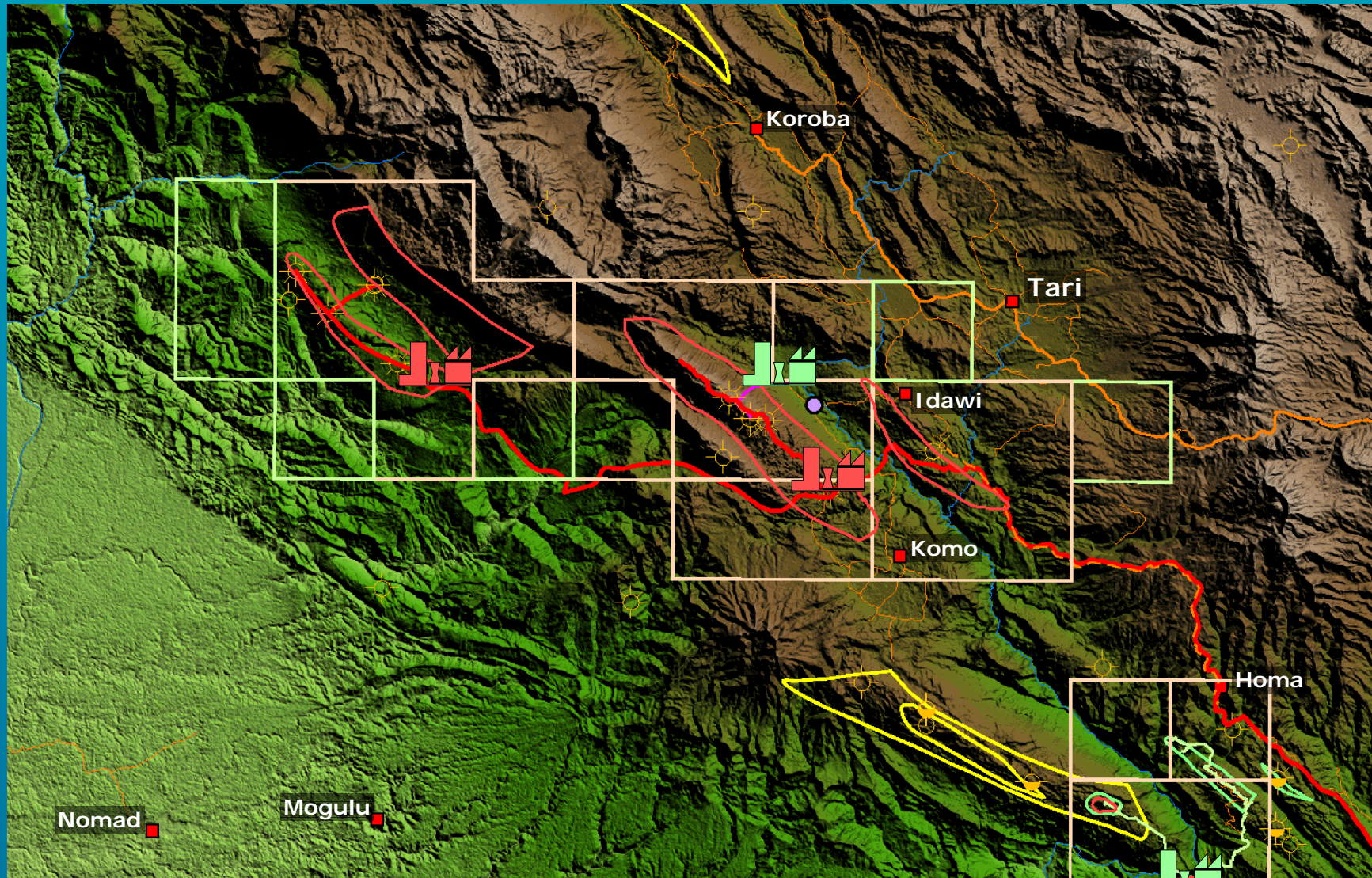
OSH Facilities

PNG LNG Facilities



OSH PNG Operated & Participating Projects

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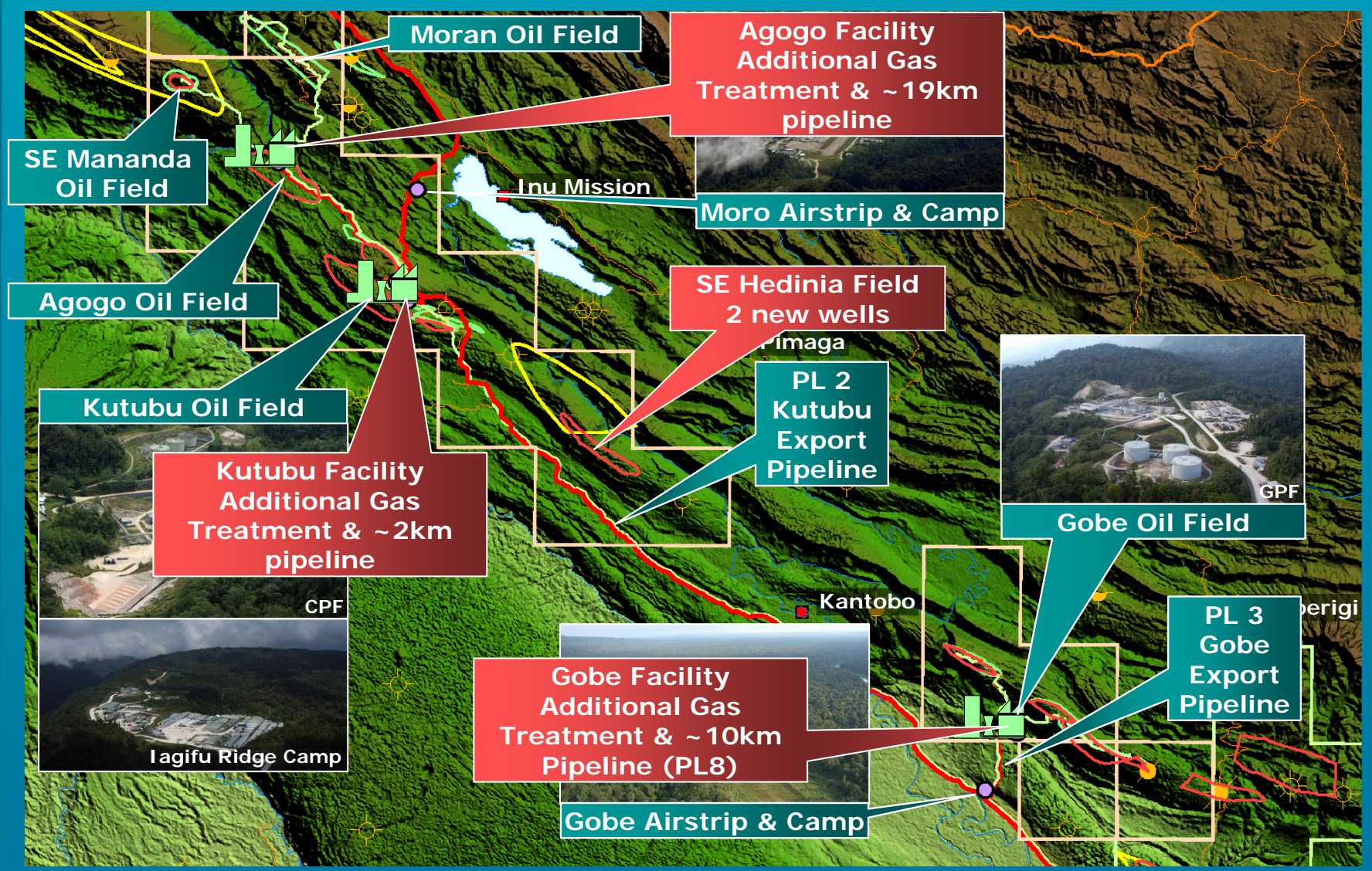


OSH PNG Operated & Participating Projects

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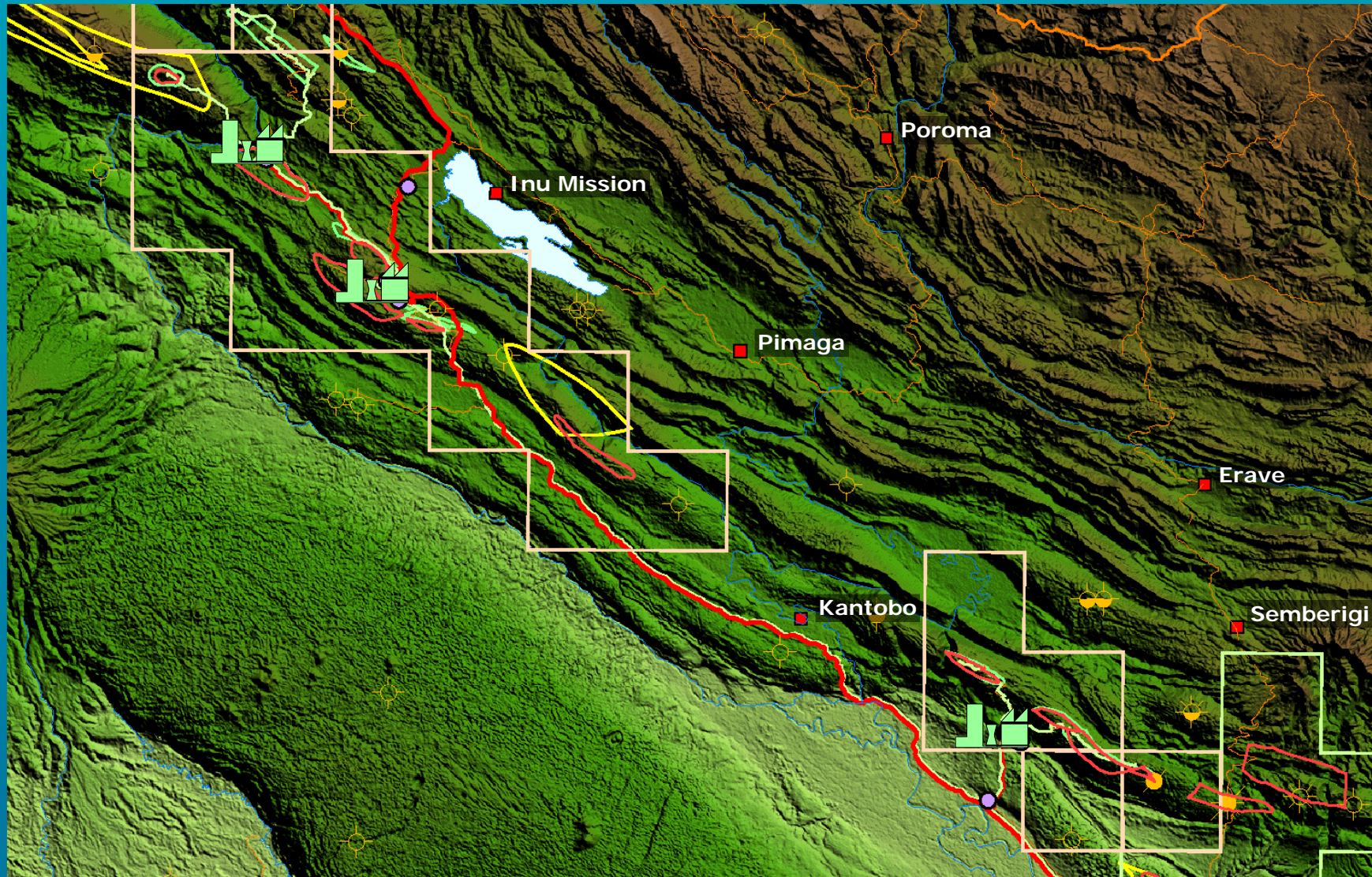
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PNG LNG Facilities



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PL 4 (Offshore)
~407km Gas Pipeline



Kopi Dock & Camp



Kumul Marine Terminal

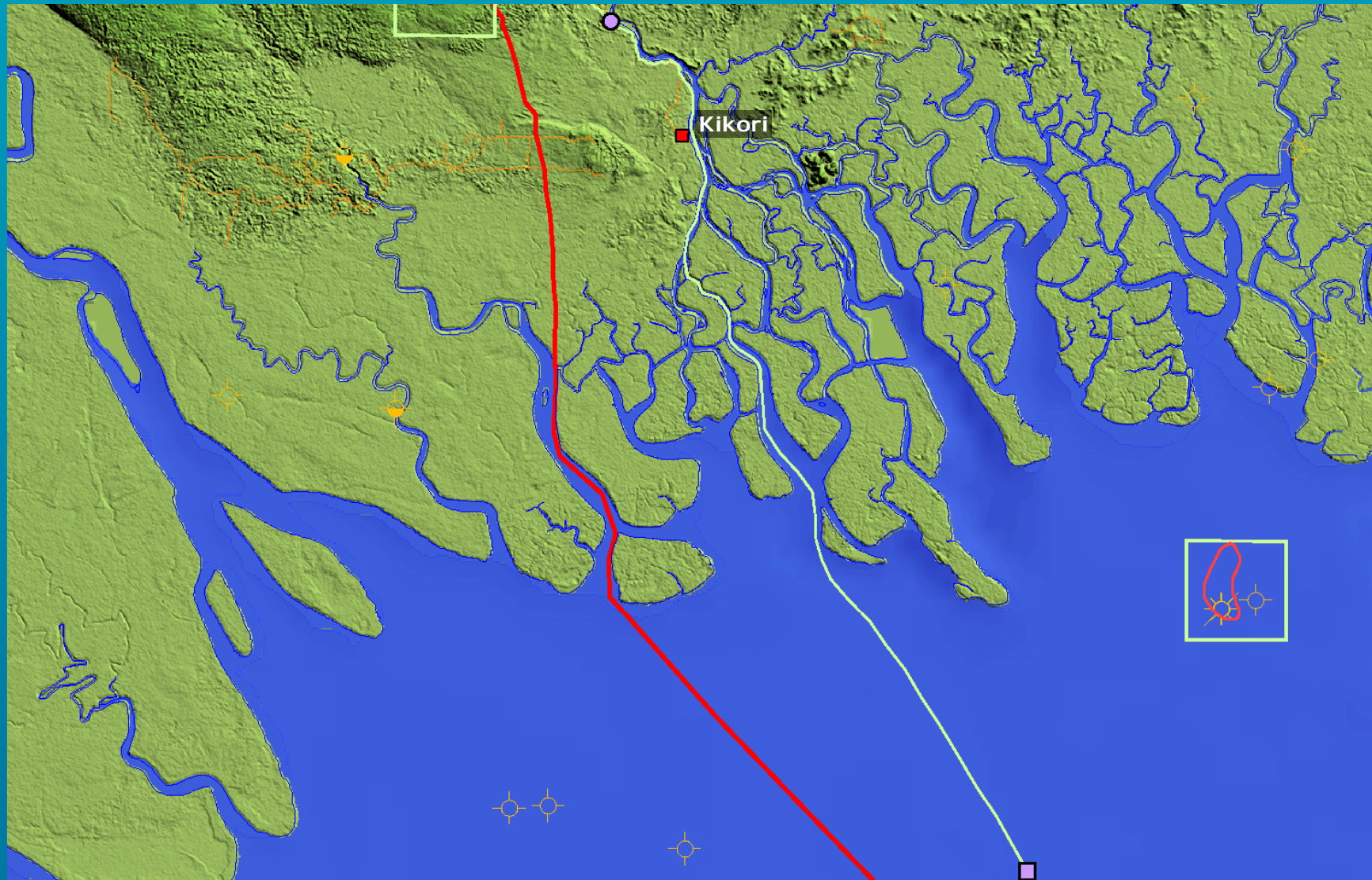
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PNG LNG Facilities



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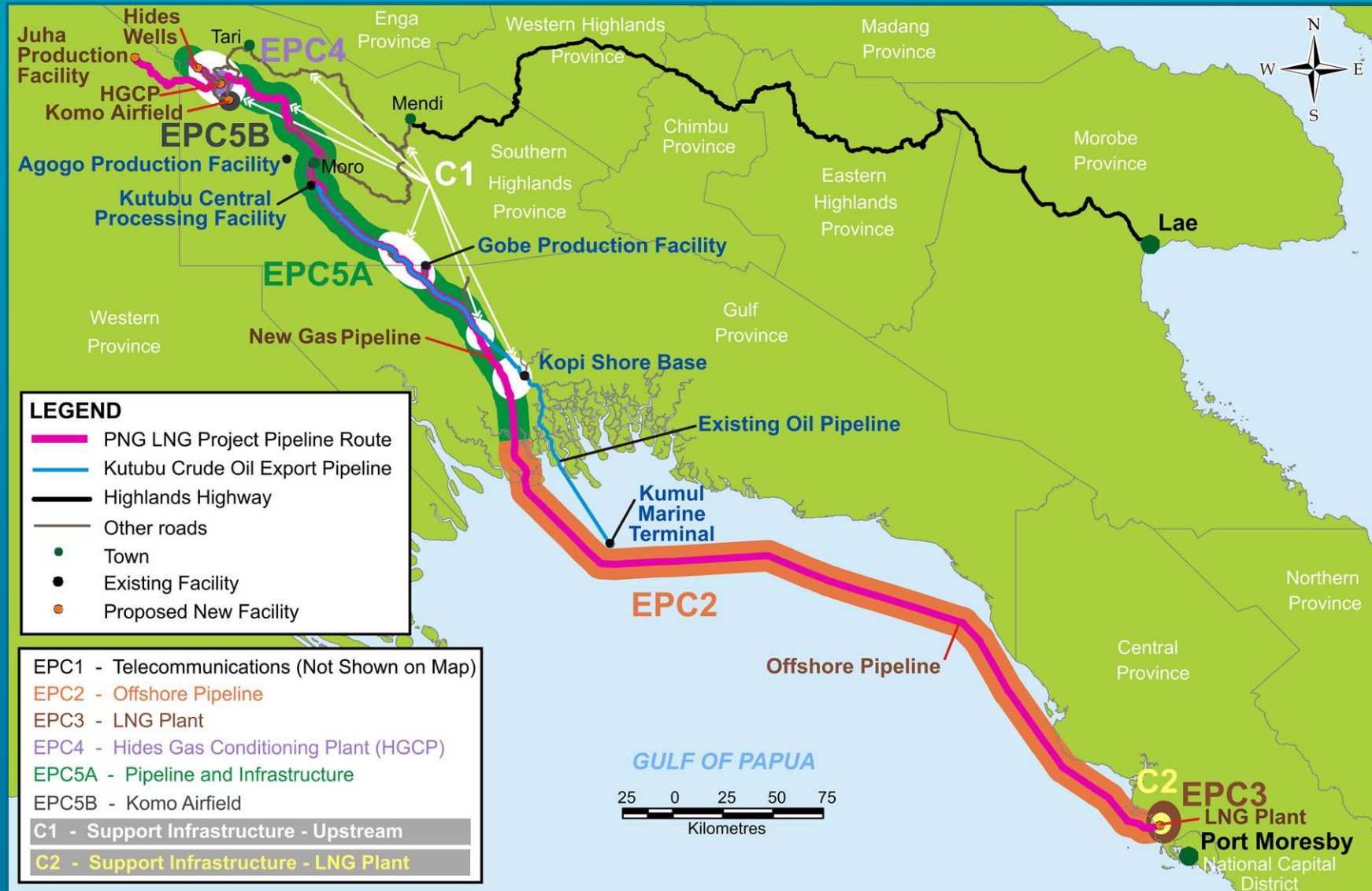
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PNG LNG Facilities



PNG LNG Project Construction Activities Planned/Underway

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PNG LNG Project

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Logistics: Highlands Highway - Bridge construction

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Logistics: Kopi Wharf

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Proposed LNG Plant Layout

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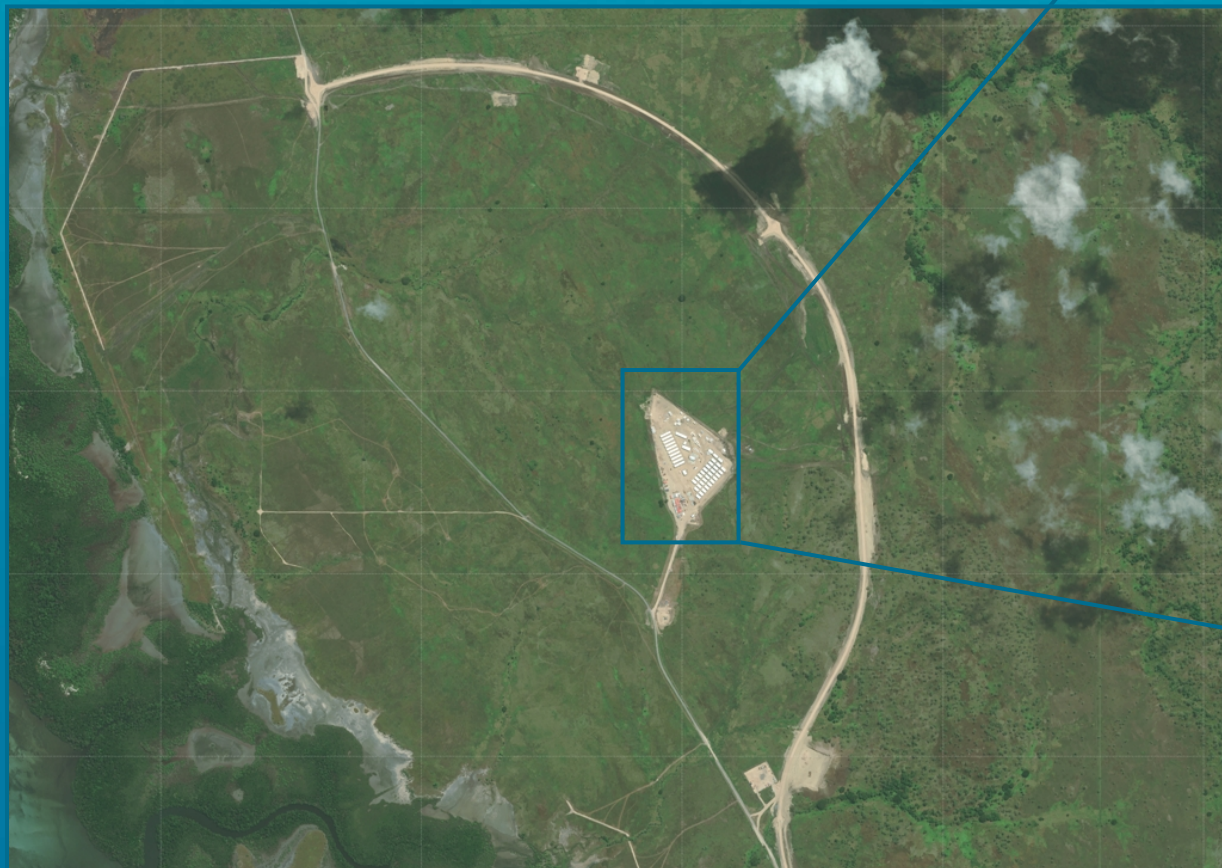
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LNG Plant site construction

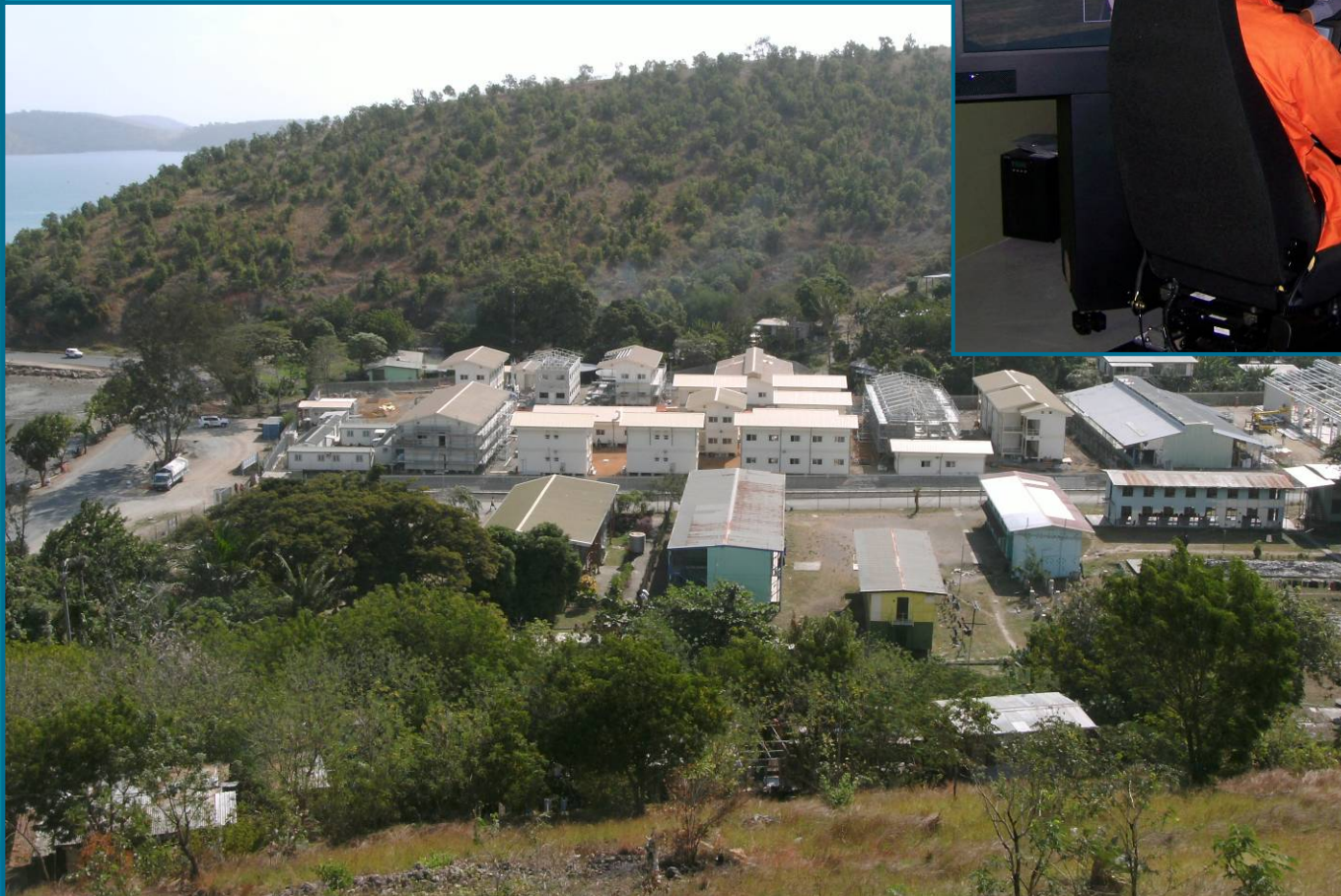
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PNG LNG Project - Training Centre, Port Moresby

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PNG LNG Project - Graduates

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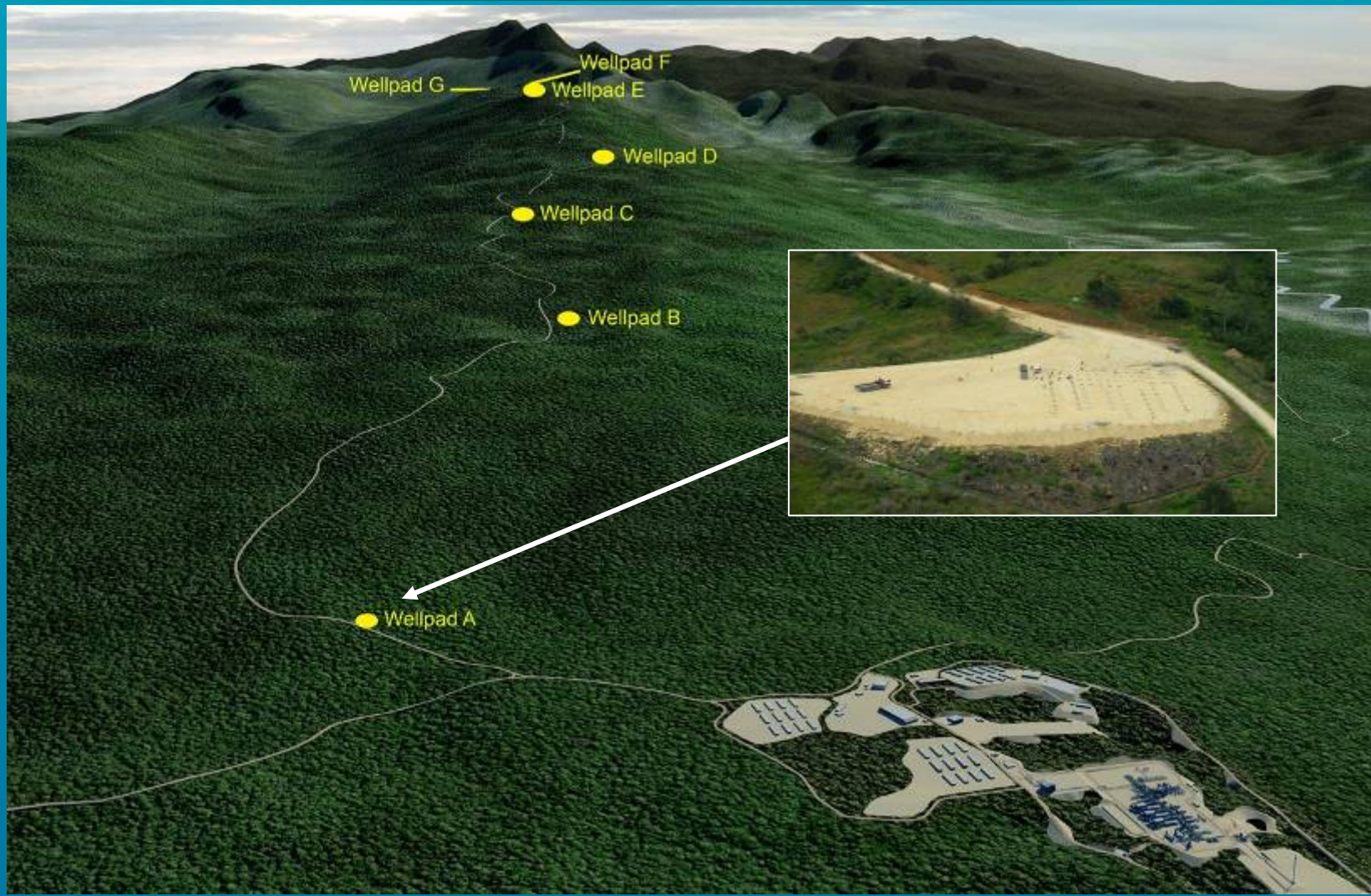


Proposed Hides Plant and Wellpads

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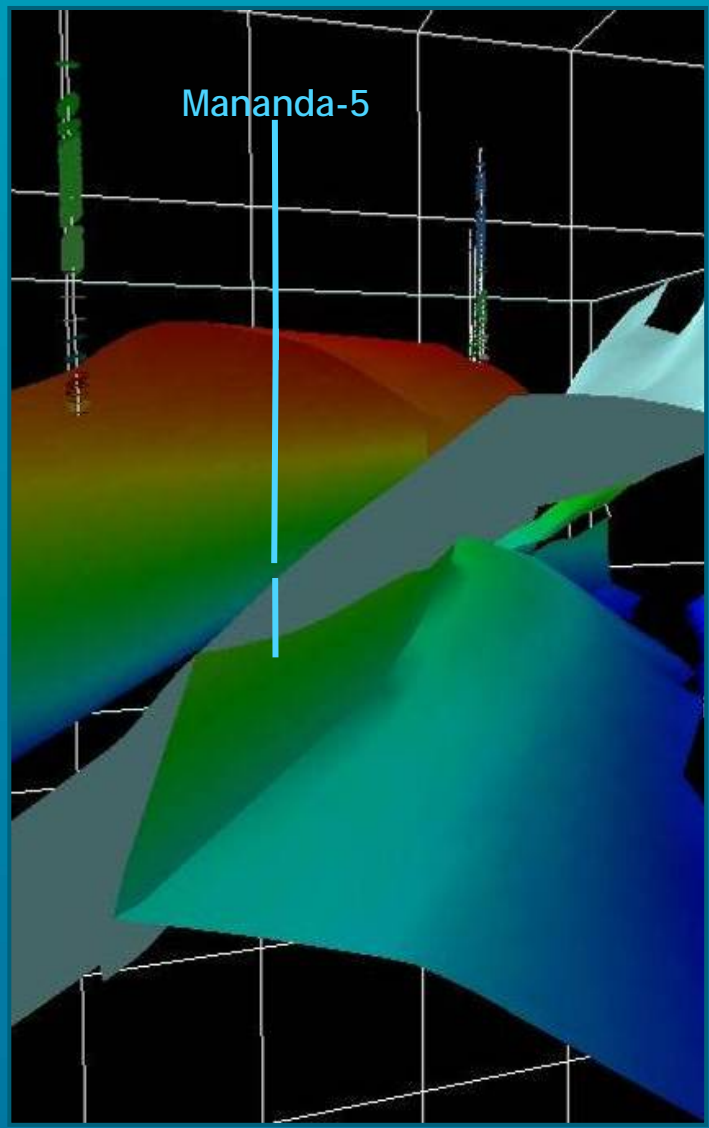




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Growth Opportunities



PNG Gas Growth

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- PNG LNG will have expansion capabilities with excellent cost structure:
 - Use of capacity in pipeline, jetty, tanks and services
 - Trained local work force
- Additional synergies available if construction follows T1/2
- Government is very supportive of, and expects, future gas growth
- T3 would have highly competitive and positive position in the LNG market



PNG Gas Growth

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Two core development strategies:

— Train 3 Development

— PNG LNG Expansion

- Brown fields development leveraging synergies

- Underwritten by PNG LNG fields resource base

— Train 4 Development

- Utilising discovered gas resource base

- Augmented by exploration, concentrating on offshore licence base



PNG LNG Dedicated Fields

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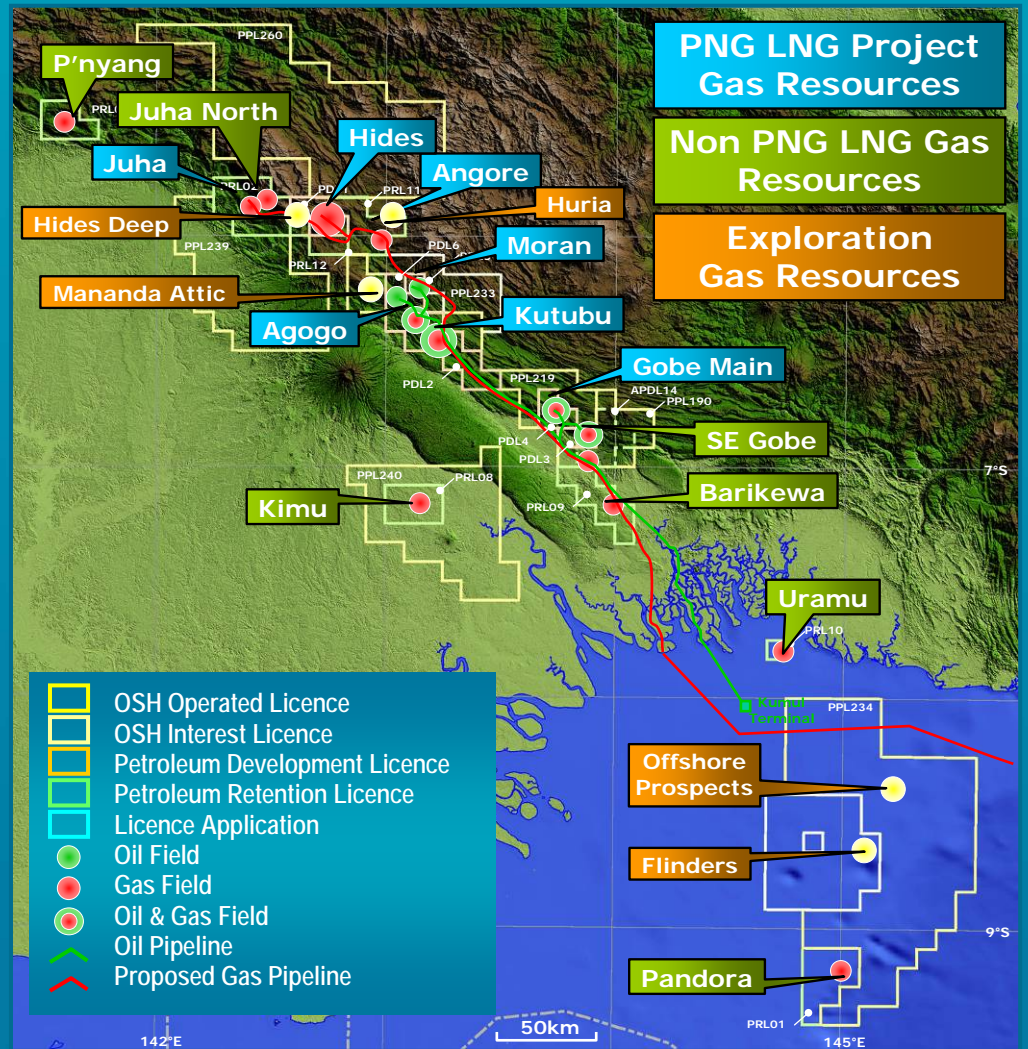
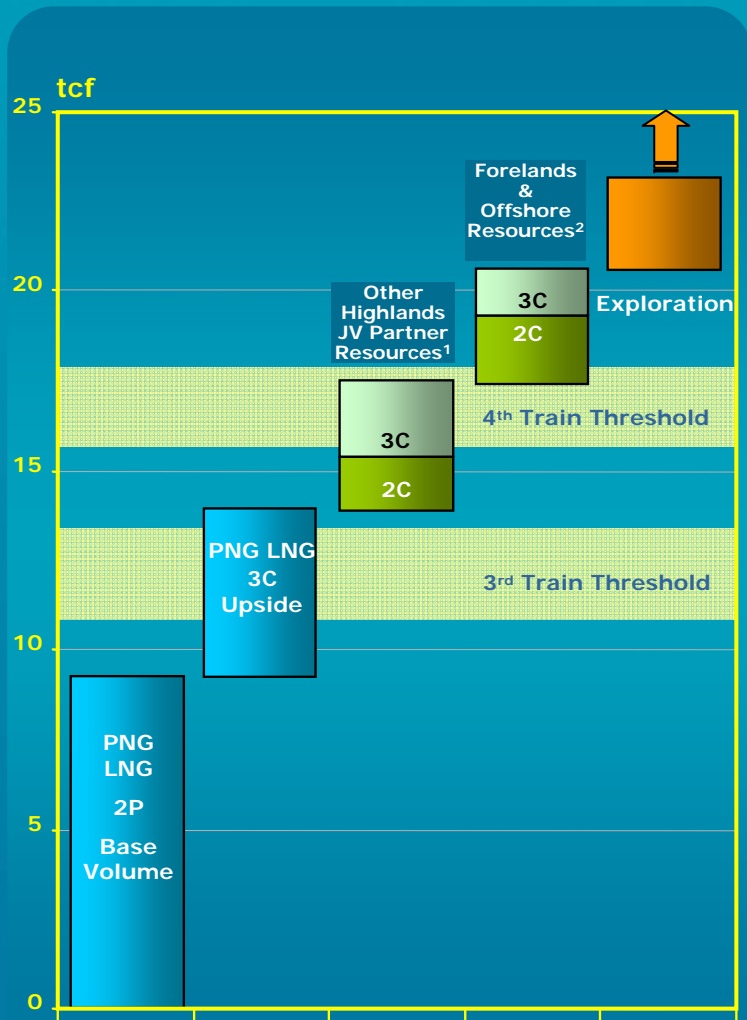
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- Potential upside possible in all PNG LNG fields
- Near term focus on:
 - Associated Gas Fields (Kutubu/Moran/Gobe/Agogo)
 - Recent wells and additional production history indicate increased gas resource. Recertification required
 - Hides
 - Yet to test depth of gas water contact or northern segment
 - Two development wells scheduled to test both in 2012
 - Currently considering accelerating drilling



Requirements for LNG train growth in PNG

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1. P'nyang, Juha North, SE Gobe
2. Barikewa, Kimu, Pandora, Uramu, Cobra, Iehi



Strategic Review

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- Major strategic review underway to optimise growth path and prepare for substantial production and revenue growth. Dedicated review team in place
- Focus areas :
 - PNG oil and gas operations interface
 - PNG LNG delivery
 - Gas New Business (T3 & T4) plus other options
 - Growth and business development
 - Capital management, pre and post LNG cash flows
 - Organisation capability
- Provide programmes and organisation to deliver value and maximise shareholder returns through to, and beyond, first LNG production



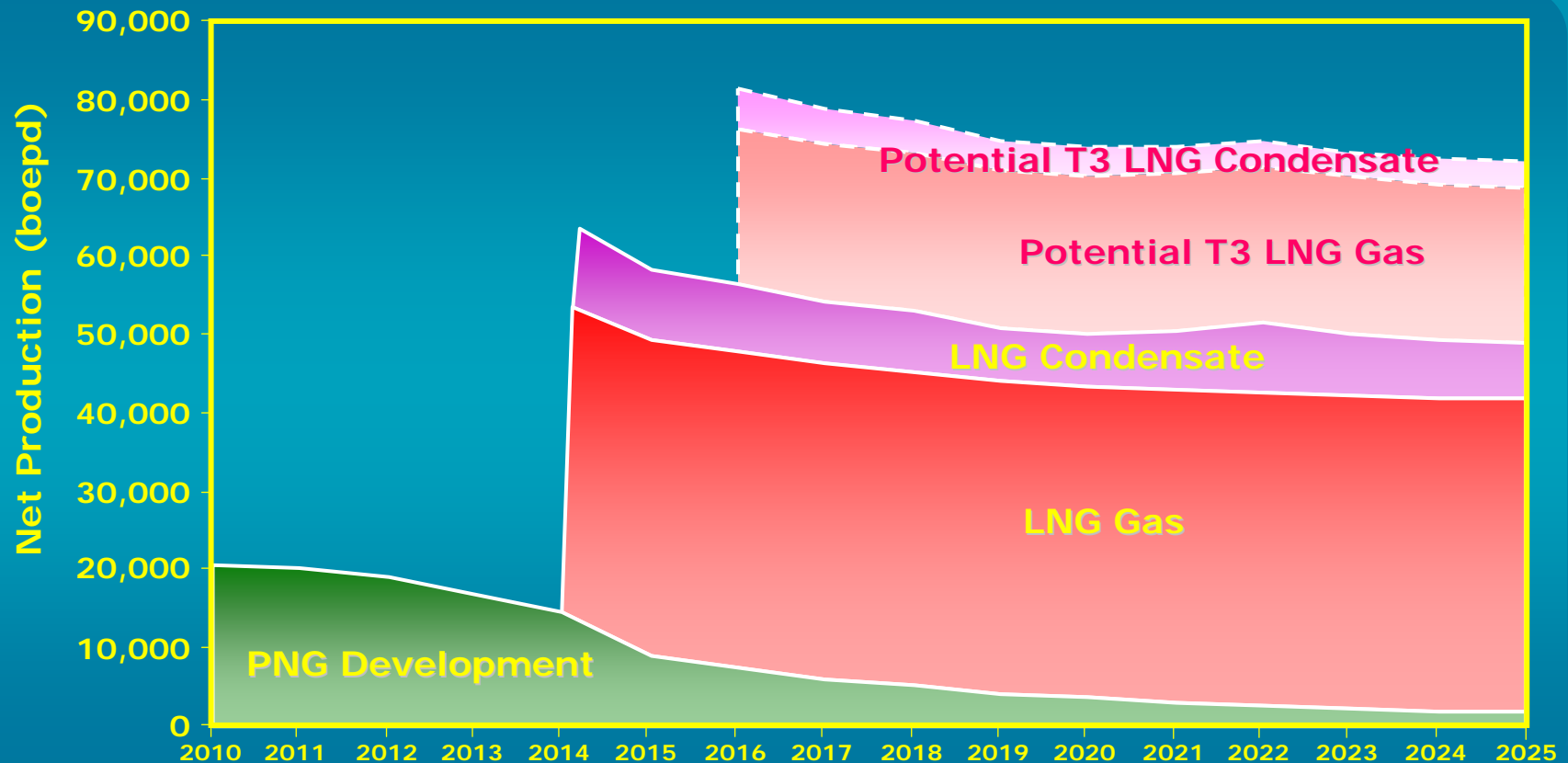
Production Outlook

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- Despite maturity, recent development drilling success expected to reduce oil production decline curve prior to first LNG. High value barrels
- PNG LNG adds ~18 mmboe pa to OSH at plateau in 2015 onwards. 30 year Project life
- T3 could add an additional ~9 mmboe pa, with T4 of similar magnitude





Summary

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- Company undergoing major transformation through development of PNG LNG
- PNG LNG T1/2 construction progressing steadily, timing and budget estimates unchanged. Project is in good hands
- With PNG LNG underway, new OSH strategic objective is LNG expansion:
 - De-risking/appraisal of existing gas discoveries and further gas exploration to underpin train expansion
- Core oil production remains solid, generating strong cash flows
- Measured oil exploration in PNG and MENA
- Activities underwritten by strong balance sheet and ample liquidity to meet LNG obligations, T3/T4



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