Creating value for Stakeholders

US and UK roadshow May 2011

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Oil Search Profile

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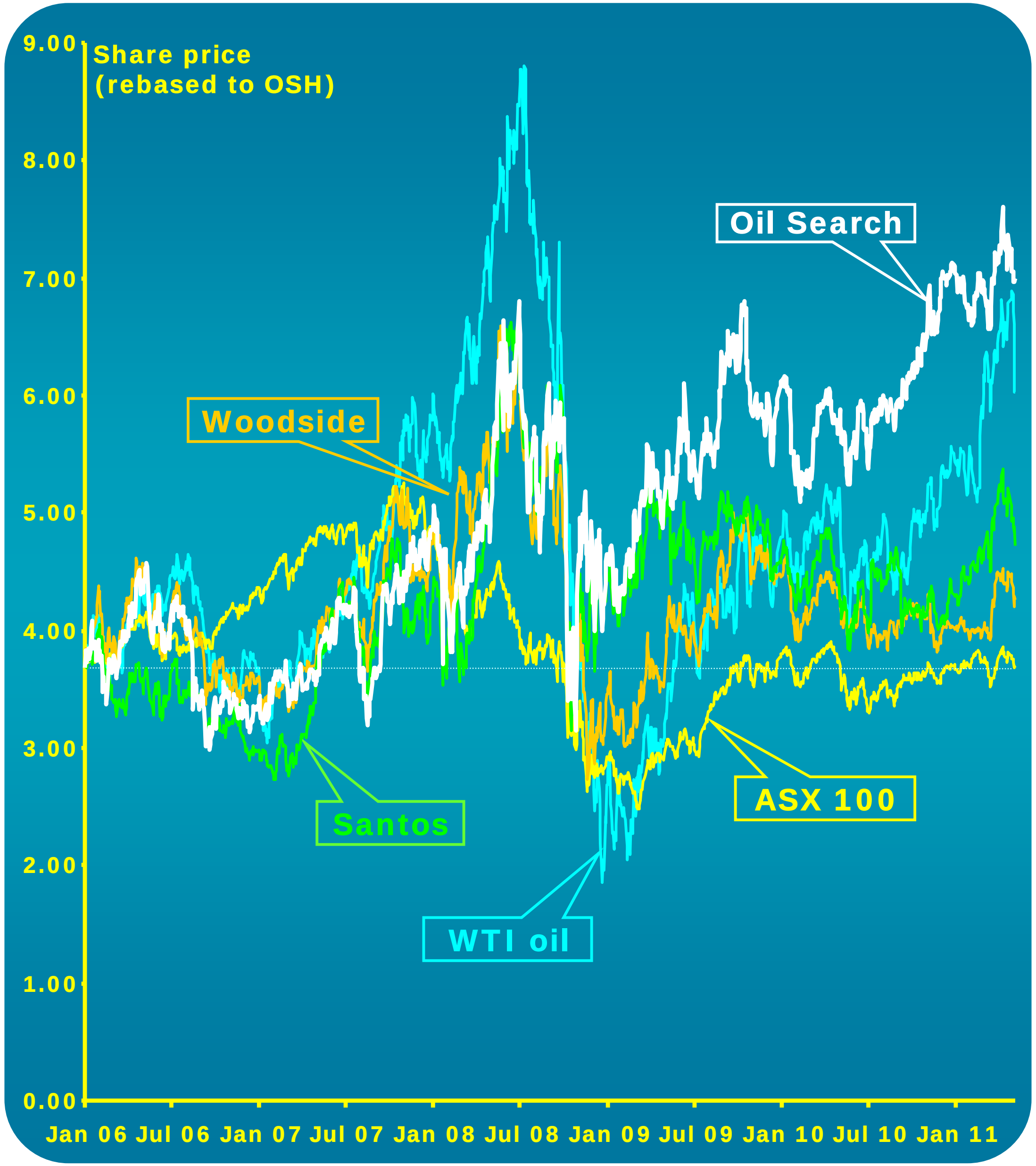
- Established in Papua New Guinea (PNG) in 1929
- Operates all of PNG's producing oil and gas fields. Current gross production ~35,500 boepd, net share ~19,700 boepd
- At end 2010, proven reserves were 337 mmboe, proven and probable 559 mmboe plus 318 mmboe 2C resources, taking 2P reserves and 2C resources to 877 mmboe
- PNG Government is largest shareholder with 15%. In early 2009, Govt issued five year 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$9 billion. Listed on ASX (Share Code OSH) and POMSOX, plus ADR programme (Share Code OISHY)

Sustained Top Quartile Performance



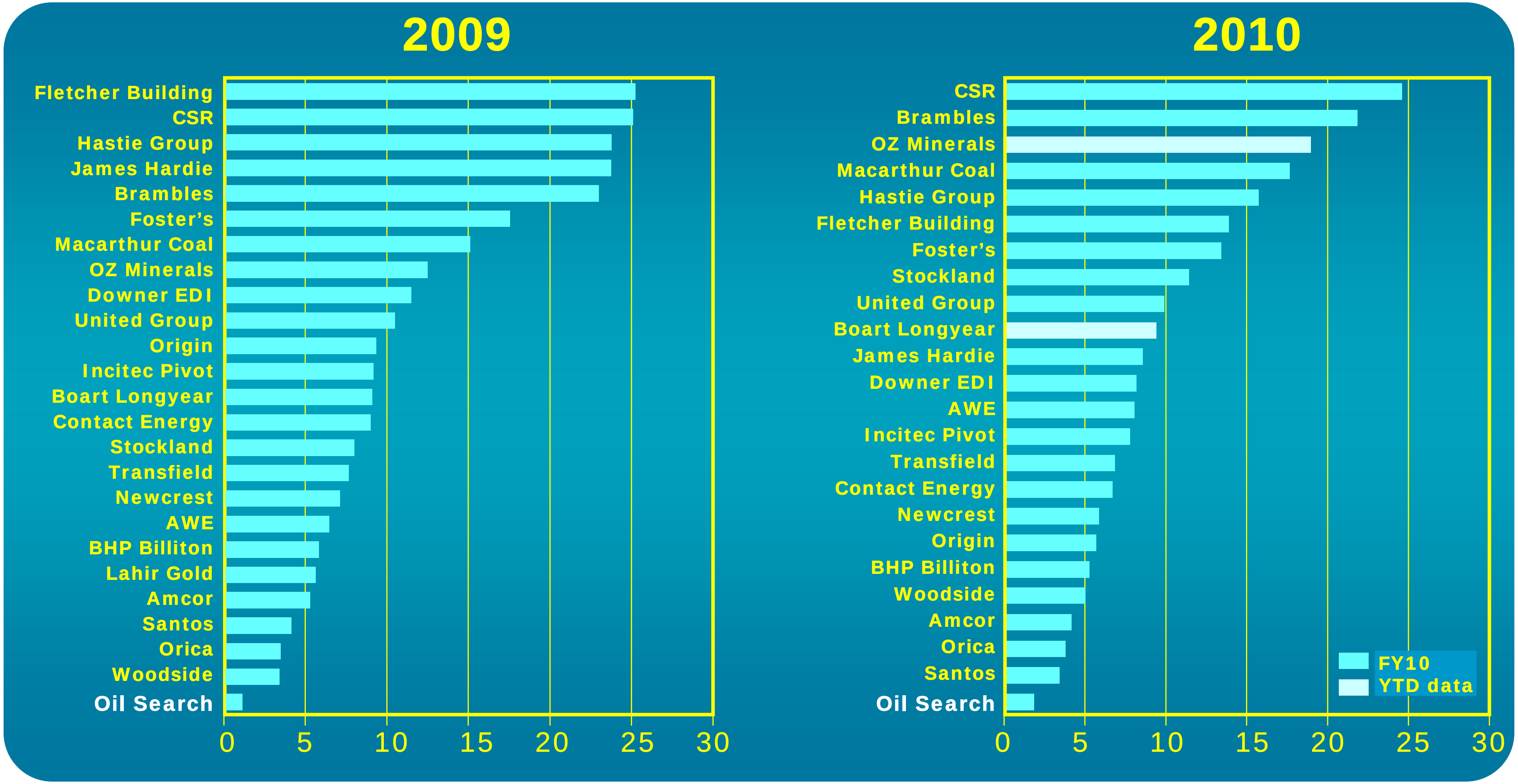
- OSH has delivered an annualised TSR of 15% over last five years
- Performance driven by delivery of FID on PNG LNG, strong underlying oil business, tight cost control and good oil prices
- Recent Strategic Review highlighted potential to continue to generate top quartile growth from existing asset base
- Over 40 initiatives now in place and being implemented over next three years

OSH Strategies to Create Value

- **Optimise current oil and gas production:**
  Through improved efficiencies and pursuit of near field opportunities
- **Maximise value of PNG LNG Project (T1 & T2):**
  By utilising in-country knowledge to assist Operator
- **Develop LNG and other gas expansion opportunities:**
  Build gas resources for both PNG LNG expansion and standalone LNG project/s
- **Measured programme of other growth options:**
  Optimise exploration portfolio
- **Ensure Oil Search's Sustainability:**
  Operate business in transparent and sustainable manner to ensure long term operating stability and enhance 'social licence to operate'

Safety is our Top Priority

- Total Recordable Injury Frequency Rate (TRIFR) of 1.96 in 2010. Good relative to peers but room for improvement



Source: Company data, Citi Investment Research and Analysis. Note: TRIFR - Total Recordable Injury Frequency Rate per 1 million hours worked; * Lihir Gold taken over by Newcrest. (September 2010); ** Citi estimate for Macarthur Coal's Group TRIFR based on operations' weighted average coal production.

Key Oil and Gas Fields, PNG

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PNG LNG Project Update

PNG LNG

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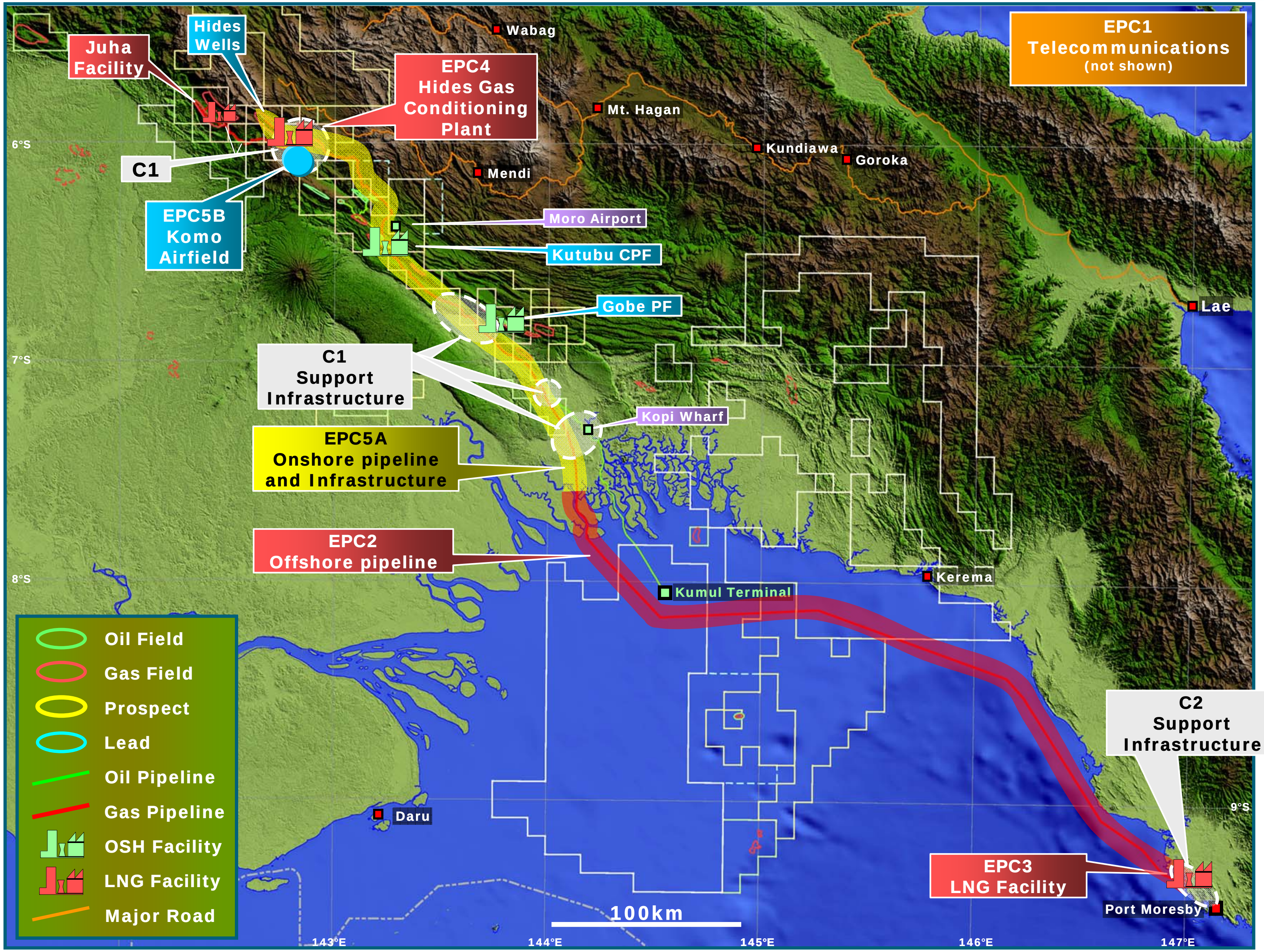
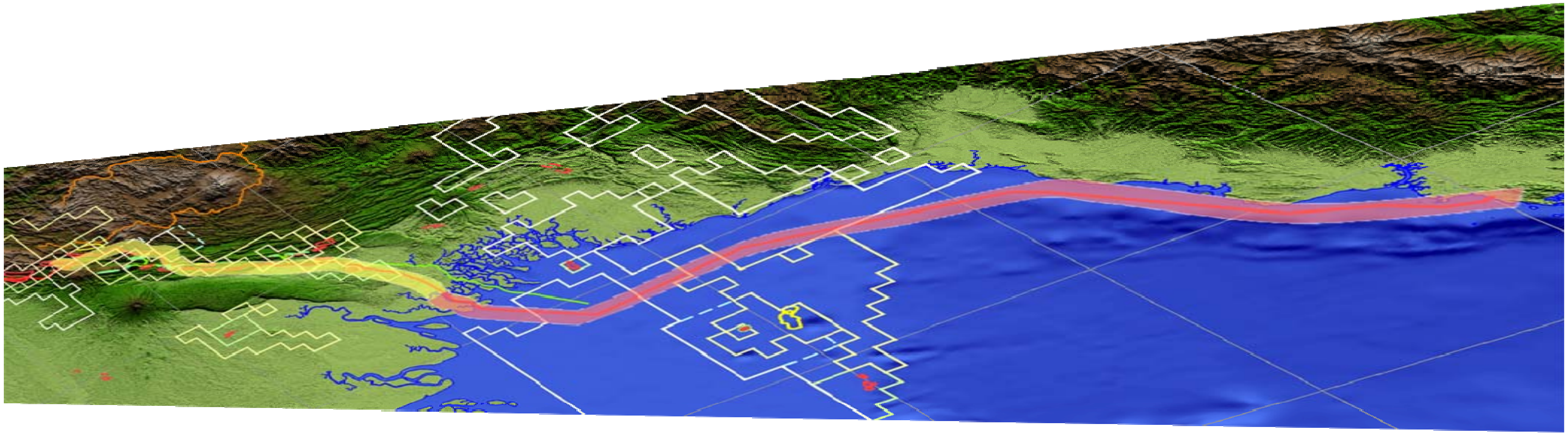
PNG LNG Project



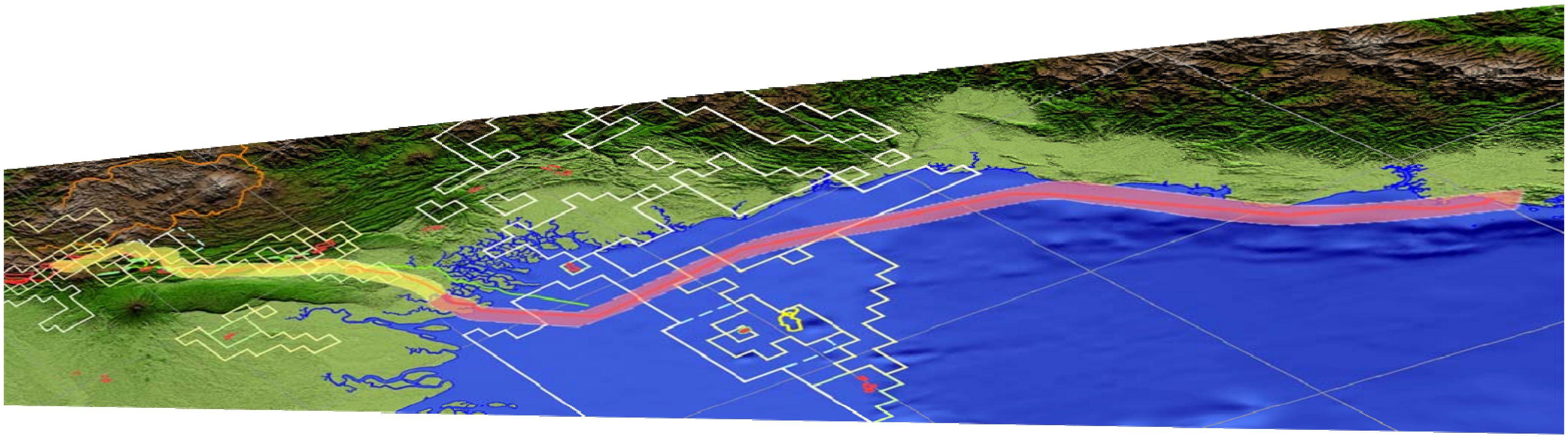
PNG LNG Project

- 6.6 MTPA, 2 train development, operated by ExxonMobil
- Over its 30-year life, PNG LNG expected to produce over 9 tcf of gas and 200+ million barrels of associated liquids
- Four-year construction period. First LNG sales in 2014, capital cost estimated at US$15 billion
- Initial Equities:
  - ExxonMobil 33.2%
  - Oil Search 29.0%
  - NPCP (PNG Government) 16.8%
  - Santos 13.5%
  - JX Nippon 4.7%
  - MRDC (PNG Landowners) 2.8%



PNG LNG Project

- Fully contracted to Asian buyers, with continuing strong market interest
- Buyers:
  - Sinopec (China) 2.0 MTPA
  - TEPCO (Japan) 1.8 MTPA
  - Osaka Gas (Japan) 1.5 MTPA
  - CPC (Taiwan) 1.2 MTPA



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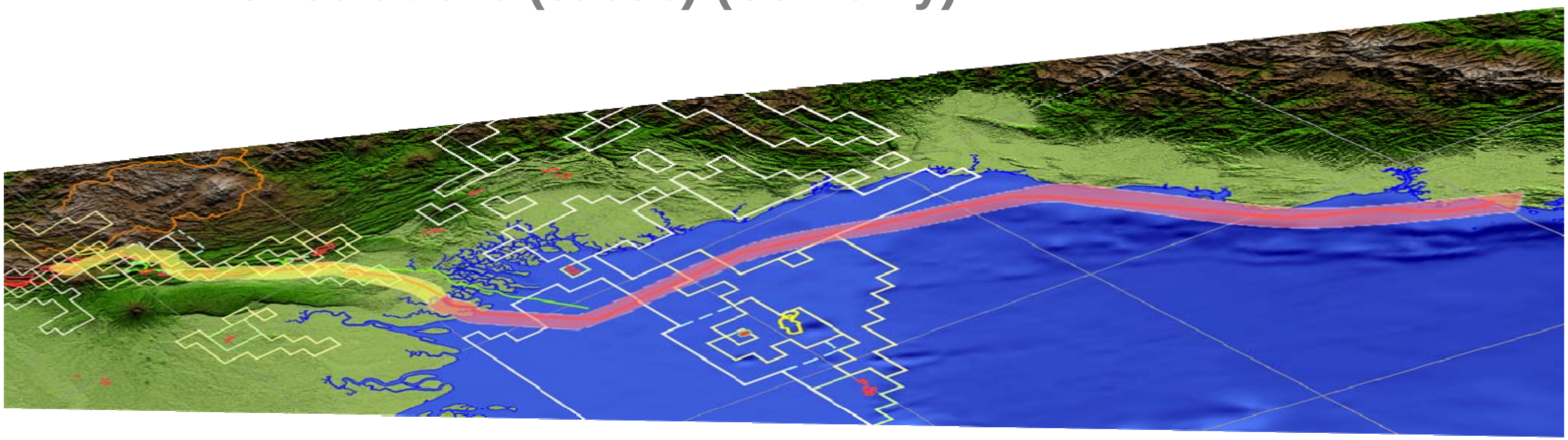
PNG LNG Project

- Main EPC contractors:
  - LNG Plant : Chiyoda/JGC
  - Offshore Pipeline : Saipem
  - Hides Gas Plant : CBI/Clough
  - Onshore Pipeline : Spiecapag
  - Infrastructure : McConnell Dowell/CCC
  - Early Works : Clough/Curtain
- Associated Gas contractor:
  - Aker Solutions (Jacob) (OSH only)



PNG LNG Plant Site, Port Moresby

2010 Activities :

- Early construction activities including accommodation camp, road bypass

2011 Activities :

- Procurement, earthworks, foundations (first foundation poured end March)
- Commencement of structural steelwork, pipe racks
- Jetty works, tank foundations

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Kopi Shore Base and Onshore/Offshore Pipelines

2010 Activities:

- Construction of Kopi wharf
- Commencement of delivery of pipe to Kopi

2011 Activities :

- Continued procurement and mobilisation of onshore/offshore pipe
- Route clearance and commencement of onshore pipe lay
- Preparations for offshore pipe lay

PNG LNG Upstream

2010 Activities:

- Opening supply routes
- Early construction activities in Highlands including clearing, road and bridge upgrades
- Earthworks at Hides plant site and Komo airfield

2011 Activities :

- HGCP and Komo Airfield
  - Earthworks, foundations and start of construction
- Mobilisation of drill rigs

Associated Gas (AG) Project

2010 Activities:

- Planning activities for AG work and PL Extension Project

2011 Activities :

- Commencement of construction

Training Facilities

2010 Activities:

- Construction of training facilities at POM Tech in Port Moresby (operational) and Juni

2011 Planned Activities :

- Complete Juni training facility

2011 PNG LNG Project Focus Areas

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- Ramp up of logistics and resourcing
- Onshore pipeline installation - terrain, multiple work fronts
- Continued work with project area communities
- Efficient use of landowner companies to deliver maximum local content (over K1.5bn to date)
- Engagement with Government during National Election build up

Timetable

2010

- Continued early works
- Detailed design
- Order long leads and place purchase orders
- Open supply routes
- Contractor mobilisation
- Commence AG construction

Financial Close

2011

- Ongoing procurement and mobilisation
- Airfield construction
- Drilling mobilisation
- Start offshore pipeline construction
- Onshore line clearing and laying
- Start LNG construction

2012

- Complete AG
- Continue onshore pipe lay
- Complete offshore pipe lay
- Start Hides plant installation

2013

- Complete pipe lay
- Ongoing drilling
- Complete Hides plant
- Commission LNG plant with Kutubu gas

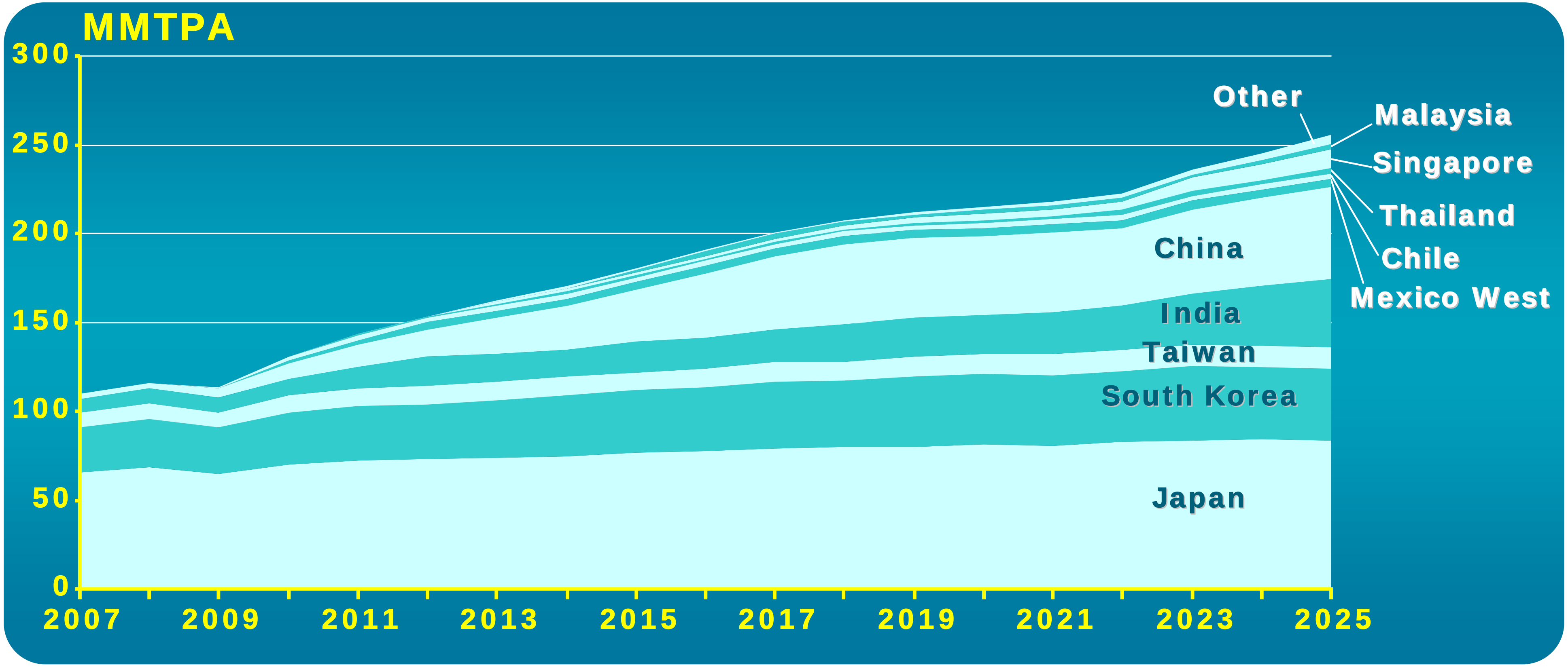
2014

First Gas from Train 1, then Train 2

PNG LNG

Expansion Activities

Strong Asian LNG Markets Outlook



Source: Wood Mackenzie and Deutsche Bank, February 2011

- Strong long term demand outlook for LNG, particularly post Japan earthquake
- Multiple potential suppliers of LNG post 2015
- Economically robust brownfield expansions with quality operators will have advantage when seeking offtake agreements

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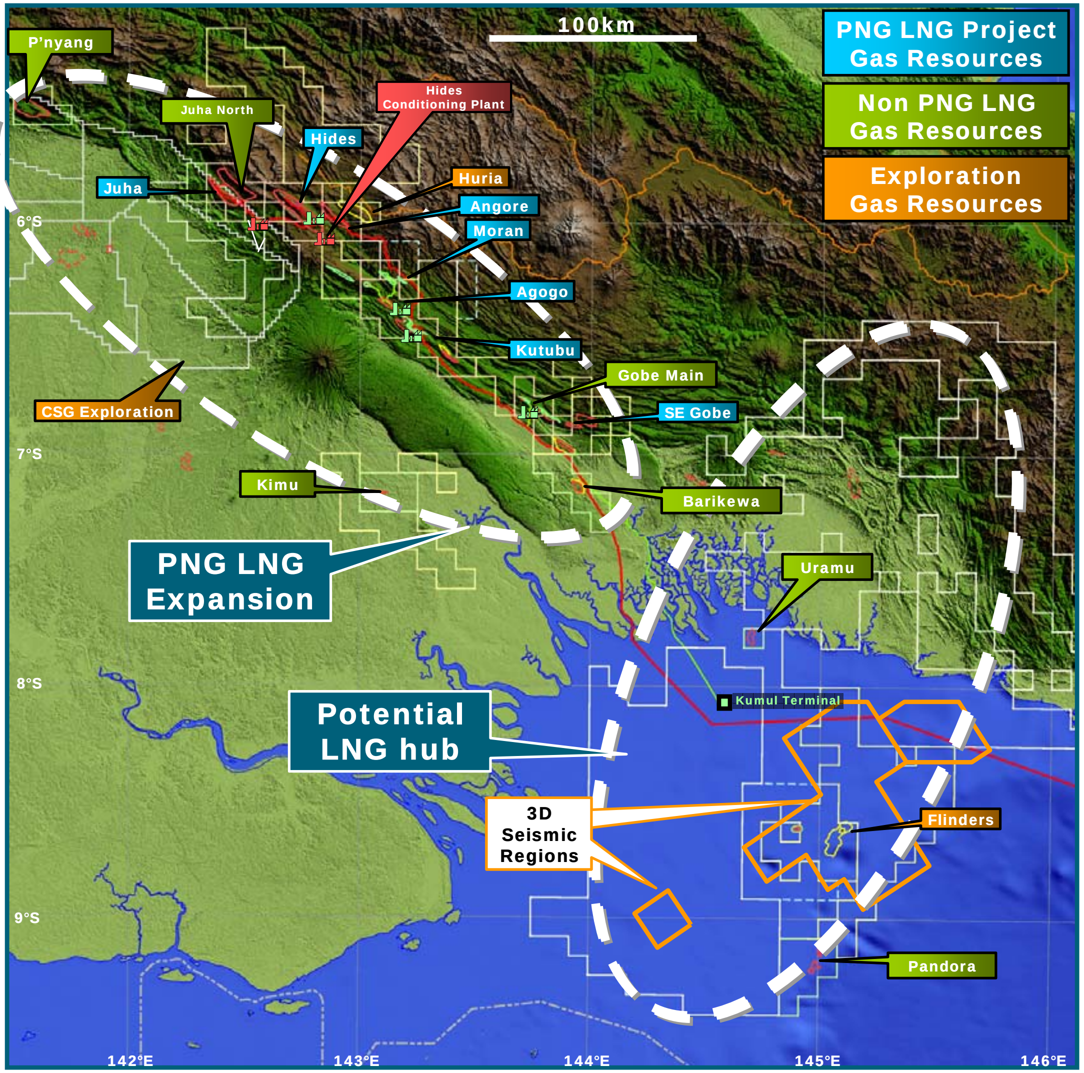
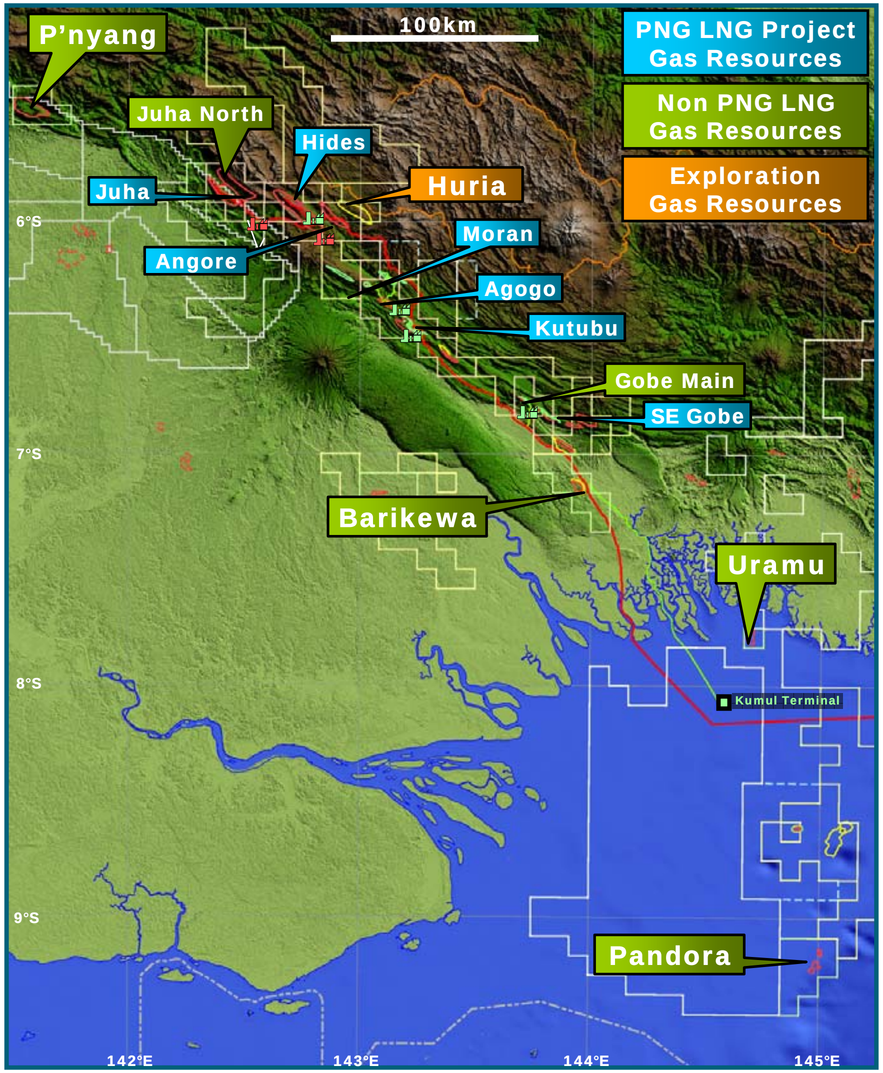
PNG Gas Growth Hubs



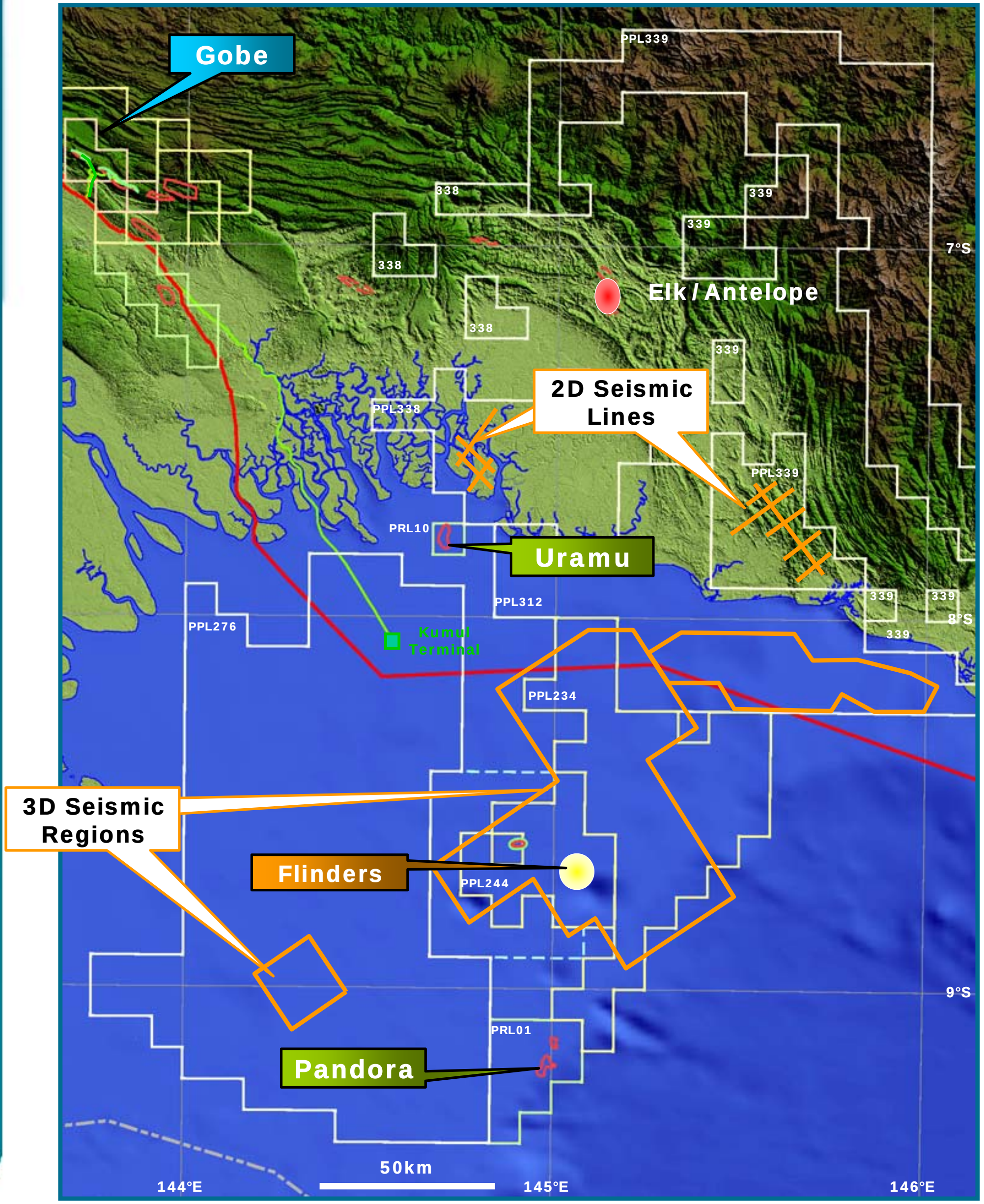
- Oil Search pursuing two-pronged LNG expansion strategy
  - Highlands based resources close to PNG LNG infrastructure
  - Gulf region gas, integrated with existing gas infrastructure or stand alone
- Core development infrastructure being built by PNG LNG
- Government pushing for further development
- LNG expansion highest returns but power opportunities also attractive

PNG LNG Expansion



- PNG LNG co-venturers working constructively to implement resource maturation programme in Highlands
- Integrated exploration and appraisal programme includes:
  - Hides appraisal
  - Evaluation of additional resource potential of Associated Gas fields
  - Appraisal of 1.5 tcf P'nyang gas field in PRL 3
  - Exploration well on Huria
- Reviewing existing discoveries in "catchment area" (Pandora PRL 01, Barikewa PRL 09 and Uramu PRL 10)

Gulf Area LNG



- Oil Search believes Gulf Area has best potential for finding significant new gas accumulations
- Over past year, OSH has:
  - Secured broad licence position
  - Completed major 3D seismic survey and commenced new 2D seismic onshore
- Interpretation of offshore 3D seismic underway, initial results encouraging with a number of leads and prospects identified
- Potential partner discussions underway
- Targeting equity of ~30-35%
- Commence multi well drilling programme in 2011 through 2012

Gulf of Papua 3D Seismic - First results

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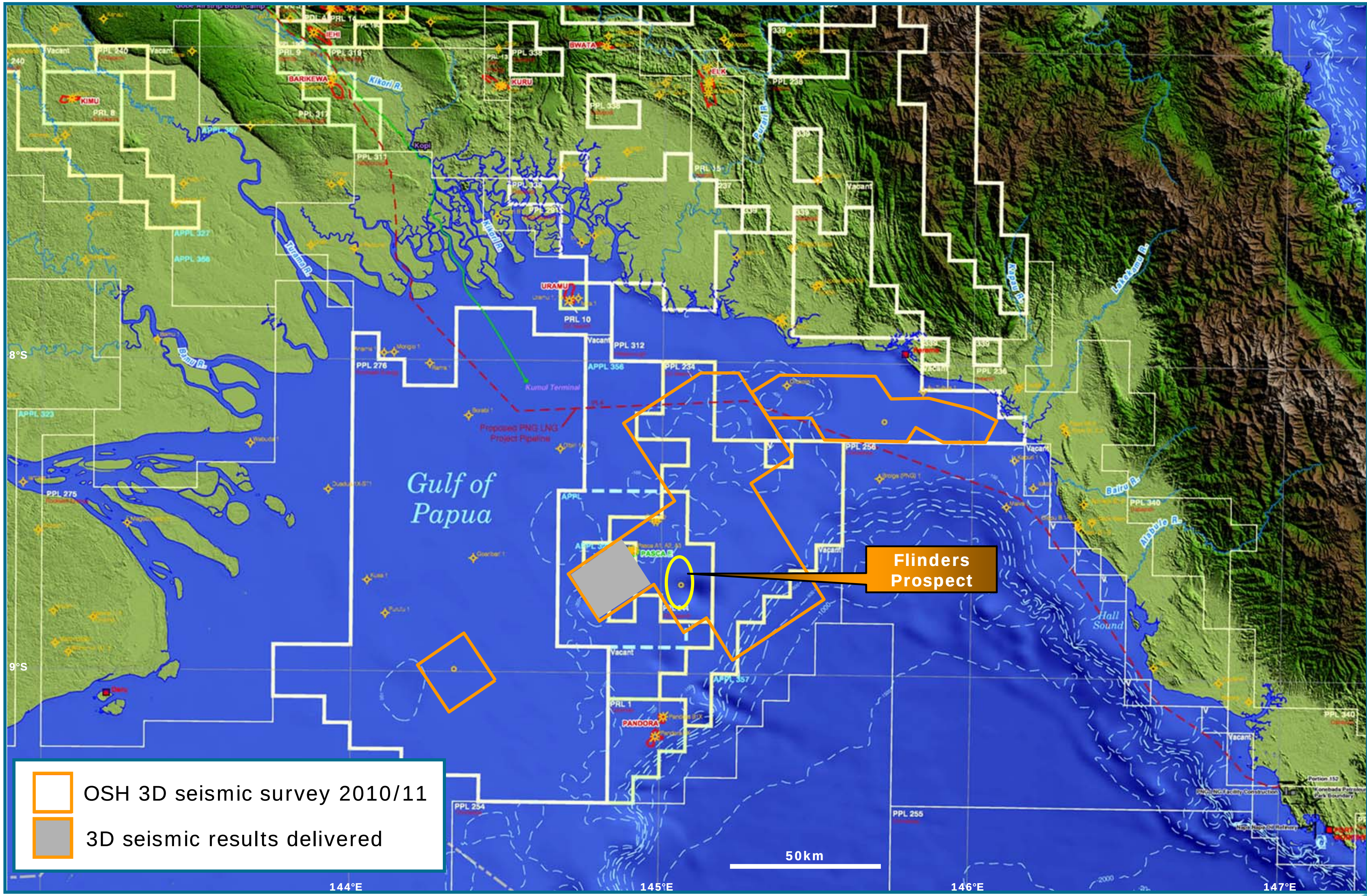

Seismic expression of Flinders Sand - Regional view

Map view of Flinders level horizon slice

Analogue Comparison

Kokomo Prospect - Gulf of Papua vs. Sequoia Field - Nile Delta

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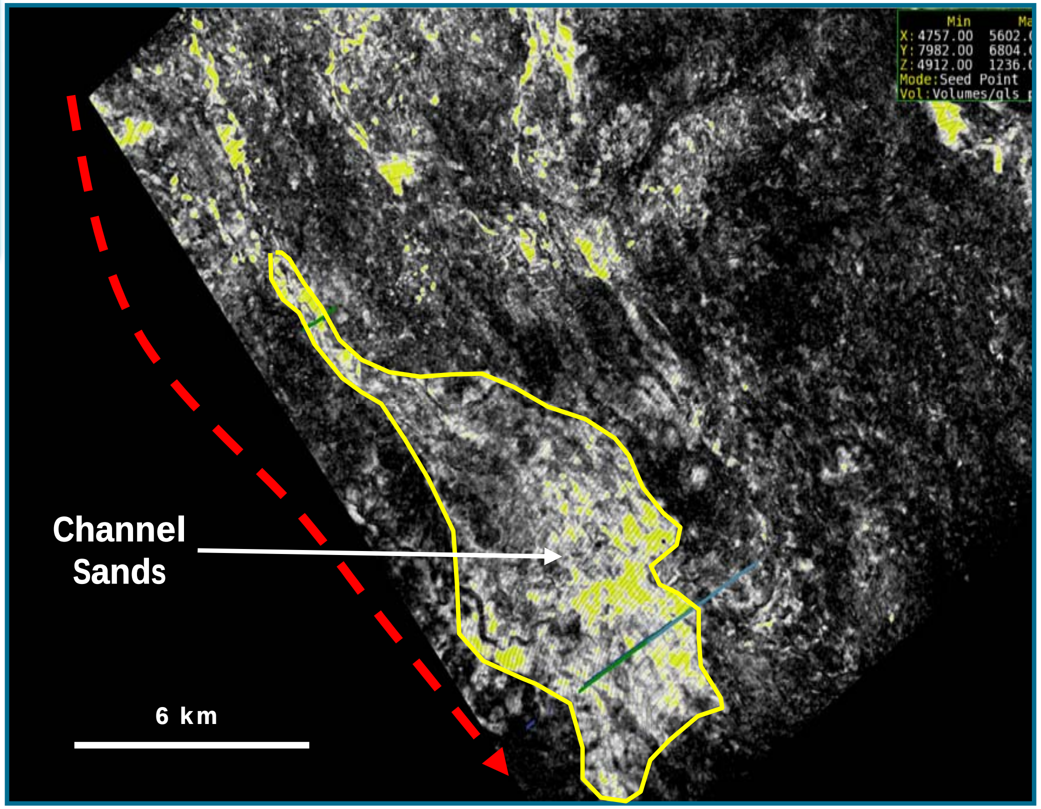
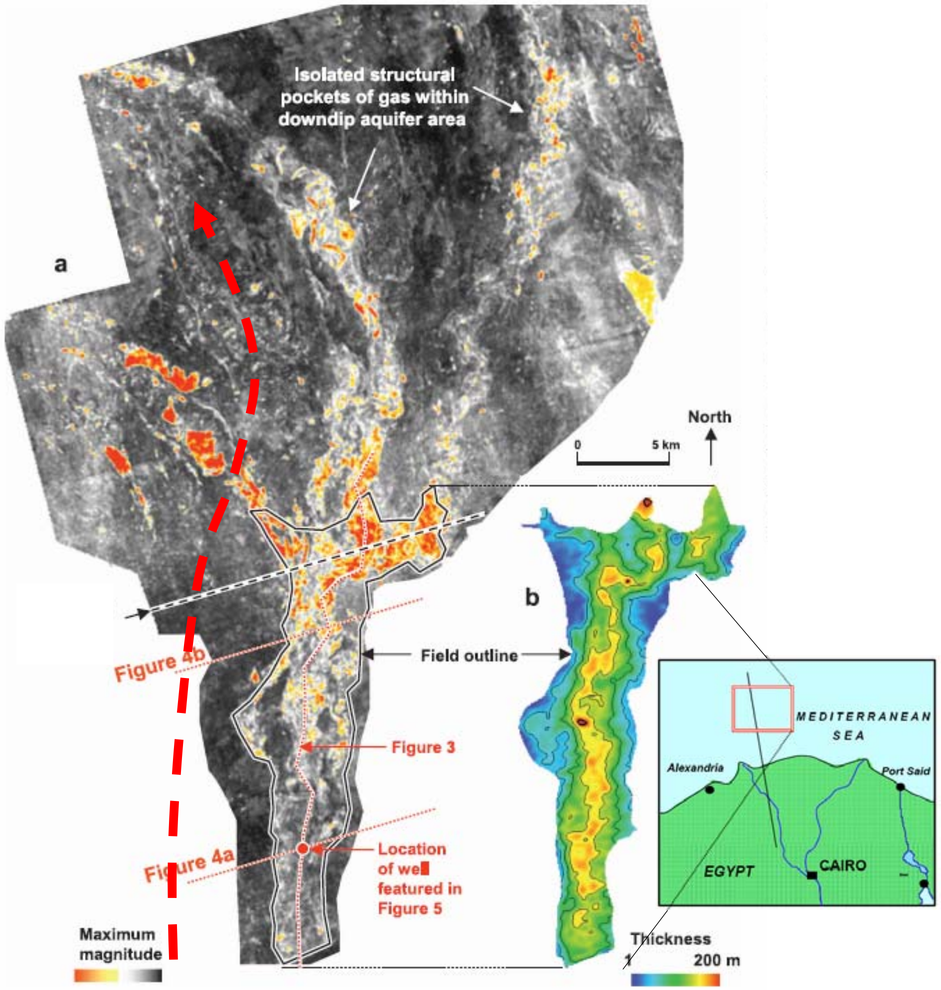


Kokomo Prospect
Gulf of Papua, PNG
Oil Search

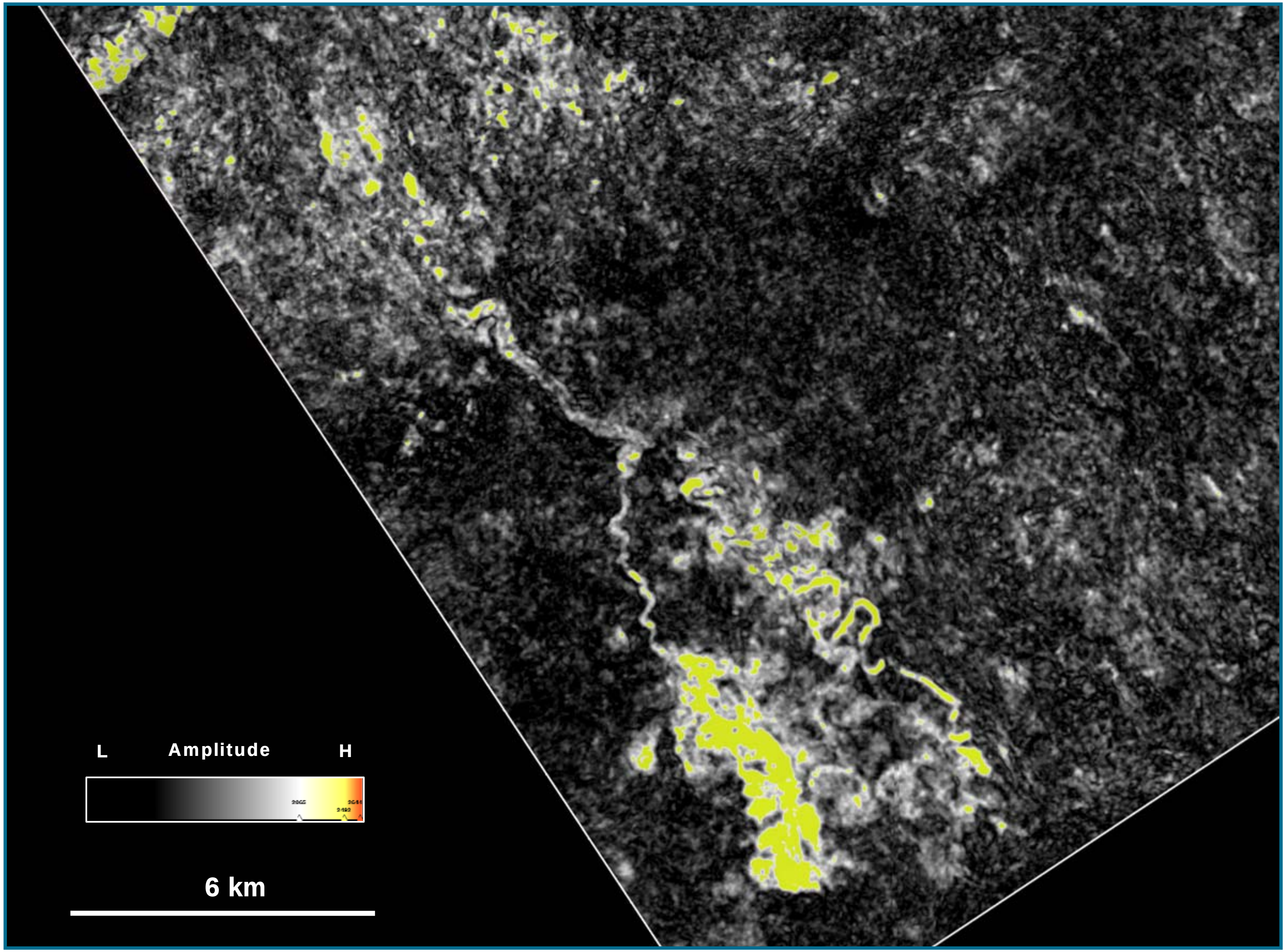
High Amplitude Anomalies

Sediment flow-direction



Sequoia Field
Nile Delta, Offshore Egypt
British Gas
9Tcf

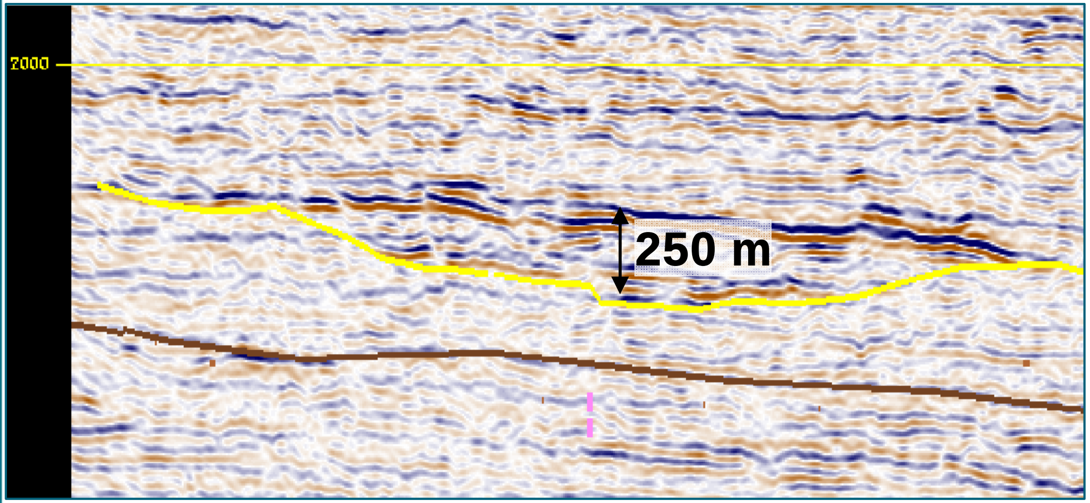
Kokomo Prospect
Reservoir Lower Channel



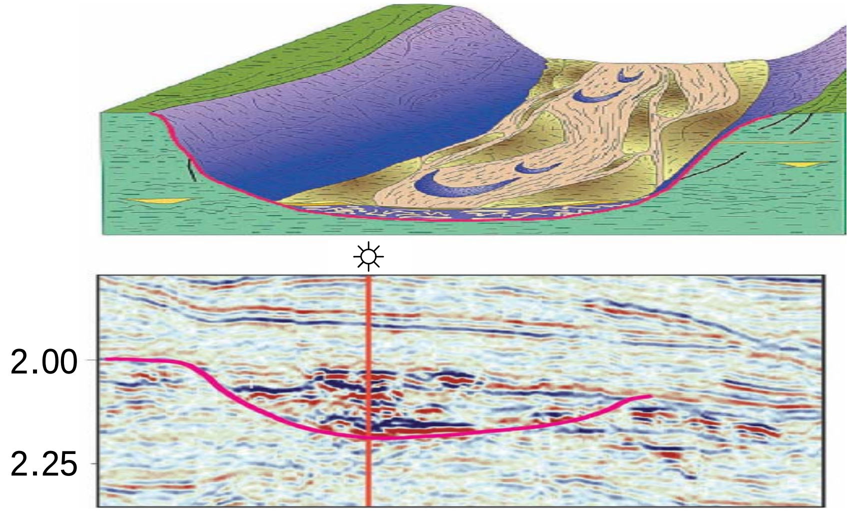
Map view of horizon slice

Kokomo Channel Complex

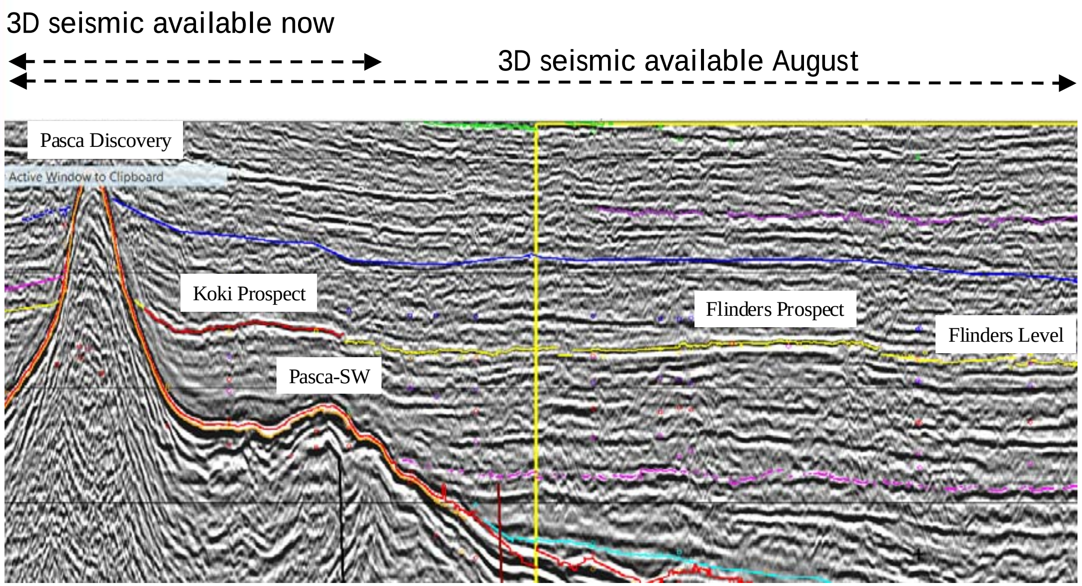
Kokomo Prospect
Gulf of Papua
Seismic Cross Section



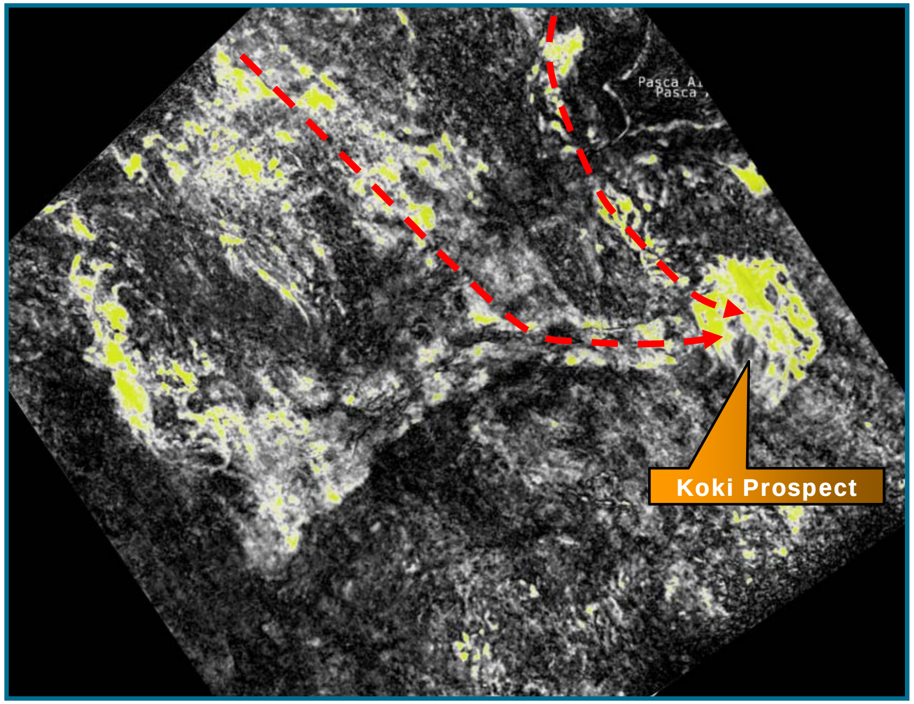
Sequoia Field
Nile Delta Egypt
Geological Model &
Seismic Cross Section



Seismic Expression of Flinders Sand



2D seismic line over Flinders and Koki Prospects



Map view of 3D seismic horizon slice of Flinders Sand level

High Amplitude Anomalies
Sediment flow-direction

Operations Review

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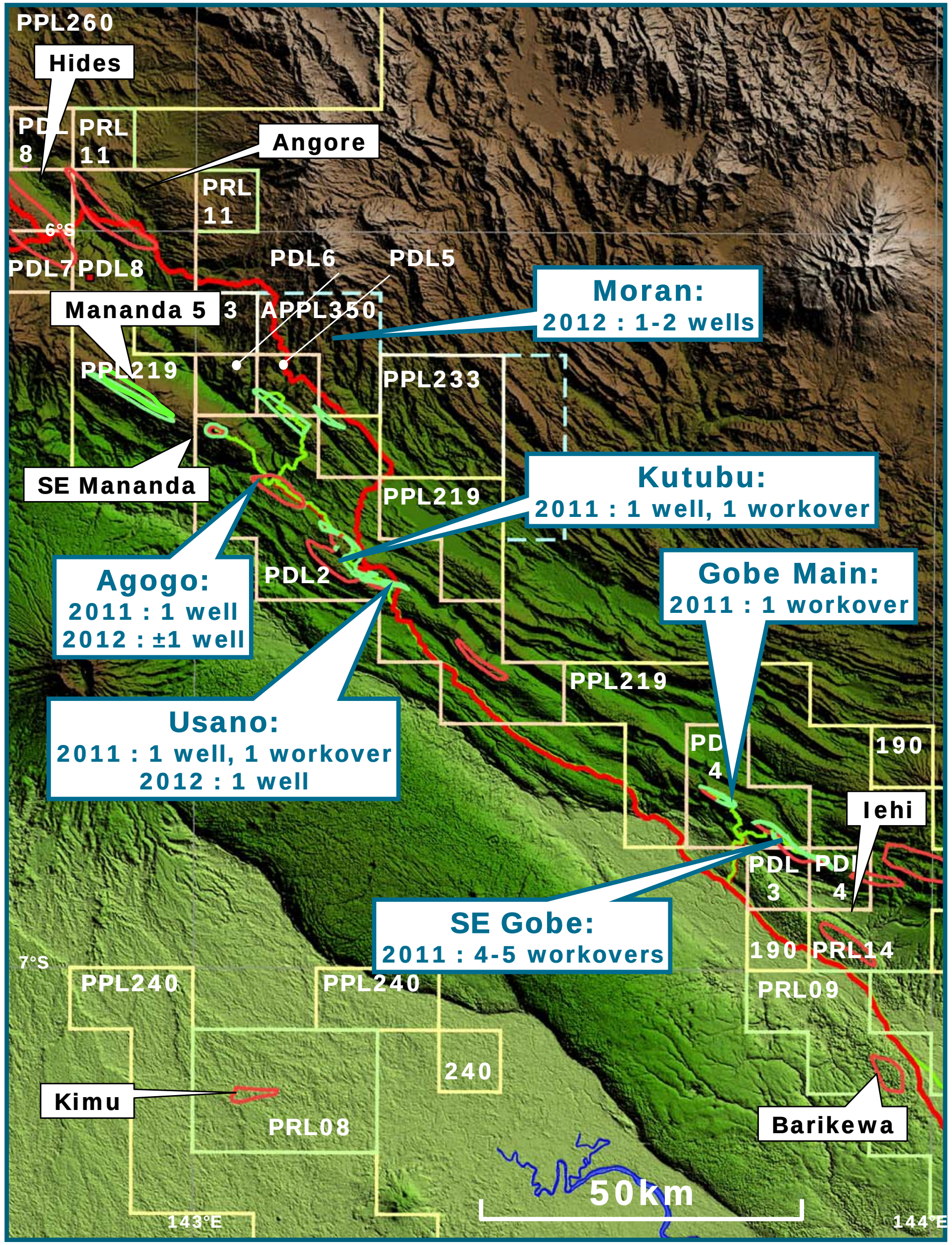
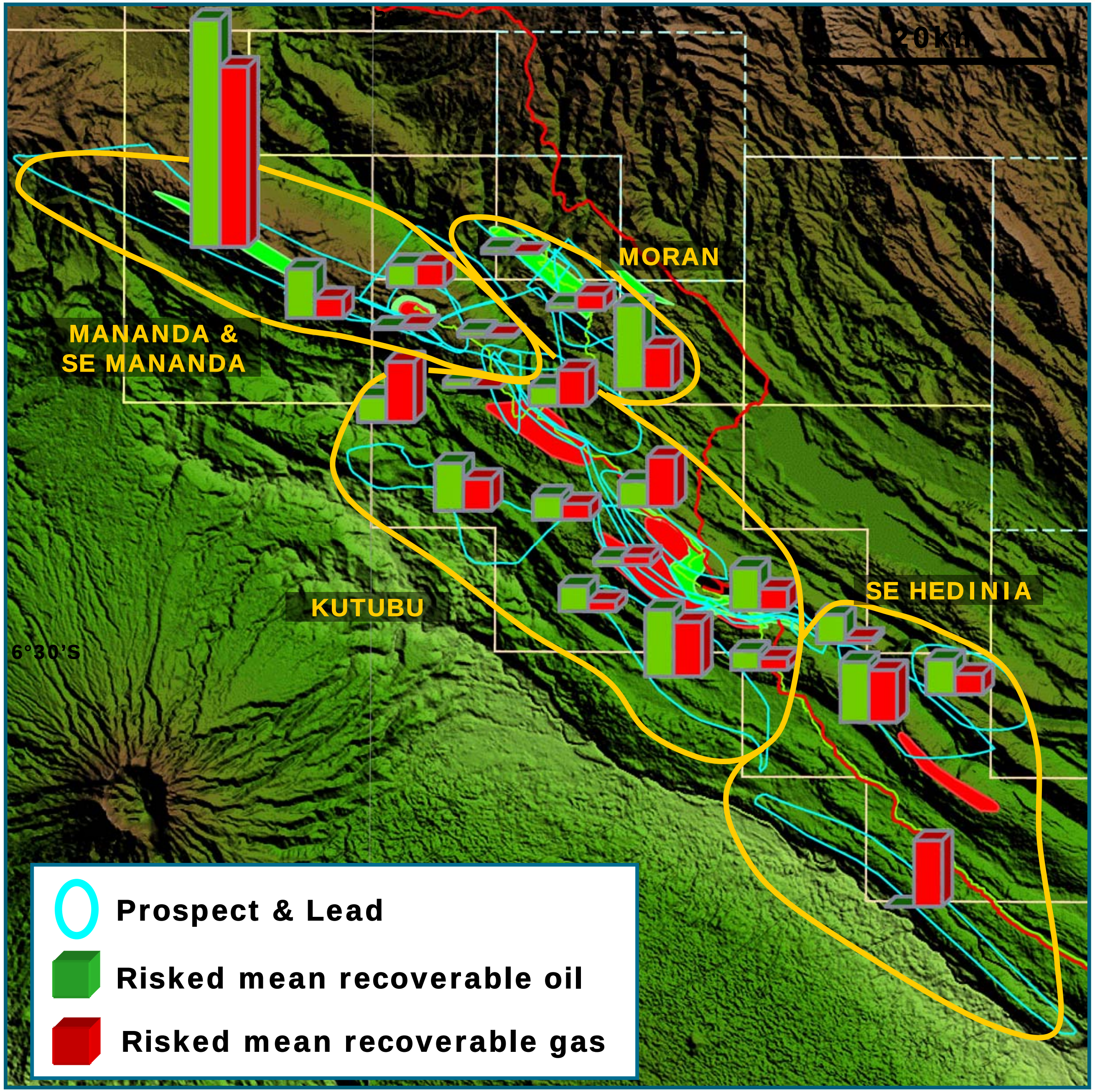
2011/12 Development / Appraisal Drilling Activity



- Despite maturity, PNG oil fields continue to be solid performers
- 2011 production will be impacted by:
  - Natural decline, being addressed by development and workover programme
  - Two week shutdown for tie-in of Associated Gas facilities
- Production guidance for 2011 unchanged at 6.2 – 6.7 mmboe, with production out to first LNG broadly flat, subject to success of work programmes
- Focus is on capturing additional in-field and near field reserve opportunities
- Strong commitment to cost effectiveness

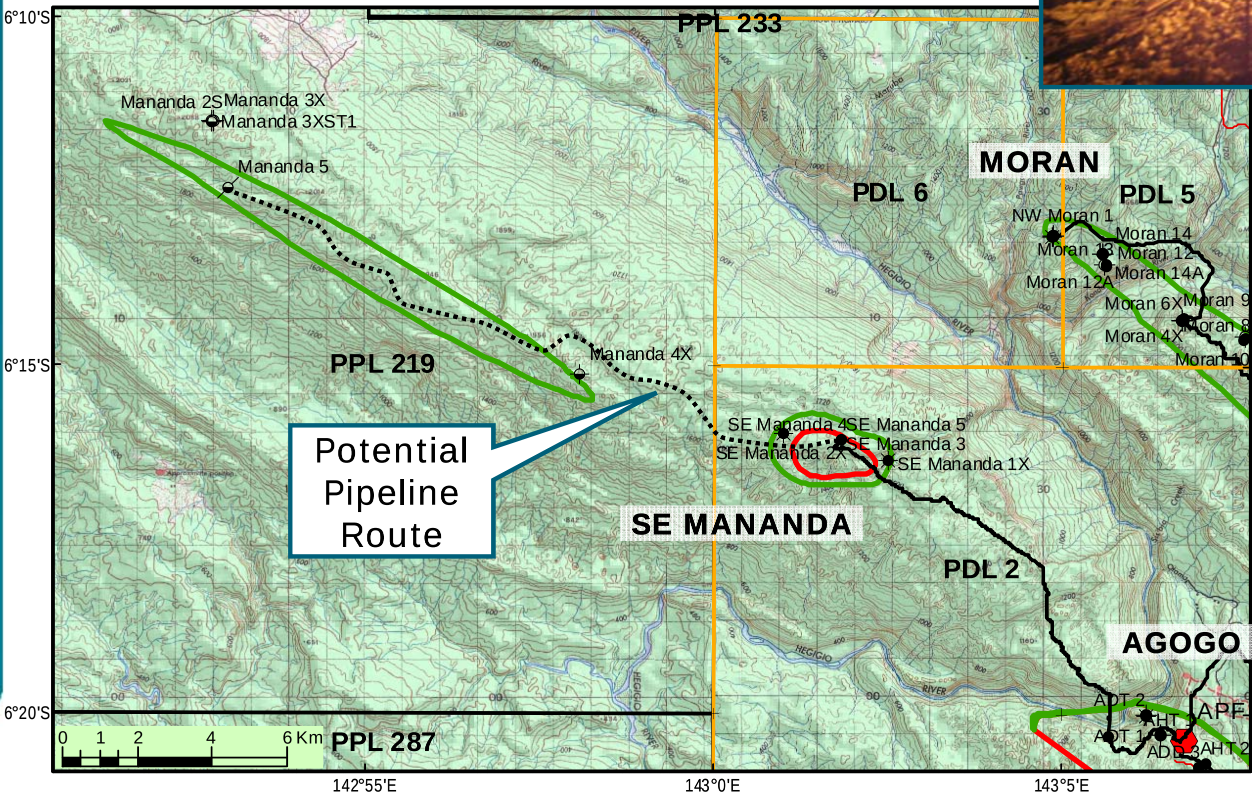
Near Field Exploration and Appraisal



- Major review undertaken as part of Strategic Review
- Very high historical success rate, with excellent returns achieved
- 26 near field appraisal and exploration prospects and leads identified
- Risked net recoverable potential resource estimated to be over 125 mmboe
- Major programme planned to further evaluate this potential over next three years

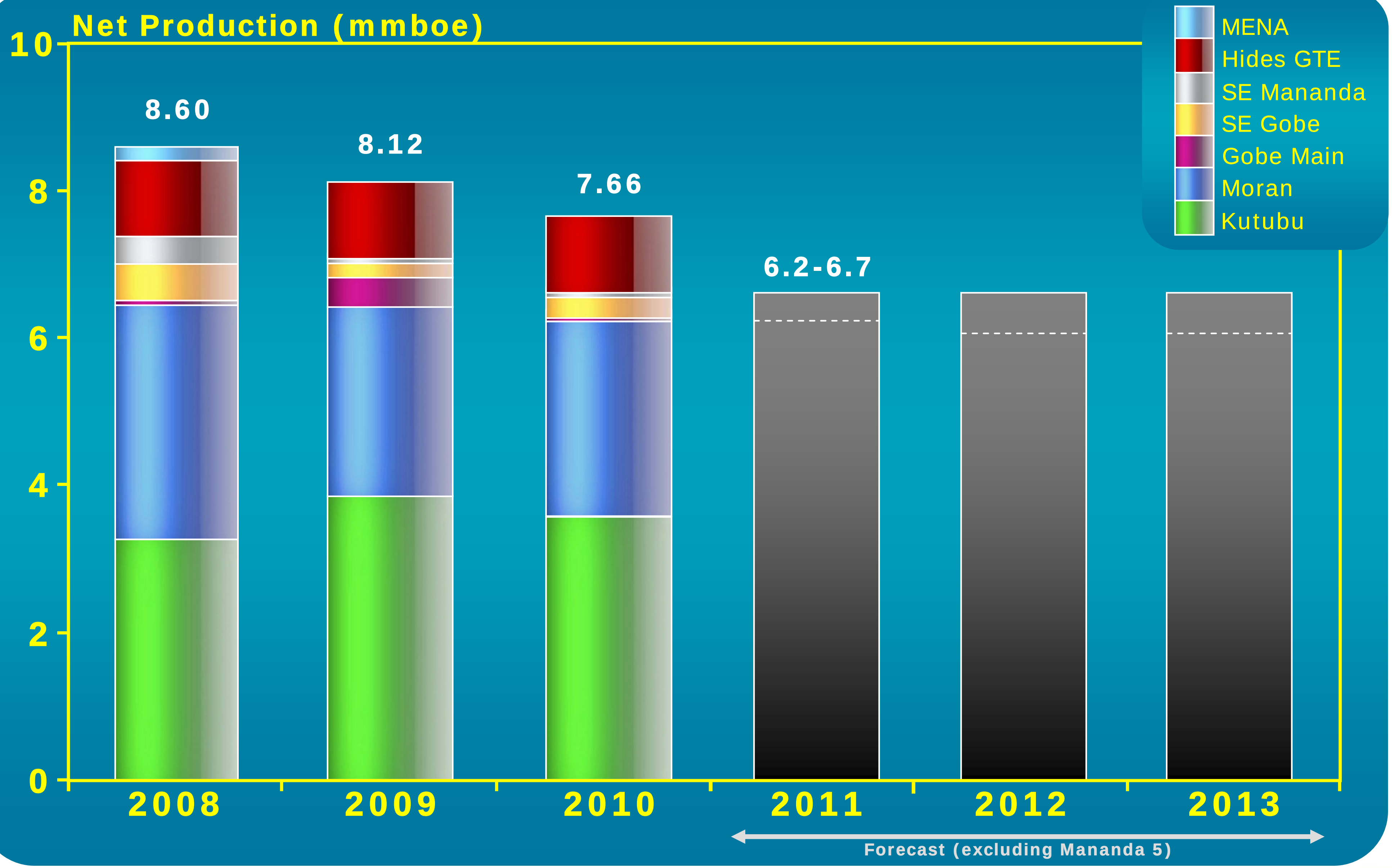
Mananda 5 Discovery and Conceptual Development

- Oil and gas discovered in four zones at Mananda 5 in PPL 219 (OSH 71.25%, JX Nippon 28.75%)
- Mananda 5 well now suspended and assessment of conceptual development options is underway
  - 18km flowline tie-back to SE Mananda
  - Further development drilling



- Early social mapping and survey work in progress
- Targeting development decision in 4Q11

Oil Search Production Outlook



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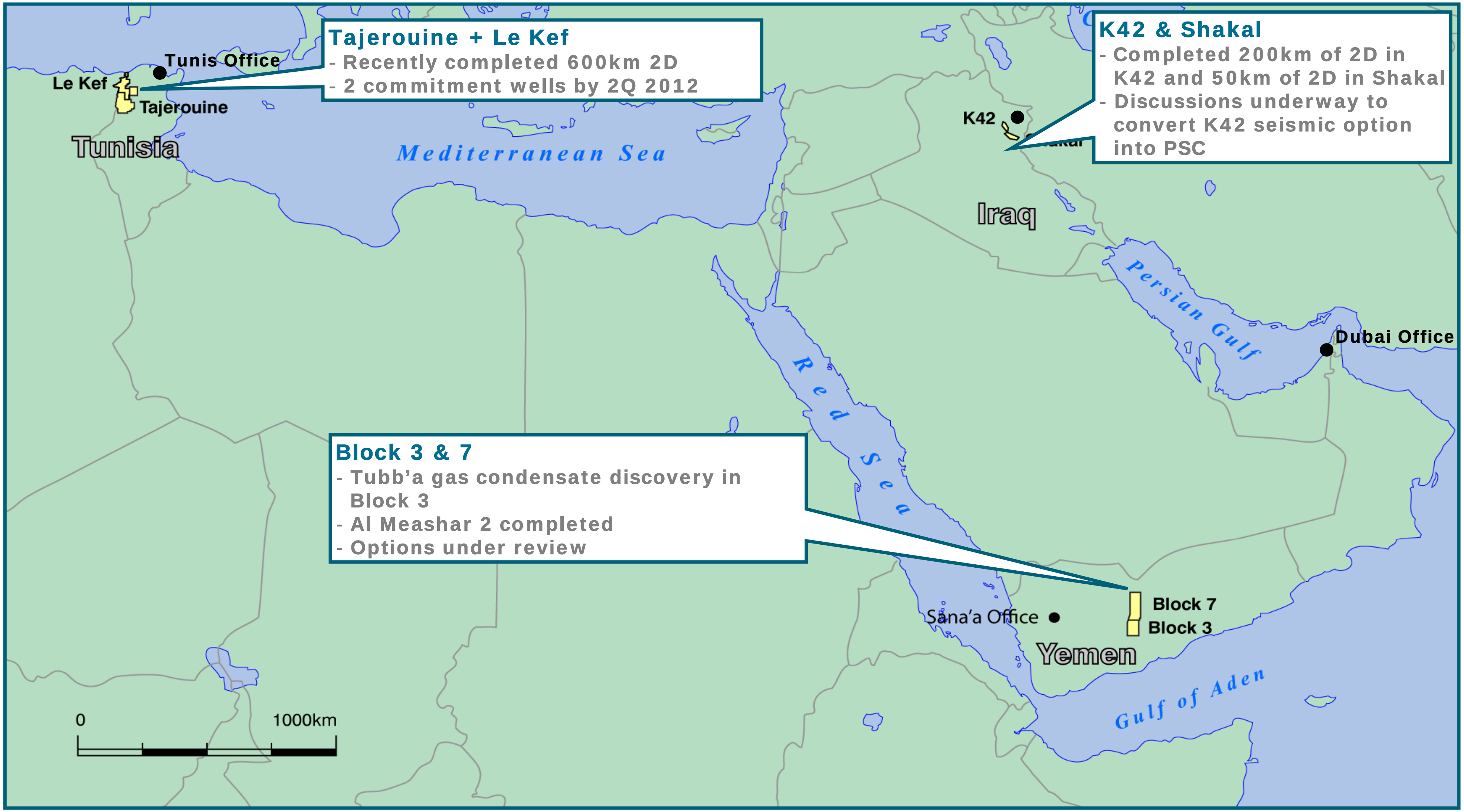
MENA Exploration



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Focus on Sustainability

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- In light of increasing value of PNG assets going forward, OSH seeking to further enhance its focus on managing PNG sustainability issues (traditionally an area of strength)
- New Sustainability Group has been formed:
  - Focus on communities, government/regulatory and in-country business relationships
- Specific initiatives involve:
  - Relationship building, Government, Landowners etc
  - Facilitating transparency and equity in benefits distribution
  - Enhancing capacity to capture growth opportunities
- New Health Foundation also being established
  - Expansion of existing health programmes (Malaria, HIV/AIDS etc)

Oil Search supports many social programmes...

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Summary

Fully focused on delivery of major Strategic Initiatives:

- **PNG LNG Project delivery underway:**
  - Commencing construction at PNG LNG plant site, HGCP and Komo
  - Associated gas and life extension projects
  - Focus on management of in-country issues
- **Further pursuit of gas expansion and gas resource accumulation:**
  - Hides evaluation, P'nyang appraisal and Huria exploration
  - Gulf area seismic and prospect maturation
- **Continued strong oil field production performance:**
  - Optimisation of current oil and gas production
  - Evaluation of Mananda 5 development
  - Infield and near field exploration/appraisal opportunities
- **Optimisation of value of MENA assets**
  - Materiality
- **Operate business in transparent and sustainable manner**
  - Sustainability Group and Health Foundation
- **Activities all underwritten by strong balance sheet and ample liquidity to meet LNG obligations and expansion focused activities**

Appendix

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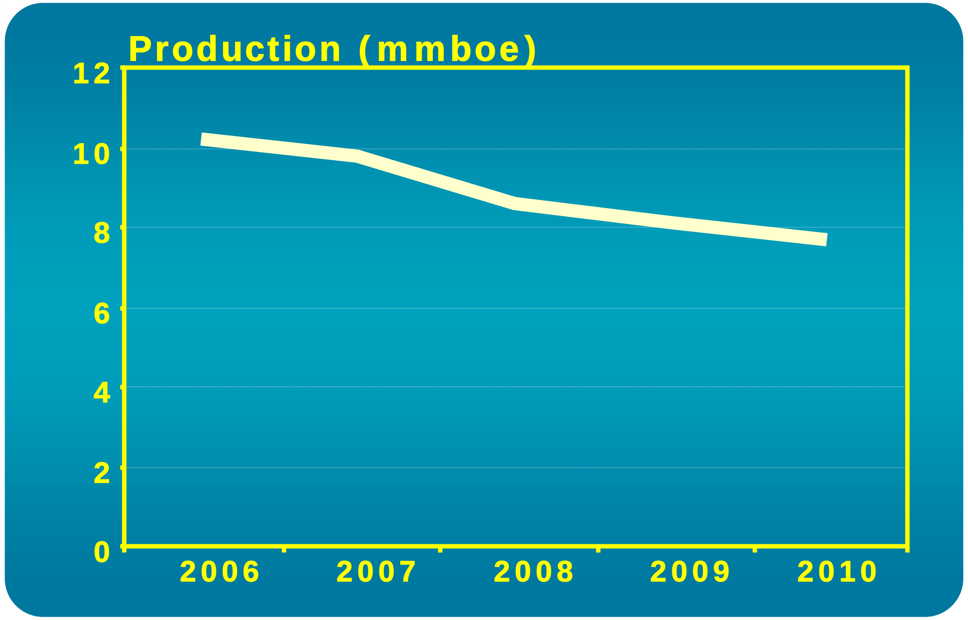
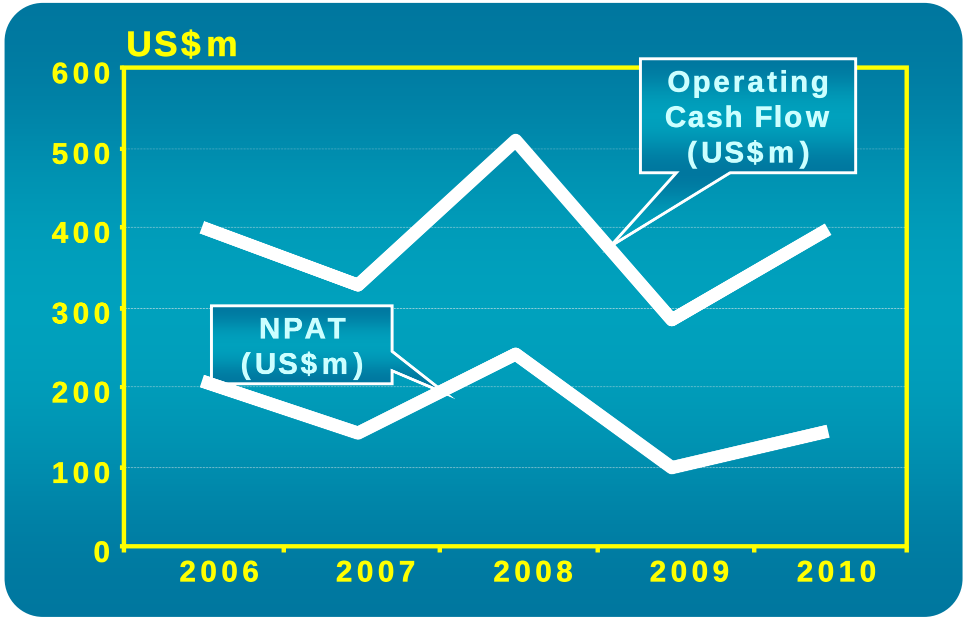
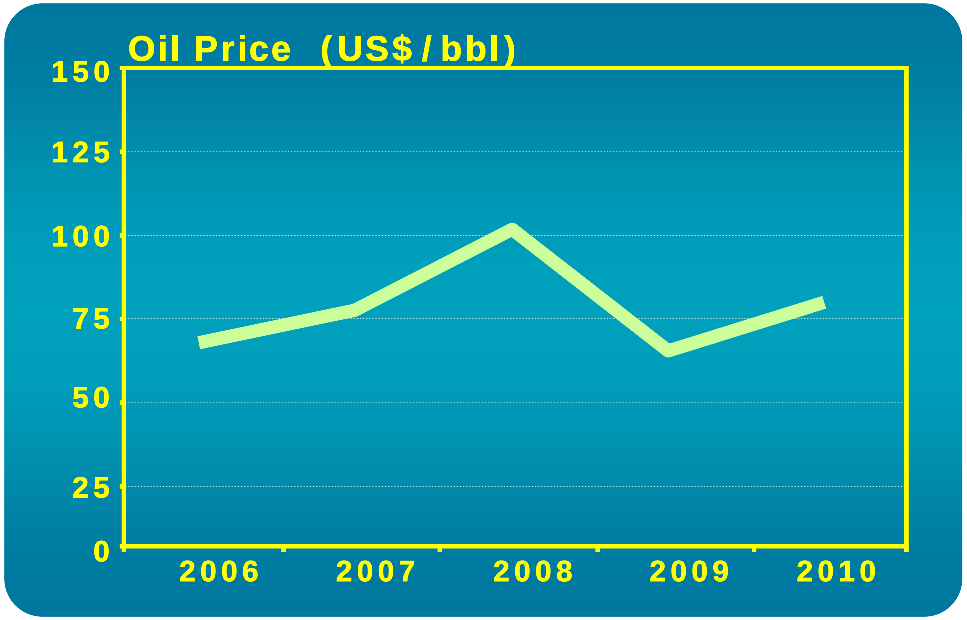
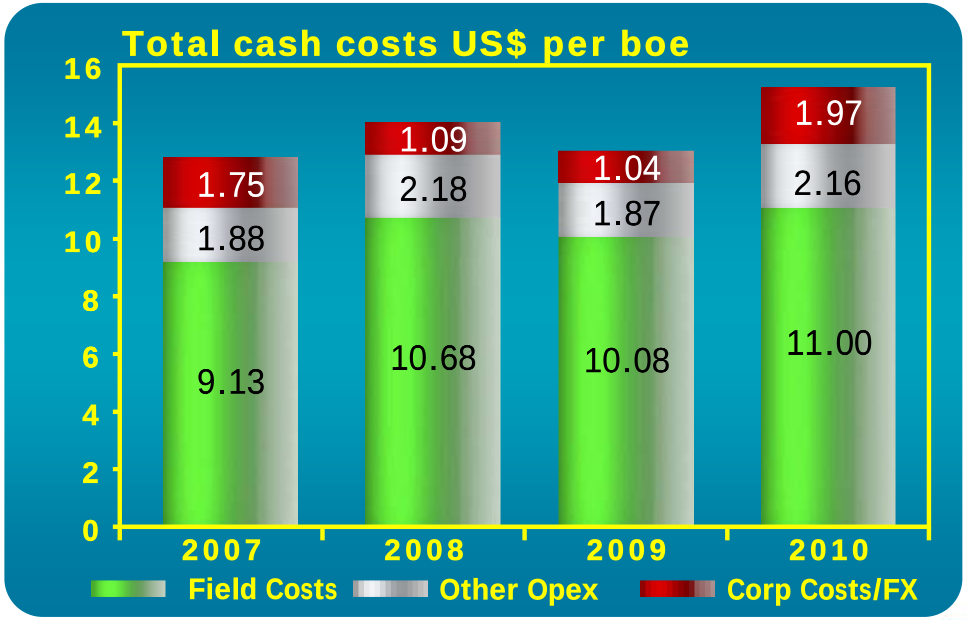
Financial Performance Overview





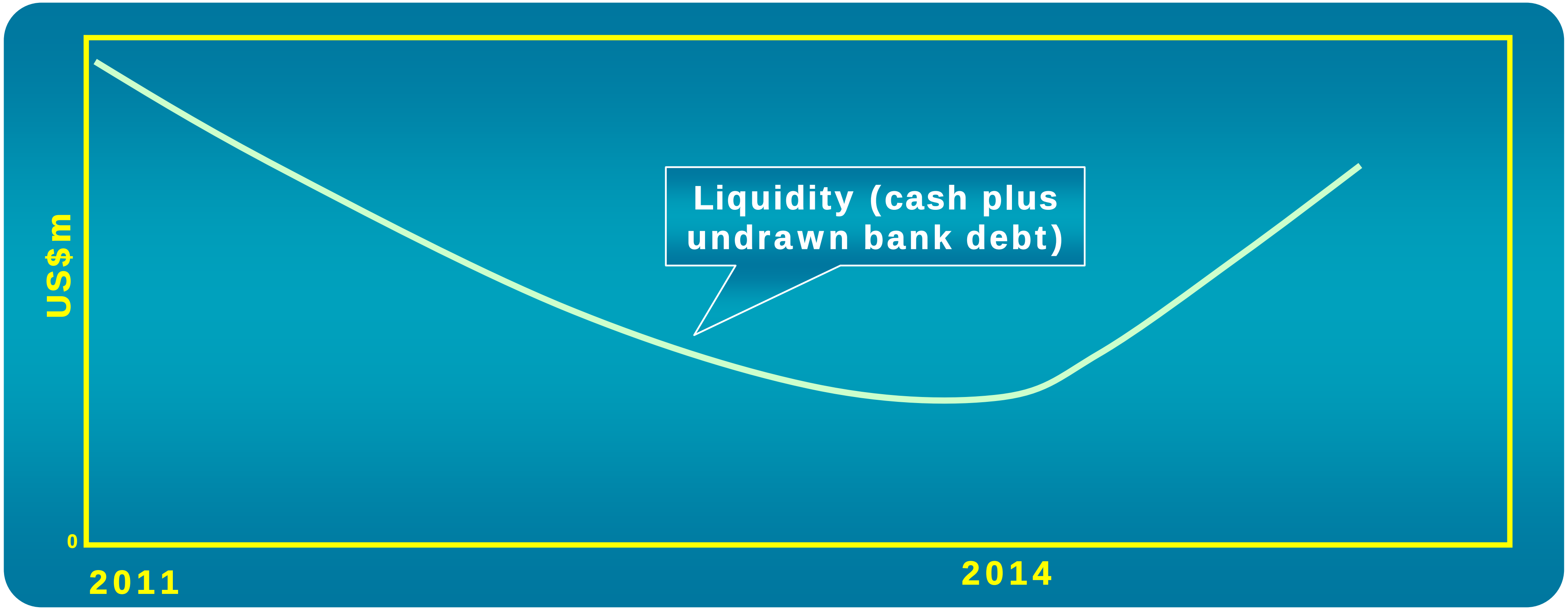




2011 Guidance Summary

- Production outlook
  - Oil and gas production: 6.2 – 6.7 mmboe
  - Similar performance in 2012 and 2013
- Operating costs ex corporate costs
  - US$16-18/boe
  - Higher than 2010, due to lower production volumes, increased workover programme, PNG inflation, including currency impacts and AG activities
- Corporate Costs
  - ~US$3/boe from ~US$2.16/boe
    - Stronger A$ exchange rates
    - Focus on sustainability initiatives
- D,D & A
  - US$7-9/boe
- Capital Expenditure
  - Exploration including gas growth: US$180 – 200m
  - PNG LNG: US$1,150 – 1,400m
  - Production: US$110 – 130m
  - Corporate: US$10m

Liquidity Outlook

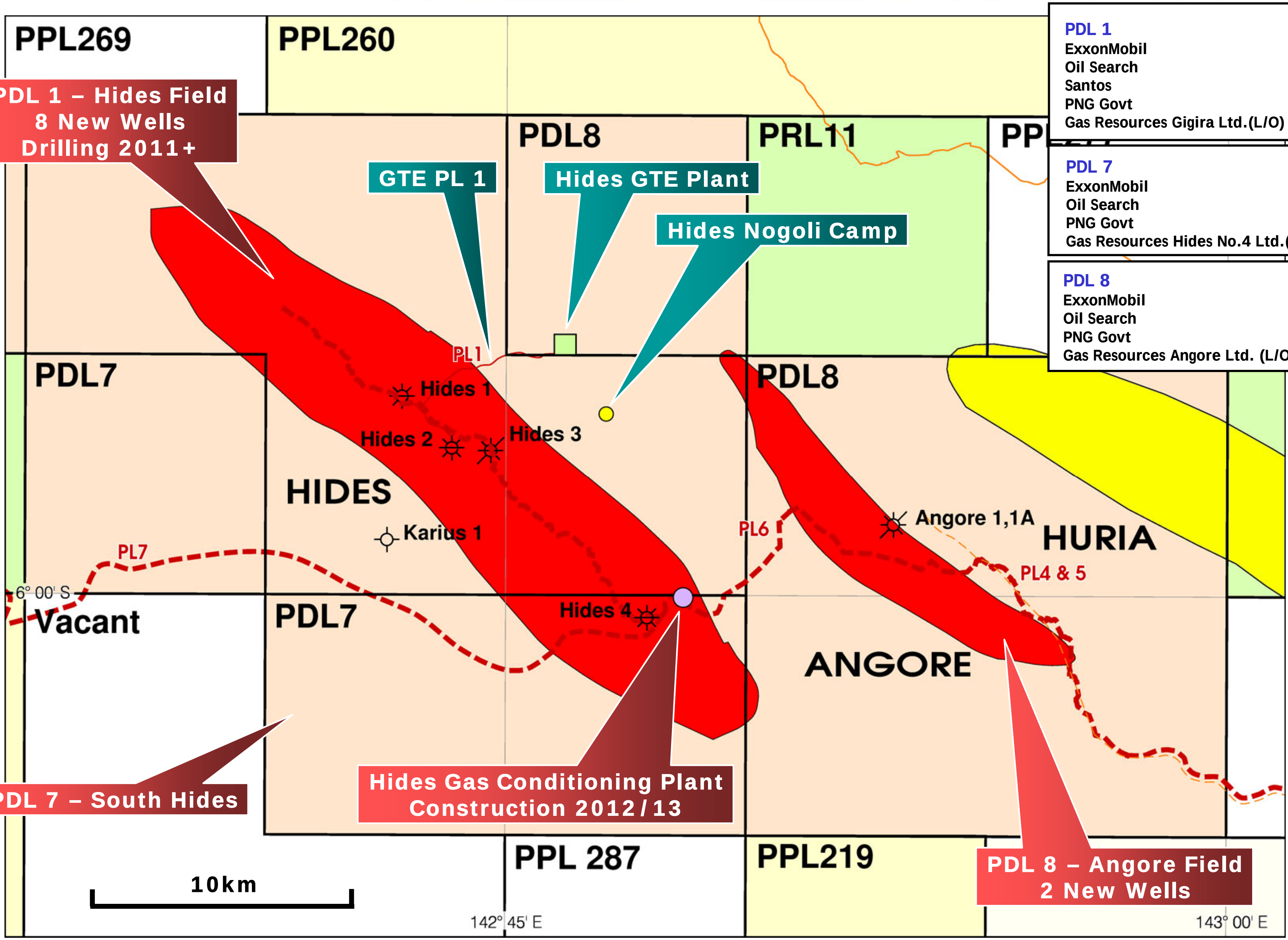


- US$1.23 billion in cash at end March 2011. US$290 million available from term revolving facility, nil drawn down, resulting in liquidity of ~US$1.5 billion. Remaining PNG LNG equity commitment of ~US$0.9 billion
- US$1.07 billion drawn down under PNG LNG project finance facility, US$2.99 billion remaining (OSH share) under present facility
- Company is well placed to meet existing commitments / base business plan with sufficient liquidity to deliver on strategic plan initiatives

Key Assumptions:

1. Brent Forward curve pricing as at 3 February 2011
2. PNG LNG Project on schedule and budget
3. Train 3 FEED costs included, Train 3 construction costs excluded
4. Production profiles, other Capex / Exploration based on strategic review business plan
5. Existing oil facility refinanced

PDL 1, PDL 7 and PDL 8
Hides & Angore

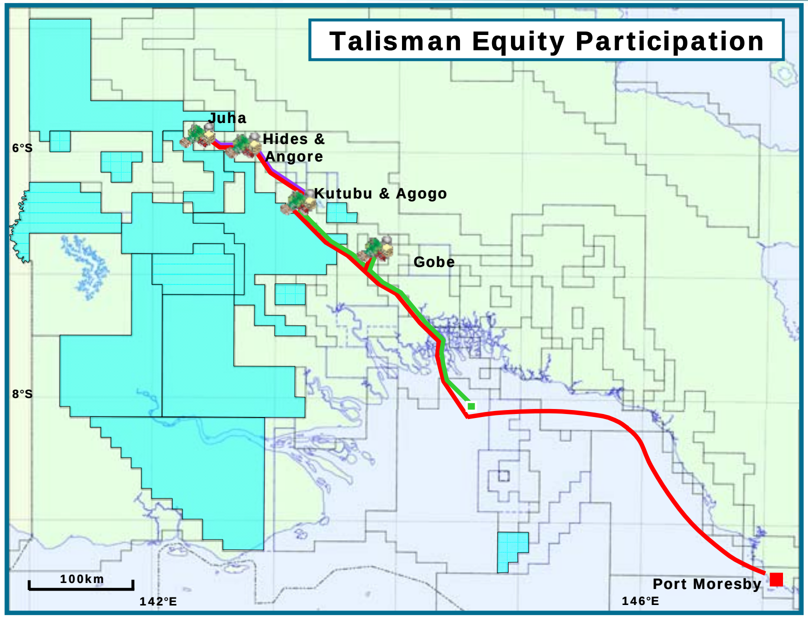


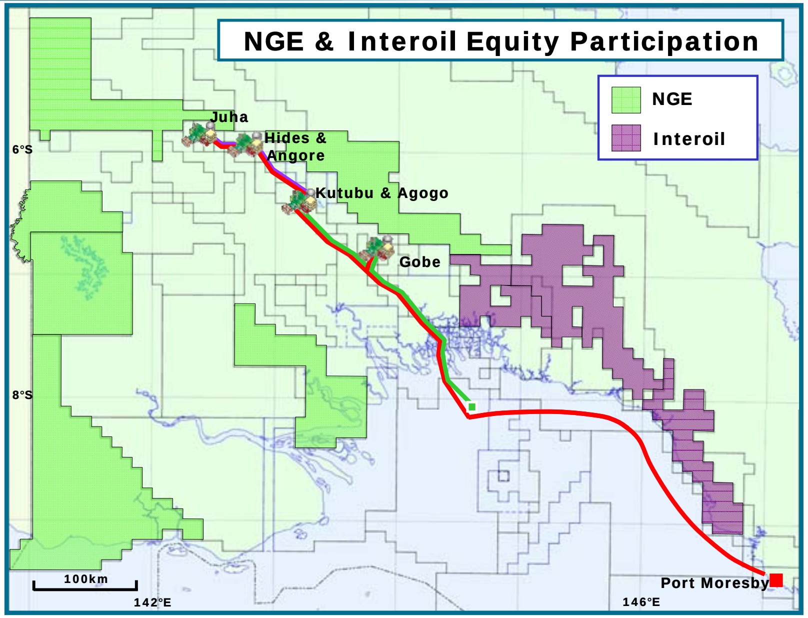
PDL 1	
ExxonMobil	36.81%
Oil Search	16.66%
Santos	24.03%
PNG Govt	20.50%
Gas Resources Gigira Ltd.(L/O)	2.00%

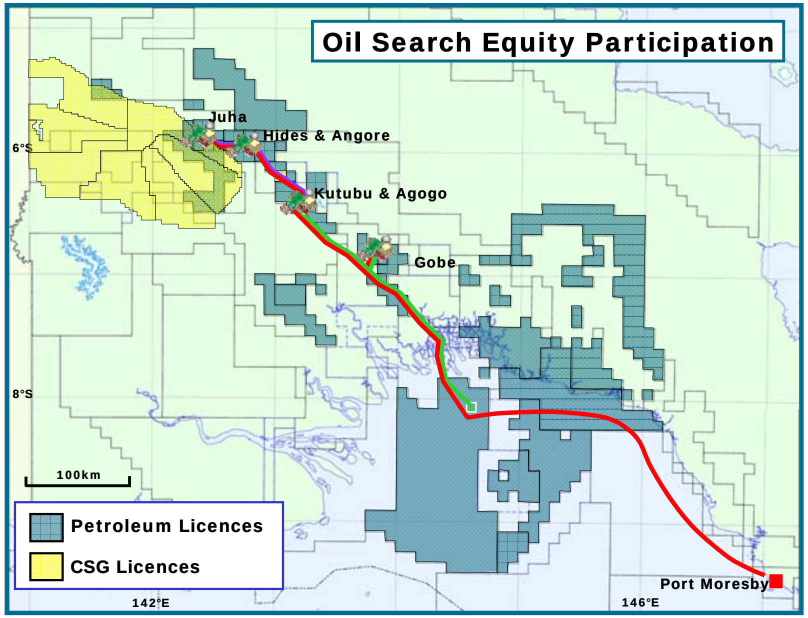
PDL 7	
ExxonMobil	36.81%
Oil Search	40.69%
PNG Govt	20.50%
Gas Resources Hides No.4 Ltd.(L/O)	2.00%

PDL 8	
ExxonMobil	36.812%
Oil Search	40.69%
PNG Govt	20.50%
Gas Resources Angore Ltd. (L/O)	2.00%

Other Key Players in PNG







- Talisman and Sasol have significant acreage in Western Forelands. InterOil has strong position in Eastern Forelands
- OSH strategy focused on core PNG LNG Foldbelt acreage and Gulf - viewed as offering greatest potential for large gas discoveries

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