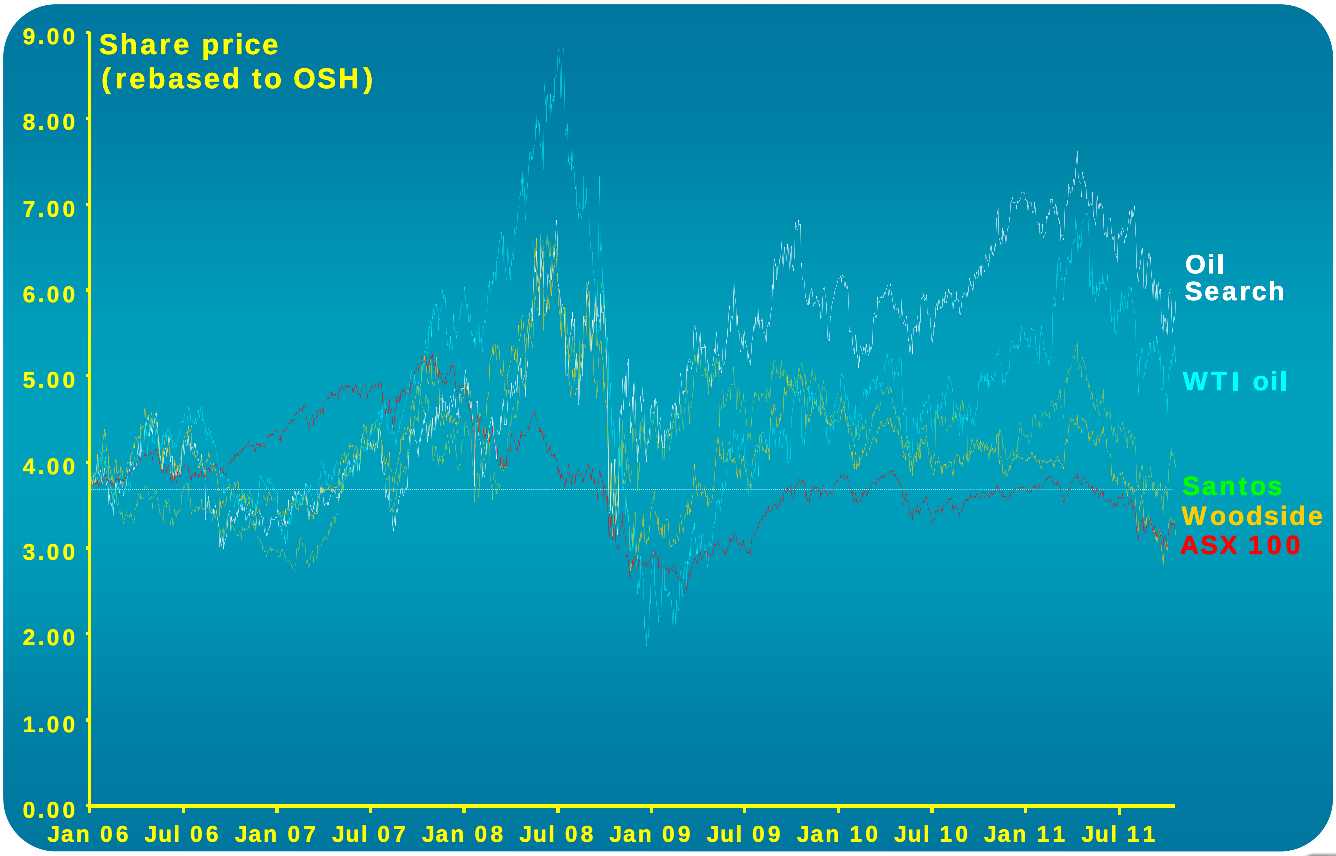
OIL SEARCH LIMITED

Citi Australia & NZ Investment Conference

Sydney 25/26 October 2011

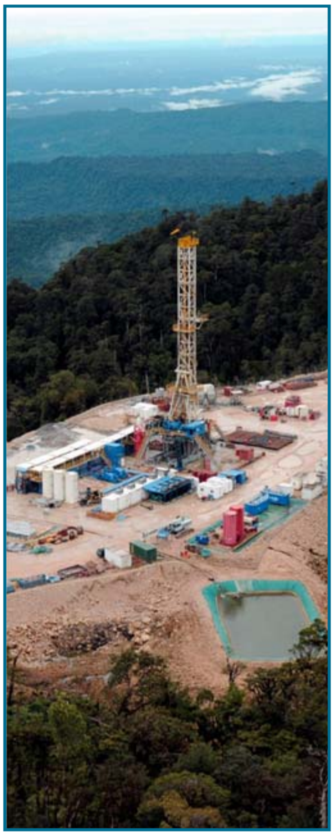
Strong Long Term Share Price Performance



OSH Strategies to Create Ongoing Value

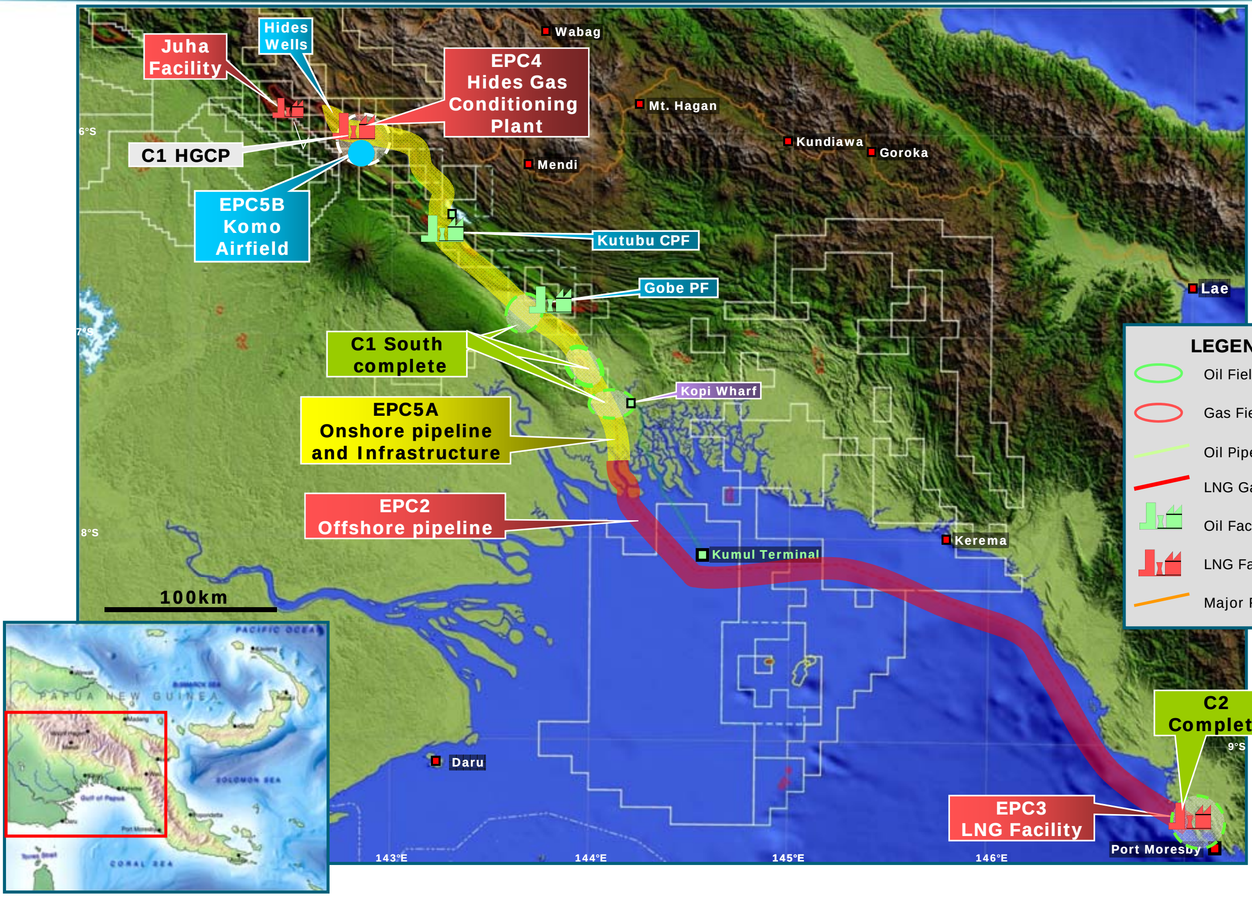
OIL SEARCH LIMITED

- **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'



PNG LNG Project Overview

OIL SEARCH LIMITED



PNG LNG Project Overview

OIL SEARCH LIMITED

- 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
- Initial Equities:
  - ExxonMobil - 33.2%
  - Oil Search - 29.0%
  - Kroton2 (PNG Government) -16.8%
  - Santos - 13.5%
  - Nippon Oil - 4.7%
  - MRDC (PNG Landowners) - 2.8%
- Fully contracted to Asian buyers, with continuing strong market interest
  - Sinopec (China) ~2.0 MTPA
  - TEPCO (Japan) ~ 1.8 MTPA
  - Osaka Gas (Japan) ~1.5 MTPA
  - CPC (Taiwan) ~ 1.2 MTPA

PNG LNG

Milestones achieved to 3Q11

OIL SEARCH LIMITED

- Ground-breaking and pouring of first foundations at LNG plant site. Fabrication of process trains, tanks and jetty underway
- Final delivery of line pipe to PNG for onshore pipeline, over 30km of welding and burial now completed
- Construction of Caution Bay offshore pipeline support site
- Continued early construction activities in Highlands (incl. earthworks at Hides plant site and Komo airfield, road and bridge upgrades)
- Completion of offsite fabrication of new CALM Buoy for Oil Search PL2 Life extension project, shipped in October
- Successful production tie-in for future gas facilities completed on Oil Search operated Associated Gas project
- Completion of training facilities at Juni in Highlands
- Ramp-up in PNG workforce and use of PNG suppliers. Total workforce at end June of 9,300, of which 6,600 were PNG nationals (71%)

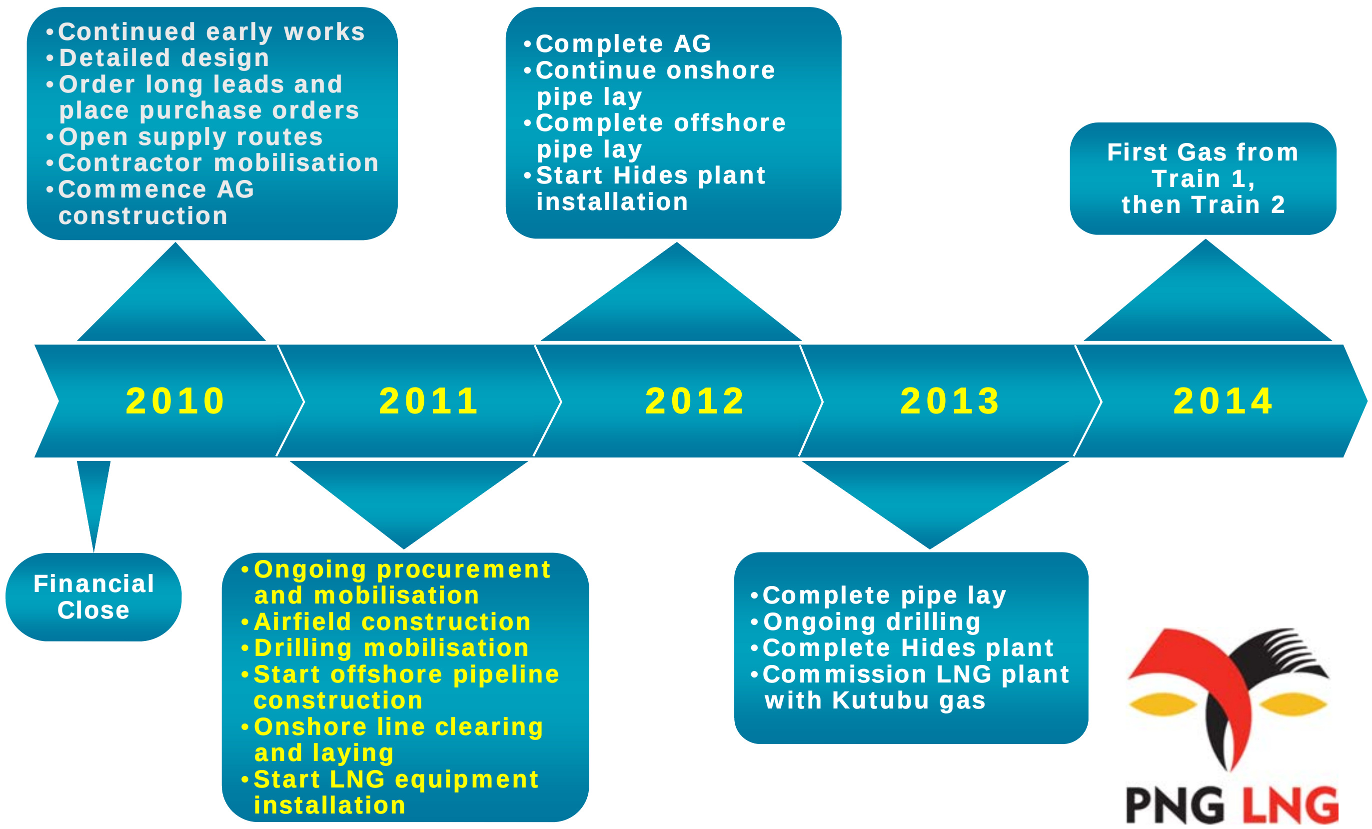
Focus items for 4Q11/early 2012

OIL SEARCH LIMITED

- Community engagement
- Working with new Government to ensure continued alignment and delivery of obligations
- Wellpad and Hides spine road development
- Installation of new CALM buoy for Kumul loading terminal
- Continued onshore pipeline installation and commencement of offshore pipelay
- Continued progress at LNG Plant site
- Rig mobilisation and arrival, commencement of drilling
- Strong A$ - pressures easing

Timetable

OIL SEARCH LIMITED



PNG LNG

PNG LNG Plant Site

February 2011

July 2011

PNG LNG Plant Construction

OIL SEARCH LIMITED

Marine jetty piling

Process pipe rack construction

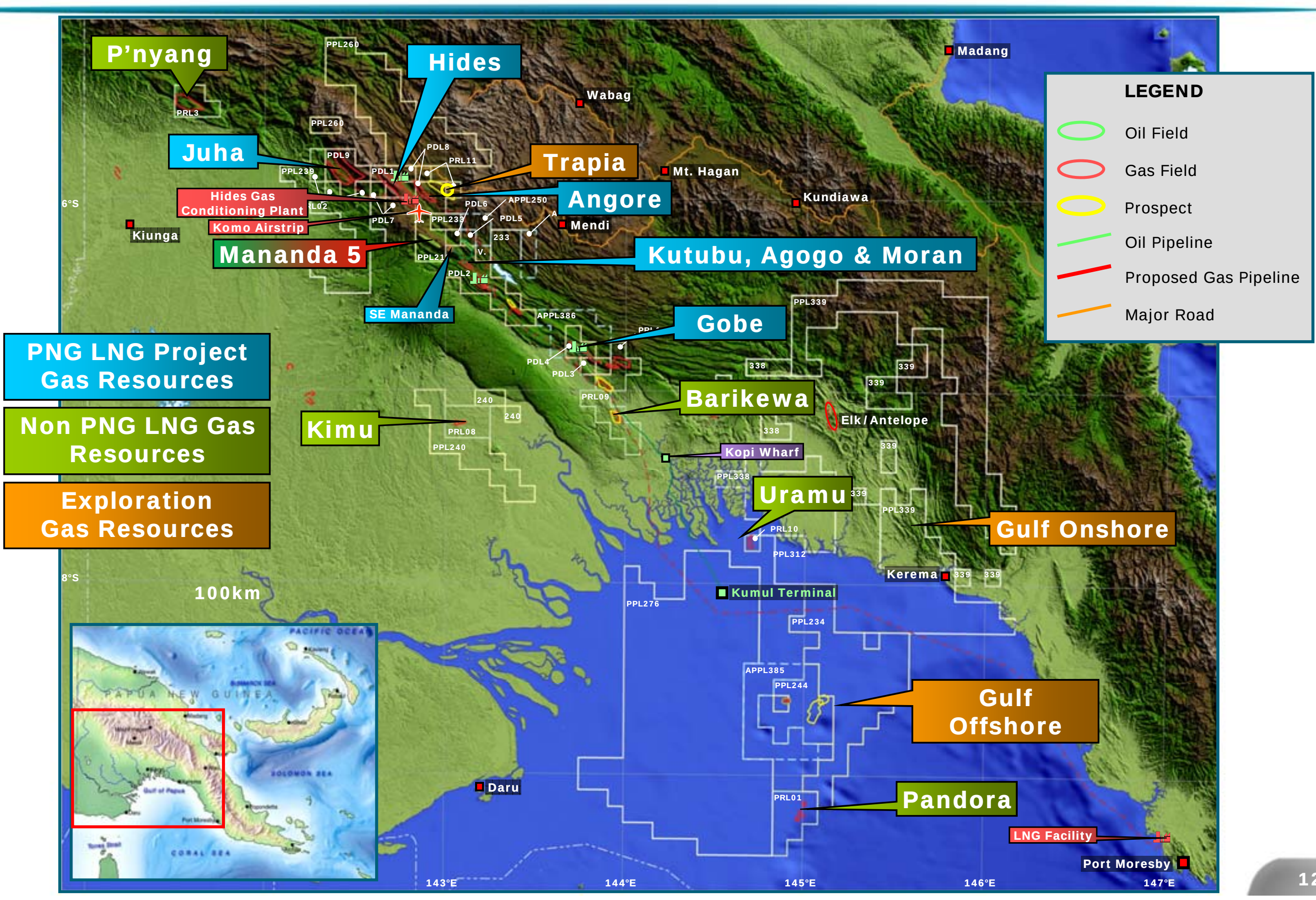
Largest OSH Drilling Programme

OIL SEARCH LIMITED

- Embarking on one of the largest drilling programmes ever undertaken, starting 4Q11 continuing through 2012, into 2013
- Multi-TCF risked potential for gas and several hundred millions of barrels of oil potential
- Appraisal and development drilling
  - Hides
  - P’nyang
  - Kutubu, Moran and likely Mananda
- Exploration
  - Trapia (PRL 11)
  - Near field oil exploration
  - Gulf Area drilling, subject to final seismic results
  - Taza, Kurdistan
- Potential to underwrite continued gas commercialisation and short-medium term oil production

PNG LNG Expansion

OIL SEARCH LIMITED

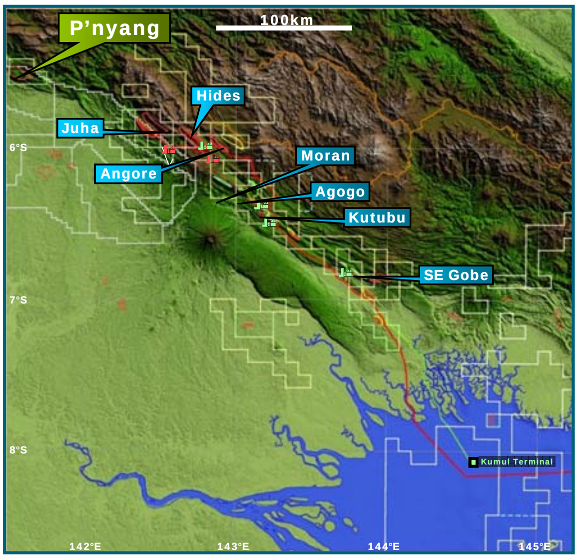


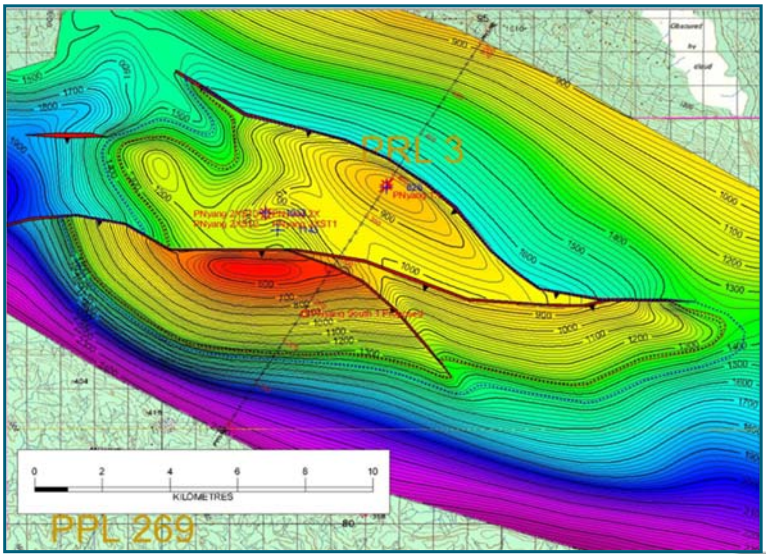
PNG LNG Expansion

- Integrated exploration and appraisal drilling programme in the Highlands
- Results by mid/late 2012
- Upside in Associated Gas fields:
  - Detailed evaluation ongoing by Oil Search
  - Targeting alignment with PNG LNG Co-Venturers in 2012
- Hides Gas Water Contact Well:
  - Hides development drilling scheduled to commence in late 2011, Gas:Water Contact well planned early in drilling sequence
  - Optimisation with logistics and construction (Komo and HGCP)
- P'nyang and Trapia (formerly Huria) wells targeted for 4Q11 and 1Q12 spud respectively

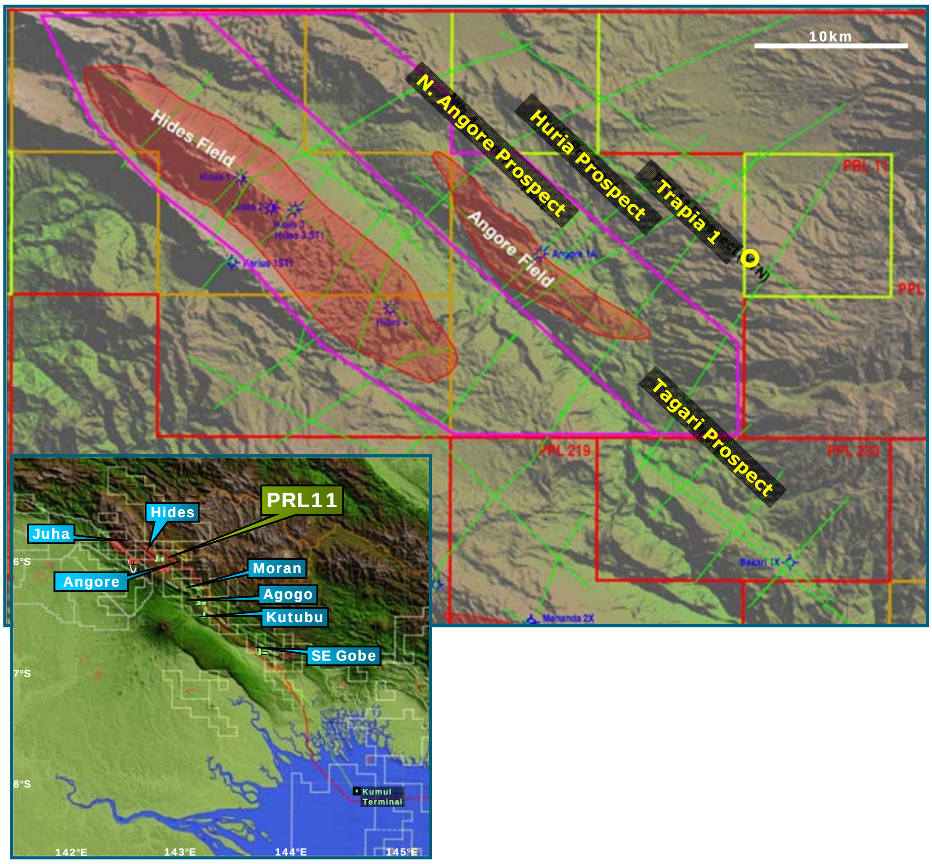
PNG LNG Expansion

- P'nyang (PRL 3)
  - ExxonMobil 49%, Oil Search 38.5%, JX Holdings 12.5%
  - Appraisal well scheduled for 4Q11
  - Targeting southern fault block
  - Aim is to move 3C to 2C and increase 1C resource
  - Potential 2C of ~2 tcf



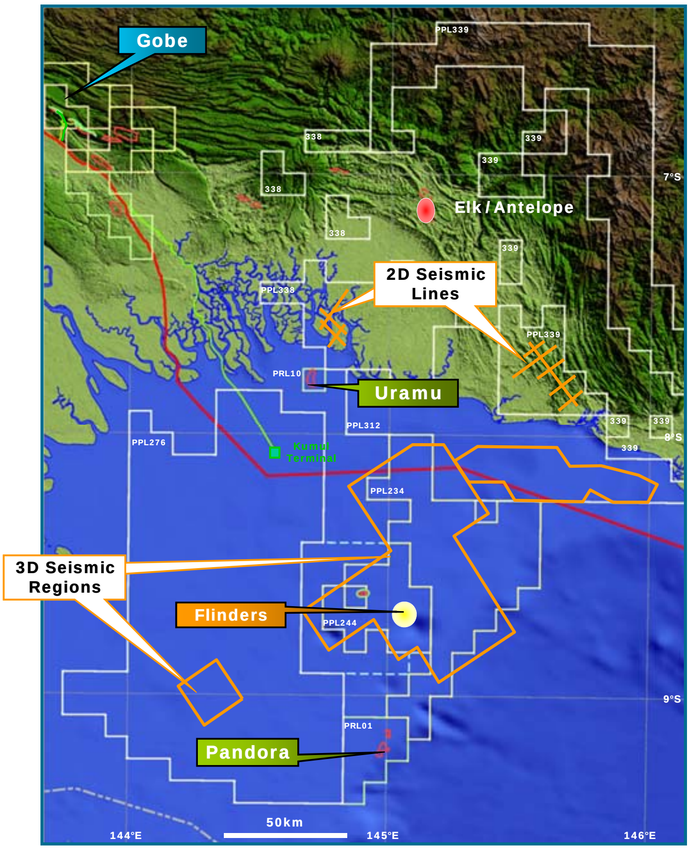


PNG LNG Expansion



- Trapia 1 (PRL 11)
  - Oil Search 52.5%, ExxonMobil affiliates 47.5%
  - Exploration well scheduled for 1Q12
- Series of prospects in area:
  - Reasonable seismic but structural uncertainty remains
  - Multi-tcf potential in area
  - Partial dependency. Exploration potential remains in event of success or failure at Trapia

Gulf Area LNG Opportunity



- Multi-licence, multi play type, multi well opportunity being developed
- Large, modern 3D seismic dataset acquired to unlock potential of Gulf
- All offshore data complete and being interpreted. Results of initial interpretation are encouraging
- 2D onshore in PPL 338 and 339 seismic processed, interpretation underway
- Rig options and timing being assessed
- Long lead item procurement process commencing

Gulf Area LNG Opportunity

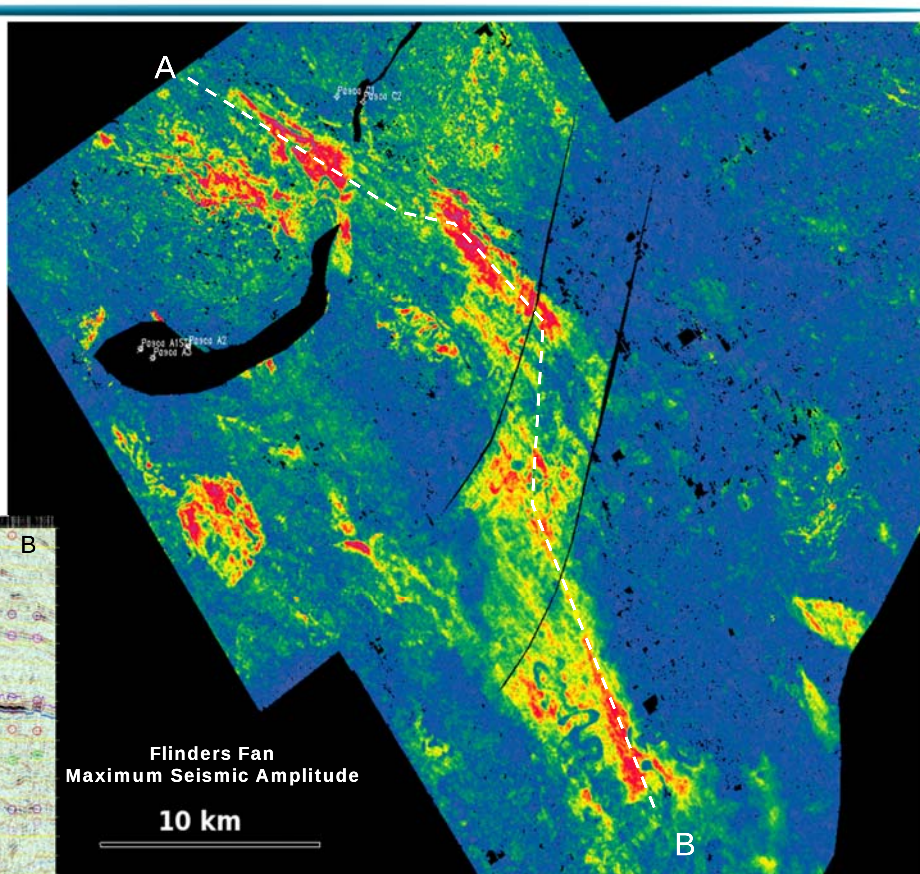
OIL SEARCH LIMITED

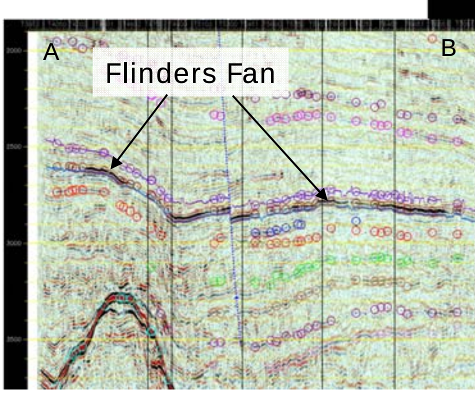
- Prospectivity:
  - Targeting 4Q for initial assessment of prospectivity across all licences
  - Final views by year end
- Partnering:
  - Discussions initiated and ongoing with potential strategic farm-in partners
  - International interest heightened by InterOil sale process
- Drilling:
  - Planning ongoing:
    - Well design commenced
    - Long lead item procurement process commenced
    - Site survey planning
    - Rig selection and sourcing discussions ongoing
- Timing:
  - Targeting 2012. Timing dependent on:
    - Prospectivity
    - Rig selection and availability
    - Strategy selected
    - Status of partnering discussions

PPL 244 - Flinders Fan

OIL SEARCH LIMITED

- Preliminary interpretation of seismic over Flinders indicates potential hydrocarbon bearing sands
- Larger areal extent than previously thought

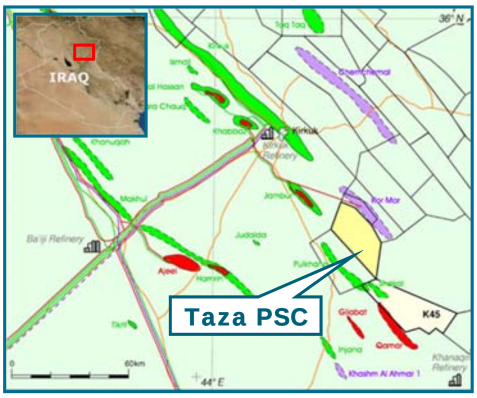


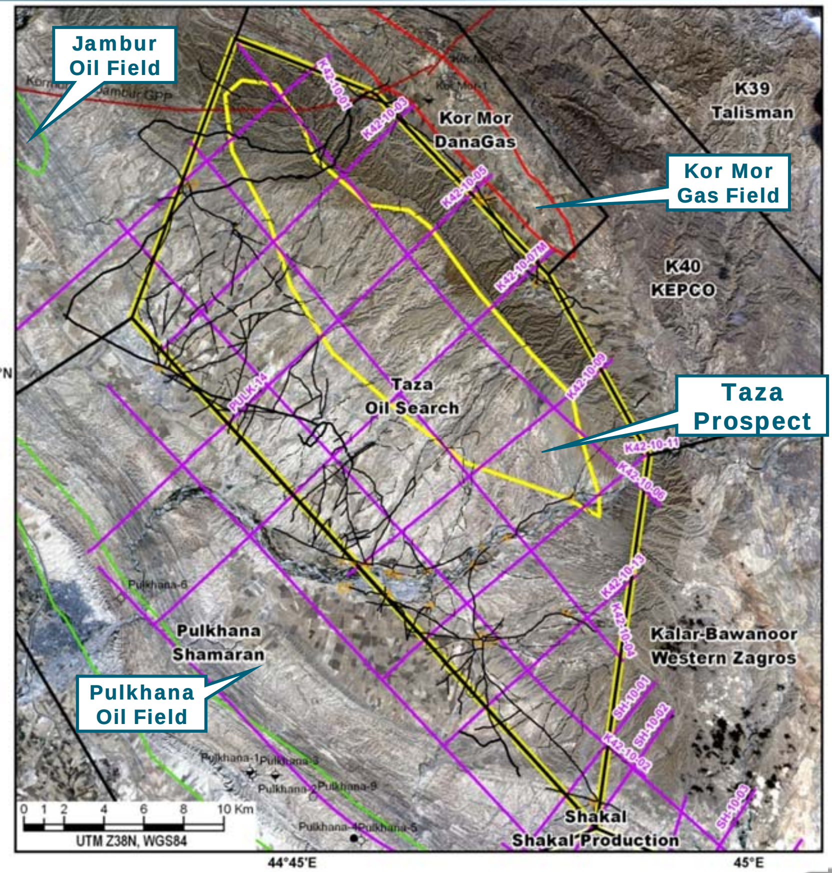


Kurdistan - Taza PSC

OIL SEARCH LIMITED

- PSC signed after exercising Option Agreement
- Oil Search entry as Operator in extremely active Kurdistan Region of Iraq
- Very prospective location adjacent to three fields
- Large, simple 4-way dip closure identified from 2010 seismic
- Well scheduled to spud in 1H12

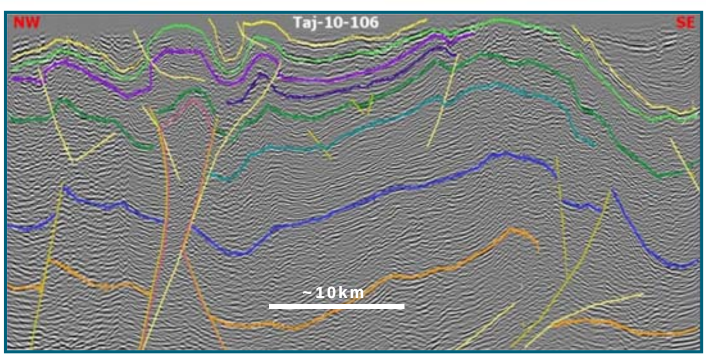




Tunisia

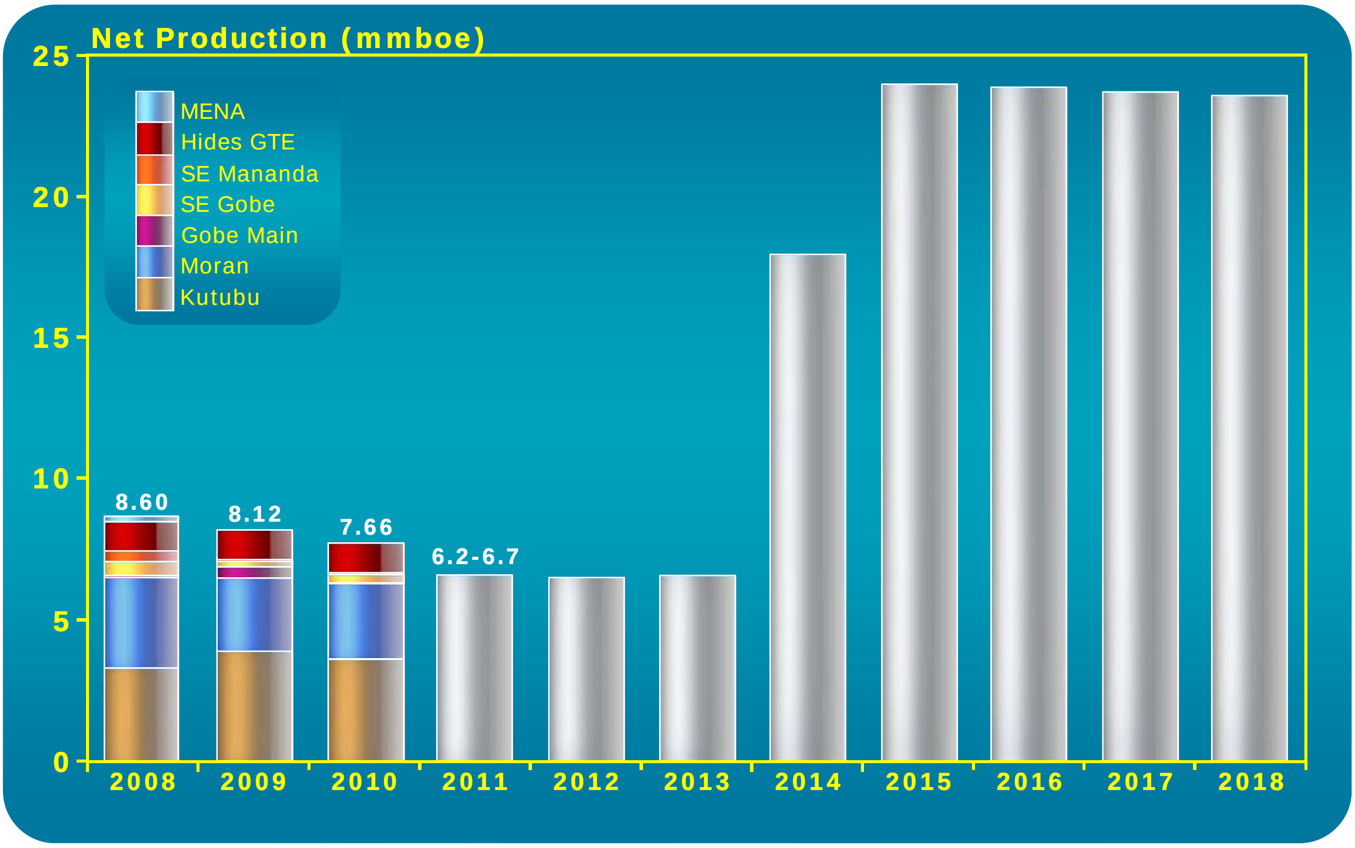
OIL SEARCH LIMITED

- 2010 seismic evaluation complete. Infill line being conducted in 4Q11
- Large structures mapped
- Proven plays present and new deep gas play developed
- Prime prospect in Tajerouine permit has potential for >100 mmstb oil and >400 bcf gas
- Fiscal regime favourable
- Prospect sizes commercially attractive
- Exploration well to be drilled in late 2012



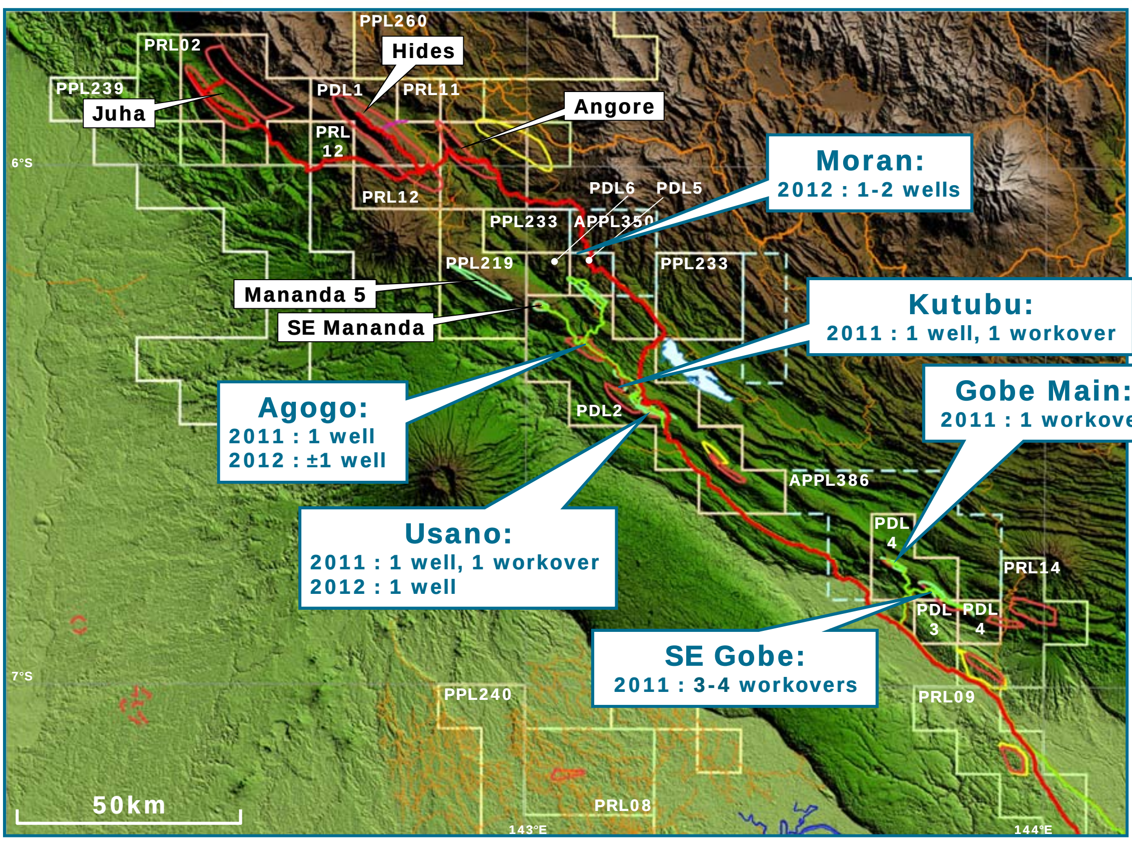
Oil Search Production

OIL SEARCH LIMITED



2011/12 Development & Near-Field Appraisal Drilling Activity

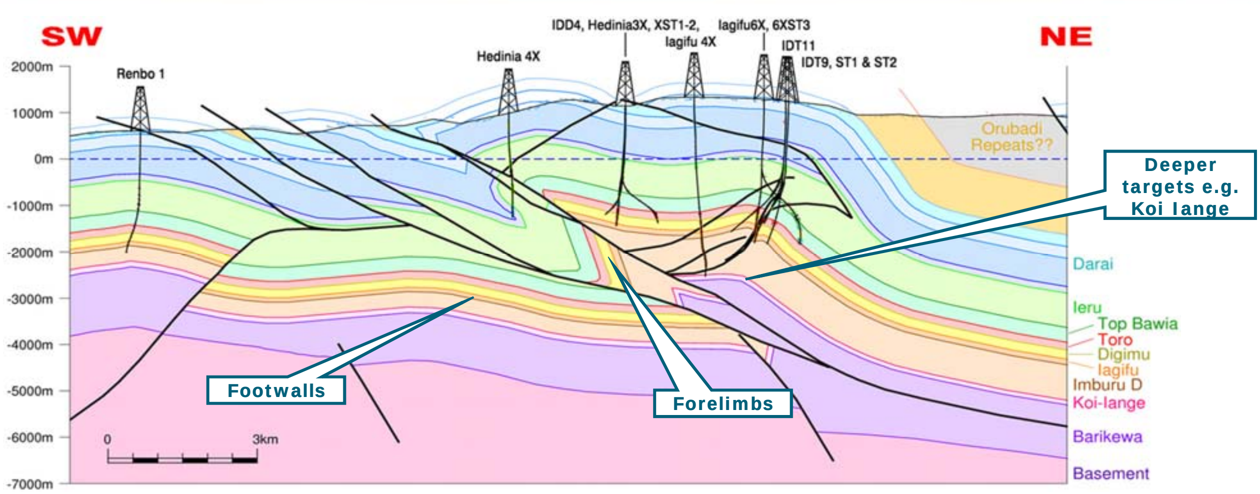
OIL SEARCH LIMITED



Near Field Exploration

- Detailed review of "near field" exploration potential in and around existing producing fields as part of 2010 strategic review
- More than 25 opportunities identified. Recent successes support new structural model
- Potential:
  - 125 mmboe net (approximately half oil, half gas)
- Higher risk than historical development drilling:
  - Difficulty imaging
  - Untested reservoir properties
  - Complex geology
- Risk management:
  - Integrating with existing pads and wells to reduce cost
  - Fall back of safer, conventional proven targets
  - Step wise approach, building out from known positions

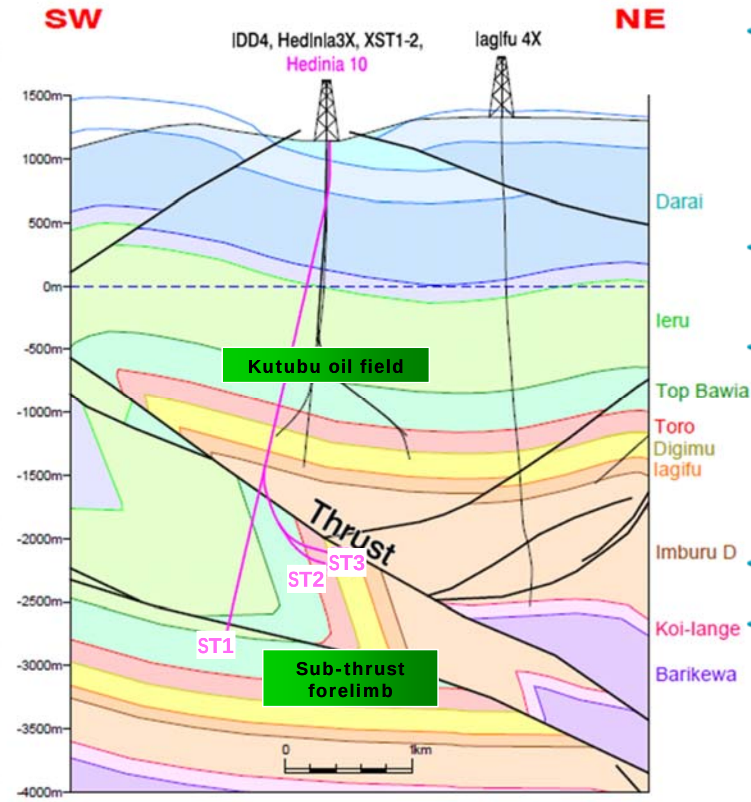
Near Field Exploration



- Focused on:
  - Deeper Koi-Iange play:
    - Potentially underlies all producing reservoirs
    - Penetrated by IDT 25, due to be tested in 4Q 2011
  - Forelimb play:
    - ADT 2/Hedinia 10 lookalikes
    - Agogo 6 due to spud shortly
  - Play extensions:
    - Based on detailed remapping and 2011 seismic
    - Potentially SE Mananda and Kube Kabe (north of Kutubu)
  - Footwall targets:
    - Hedinia, Moran, Mananda

Hedinia 10 ST3 Discovery

OIL SEARCH LIMITED

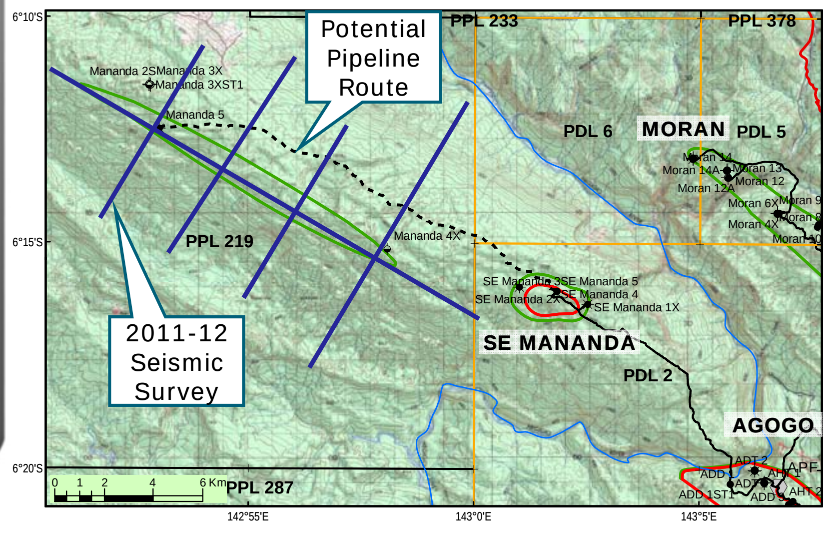


- Hedinia 10 drilled beneath Kutubu oil field to test structure analogous to Agogo forelimb discovery (ADT 2ST3)
- Hedinia 10ST2 & 3 confirmed oil in Toro reservoir
- Preparations underway to complete Hedinia 10 ST3 well as an oil producer, tied in to existing PDL 2 surface facilities
- First oil by end of November
- Full extent of discovery will be assessed following post-well analysis and early production performance

Mananda 5 Discovery

OIL SEARCH LIMITED

- 25 mmboe discovery, ~50:50 oil:gas
- Confirmed oil in Toro A, B & C
- Ambiguous in Imburu & Digimu
- 3 year Licence Extension offered by DPE. Declaration of Location gazetted



- Subsurface, engineering and in-country issues evaluation ongoing
- Decision made to acquire new grid of 2D seismic lines. Acquisition to start late 2011

2011/12 Focus Areas

- Maintain OSH's industry-leading safety performance in high activity environment
- Strong commitment to cost effectiveness
- PNG LNG Project commitments driving operational developments:
  - Deliver the Associated Gas Project as planned
  - Improved reliability and long term integrity
  - Life extension programmes for facilities
  - Upgrade of key systems and processes
  - Enhanced development of personnel
- Continued focus on capturing additional in-field and near field reserve opportunities

PNG Operating Environment

- PNG has built enviable investment record of fiscal stability in resources sector over past 15 years
- Unprecedented investment now taking place in oil, gas and mining, encouraged by attractive fiscal policy and stability
- History of constructive dialogue between industry and Government to manage issues and expectations
- Anticipate that this will continue with new Government, led by Prime Minister Peter O'Neill
- Rapidly changing economic and social landscape
  - Changes in traditional tribal culture
  - Increased expectations and opportunities
  - Education and communications
- Focus on improving benefits distribution system, transparency and service delivery
- Strong support from landowner leaders and key institutions

OIL SEARCH LIMITED

Managing Operating Risk

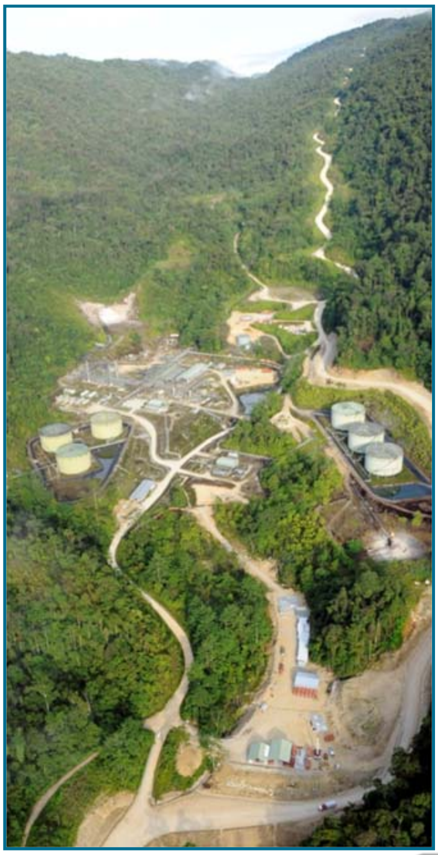
O I L S E A R C H L I M I T E D

- Oil Search has increased its focus on managing in-country issues
  - Seen as key way to mitigate operating risk
- Expanded Sustainability Group is focusing on:
  - Government/regulatory
    - Promoting transparency
    - Sovereign wealth funds
    - Supporting benefits distribution process
    - Providing support to PNG Government bodies, when appropriate
  - Relationship building between Government, Landowners and other businesses
- Oil Search Health Foundation:
  - Expanding the successful OSH model for health programmes to other areas of PNG
  - Nominated as Principal Recipient for grants from The Global Fund to deliver HIV and malaria programmes

Summary

O I L S E A R C H L I M I T E D

- Delivery of PNG LNG underway:
  - Robust project
  - Outside crowded Australian LNG space, conventional onshore gas, limited technical risks
  - High quality Operator, making good progress towards first sales in 2014
- Largest ever drilling programme
- Oil fields generating strong cash flows. Production impacted by associated gas construction in 2H, but expect production to remain flat in 2012/13 despite field maturity
- PNG challenging environment, increased focus on managing risk
- Balance sheet remains strong, ample liquidity to meet LNG obligations and to mature expansion activities



OIL SEARCH LIMITED