



OIL SEARCH LIMITED

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

17 November 2011

ASX Compliance Pty Ltd
Australian Securities Exchange
Exchange Centre
20 Bridge Street, Sydney NSW 2000
Email: elvis.onyura@asx.com.au

Attn: Mr Elvis Onyura, Adviser, Listings (Sydney)

Dear Sir

Oil Search Limited (Oil Search or the Company) - Notice of Breach of Listing Rule 3.19A

The Company refers to your letter dated 14 November 2011.

As requested, we respond to your questions as follows:

1. Please explain why Appendix 3Y was lodged late?

The director in question, Dr Kantsler, elected to participate in the Company's Dividend Reinvestment Plan (DRP) for the first time in mid 2011. Dr Kantsler automatically received twenty-five Oil Search shares, valued at \$141 in total, on 10 October 2011 under the DRP when the 2011 interim dividend was paid. Dr Kantsler has advised that he unintentionally overlooked the receipt of the DRP shares and hence failed to notify the Company of the increase in his Oil Search holding.

The Appendix 3Y was lodged immediately when the oversight was identified through the Company's routine compliance monitoring processes.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under the ASX Listing Rules?

Oil Search has documentation and procedures in place to ensure directors understand their duties in supporting the Company to meet its disclosure obligations. All directors of the Company execute a Letter of Appointment, which sets out the terms of engagement as a director of the Company, including detailed continuing disclosure obligations to the Company with regard to directors' interests, as set out in the ASX Listing Rules.

In addition, the Company subscribes to a Directors Interest Alert Service (DIAS) provided by the Company's share registry, with a report issued to the Company when there is a change in the OSH shareholding of any of the Company's directors. The DIAS reporting did capture the

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increase in Dr Kantsler's shareholding but that transaction was inadvertently missed by the Company during the review process.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with the ASX Listing Rules?*

Oil Search believes its governance processes are adequate to ensure compliance with the ASX Listing Rules. Aside from the contractual arrangements with each director and the routine monitoring of shareholdings of directors, the Company also subscribes to the DIAS facility, as noted above. In addition, directors receive regular reminders on their disclosure obligations and communications on the operation of the Company's share trading windows in accordance with the Oil Search Share Trading Policy.

The Company is satisfied that all directors clearly understand and are committed to supporting the Company in meeting its disclosure of directors' interests obligations under the ASX Listing Rules. The breach in question was unintentional and all directors have received a reminder on the obligation to disclose all changes in notifiable interests, including those that arise from the operation of the Company's DRP. In addition, the internal review process for DIAS reports has been upgraded by expanding the distribution list to reduce the risk of new transactions being overlooked.

Please advise if any additional information is required.

Yours faithfully,
OIL SEARCH LIMITED

Stephen Gardiner
Group Secretary

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14 November 2011

Mr Stephen Gardiner
Company Secretary
Oil Search Limited
Level 27
Angel Place
123 Pitt Street
Sydney NSW 2000

By Email

Dear Mr Gardiner

Oil Search Limited (the "Company")

We refer to the following:

1. The Appendix 3Y lodged by the Company with ASX on 9 November 2011 for Dr Agu Kantsler;
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.*The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that a change in Dr Kantsler's notifiable interest occurred on 10 October 2011. It appears that the Appendix 3Y should have been lodged with ASX by 17 October 2011. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

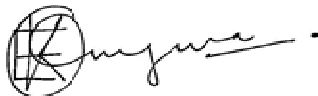
5. Please explain why the Appendix 3Y was lodged late.
6. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
7. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email to elvis.onyura@asx.com.au. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (**ie before 9.30 a.m. A.E.D.S.T.) on Friday, 18 November 2011.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely



Elvis Onyura
Adviser, Listings (Sydney)