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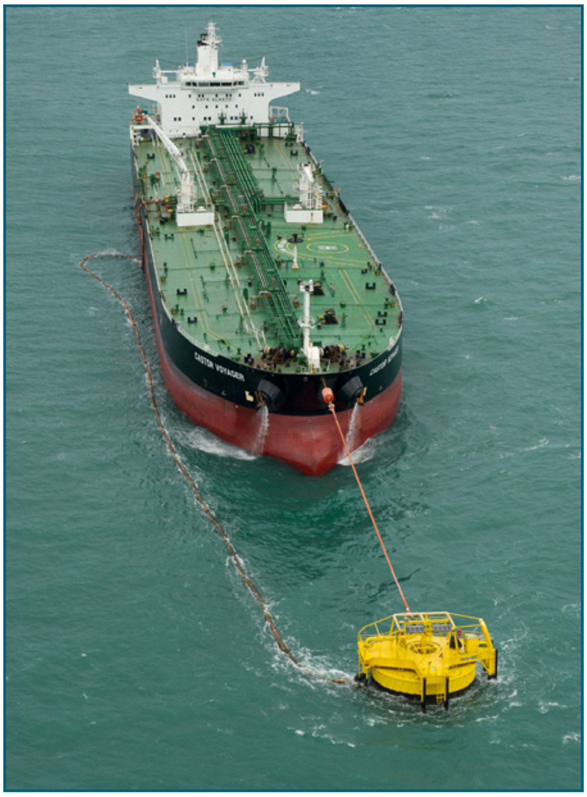

UK Oil and Gas Investor Forum

Bank of America Merrill Lynch

April 2012

Oil Search Profile

- Established in Papua New Guinea (PNG) in 1929
- Operates all of PNG's producing oil and gas fields. Current gross production ~33,500 boepd, net share ~18,500 boepd
- At December 2011, proven reserves were 330 mmboe, proven and probable 553 mmboe plus 318 mmboe 2C resources, taking 2P reserves and 2C resources to 870 mmboe
- PNG Government is largest shareholder with 15%. In early 2009, Govt issued exchangeable bonds 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)

Key Oil and Gas Fields, PNG

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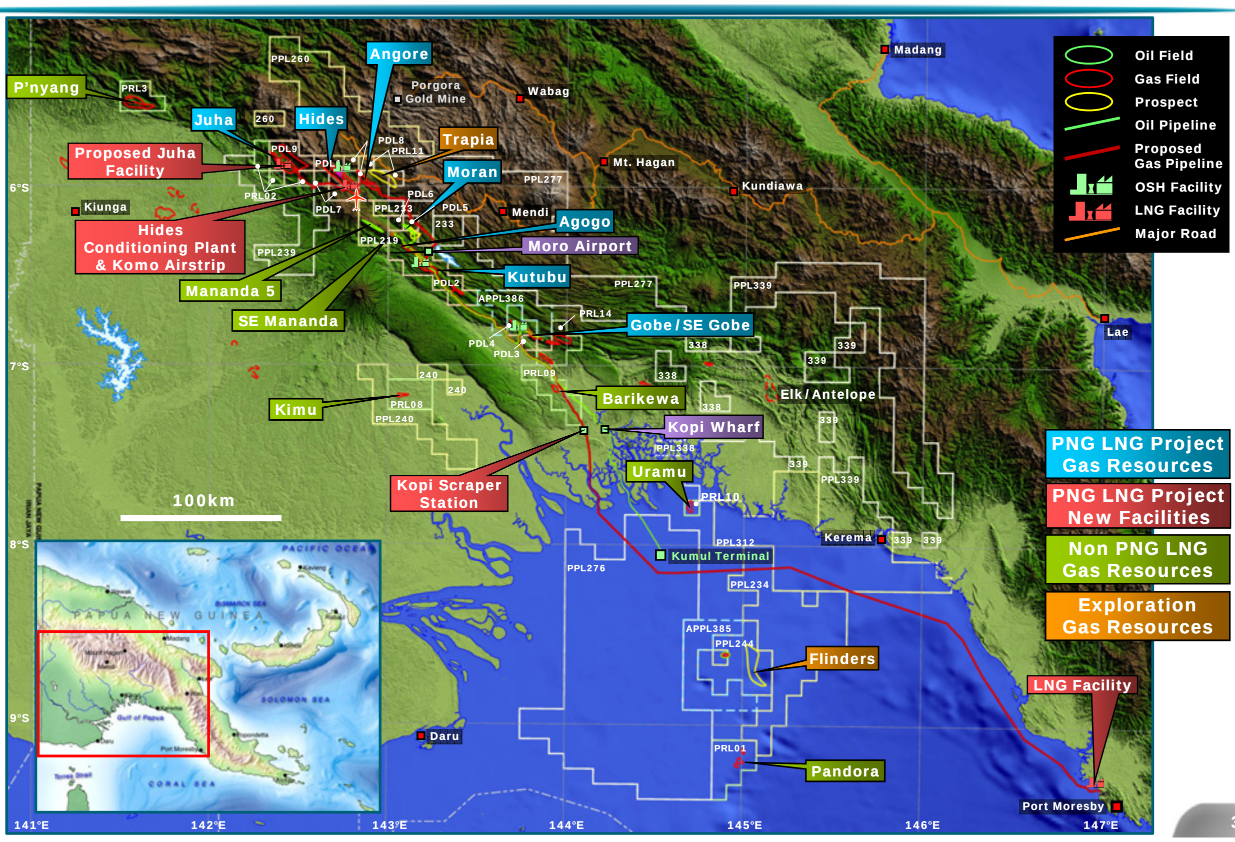

OSH Strategies to Create Value

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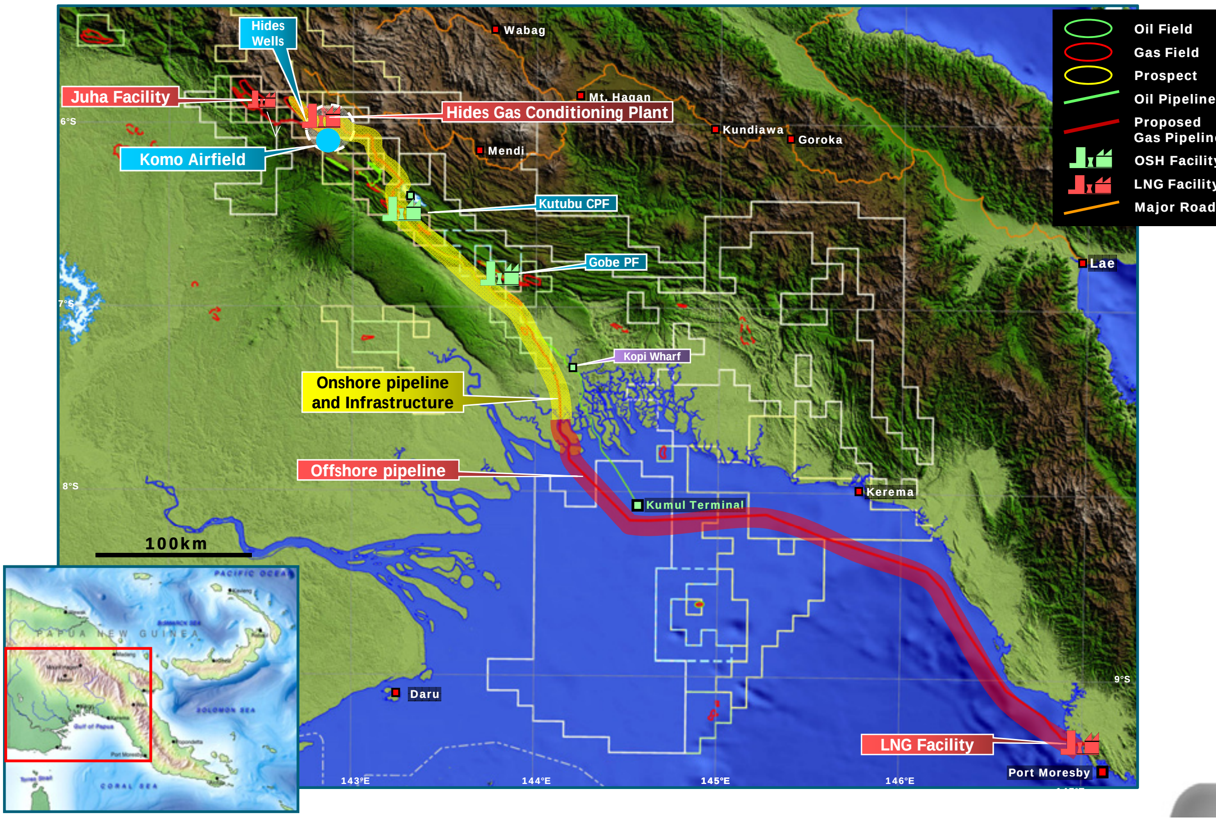
- **Optimise current oil and gas production:**
  Through improved efficiencies and pursuit of near field opportunities
- **Maximise value of PNG LNG Project (T1 & T2):**
  By utilising in-country knowledge to assist Operator
- **Develop LNG and other gas expansion opportunities:**
  Build gas resources 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



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PNG LNG Project Overview

- 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%
  - National Petroleum Company of PNG (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

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PNG LNG

PNG LNG Project Overview

- Main EPC contractors:
  - LNG Plant: Chiyoda/JGC
  - Offshore Pipeline: Saipem
  - Hides Gas Plant: CBI/Clough JV
  - Onshore Pipeline: Spiecapag
  - Infrastructure: McConnell Dowell/CCC JV
  - Early Works: Clough/Curtain JV
  - Associated Gas (OSH only): Jacobs (formerly Aker Solutions)
- Different labour environment to Australian LNG projects
- Two years into four-year construction period. First LNG sales expected 2014, capital cost US$15.7 billion

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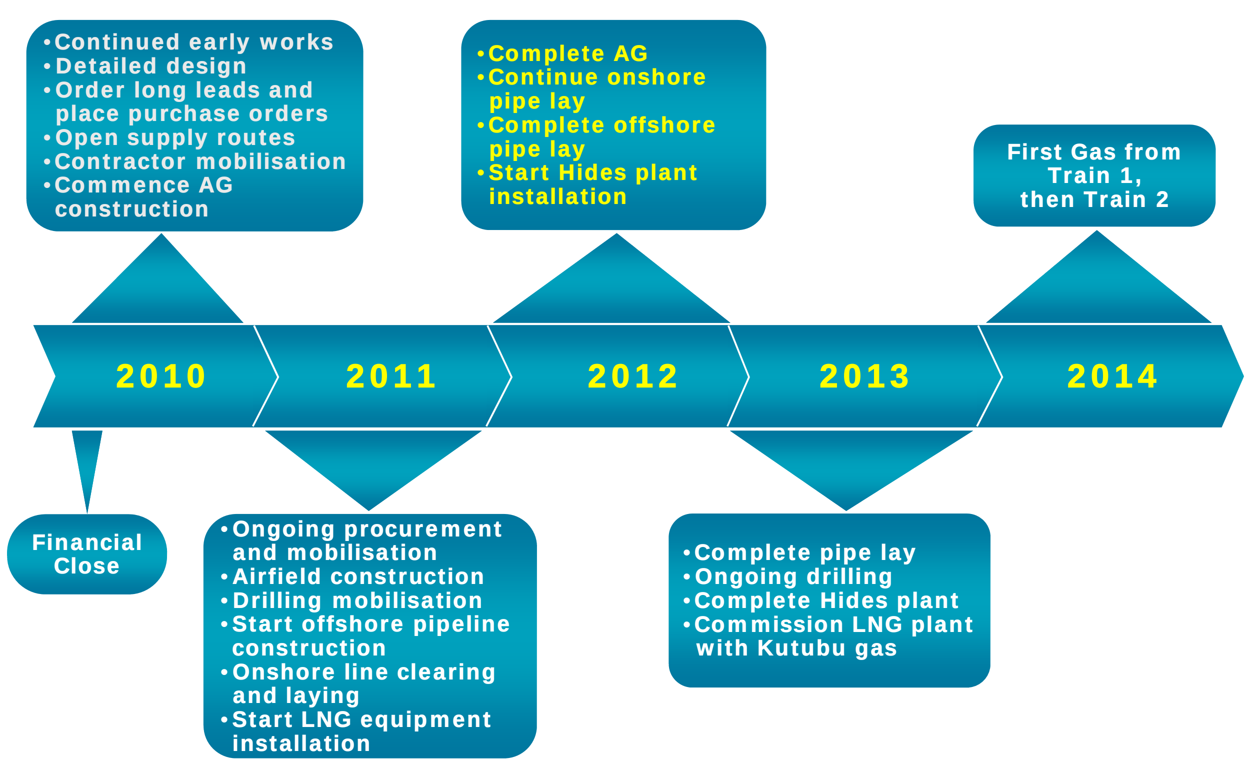
PNG LNG

Timetable



Focus items for 2012

- Completion of Komo Airfield construction
- Structural steel erection, mechanical construction of major equipment at HGCP
- Continued construction at LNG Plant site including commencement of topside jetty works and tank hydrostatic testing
- Mechanical completion of offshore pipeline and Kopi / Kutubu sections of onshore pipeline
- Completion of AG CPF and Gobe plant modifications and PL2 Kumul refurbishment projects, including ready-to-supply commissioning gas status
- Commencement of development drilling
- Continued focus on working with government and local communities, maximising opportunities for local content

PNG LNG Project Plant Site near Port Moresby

PNG LNG Plant Site

PNG LNG

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February 2011

February 2012

PNG LNG Project – Offshore Pipeline

PNG LNG

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SEMAC I – Offshore pipelay vessel

PNG LNG Project Onshore Pipeline

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Pipeline route clearing

Pipe stringing

Pipe welding team

Pipe burial

PNG LNG Project - Upstream

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Hides Gas Conditioning Plant
and Hides well pad access road

Komo Airfield

AG and PL 2 Life Extension Projects

PNG LNG

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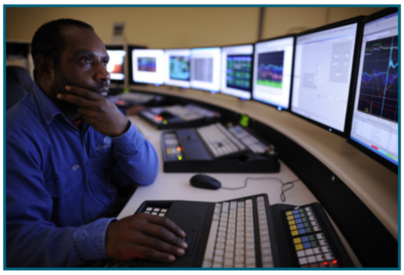
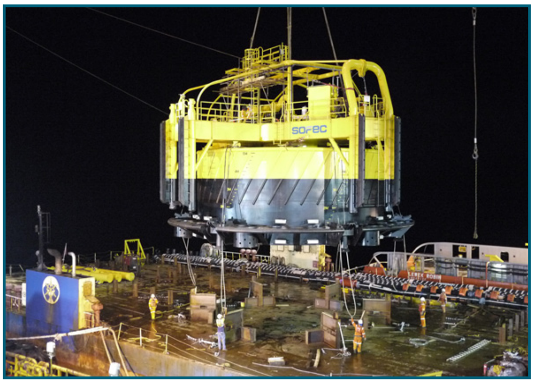


New Control Room at CPF - commenced operations in January 2012

TEG Dehydration Unit installation



New CALM Buoy being lowered into position – first offtake March 2012

Growth Activities

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Angore anticline, PNG Highlands

- OSH has embarked on largest drilling programme ever undertaken. Will continue through 2012 into 2013
- Multi-tcf risked potential for gas and several hundred millions of barrels of oil potential
- For gas, pursuing two pronged strategy, focused on converting proven and probable to proven contractable reserves, plus new exploration:
  - PNG LNG Expansion
  - Gulf Area LNG
- For oil and gas:
  - Continuing near-field exploration in PNG
  - Pursuing high-graded exploration outside PNG
- Programme has potential to underwrite continued gas commercialisation and ongoing oil production

P'nyang South 1

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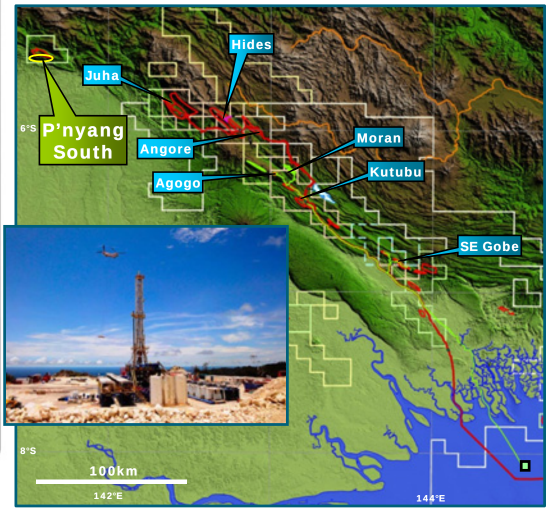
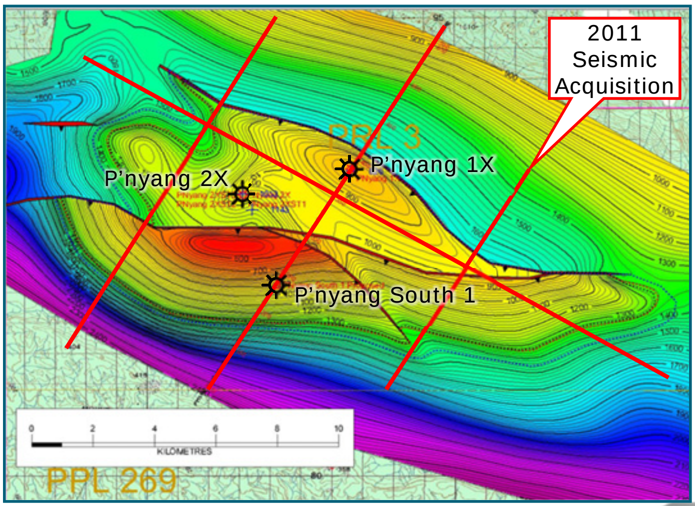
- Appraisal well successfully discovered gas in southern fault block
- Sidetrack currently underway to establish gas:water contact and extent of discovery
- PRL 3: ExxonMobil 49%, Oil Search 38.5%, JX Holdings 12.5%





Trapia 1

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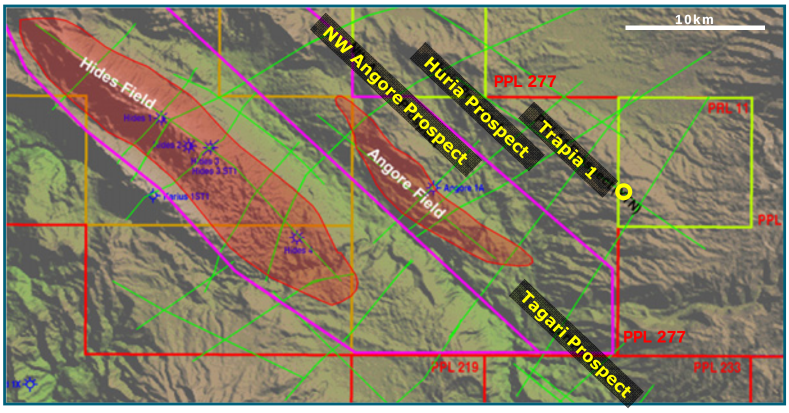

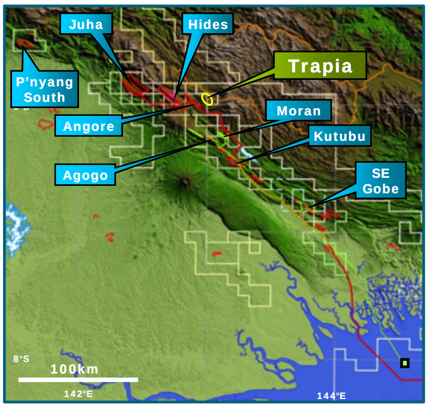

- Trapia exploration well scheduled to follow P'nyang South
- PRL 11: Oil Search 52.5%, ExxonMobil 47.5%
- Series of prospects in area with multi-tcf potential
- 2D seismic programme in 2012/13 to further mature prospects
- Recent acquisition of adjacent licence, PPL 277, 50:50 with ExxonMobil

PDL 1, PDL 7 and PDL 8 Hides and Angore Fields

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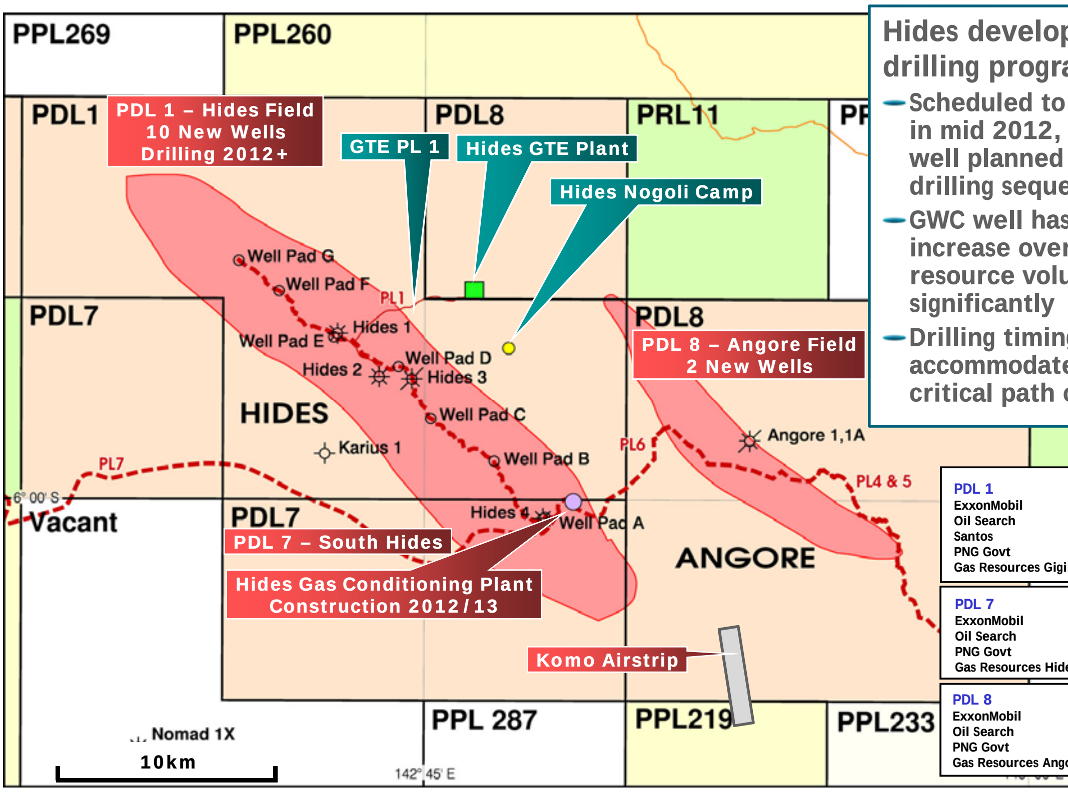

Hides development drilling programme:

- Scheduled to commence in mid 2012, with GWC well planned for early in drilling sequence
- GWC well has potential to increase overall Hides resource volume significantly
- Drilling timing adjusted to accommodate Project critical path optimisation

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%

Further Resources from Oil Fields

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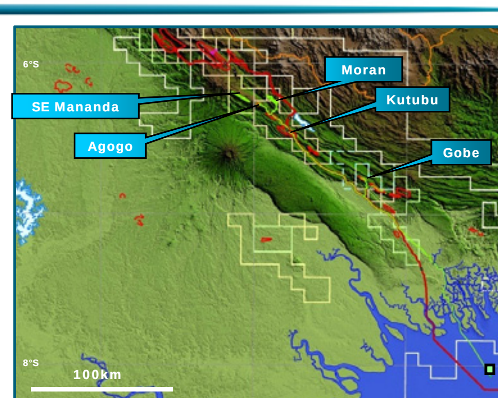
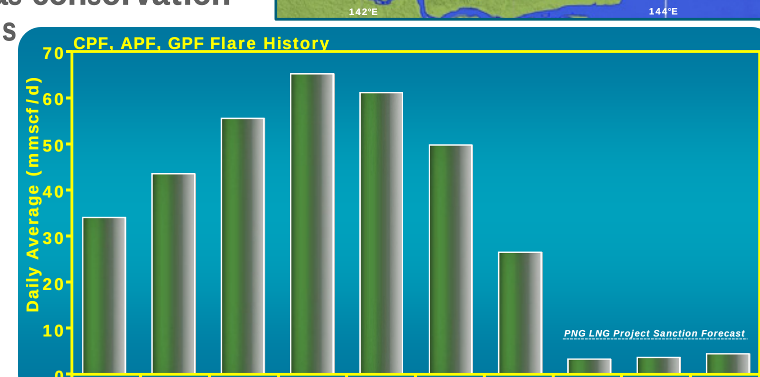
- Reserves and deliverability review underway for oil and gas in existing oil fields
- Will provide optimal production management plan post commencement of gas production for PNG LNG
- Number of recent discoveries, identification of areas for potential new reserves and success in gas conservation ahead of original prognosis will provide further resources for PNG LNG
- Potential upside for both gas and ongoing oil production





Gulf Area LNG

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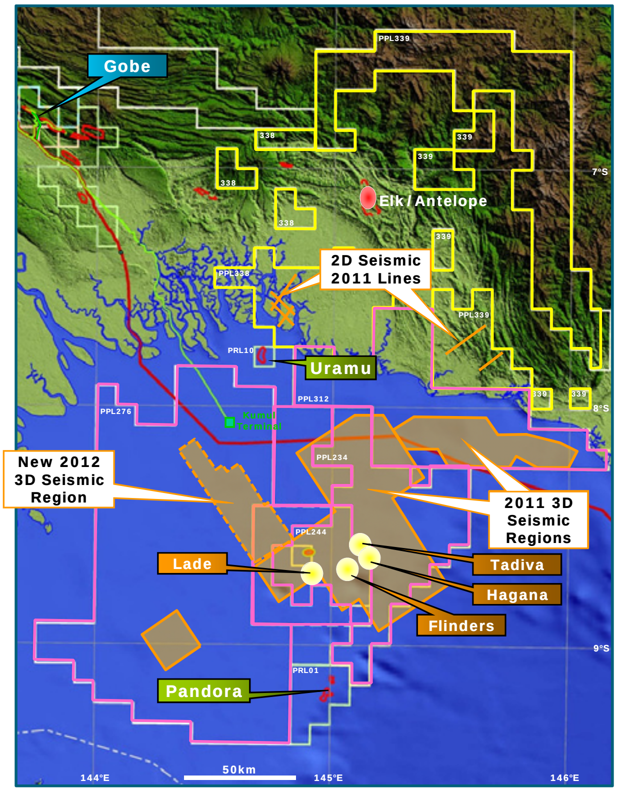

- Multi-licence, multi play type, multi well opportunity with material equity
- Large, initial seismic programme completed in 2011:
  - ~6,300 km² 3D offshore and 95 km 2D onshore
- Significant resource potential identified in proven hydrocarbon (gas & condensate) province
  - Over 30 opportunities identified across multiple play types
  - Potential to support two LNG trains
- Initiating additional 3D seismic programme over most prospective neighbouring area

Gulf Area LNG Opportunities

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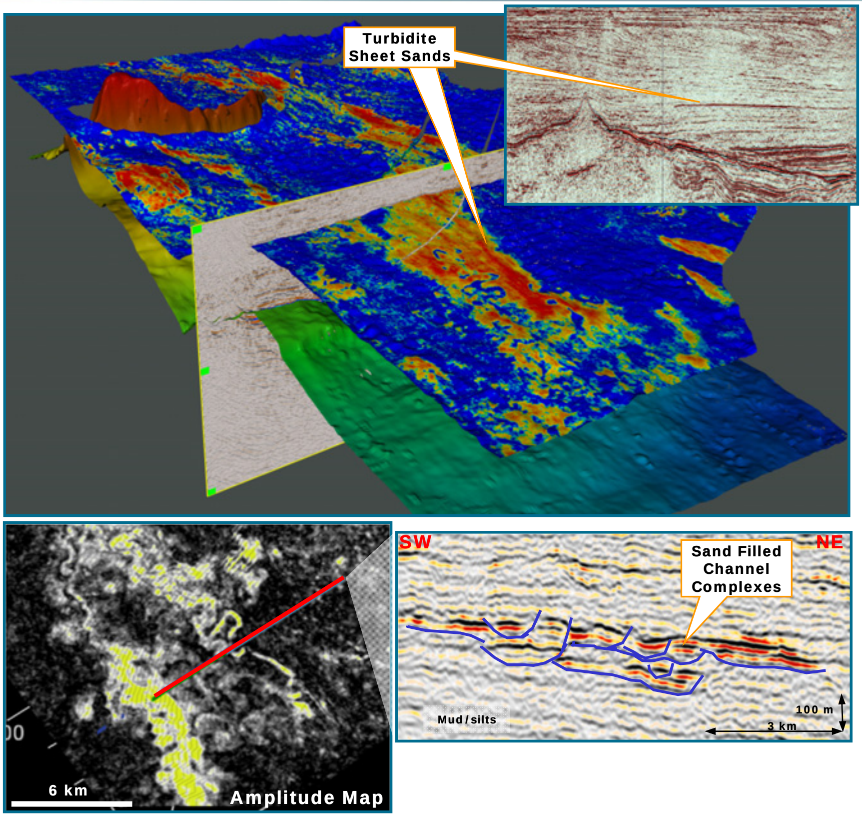

- High quality 3D dataset assembled
- 6 independent play types identified to date, each analogous to proven play types elsewhere:
  - Submarine fan & channel play types - as yet untested in PNG
  - Carbonate plays - proven in PNG
- Several drill-ready prospects, with many follow-up opportunities, if successful

Example of Offshore 3D Seismic PPL 234

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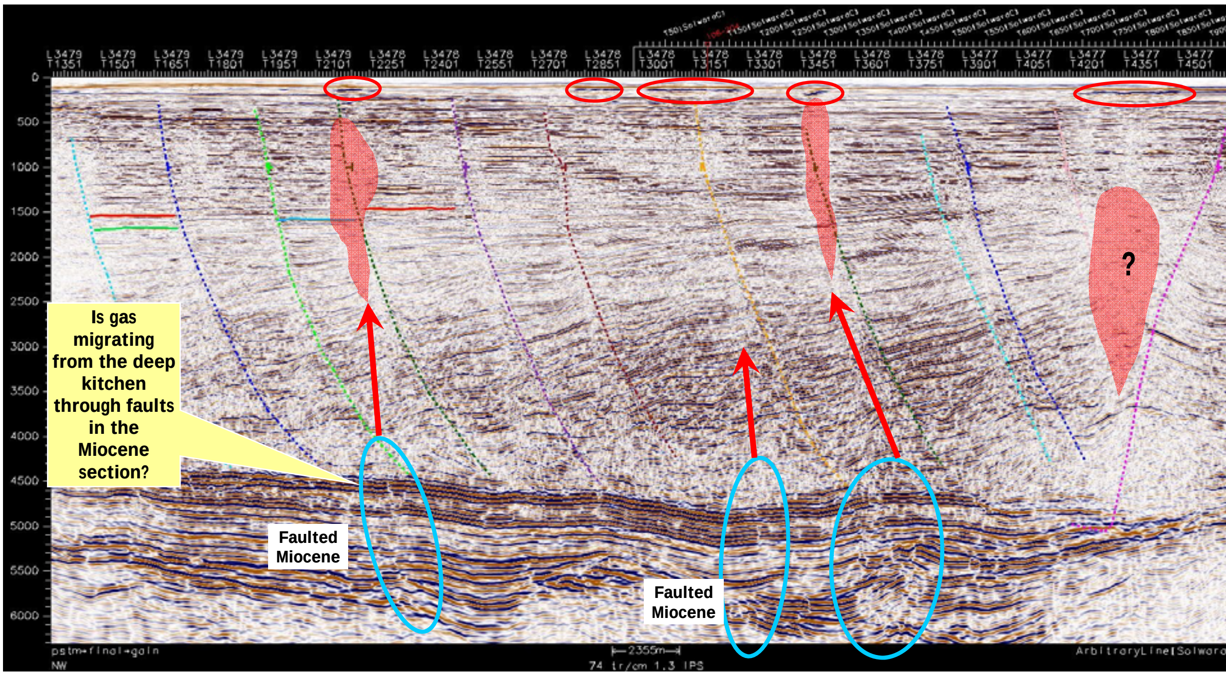

Kurdistan Region of Iraq - Taza PSC

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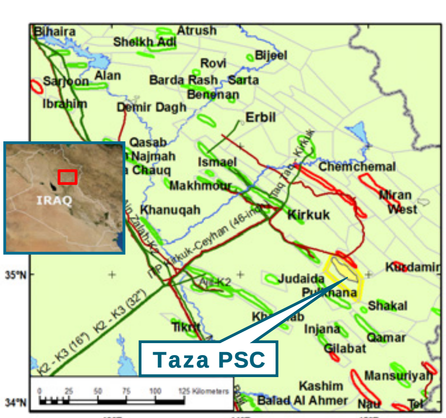
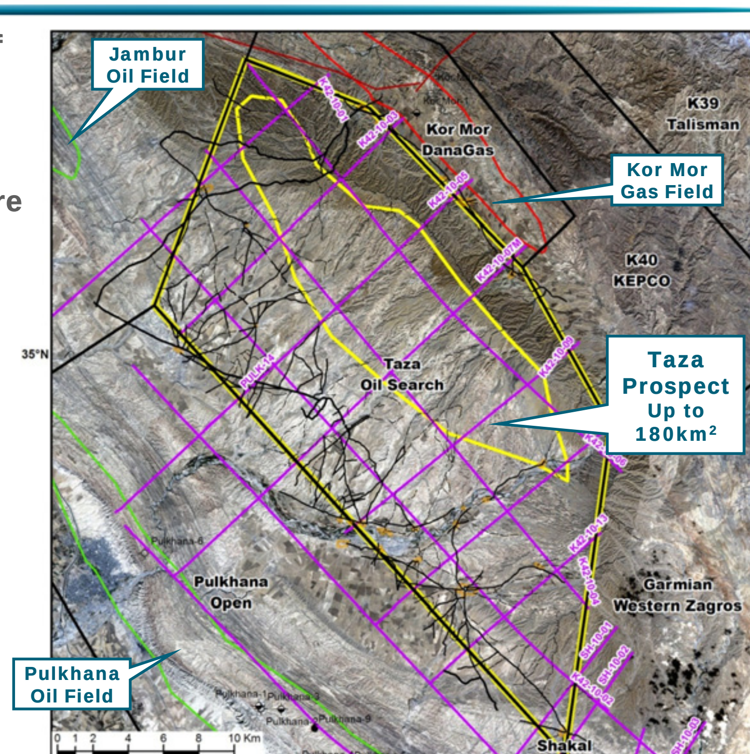
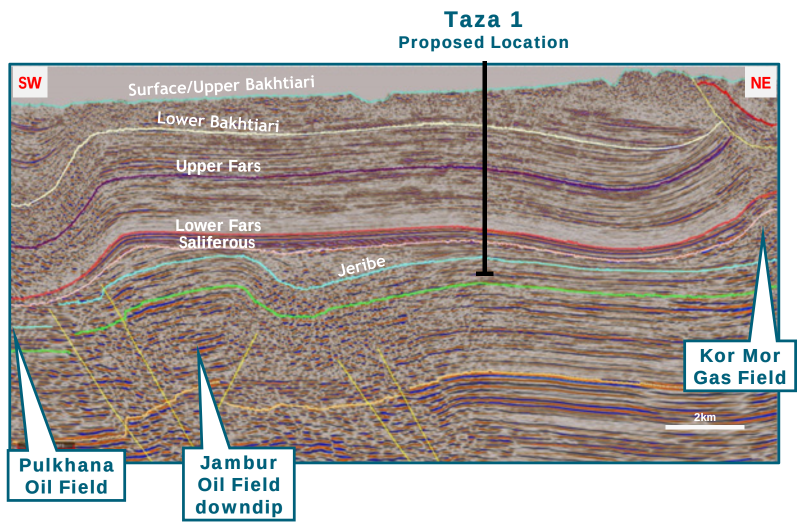
- Oil Search operator with WI of 60%, ShaMaran 20%, KRG 20%
- Very prospective location adjacent to four fields
- Large, simple 4-way dip closure identified from 2010 seismic
- Well planning underway for mid-2012 spud





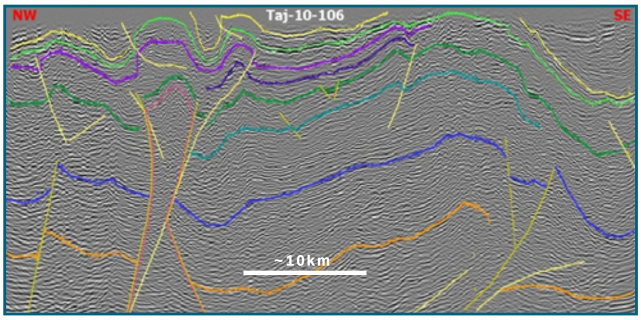
Taza Seismic

- Four regional reservoir targets:
  - Jeribe
  - Euphrates/Serikagni
  - Kirkuk Group
  - Jaddala
- Recoverable resources in success case: 200 - 400 mmbbl (mean estimate), dependent on recovery factors and phases present



Tunisia - Tajerouine PSC

- Seismic acquired in 2010, with additional infill seismic shot in late 2011
- Proven oil plays present and new deeper gas play developed
- Fiscal regime favourable - discovery would be material
- Semda-1 planned for 2H 2012, after Taza. Has potential for >100 mmboe



Production and Near Field Opportunities

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Moran, SE Mananda, Agogo 6 wellsite & Agogo Production Facility

World Class Safety Performance

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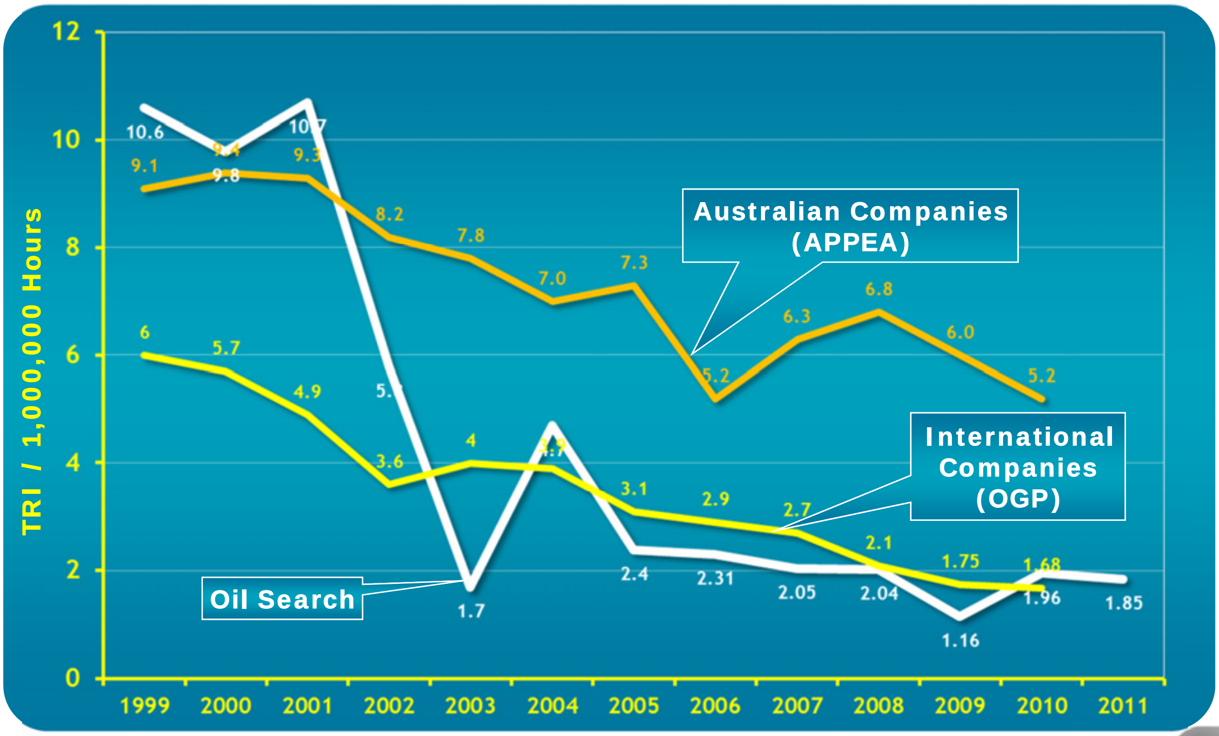
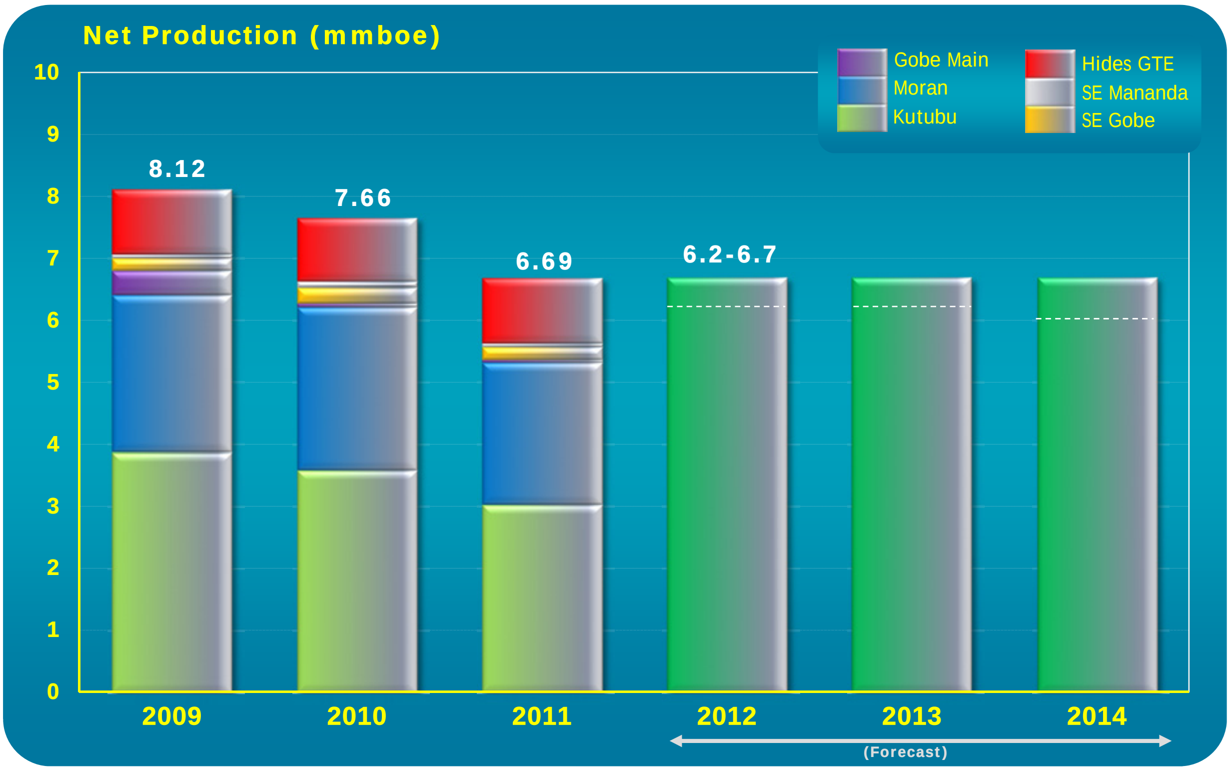
Total Recordable Injury Frequency Rate of 1.85 in 2011



Oil Search Production
(existing fields)



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Production Outlook, 2012 - 2013

- 2011 production of 6.69 mmboe, at upper end of 2011 guidance of 6.2 - 6.7 mmboe
  - 35+ successful development and near field wells in recent years
  - Workover programme has added more barrels
- Production guidance for 2012 of 6.2 - 6.7 mmboe, unchanged from 2011. Oil field output impacted by:
  - Significant contributions from successful 2011 wells and workovers
  - Natural decline
  - 16 day CPF/APF shutdown for tie-in of Associated Gas facilities (completed)
- Robust workover and development drilling programme in 2012, coupled with continued focus on maturing near-field portfolio and appraising new pools identified following recent near-field success
- Production in 2013 expected to be broadly flat, subject to success of work programmes
- Rig strategy:
  - Following P'nyang drilling, Rig 103 to be mobilised back to PDL 2
  - Will provide optionality to pursue exploration and appraisal opportunities without potential adverse impact on development programme

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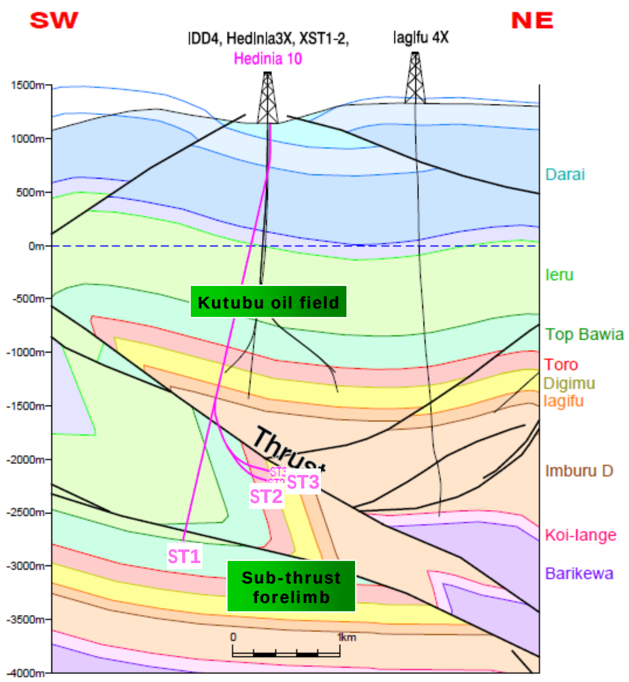
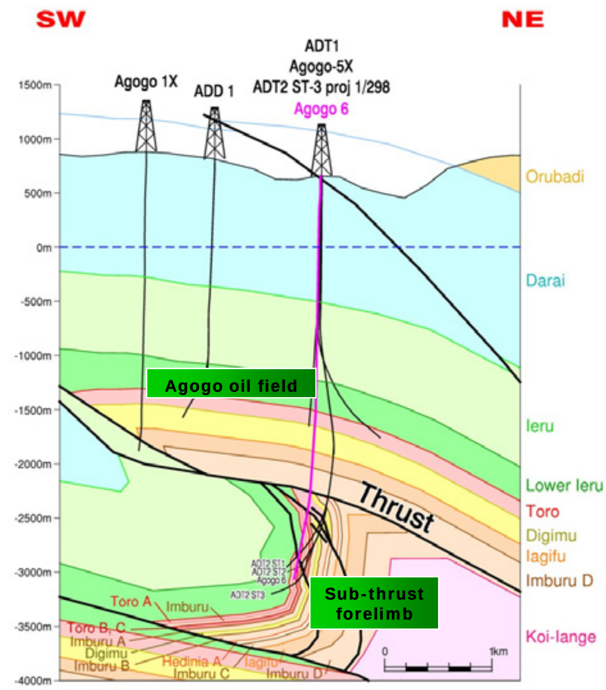
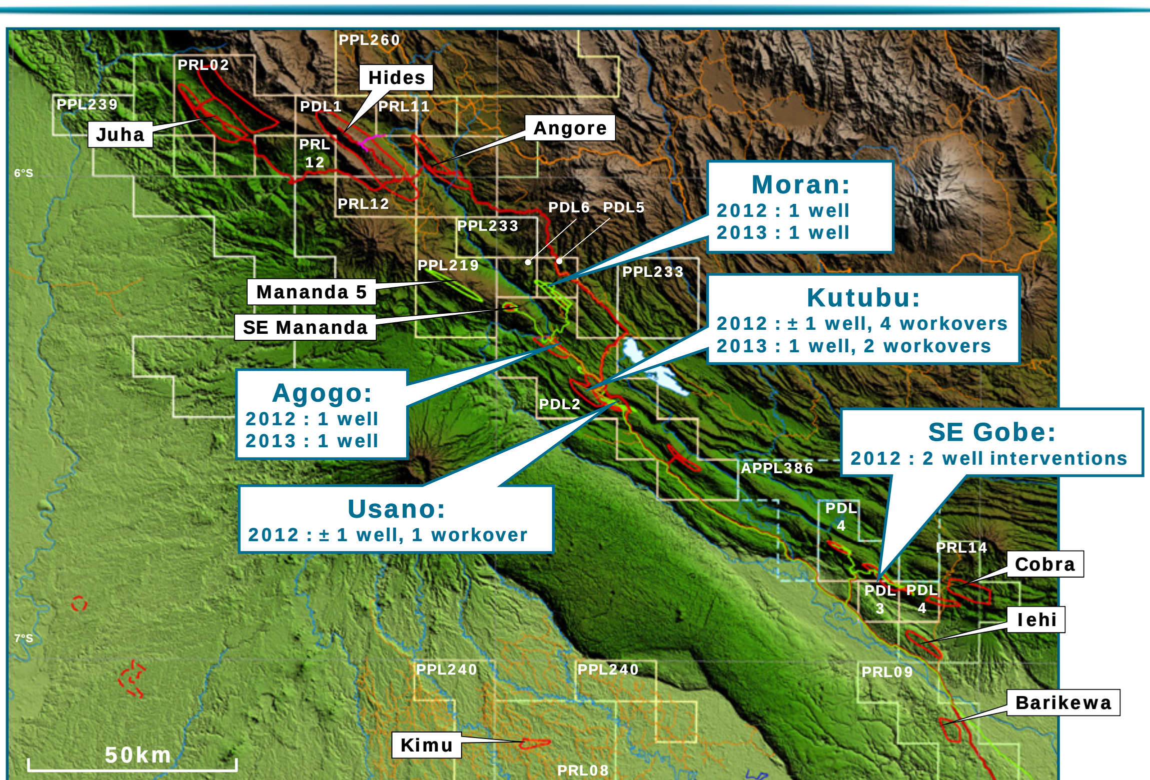
Hedinia 10 and Agogo 6

- Highly successful near-field exploration to date. Prospects are complex and invisible





2012/13 Development & Near-Field Appraisal Drilling Activity



PNG Issues

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- Unprecedented political uncertainty in PNG over past 6 months:
  - No impact to operations with continued progress on all projects
  - Security and safety of staff paramount
- Election in June/July 2012 with new government formed in August/September:
  - Anticipate no change to operating status but cautious and watchful
  - Continue push for transparency and governance regarding benefits
  - Enhance community engagement, including Health Foundation
- Reaching peak of in-country activities, with continued but manageable stress on government systems, personnel and services availability
- OSH likely to be PNG's largest single investor in 2012, with over US$2bn to be spent on development, appraisal, exploration and operations:
  - Significant vote of confidence in quality of assets and ability of Company to work with Government, bureaucrats and community and manage operating and investment risks

Summary

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- Peak activity year for PNG LNG Project delivery in 2012:
  - Construction at PNG LNG plant site, HGCP and Komo
  - Completion of Associated Gas and life extension projects
  - Focus on management of in-country issues
- Major drilling programme focused on gas expansion and resource underwriting. Potentially transformational for Oil Search:
  - P'nyang and Trapia wells
  - Hides and Associated Gas field evaluation
  - Gulf area drilling
- Active oil exploration programme:
  - Near field opportunities
  - Kurdistan, Tunisia
- Continued strong oil field production performance
- Unprecedented opportunity to underscore long term value growth from OSH's portfolio of assets
- Remain confident that country risks and challenges can be managed through 2012

Oil Search Production Outlook, incl. PNG LNG T1/2

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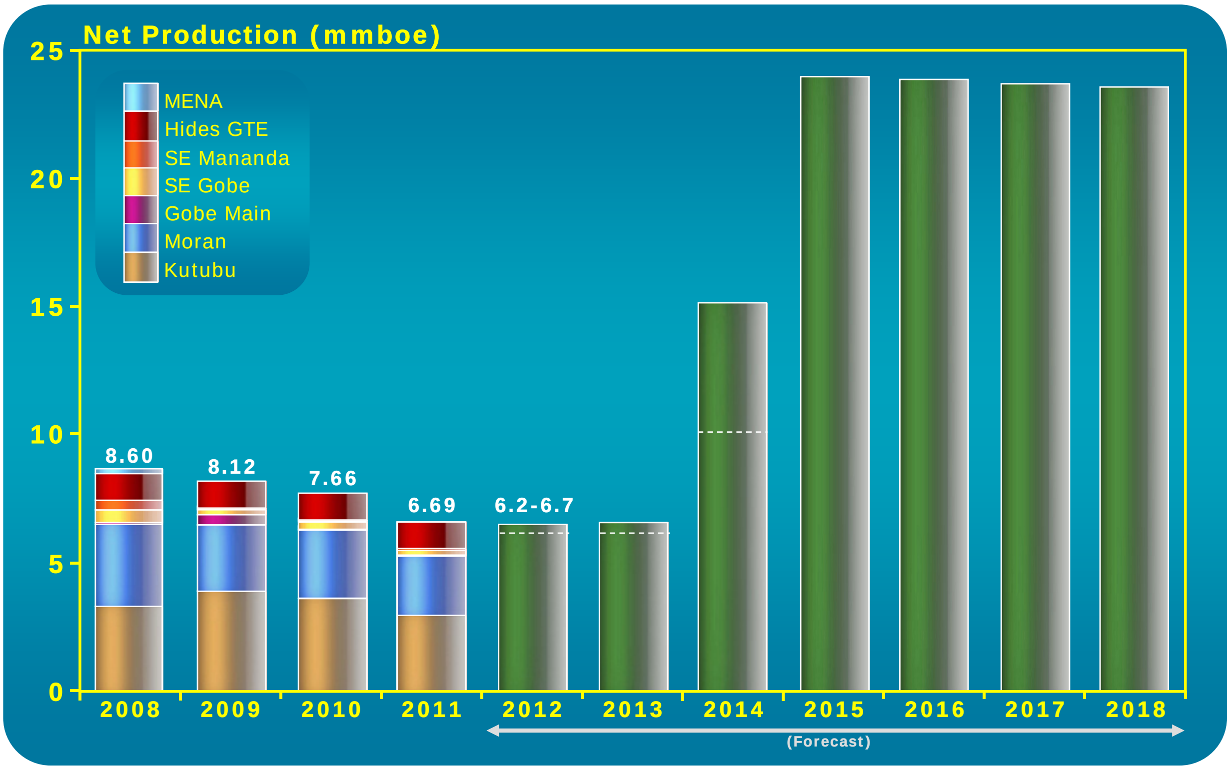

Appendix 1: 2012 Guidance

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- **Production:**
  - **6.2 – 6.7 mmboe**
- **Operating costs**
  - **US$21 - 24/boe (incl. corporate costs)**
  - **Impacted by:**
    - **Major workover programme to maximise oil recoveries before gas production**
    - **FOREX**
    - **PNG inflation**
    - **Associated Gas activities**
    - **Sustainability initiatives**
- **Depreciation, depletion and amortisation:**
  - **US$7 - 9/boe**
  - **Future DD&A profile impacted by life extension activities and development drilling opportunities**

Appendix 2: 2012 Investment Outlook

US$'m	2011 (A)	2012 (F)
Investing :		
Exploration inc gas growth	145	240 – 280#
PNG LNG	1,287	1,650 – 1,750##
Production	129	130 – 150
Corporate (inc rigs)	7	10
Business Development**	10	7
Financing :		
Dividends	0*	0*

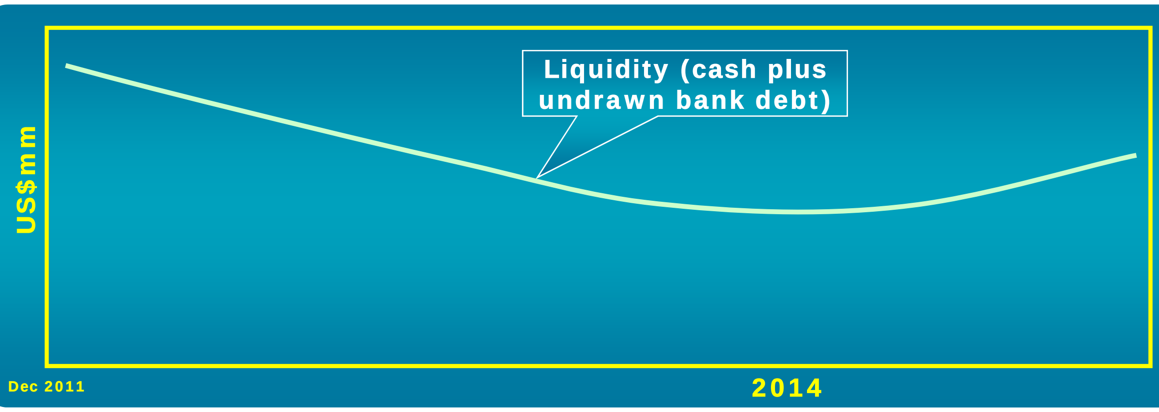
* Dividend fully underwritten

** Previously included in Exploration

20-25% of spend in MENA

Includes capitalised interest and fees

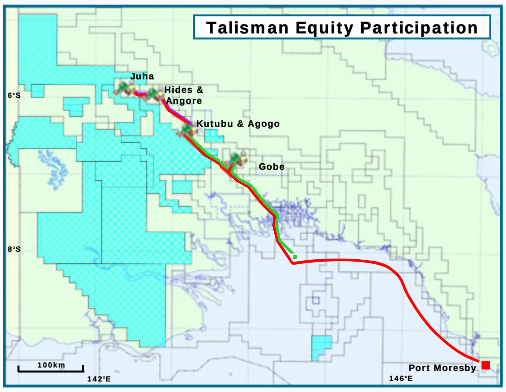
Appendix 3: Liquidity Outlook

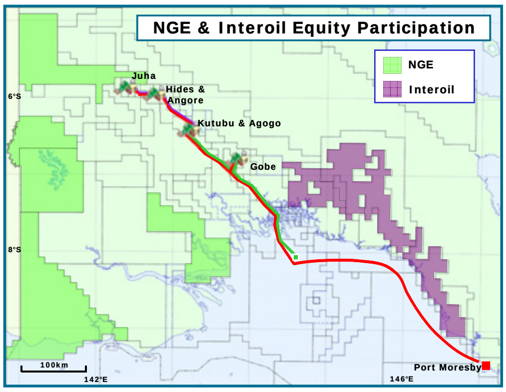


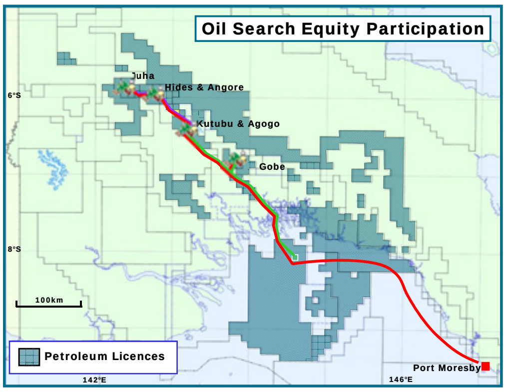
- Strong balance sheet, augmented by continued strength in oil production and high oil price
- Outlook updated for 2011 financial results, forward prices and revised PNG LNG Project cost
- Liquidity at 31 December 2011 ~US$1.3 billion (US$1.05bn cash plus corporate facility of US$246.5m)
- At end December 2011, US$1.75 billion drawn down under PNG LNG project finance facility
- Company remains well placed to meet existing commitments, with sufficient liquidity to deliver on strategic plan initiatives

Key Assumptions:
1. Brent Forward curve pricing as at 17 February 2012
2. PNG LNG Project on schedule and revised budget
3. Train 3 FEED costs included, Train 3 construction costs excluded
4. Production profiles, other Capex / Exploration based on OSL business plan
5. Existing oil facility refinanced

Appendix 4:
Other Key PNG Players







- Talisman/Mitsubishi 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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