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 ~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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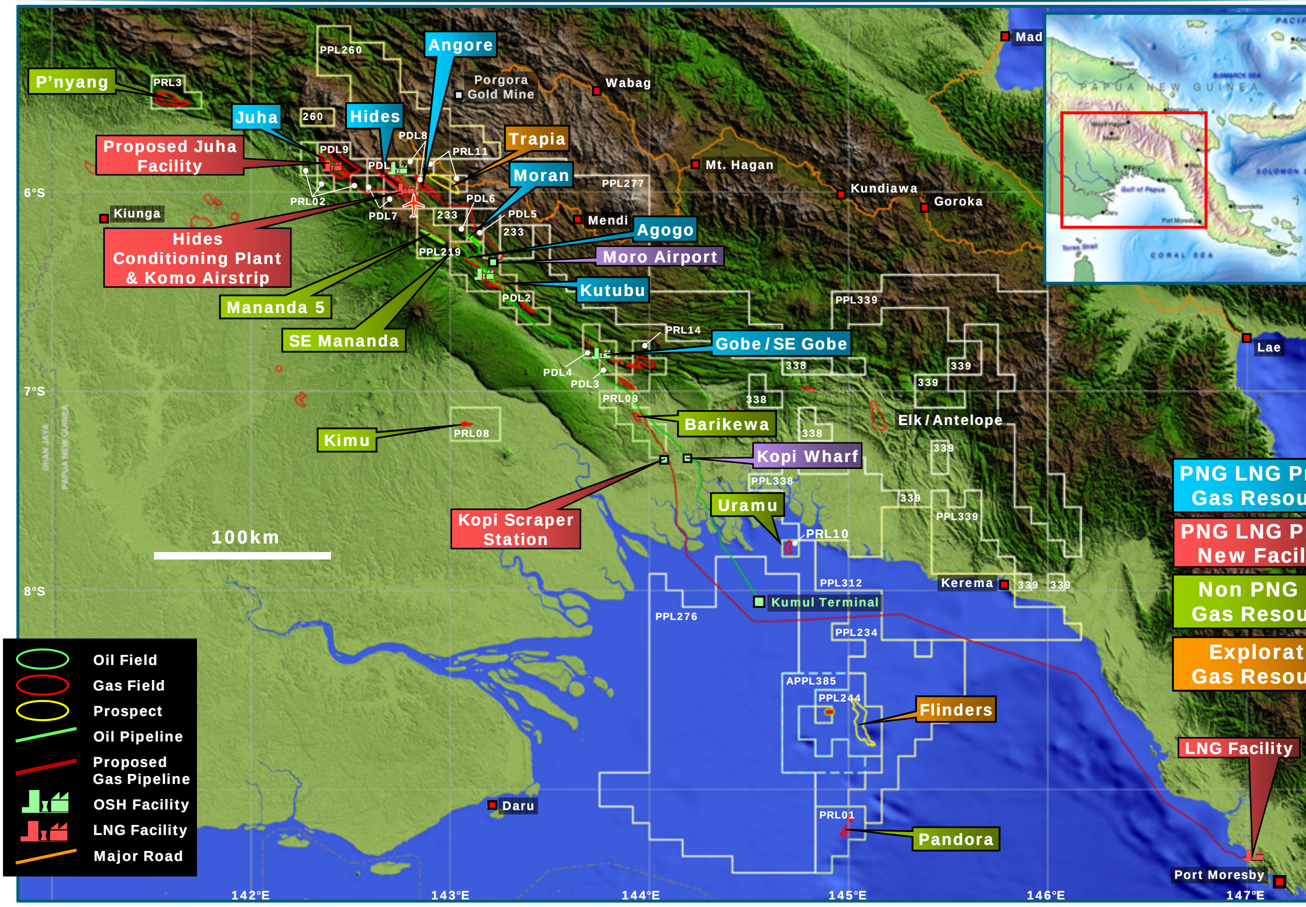

Significant Growth Phase

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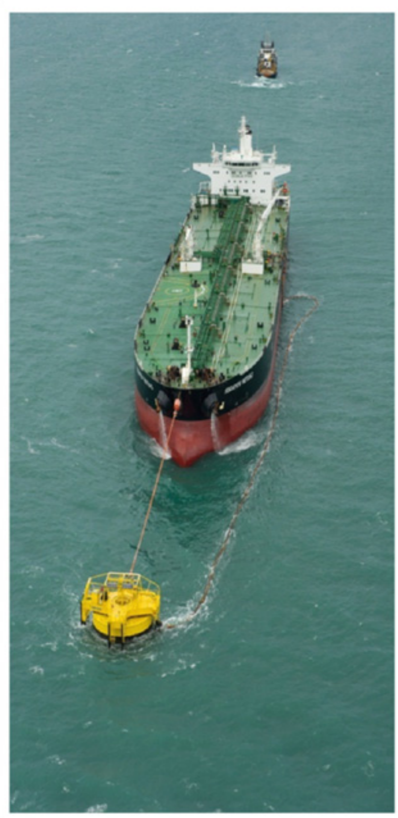
- Top quartile performer for past six years
- Significant growth opportunities identified, capable of driving future value
- Largest ever development, appraisal and exploration programme now underway
- Series of catalysts over next 18 months, with drilling results progressively delivered
- Activities supported by steady production, strong cash flows and healthy balance sheet



Focus on Safety

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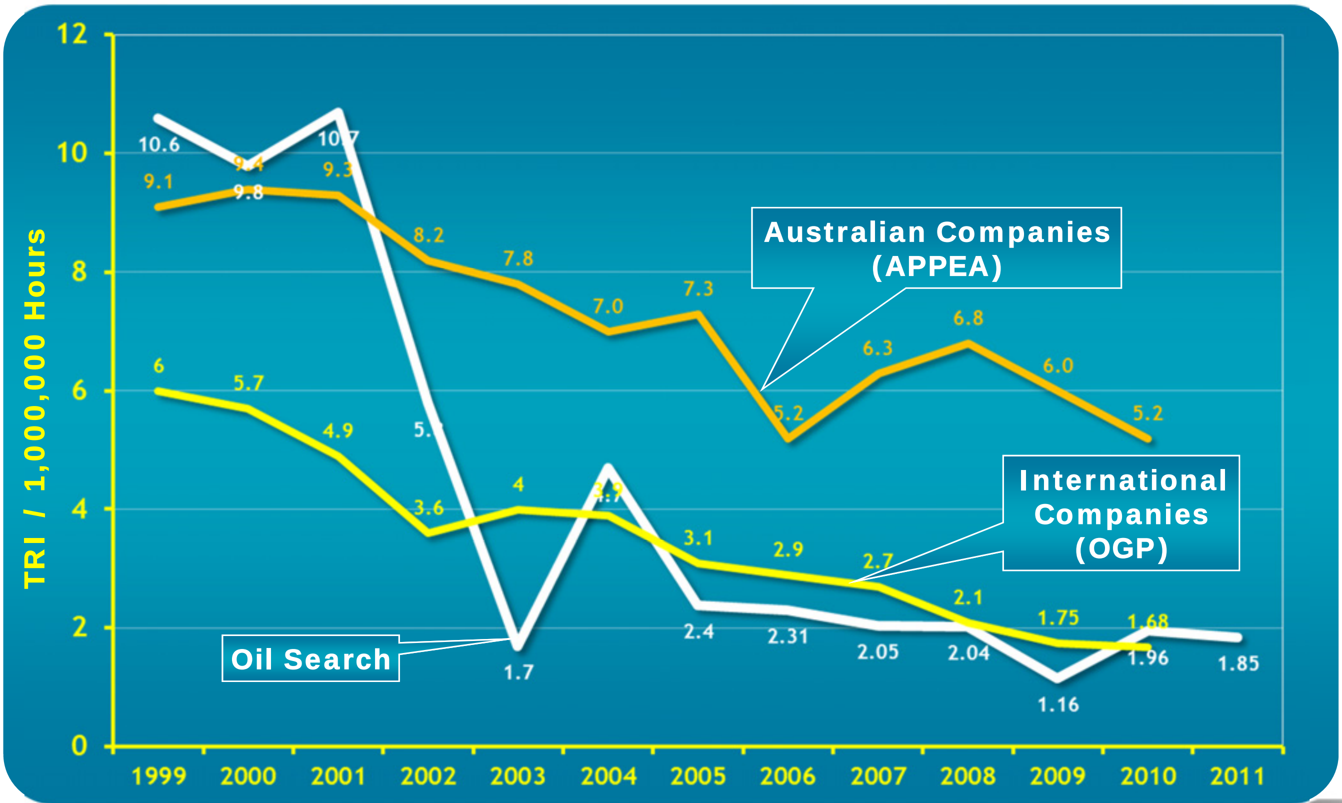
Total Recordable Injury Frequency Rate of 1.85 in 2011



PNG LNG Project

PNG LNG

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PNG LNG T1 / 2

PNG LNG Project progressing well

Remains on track for first sales in 2014

Budget unchanged at US$15.7 billion

2012 peak activity year for Project

PNG LNG Project

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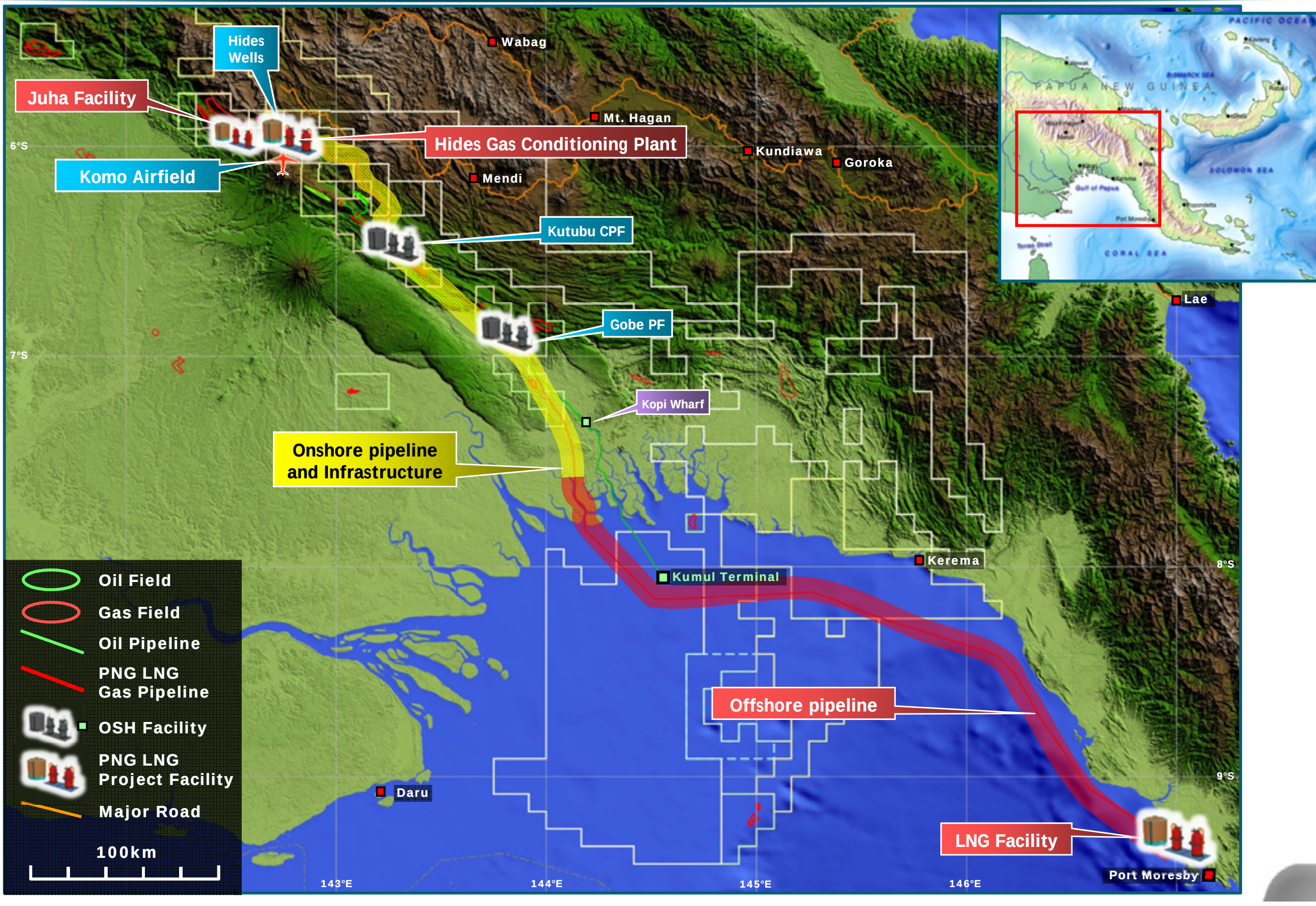

PNG LNG Project Overview

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- 6.6 MTPA, 2 train development, operated by ExxonMobil
- Over its 30-year life, PNG LNG expected to produce more than 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

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. Workforce of ~16,000, >50% PNG nationals, plus many other different nationalities
- First LNG sales on track for 2014, capital cost US$15.7 billion

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PNG LNG Plant Site

Plant site Feb 2012

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PNG LNG Plant Site

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PNG LNG Project Offshore Pipeline

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PNG LNG Project Onshore Pipeline

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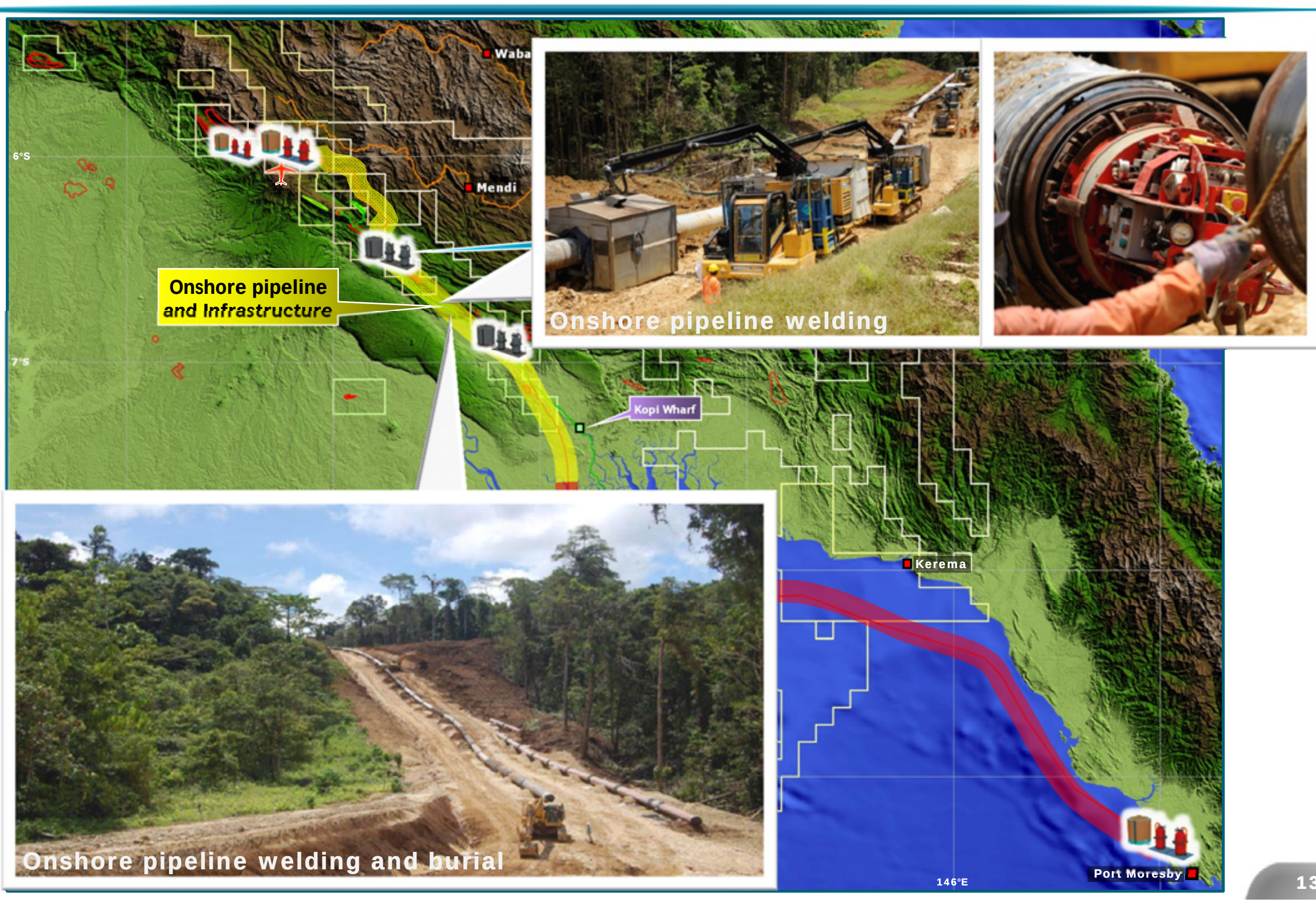

PNG LNG AG Projects

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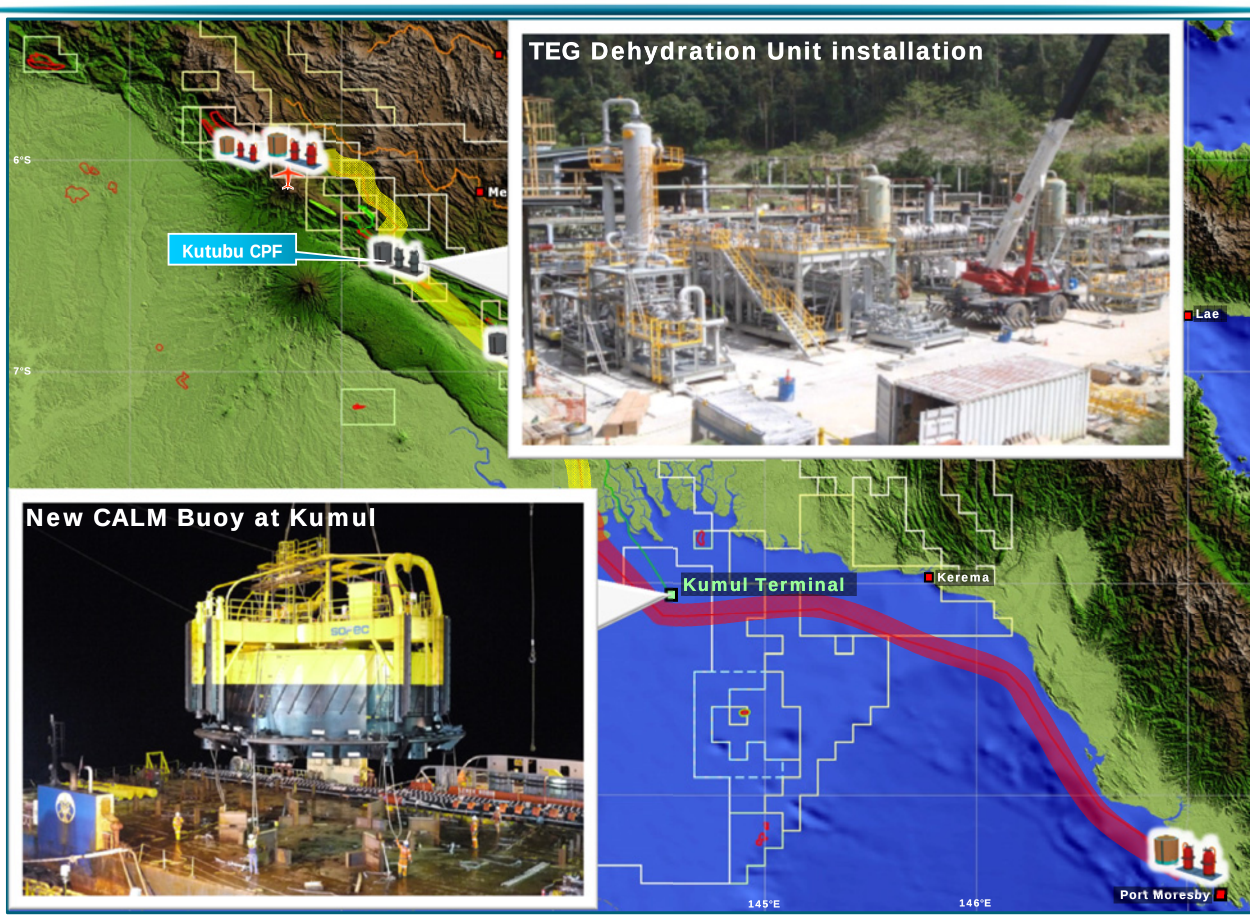

PNG LNG Project Upstream

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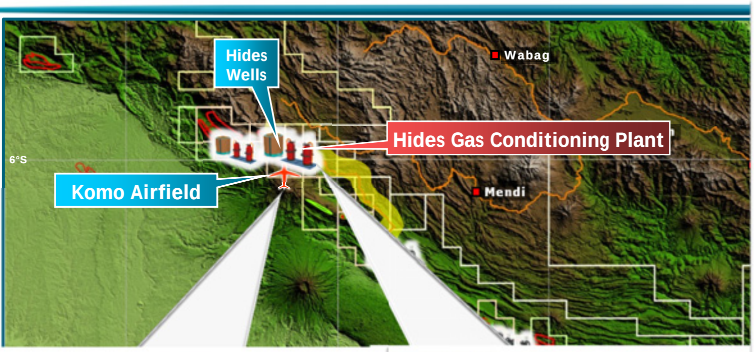


Rig 702


Komo Airfield


Hides Gas Conditioning Plant & access road

Timetable

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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 equipment installation

2012

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

2013

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

2014

First Gas from Train 1, then Train 2

Gas Maturation, PNG Highlands

Angore anticline, PNG Highlands

- Highlands gas growth strategy:
  - Convert existing probable and possible reserves in PNG LNG fields to proven contractable category
  - New exploration activities
- P'nyang South
- Trapia exploration well
- Hides development and appraisal drilling
- Associated Gas reserves expansion and certification

P'nyang South

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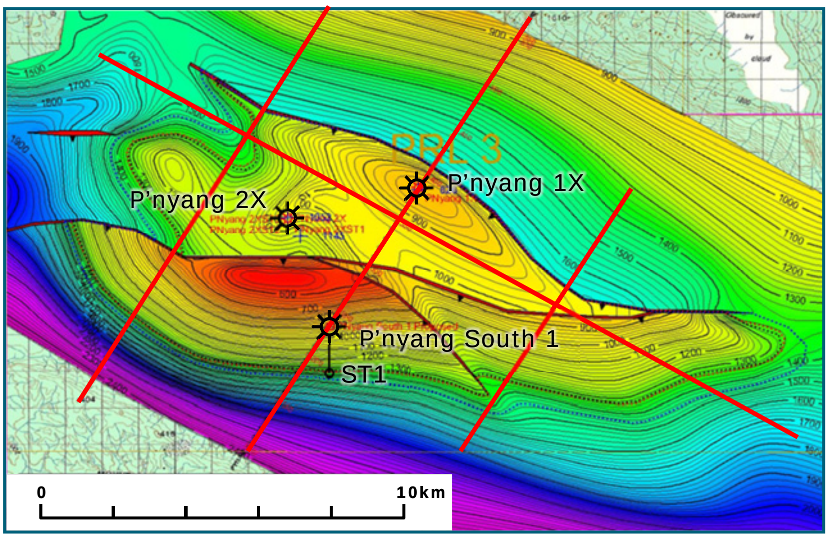

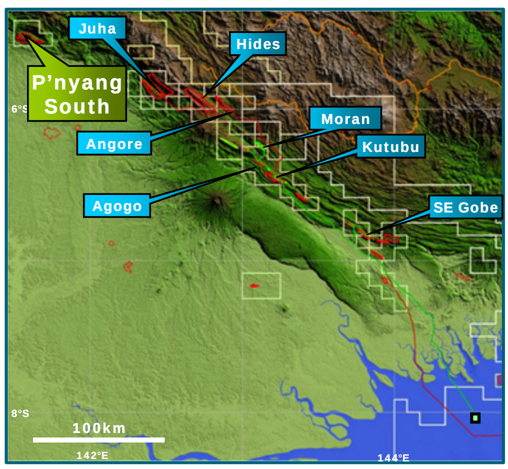

- P'nyang South 1 discovered 184 metre gas zone in southern fault block
- Sidetrack, P'nyang South 1 ST1, drilled to define gas:water contact, extended known gas column to ~380 metres
- Seismic and structural data suggests additional up-dip potential, total gas column >650 metres
- Result materially increases total estimated 2C gas resources in P'nyang field, potential key underpinning volume for LNG expansion
- PRL 3: ExxonMobil 49%, Oil Search 38.5%, JX Holdings 12.5%

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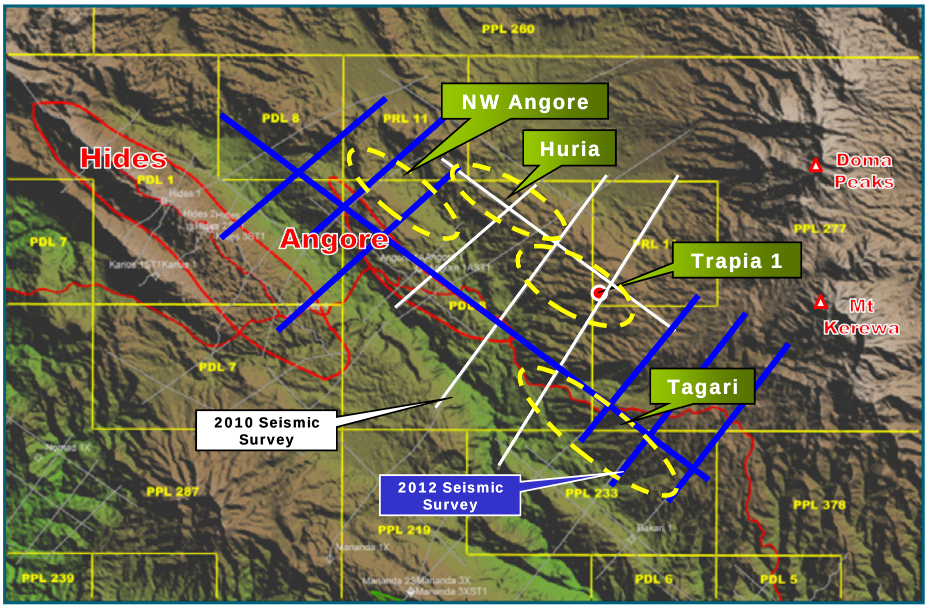
Trapia 1

- Trapia exploration well recently spudded
- PRL 11: Oil Search 52.5%, ExxonMobil 47.5%
- Series of prospects in area with multi-tcf potential
- 150 km 2D seismic programme in 2012 to further mature prospects
- Recent acquisition of adjacent licence, PPL 277, 50:50 with ExxonMobil



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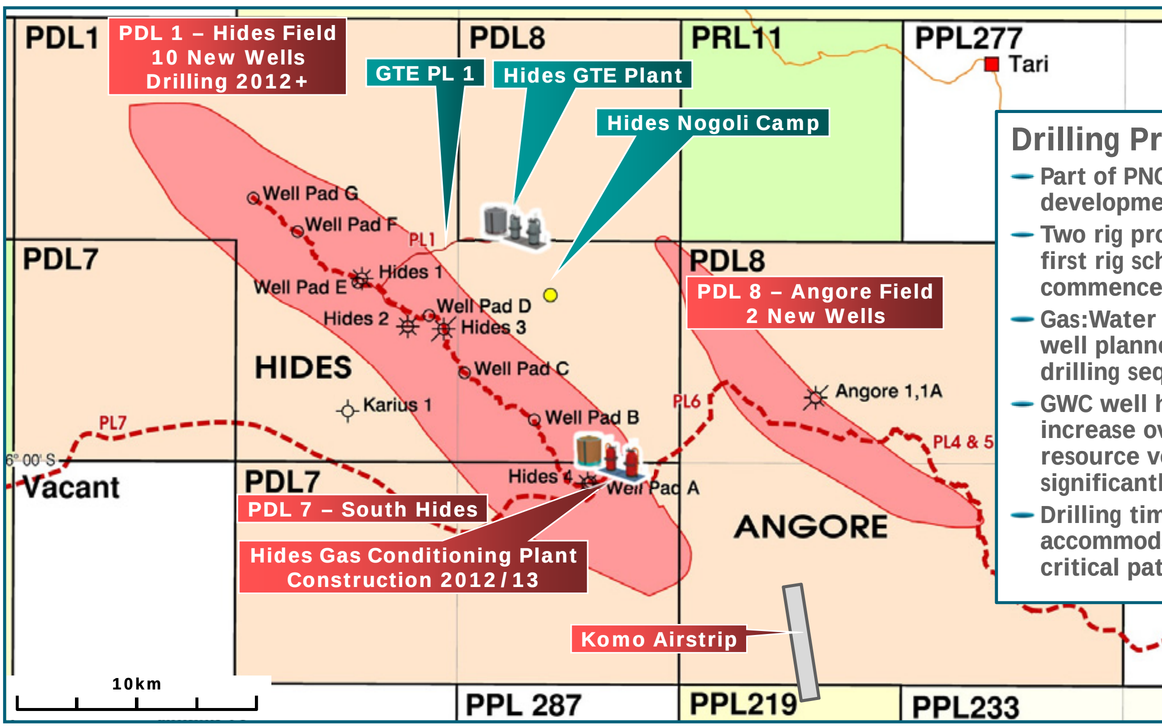
Hides Development and Appraisal Drilling



Drilling Programme:

- Part of PNG LNG development
- Two rig programme, with first rig scheduled to commence drilling shortly
- Gas:Water Contact (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

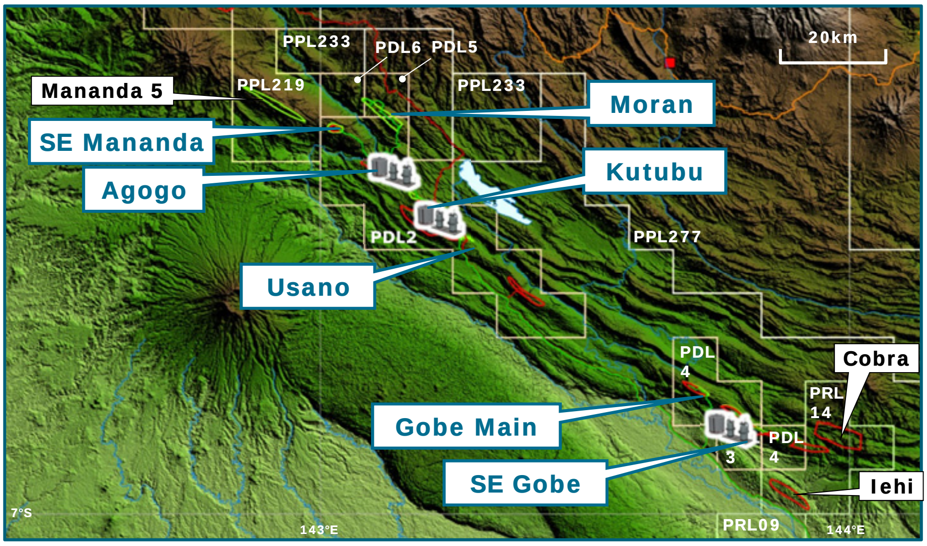
PDL 1	
ExxonMobil	36.81%
Oil Search	16.66%
Santos	24.03%
PNG Govt	20.50%
Gas Resources Gigira Ltd.(L/O)	2.00%

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 Reserves from Oil Fields

- Recent discoveries, identification of potential new areas of reserves and success in gas conservation ahead of original prognosis provides further reserves for PNG LNG
- Certification of additional reserves in 2H12



- Reserves and deliverability review for oil and gas in existing oil fields will provide optimal production management plan post commencement of gas production for PNG LNG
- Potential upside for both gas and ongoing oil production

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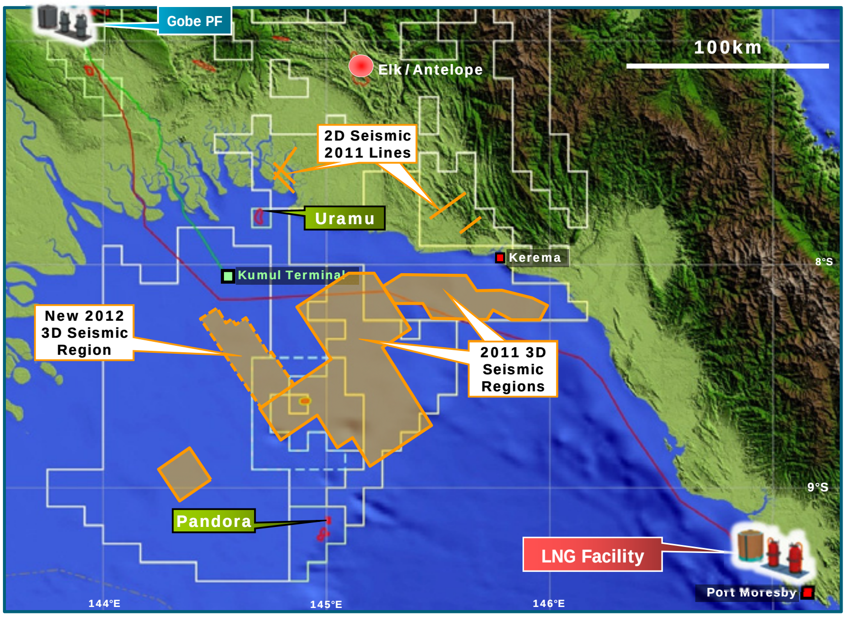
Gas Expansion Opportunity, Gulf of Papua, PNG

- OSH acquired significant equity positions/options for high equity in Gulf in 2010
- Major seismic survey acquired in 2011, which identified significant resource potential:
  - Over 30 opportunities across multiple play types
  - Potential to support 2 trains
- Additional seismic recently completed



- Semi-sub contracted to drill 2 firm wells + 2 options, commencing 4Q12
- Bids from potential farm-in partners under review, farm-down likely mid-year

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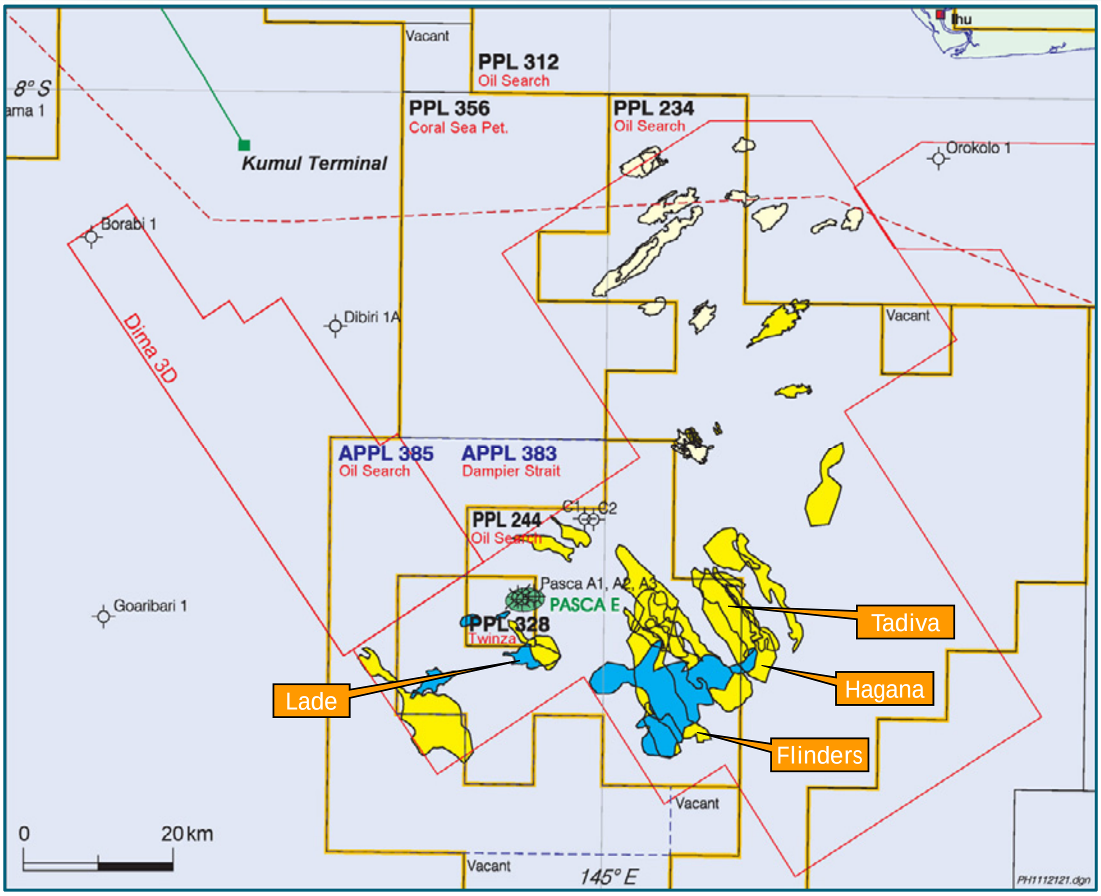
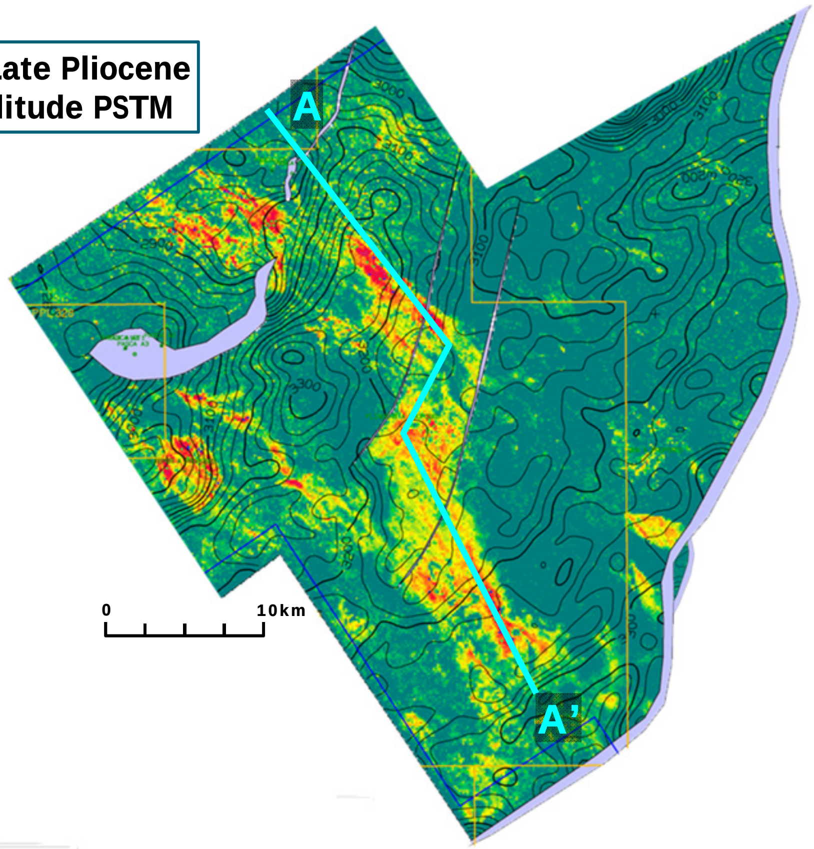
Results of Offshore Core Area

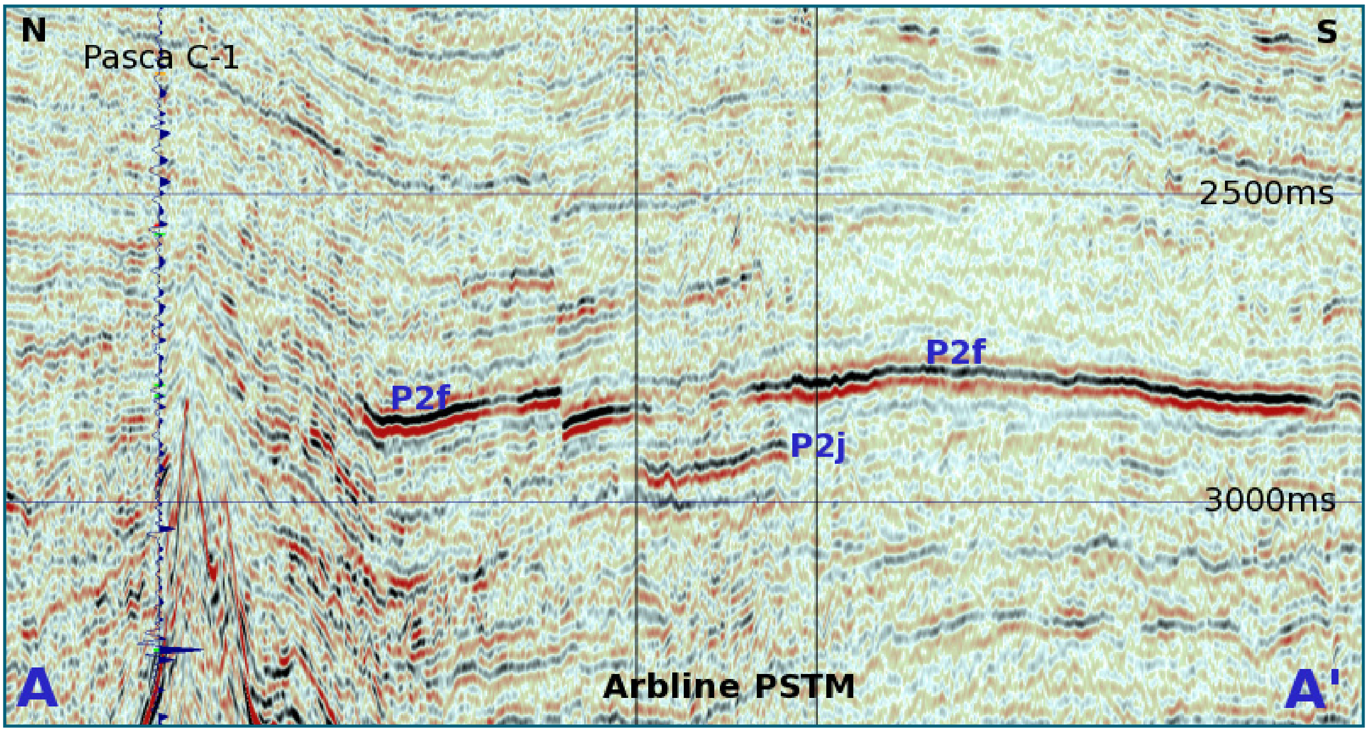


Results of Offshore Core Area

Flinders - Late Pliocene Peak Amplitude PSTM



Results of Offshore Core Area



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Production

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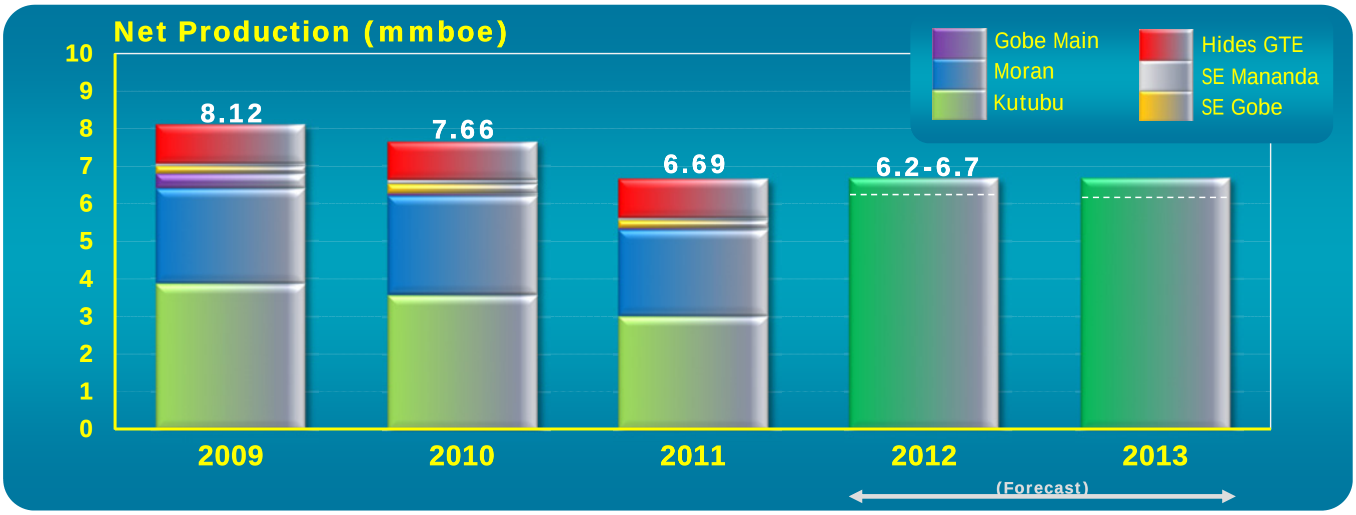
Oil Search Production Outlook - existing fields



- 2012 production guidance of 6.2 - 6.7 mmboe, unchanged from 2011 following success in near-field drilling programme (100% success rate in last 36 development/appraisal wells)
- Production in 2013 expected to be broadly flat, subject to success of work programmes
- Rig 103 being mobilised back from P'nyang to PDL 2, optionality to pursue exploration and appraisal opportunities and development programme

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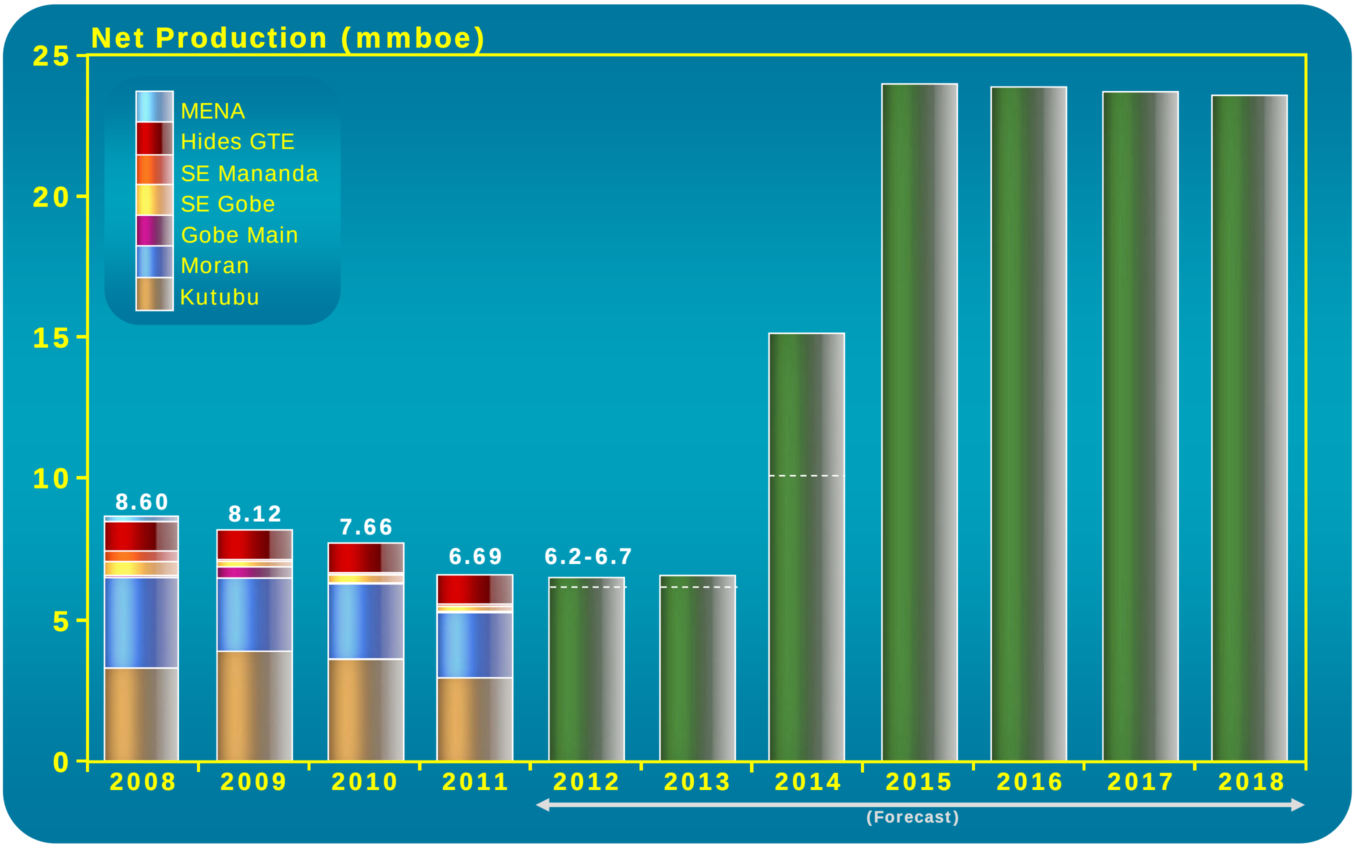
PNG LNG will transform production picture



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Other Material Exploration Opportunities

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Kurdistan Region of Iraq - Taza PSC

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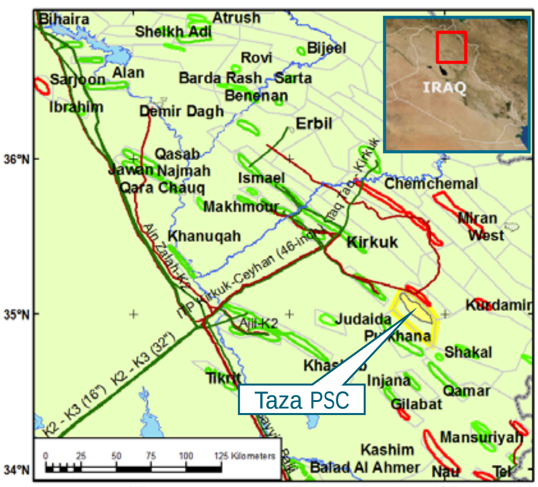

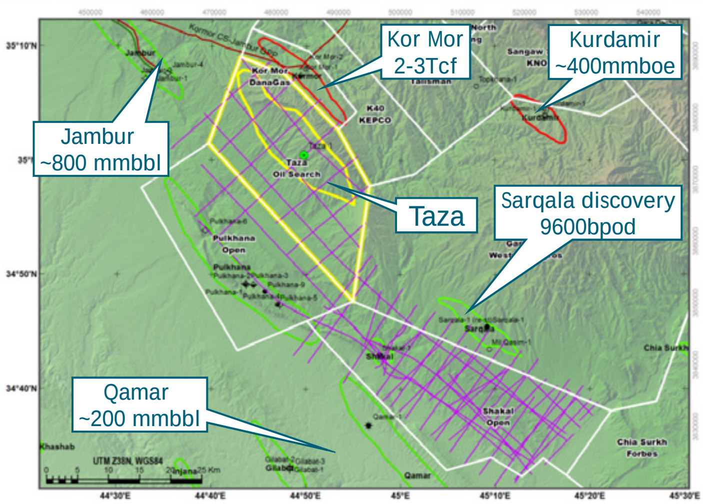


On track for June 2012 spud

- Highly prospective region with many discoveries in last 4-5 years
- Taza PSC: OSH 60% (operator), ShaMaran 20%, KRG 20%
- Taza 1 well to spud shortly
- Potential mean recoverable resource 200 - 400 mmbbl, depending on recovery factors, phases present

Tunisia - Tajerouine PSC

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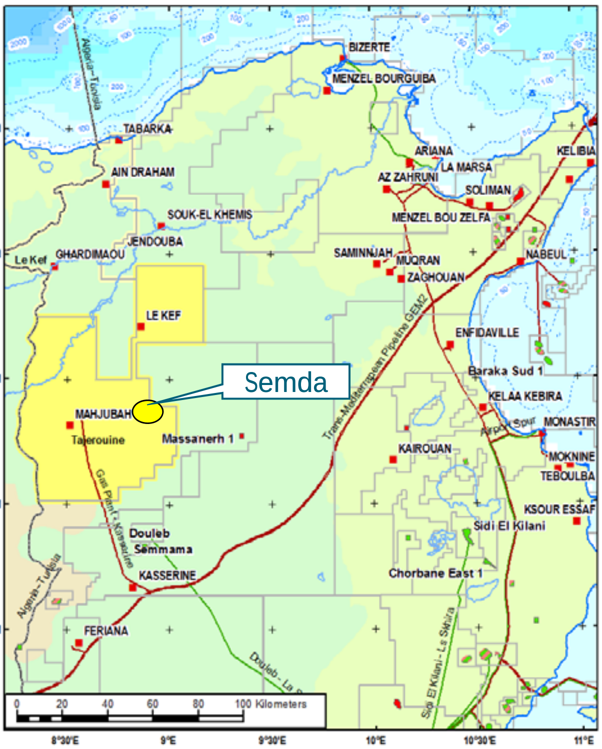

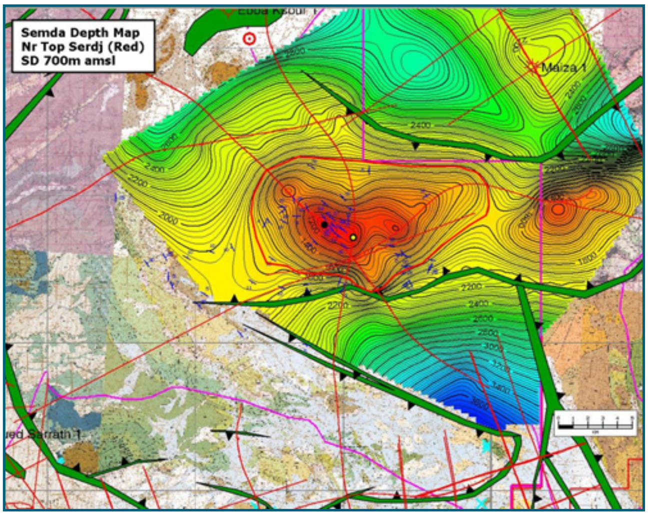

- Tajerouine PSC: OSH 100%
- Seismic acquired 2010, additional seismic in late 2011
- Well-defined structural closure at proven reservoir levels and deeper levels
- Potential recoverable resource: shallow oil (50-100mmbl) and deeper gas (100-200bcf)
- Preparations underway for 4Q12 spud
- 2 year PSC extension secured

PNG Issues

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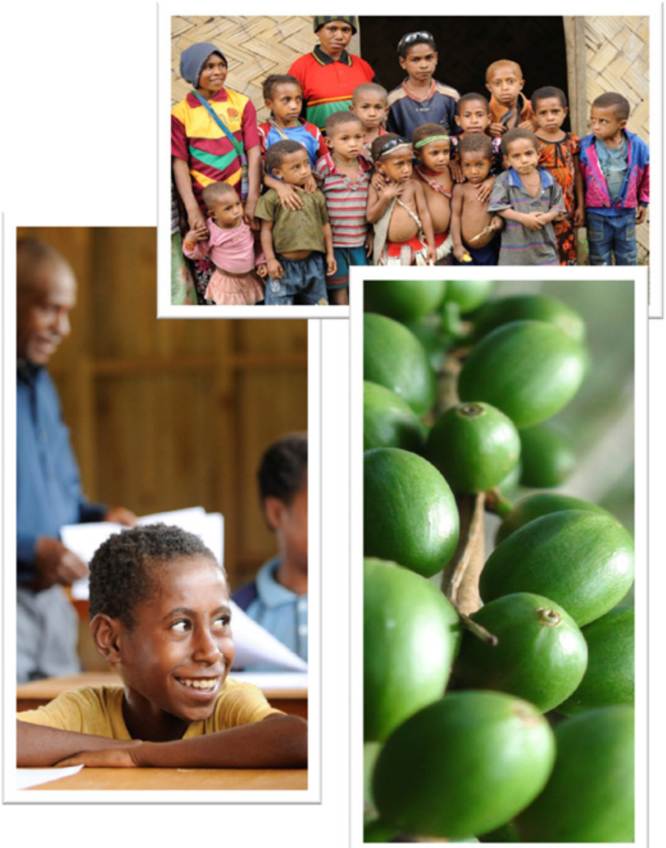
- Unprecedented political uncertainty in PNG over past year:
  - No impact to operations with continued progress on all projects during this period
- Election 23 June - 6 July, writs returned by 27 July, with new Government formed in August/September:
  - Preparing to re-engage with new Government
- Oil Search 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
- Future consistency of fiscal terms vital for sustained investment

Sustainability Focus

- Desire to play a role in long term development and wellbeing of people of PNG
- Continued push towards improved transparency and governance of benefits distribution, taxes and landowner company payments
- Investment in community health programmes substantially increased, driven by Oil Search Health Foundation, supported by Global Fund, AusAid, ADB
- Active community development programmes:
  - Education and training
  - Agriculture
  - Health and sport development



Summary

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- 2012 transformational year for Oil Search. Unprecedented opportunity to underscore long term value growth from OSH's portfolio of assets
- Peak activity year for PNG LNG Project delivery
- Largest drilling programme ever undertaken by Oil Search underway, will continue through 2012 into 2013
- Continued strong oil field production performance and active pursuit of near field opportunities
- Activities underwritten by strong cash flows, solid balance sheet
- Remain confident that country risks and challenges can be managed

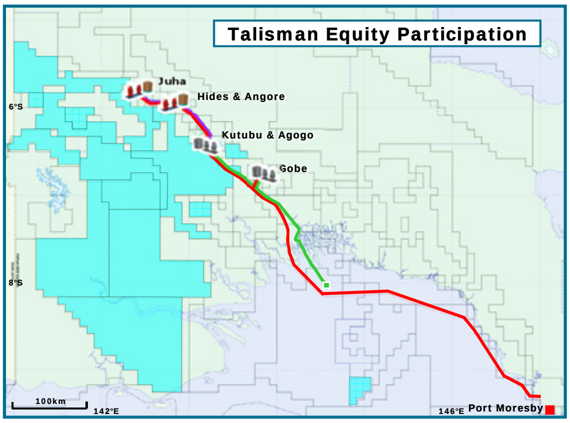
Appendix 1: 2012 Guidance

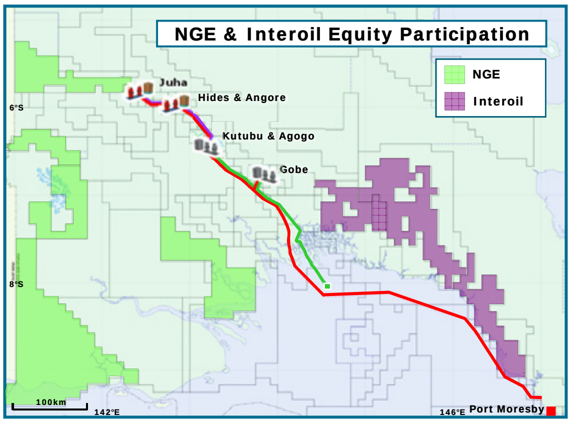
- **Production:**
  - 6.2 – 6.7 mmboe
- **Operating costs**
  - US$21 - 24/boe (incl. corporate costs)
  - Impacted by:
    - Major workover programme to maximise oil recoveries before gas production
    - FOREX
    - PNG inflation
    - Associated Gas activities
    - Sustainability initiatives
- **Depreciation,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

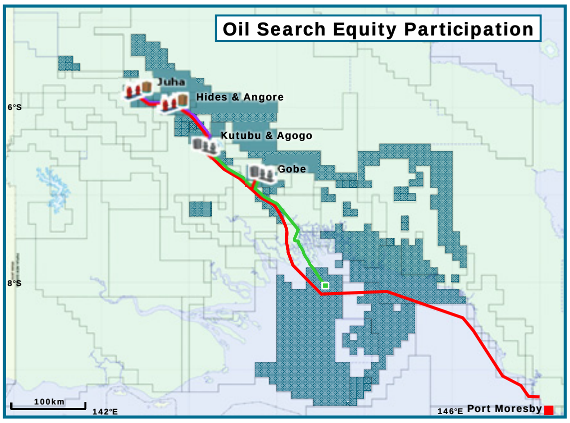
Exploration (~20-25% MENA):	US$240 – 280m (US$145m in 2011)
PNG LNG Project (including capitalised interest and fees):	US$1,650 – 1,750m (US$1,287m)
Production:	US$130 – 150m (US$129m)
Corporate (including rigs):	US$10m (US$7m)
Business Development:	US$7m (US$10m)

- **Liquidity**
  - Liquidity at 31 March 2012 ~US$1.1 billion (US$0.9bn cash plus corporate facility of US$232m)
  - At end March 2012, US$2.01 billion drawn down under PNG LNG project finance facility
  - Company remains well placed to meet existing commitments
  - Expect to replace corporate facility prior to 3Q 2013 expiry

Appendix 2: Other Key PNG Players







- Talisman/Mitsubishi 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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