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2012 Half Year Results Agenda

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Performance Summary	Peter Botten
Financial Overview	Stephen Gardiner
PNG LNG Project & Gas Expansion	Phil Caldwell
Exploration & New Ventures	Julian Fowles
Operations Review	Paul Cholakos
Outlook & Summary	Peter Botten

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2012 Half Year Highlights

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- Significant progress made on all key growth initiatives:
  - PNG LNG construction as planned
  - Major drilling programme commenced
- NPAT of US$107.5 million, driven by stable oil prices and strong production
- Operating cash flow of US$198.3 million. Used to fund active exploration and development programme. PNG LNG Project funded from cash and project finance facility drawdowns
- Balance sheet remains strong, with over US$850 million cash. Undrawn corporate facility provides liquidity backstop
- Development of PNG LNG Project progressing steadily, several construction milestones reached in 1H12. Project's 2014 delivery window and US$15.7 billion estimated capex remain unchanged
- Major success with first well in gas expansion drilling programme. Development options for P'nyang under review

Catalysts in 2H12

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- Progressive delivery of PNG LNG, in line with schedule and revised budget. Value steadily increases as cashflows get nearer
- Gas expansion programme continuing with Trapia exploration well drilling ahead
- Hides development drilling underway
- Gulf of Papua drilling to start early 2013. Farm-down of acreage to high quality LNG operator at advanced stage
- Taza well in Kurdistan, targeting substantial oil resource, drilling ahead and expected to reach TD early 4Q12
- Strong support from banks on refinancing, providing flexibility to fund future growth initiatives

Safety Performance

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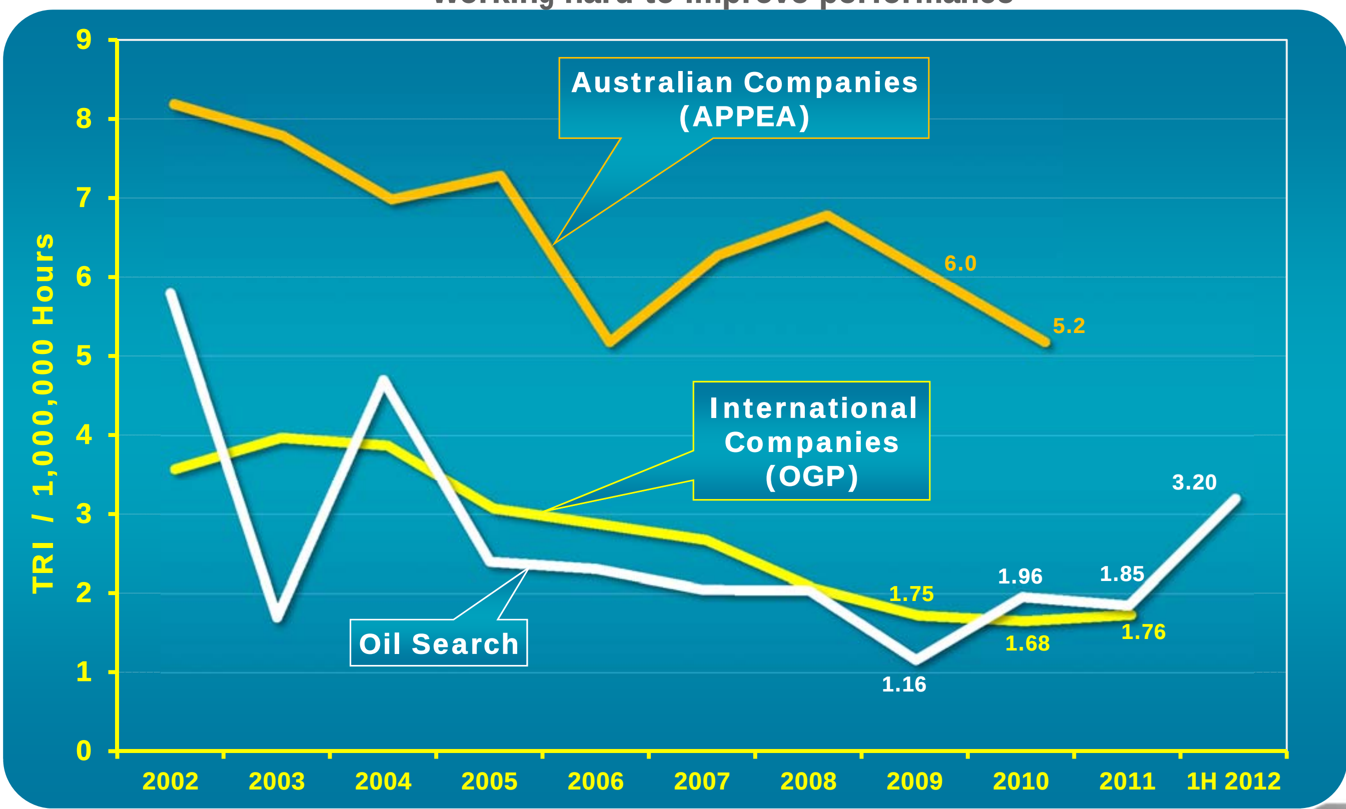
Total Recordable Injury Frequency Rate of 3.20 in 1H12
Working hard to improve performance



Strong Share Price Performance

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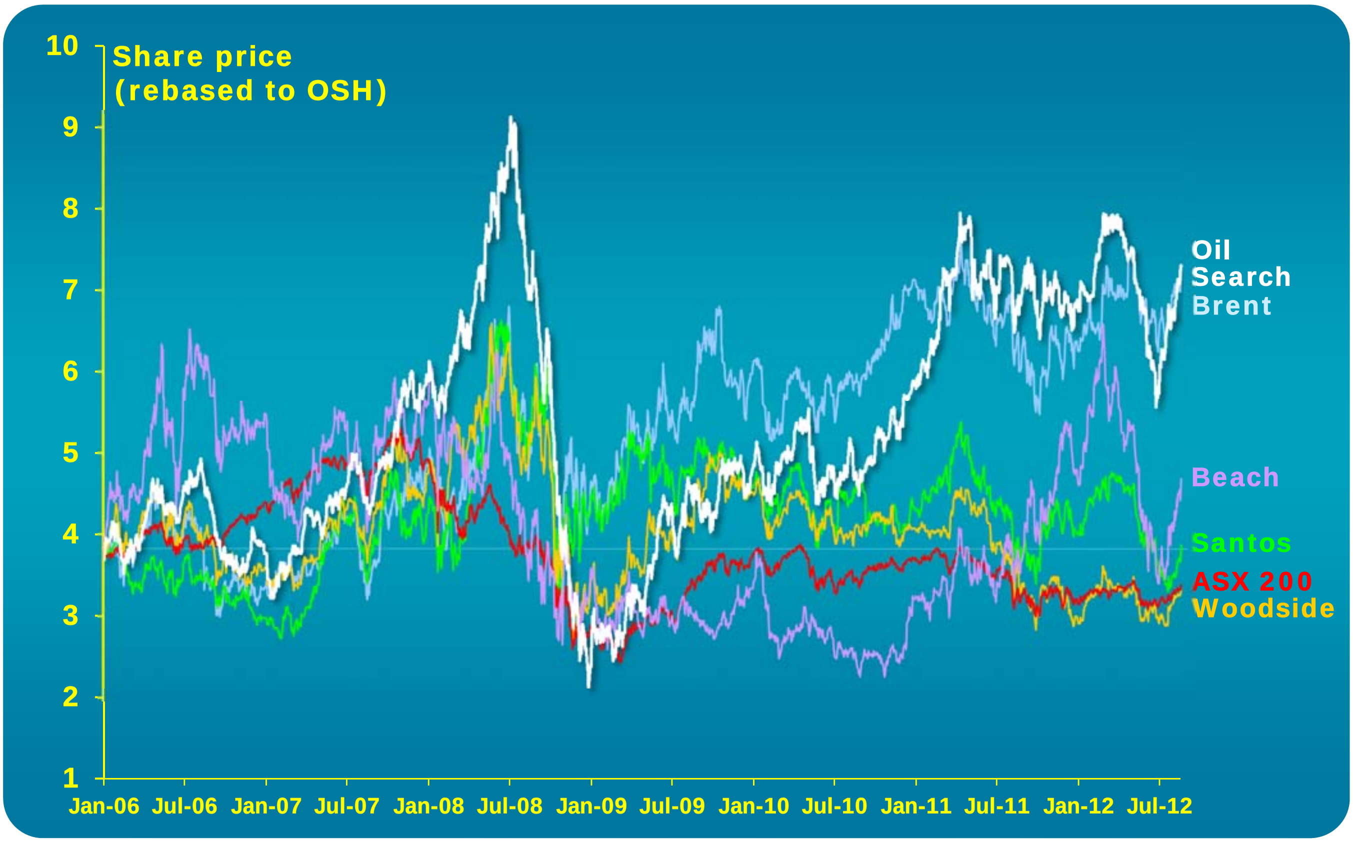

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1H 2012 Financial Performance

(US$'m)	1H 2012		1H 2011
Revenue	398.5	+7%	371.1
Cash Expenses	(88.4)		(63.8)
EBITDAX	310.1	+1%	307.3
Non-cash items	(28.4)		(26.4)
Exploration/BD Expensed	(62.5)	+44%	(43.4)
Interest income/(expense)	(1.2)		(0.1)
Pre-tax Profit	218.1	-8%	237.5
Tax	(110.6)		(123.0)
NPAT	107.5	-6%	114.5

- Continued strong underlying performance from oil business
- Higher revenue driven by increased gas prices associated with new Hides GTE contract with Barrick
- Increased revenue partially offset by higher gas purchase costs associated with new GTE contract. Costs also impacted by PNG inflation and FX
- Exploration costs expensed reflects increased activity levels, unsuccessful IDT 25 Koi lange test

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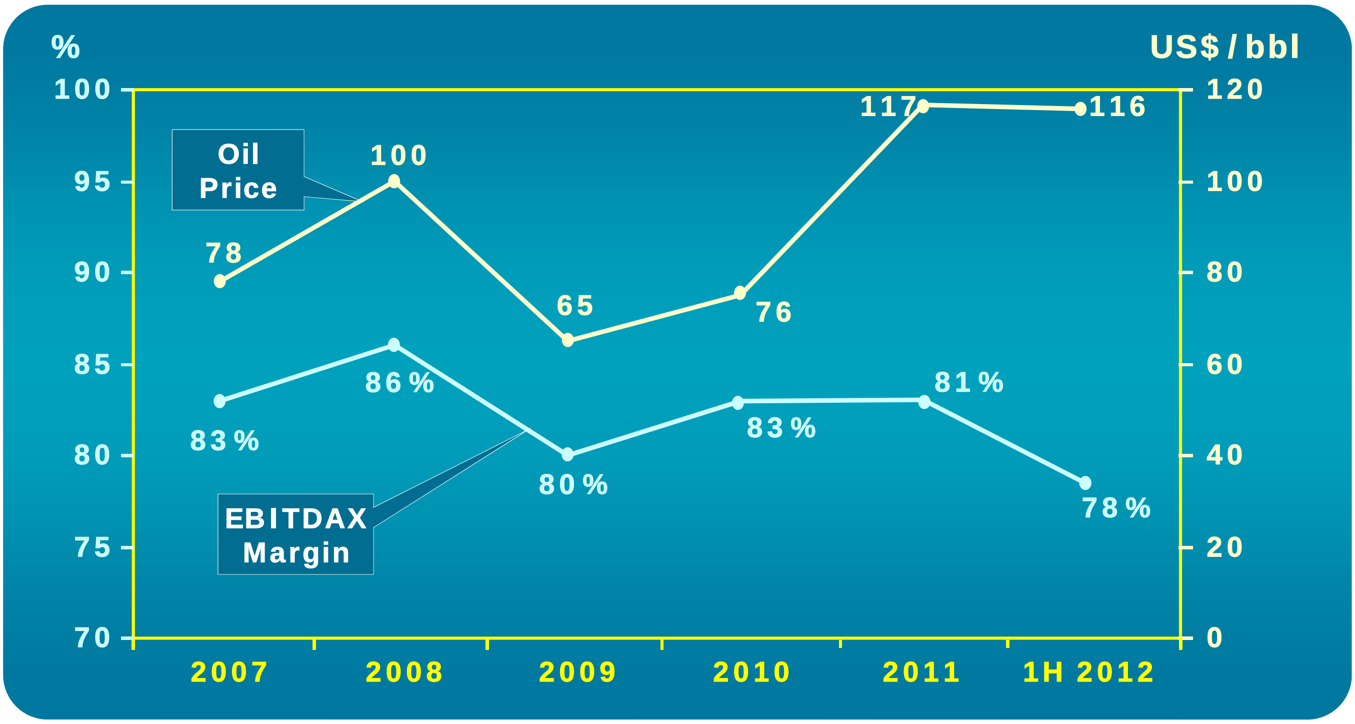
Cash Earnings Performance



- Strong cash margins continue to be generated by oil business
- Cash operating margin slightly lower, due to higher profitability but lower margins associated with new Hides GTE contract

1H 2012 NPAT Drivers

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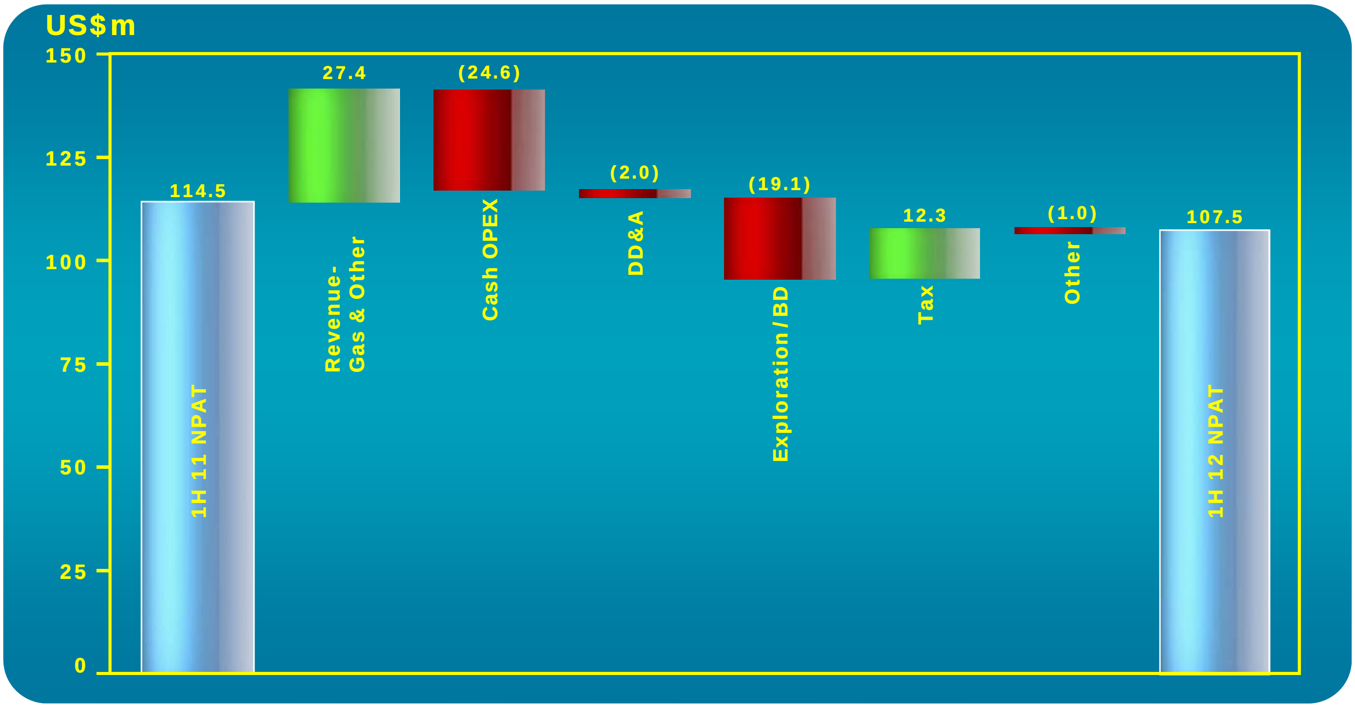

- Oil price and volumes similar to 1H11
- Higher gas revenue partially offset by back-to-back gas purchase cost increase
- Higher exploration expense includes write off of Koi Iange IDT 25 test, PNG seismic

Cost Management

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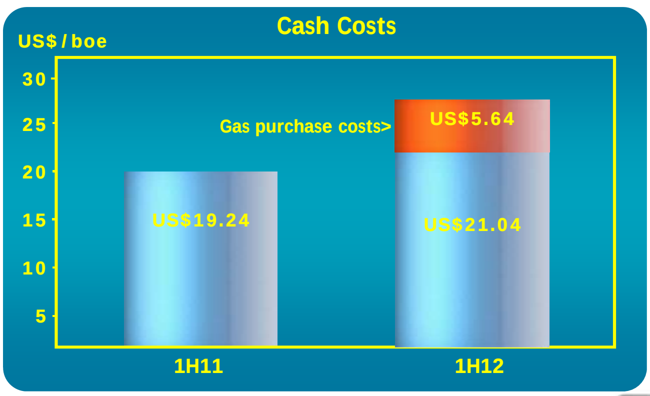
(US$'m)	1H12	1H11
Field Costs		
- Oil: PNG	47.5	38.5
- Hides	4.5	4.7
	52.0	43.2
Other Prod'n Opex		
- Oil	8.2	8.2
- Hides	0.8	0.3
	9.0	8.5
Gas Purchase Costs	18.7	0.0
Net Corp Costs	8.9	11.1
FX Loss/(Gain)	(0.2)	1.0
Total	**88.4**	**63.8**

- Higher gas purchase costs reflect new Hides GTE contract, more than offset by higher gas revenue. Added US$5.64/boe to costs
- Higher field costs impacted by PNG inflation and strengthening Kina, partially offset by lower corporate costs



Operating Cash Flows

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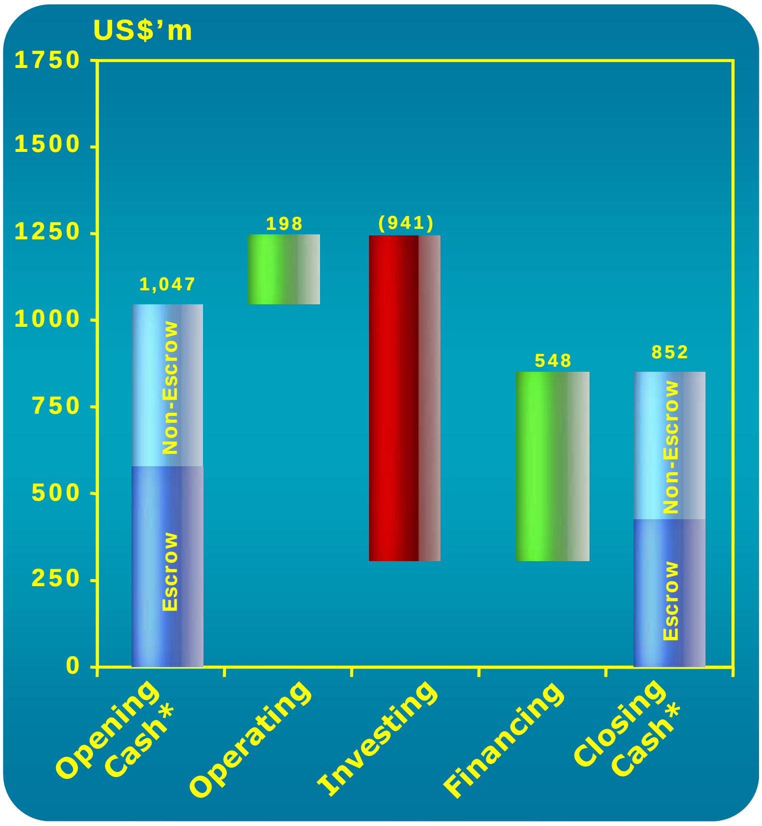
- Cash position declined by US$195m, reflecting peak PNG LNG capex year and pursuit of growth initiatives
- Operating cash flows remained strong, impacted by higher tax payments
- Investing cash outflows dominated by PNG LNG spend and increased PNG and MENA exploration
- Financing included US$545m drawn under PNG LNG Project finance facility, with dividend funded with proceeds from underwritten DRP



* Includes Company share of JV cash balances

Treasury Update

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- US$852.7 million in cash at end June. Cash invested and actively managed with highly rated bank counterparties
- US$217.5 million available from term revolving facility, nil drawn down
- Refinancing of existing corporate facility significantly progressed. Strong support for refinancing with in excess of US$500m of commitments received for five year, non amortising revolving facility
- Facility documentation being completed, with agreement to be executed imminently
- No oil hedging undertaken during 1H12 or currently in place
- US$2.35 billion drawn down under the PNG LNG project finance facility
- 2012 interim dividend of two US cents per share to be fully funded via underwritten DRP

2012 Capital Outlook Update

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

US$'m	1H12	2H12	2012
Investing :			
Exploration inc gas growth	125	145-165	270-290
PNG LNG *	779	770-870	1,550-1,650
Production	39	80-100	130-140
Corporate (inc rigs)	2	8	10
Business Development	6	4	10
Financing :			
Dividends	0**	0 **	0**

* Includes capitalised interest & finance fees

** Dividend fully underwritten

2012 Full Year Guidance Summary

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

- **Production:**
  - 6.2 - 6.7 mmboe guidance unchanged
  - Similar performance in 2013
- **Operating costs**
  - Normalised opex ~ US$23 - 25/boe (incl corporate costs)
  - Additional gas purchase costs ~US$40m
  - Impacted by:
    - Major workover programme to maximise oil recoveries before gas production
    - Foreign exchange rate movements
    - PNG inflation
- **Depreciation, amortisation and site restoration:**
  - ~ US$9/boe

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PNG LNG Project Overview

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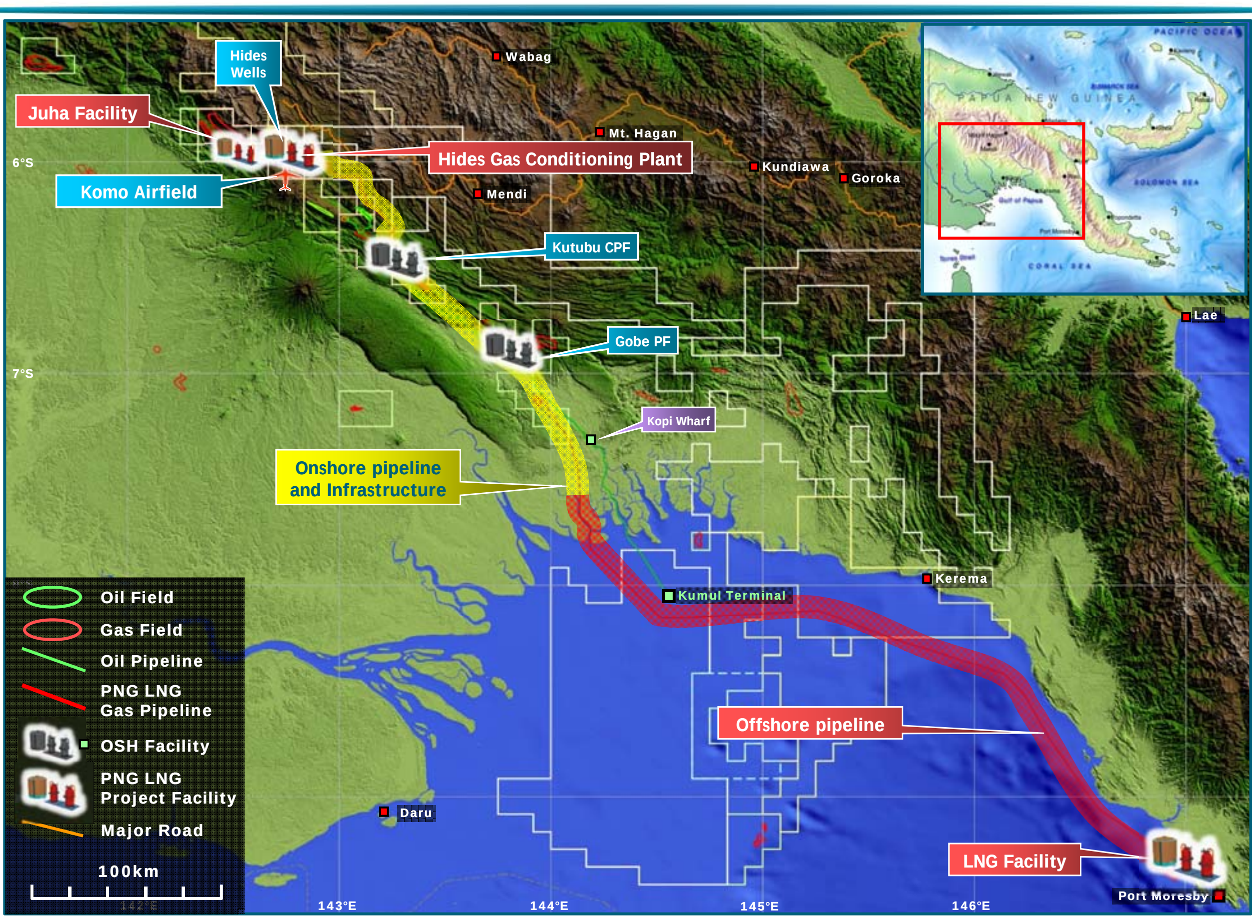

Milestones achieved in 1H12

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- Completed 407 kilometre offshore pipelay
- Completed LNG tank shells and roofs and jetty trestle
- Commenced installation of pipe racks and vessels on both LNG process trains
- Onshore pipeline operations over 60% complete
- Komo earthmoving achieved good progress and Antonov contract awarded
- HGCP process area handed over to construction contractor
- Completed first phase of PL 2 Life Extension Project
- Associated Gas (AG) Project: Mechanically completed first gas drying unit (TEG) and commissioning gas unit (CGU)

2H12 Focus Items

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- Development drilling at Hides
- AG: First CPF gas drying unit operational, commissioning gas unit being commissioned and Gobe construction underway
- Engage with new Government on benefits delivery structures
- Good progress towards Operator's planned start-up window in 2014

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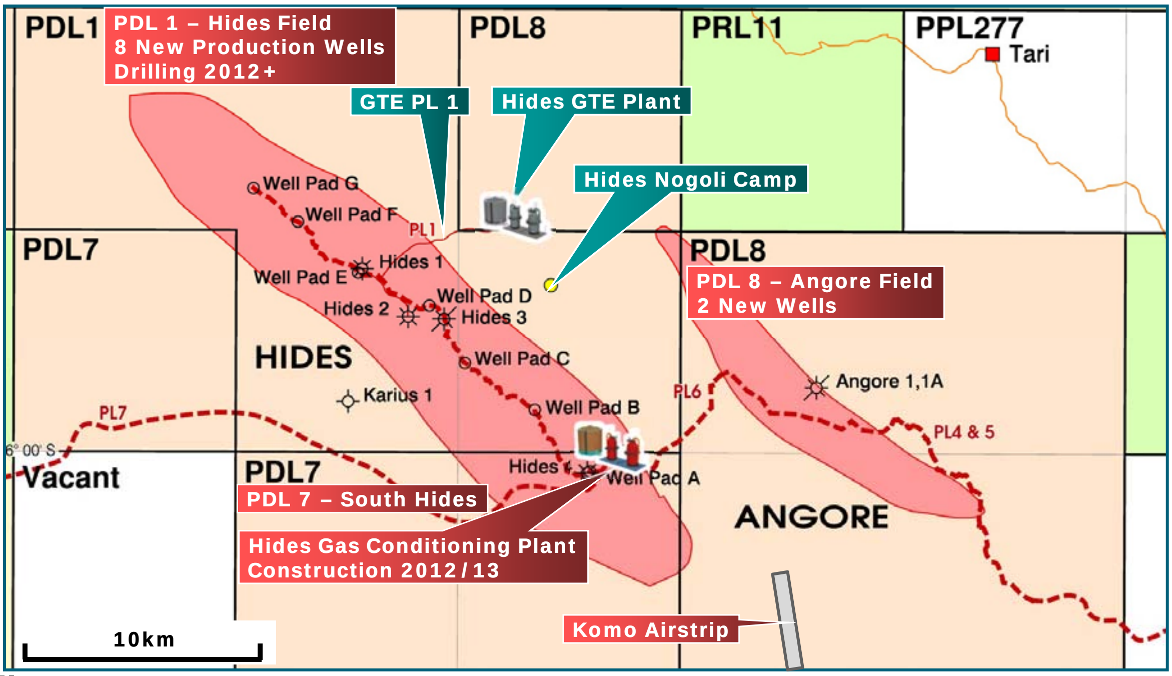
Hides Development and Appraisal Drilling



Drilling Programme:

- PNG LNG development drilling programme commenced in July with Rig 702
- Second rig, Rig 703, being mobilised to site and expected to start drilling in 2H12
- Produced Water Disposal (PWD) well to be drilled in 2013. Will target water leg and provide important data on gas water contact and potential gas resource upside

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PNG LNG

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 equipment installation

2012

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

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 Plant Site

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Installation of amine absorber, T2


Export Jetty


LNG trains 1 & 2


Export Jetty

Offshore and Onshore Pipelines

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Offshore pipeline (completed)


Onshore pipeline

PNG LNG Project - Upstream

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Growing Our PNG Gas Business: Key Strategic Priority

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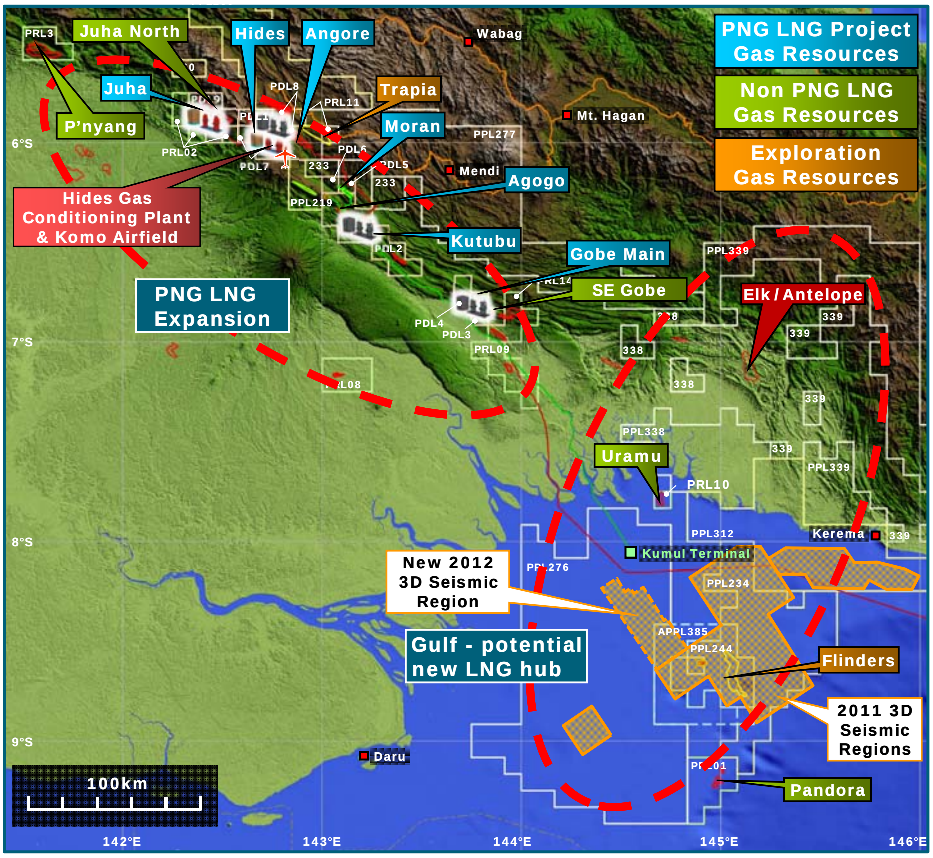

- Pursuing two-pronged LNG expansion strategy for PNG gas growth:
  - Potential PNG LNG Expansion: Highlands /onshore resources close to PNG LNG infrastructure
  - Gulf Area LNG: Explore for gas to support new LNG hub. Other options include floating LNG or integration with existing infrastructure

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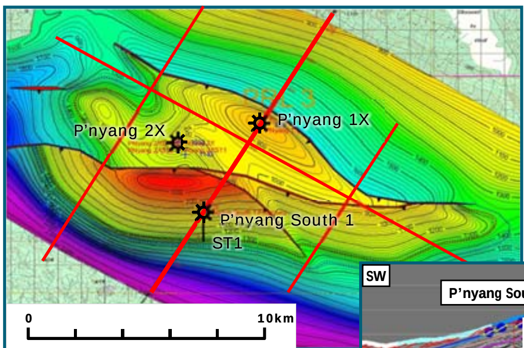
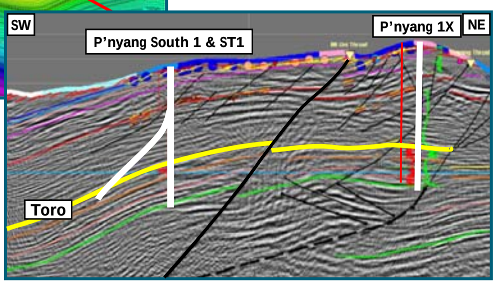
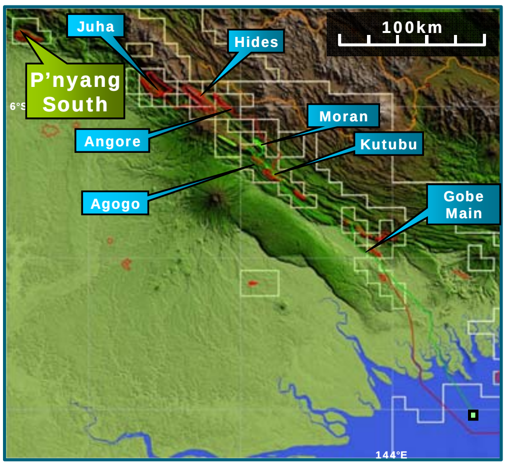
P'nyang South

- P'nyang South 1 and ST1 discovered ~380 metre gas zone in southern fault block in PRL 3, with additional up-dip potential to >650 metres
- Result materially increases total estimated 2C gas resources in P'nyang field, potential key underpinning volume for LNG expansion
- Resource base and development options under review
- Well results under evaluation for incorporation in forward plan
- PRL 3: ExxonMobil 49%, Oil Search 38.5%, JX Holdings 12.5%



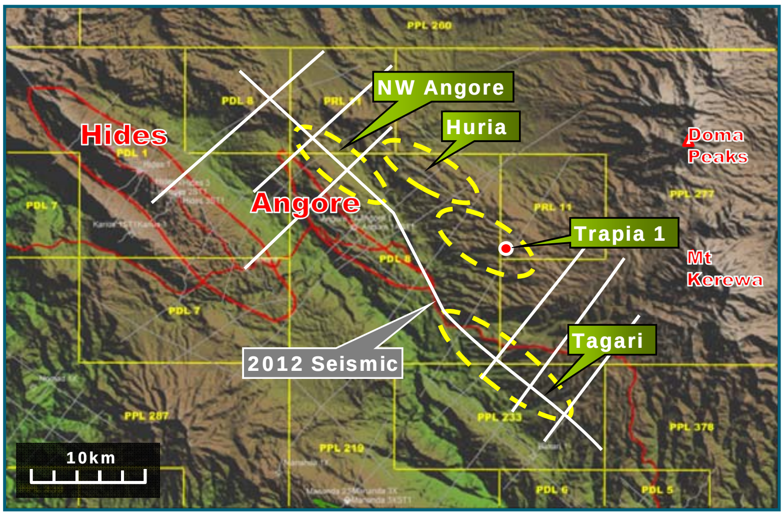


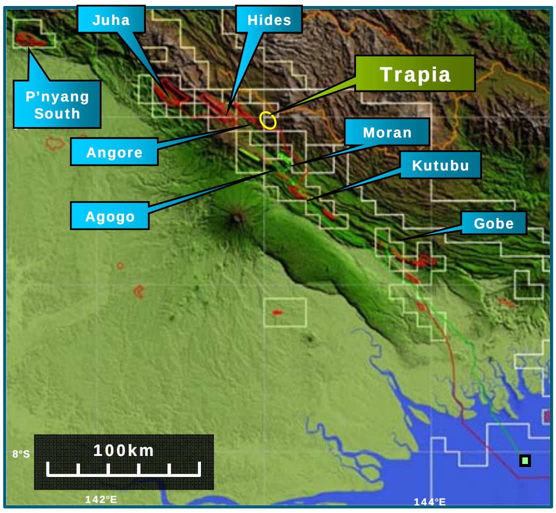


Trapia 1

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

- Trapia 1 exploration well drilling ahead in PRL 11. High risk but close to infrastructure
- Series of prospects and leads with multi-tcf potential identified on trend with Angore and Trapia
- 2D seismic programme being undertaken to further mature Tagari and NW Angore leads:
  - Phase 1 – 30 km completed 2Q12
  - Phase 2 – 120 km to commence September
- PRL 11: Oil Search 52.5%, ExxonMobil 47.5%
- Acquiring interest in adjacent licence, PPL 277, 50:50 with ExxonMobil in 1Q12 (subject to Ministerial approval)

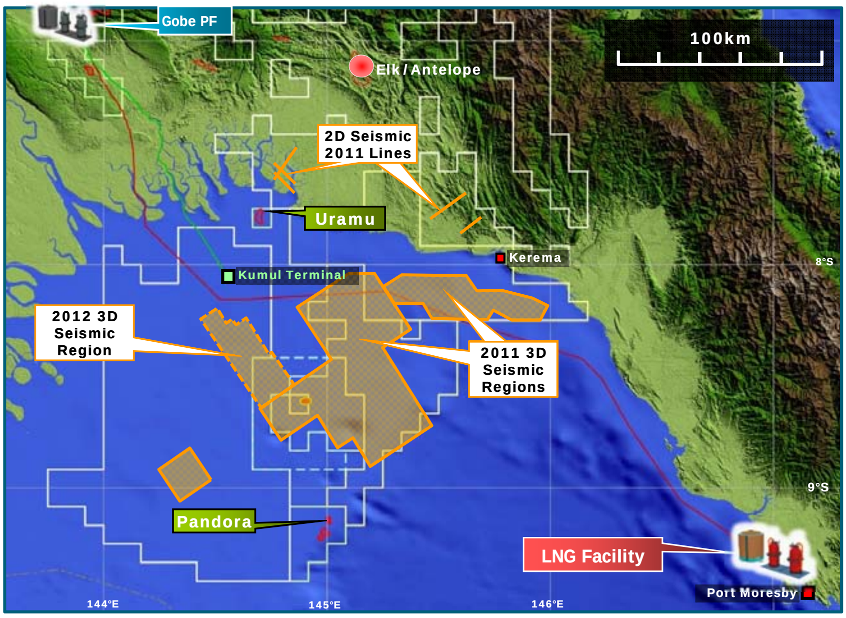




Gas Expansion Opportunity, Gulf of Papua, PNG

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

- Major 3D seismic survey acquired in 2011, additional 1,050 sq km acquired 2Q12
- Prospect selection for drilling programme well advanced:
  - Over 30 opportunities across multiple play types
  - Range in size from 0.5 - 1.5 tcf
- Stena Clyde semi-sub due onsite January 2013. Contracted to drill 2 firm wells + 2 options



- Farm-down well advanced:
  - Have received strong bids from several reputable LNG operators
  - Expect to finalise terms and documentation shortly

Mananda 5 Appraisal

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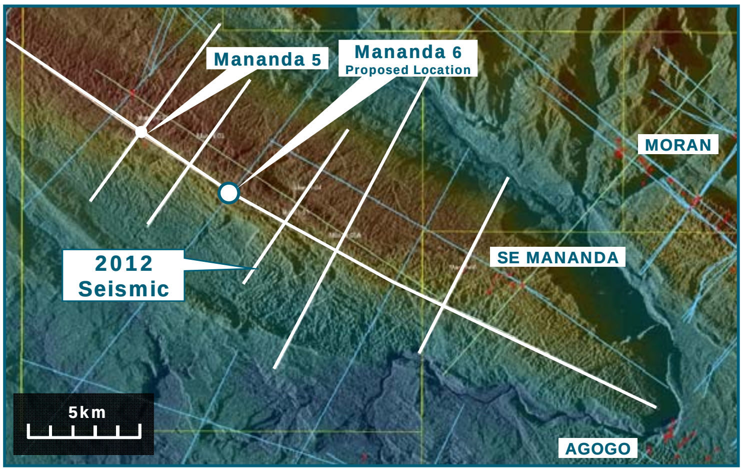
- 90 km 2D seismic programme over Mananda 5 discovery completed in 2Q12
- Interpretation of seismic has confirmed structure
- Appraisal well, Mananda 6, planned for 1Q13
- PPL 219: Oil Search 71.25%, JX Holdings 28.75%



Kurdistan: Taza-1

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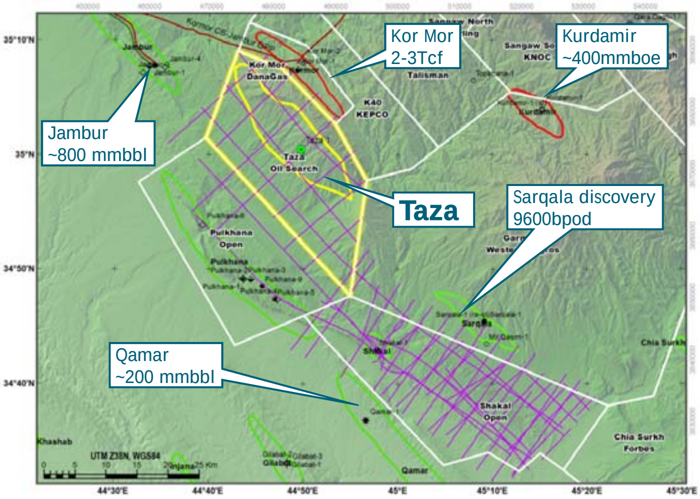
- Taza-1 well spudded early July, currently drilling ahead
- Large structure, simple 4-way dip closure, with potential for 250-500 mmbbls
- Target structure sits in very prospective location on-trend and adjacent to existing fields
- Taza PSC: Oil Search 60%, Total 20% (following recent ShaMaran sale), KRG 20% back-in



Kurdistan Operating Environment

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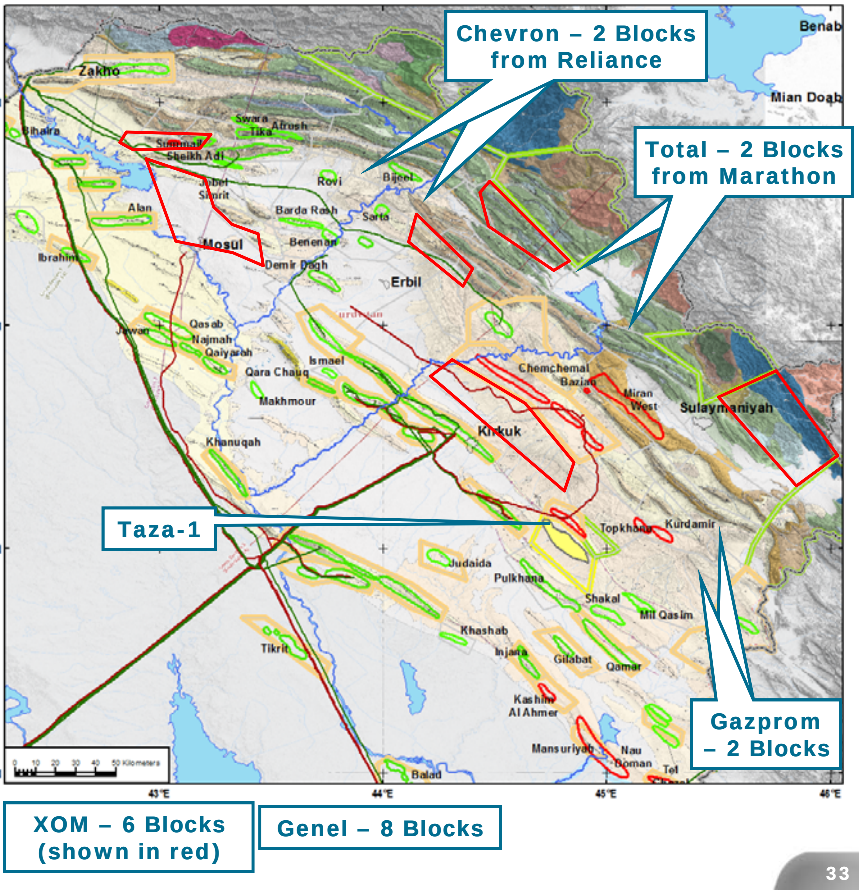
- Kurdistan is attracting significant global attention:
  - Recent entrants include Chevron, Total, ExxonMobil, Gazprom, Genel
- KRG is building closer ties to Turkey providing long term alternative export route
- Current production is 150,000 bopd (100,000 export) and expected to rise to 300,000 bopd in 2013:
  - Export oil either trucked or transported through Kirkuk - Ceyhan Pipeline
  - Strong local market, priced at discount
- If successful, Taza development options are initial 5 - 15,000 bopd Extended Production System within 24 months of discovery, upsizing to 40-60,000 bopd 2-3 years later



Tunisia: Tajerouine Permit

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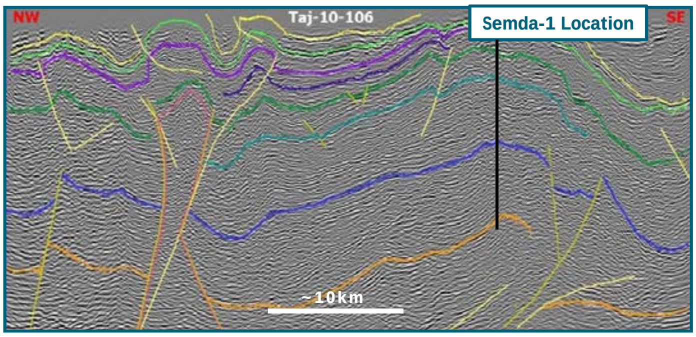
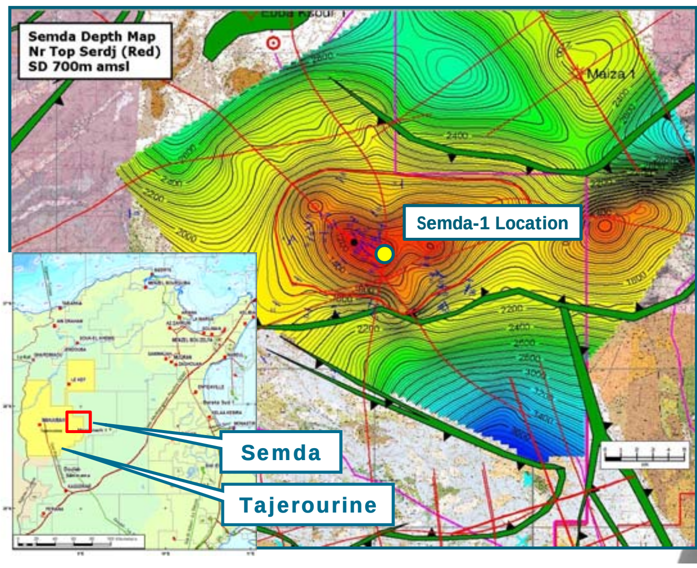
- Evaluation of seismic and well data complete, resulting in mapping of number of structures
- Proven plays present and new significant deep gas play developed
- Semda prospect has potential for >150 mmstb oil and >400 bcf gas
- Expect to spud Semda exploration well in late 2012
- Additional follow-on potential present on success at Semda
- Tajerouine: Oil Search 100%





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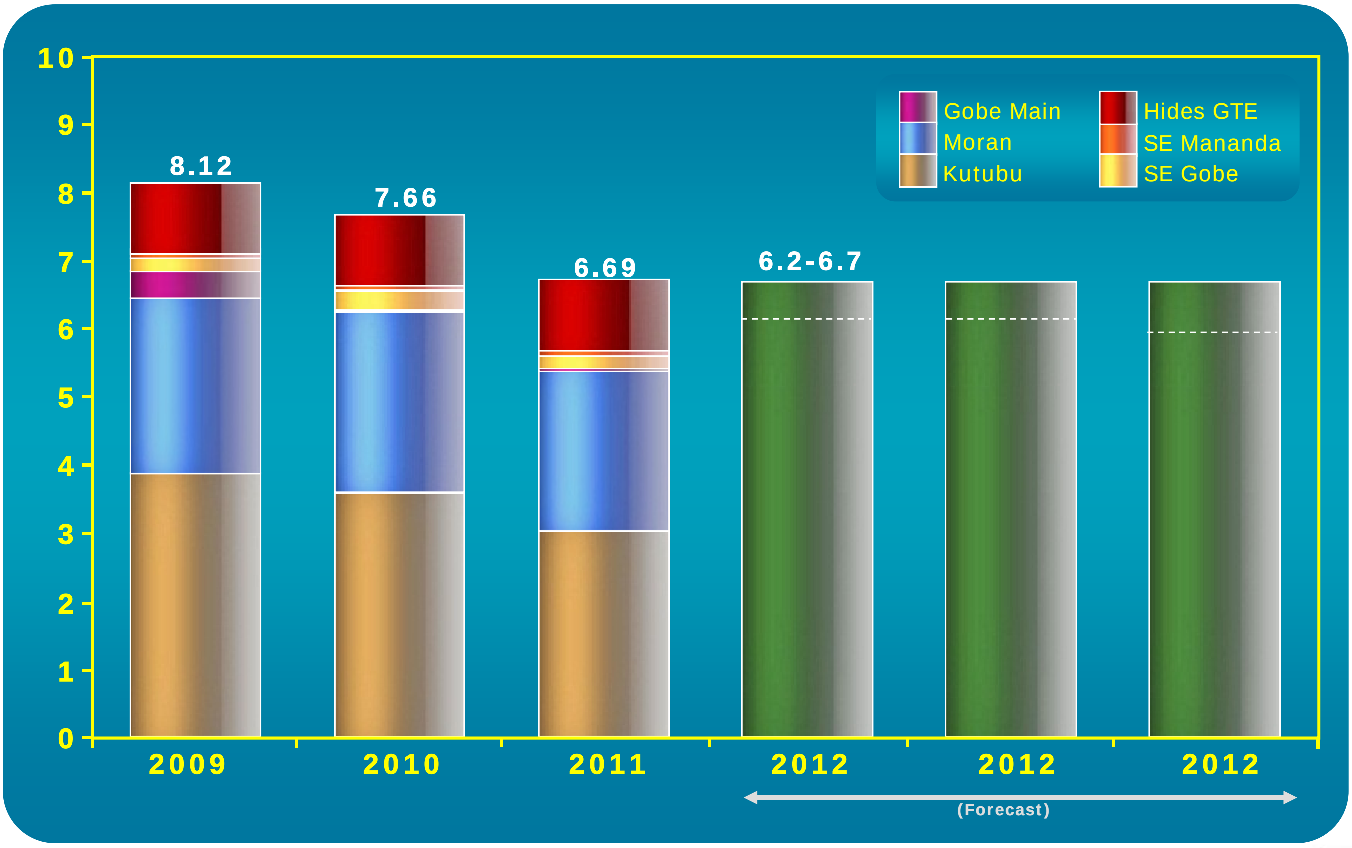
Oil Search Production



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1H12 Performance

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- Solid safety performance in a very challenging environment
- Strong 1H production of 3.26 mmboe
- AG Project shutdown successfully completed within planned timeframe in February
- Two new wells brought online:
  - Agogo 6 discovery performing ahead of expectations
  - IDT 25 development well online
- Well work programme demonstrating success:
  - Moran 15 Toro C flowing ~1,500 bopd
  - Workover programme progressing well

2012/13 Development & Near-Field Appraisal Drilling Activity

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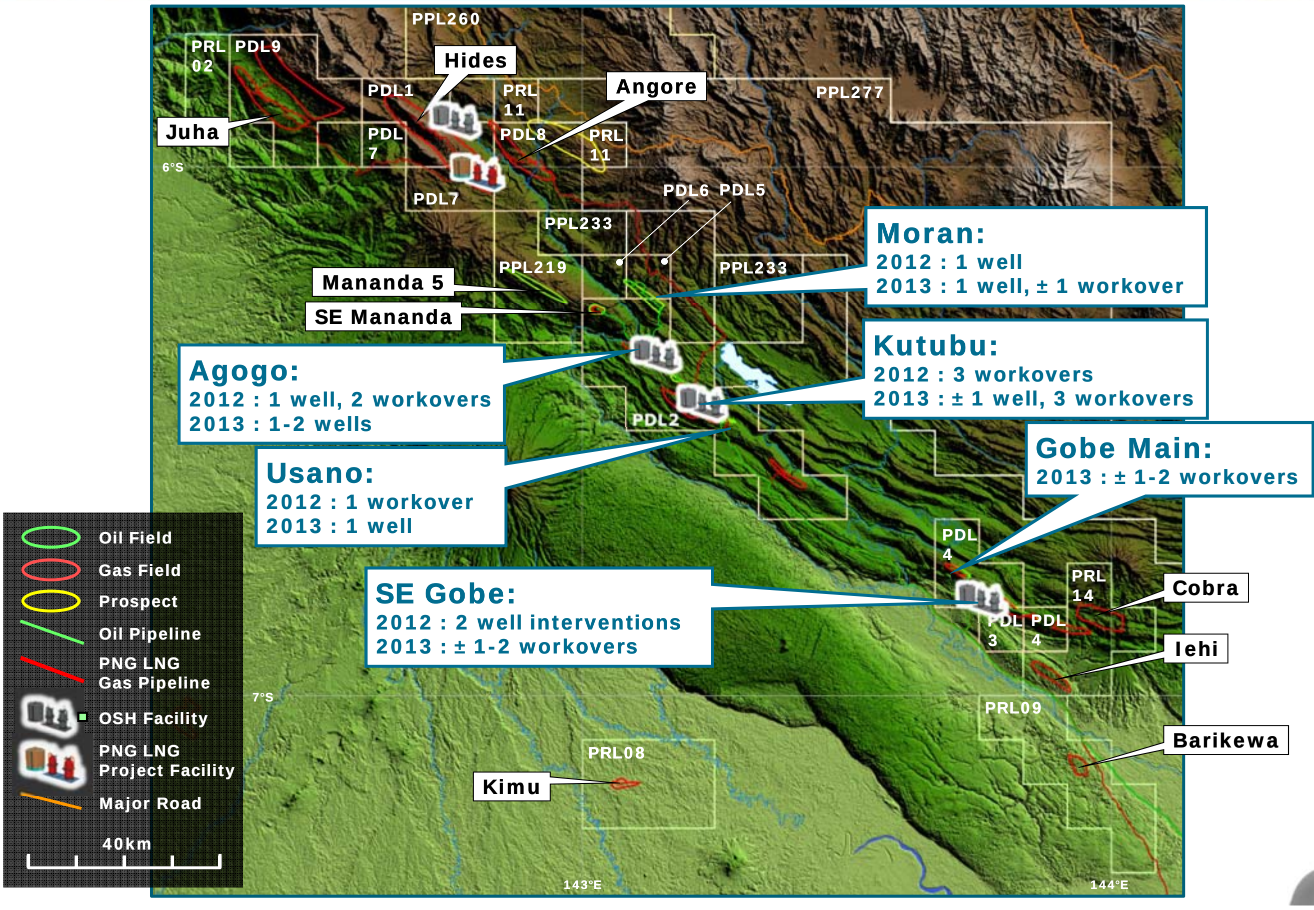

2012 Production Outlook

- Underlying production from oil fields expected to remain strong. 2H12 production impacted by:
  - Significant contributions from successful 2011 & 1H12 wells and workovers
  - Precautionary shutdown of Kumul loading operations in July/August. Impact ~0.3 mmbbl
  - Natural decline
  - Two week Gobe shutdown for tie-in of Associated Gas facilities
- Production for 2012 expected to be within previous guidance of 6.2 - 6.7 mmboe. Production out to first LNG broadly flat
- Robust workover programme through 2012, with development drilling recommencing September
- Continued focus on maturing near-field portfolio and appraising new pools identified following recent success
- Rig 103 being mobilised back to Kutubu/Moran to provide optionality to pursue exploration and appraisal opportunities without potential adverse impact on development programme

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Key 2H12 Focus Areas

- Maintain OSH's industry-leading safety performance in very high activity environment across many sites
- Manage cost pressures of strong PNG market and unfavourable FX trends
- Continue transformation of business towards reliable gas delivery:
  - Complete Associated Gas and Life Extension works
  - Continue optimisation of gas depletion plan
  - Align organisation & processes with gas supply needs
  - Develop personnel for the next generation of Company growth
- Follow up near field successes in Agogo and Hedinia
- Manage impacts of PNG LNG, to ensure success as onshore pipeline construction moves through key oil operational areas

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Strategy Delivery

- Delivery of initiatives from 2010/11 Strategic Review on track:
  - PNG LNG Project in full construction, on track for 2014 LNG production
  - Resource definition for LNG growth making good progress:
    - P'nyang South discovery
    - Hides drilling commenced
    - Highlands exploration underway, Gulf drilling to commence at year end
  - Oil upside in PNG and overseas being tested:
    - Increased rig capacity in PNG, Mananda 6
    - Taza exploration well underway, well in Tunisia to follow
  - Active programmes to address operating risks
  - Financial strength with optimisation of debt structure
- Success in initiatives should enable continued top quartile TSR performance

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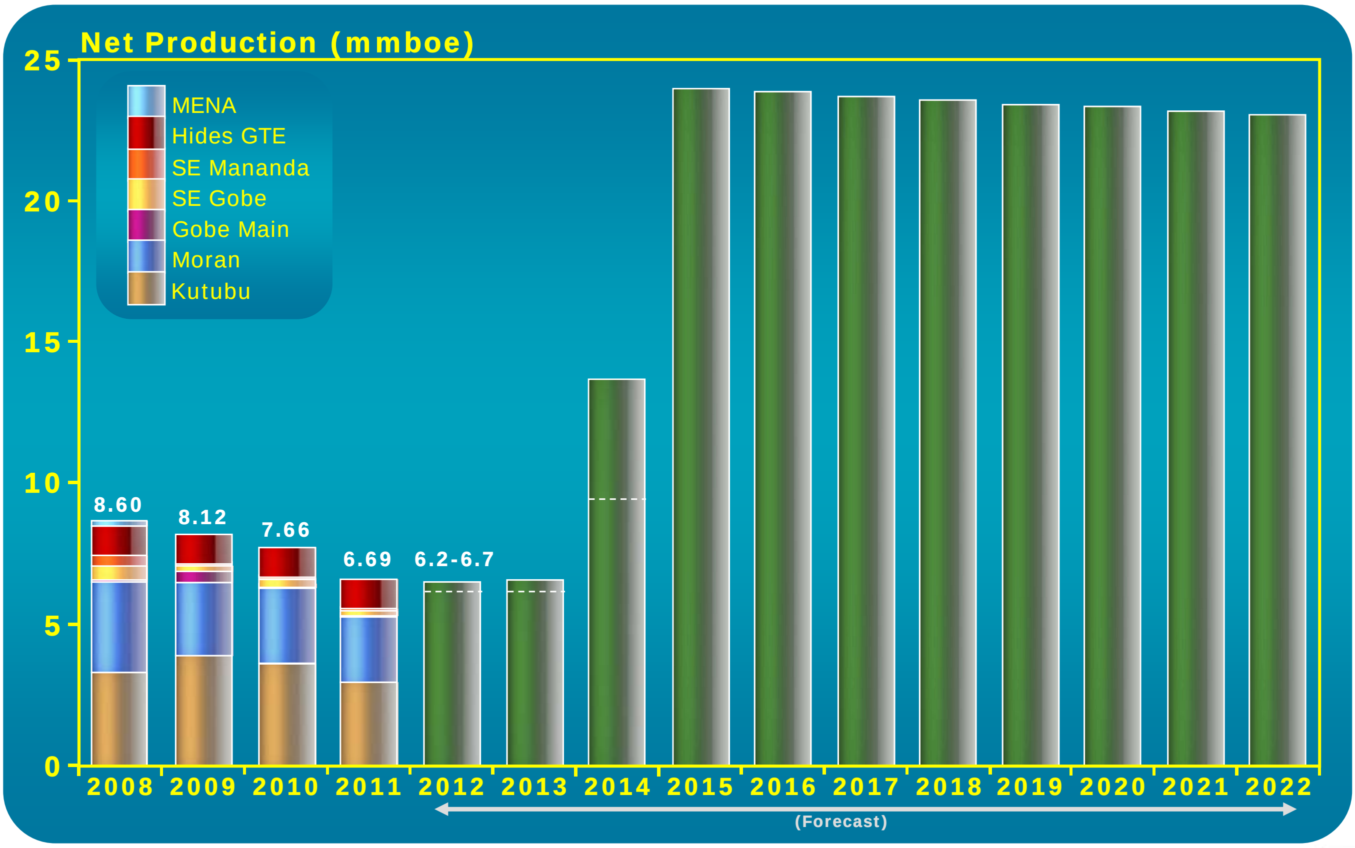
PNG Operating Environment

- General election went smoothly
- Expect period of stability under newly elected Government led by Prime Minister Peter O'Neill
- History of constructive dialogue between industry and Government to manage issues and expectations expected to continue
- Key areas of focus remain:
  - Improving benefits distribution system, transparency and service delivery
  - Providing support to PNG Government bodies, where appropriate
- Continue working with Government and community to manage and mitigate operating and investment risks:
  - Oil Search Health Foundation fully operational
  - Ongoing community programmes

10 Year Production Outlook



Conclusion

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- Oil Search very well placed to generate ongoing value growth
- PNG LNG Project on schedule and budget, with 2012 peak activity year
- Increasing probability of LNG expansion following early gas drilling success
- Ongoing programme to further expand gas resources
- High potential oil drilling underway
- Activities underwritten by strong cash flows, solid balance sheet

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August 2012

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