



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

REPORT TO THE AUSTRALIAN SECURITIES EXCHANGE Activities for the Quarter ended 30 June 2013 23 July 2013

HIGHLIGHTS

- At the end of the second quarter of 2013, the PNG LNG Project was nearly 90 % complete and the Project remains on track for first LNG sales in 2014.
- PRL 3 JV studies for the potential development of the P'nyang gas field were ongoing during the quarter, with engineering scoping work continuing.
- Production in the second quarter of 2013 was 1.63 million barrels of oil equivalent (mmboe), 4.2 % higher than first quarter production of 1.56 mmboe. This took total production for the 2013 first half to 3.19 mmboe (3.26 mmboe in the first half of 2012).
- 1.64 million barrels of oil were sold during the period, which helped drive total operating revenue for the quarter to US\$204.9 million (US\$176.0 million in the first quarter). The average realised oil price was US\$104.58 per barrel. Total operating revenue in the first half of 2013 was US\$381.0 million.
- The Company's exploration drilling programme during the quarter was very successful, with one gas and two oil discoveries. Onshore PNG, oil was found at Mananda 6, while gas was discovered offshore at Flinders 1, the first well in Oil Search's new Gulf of Papua programme. The Taza 1 well in Kurdistan flowed oil at rates of over 1,100 barrels of oil per day from a zone including the Euphrates Formation.
- Oil Search had a cash balance of US\$292.1 million at the end of June 2013. US\$3,307.9 million has been drawn down from the PNG LNG project finance facility, while the Company's US\$500 million corporate facility remained undrawn.

Commenting on key 2013 second quarter activities, Managing Director, Peter Botten, said:

"The highlight of the 2013 second quarter was a series of successful exploration wells, each of which, subject to successful appraisal/development, has the potential to add materially to our production base.

In the PNG Highlands, oil was discovered in both the Toro and Digimu sandstones at the Mananda 6 well. Preparations are now underway to apply to the PNG Government for an oil field development licence in August this year. The conceptual development plan is to tie back both the existing oil field at Mananda 5 and the new Mananda 6 oil discovery to the South East Mananda facilities and process the oil through the Agogo Processing Facility. A development

team is being formed to optimise the recoveries of oil from the several low relief fields that have now been discovered on the Mananda Ridge. The potential oil in place on this feature could be as high as 100 million barrels.

Oil Search's new exploration campaign offshore PNG in the Gulf of Papua, where no drilling has taken place in over a decade, has been very encouraging. During the quarter, a gas column was discovered within a thick sand with good reservoir properties at the first well, Flinders. At Hagana, the second well in the programme, a similarly thick, good quality sand, albeit water wet, was found within the primary upper objective while preliminary interpretation of logs recently acquired in the deeper secondary objective indicates this zone is gas-bearing. These results are highly significant, as the wells have not only proven the existence of the turbidite sand play at two different stratigraphic levels but also the potential for gas charge and retention, opening up a new play fairway in this area of the Gulf basin. Although the volumes at Flinders and Hagana are likely to be relatively modest, the Company has been sufficiently encouraged to take up a further well option and will drill the Kidukidu prospect once Hagana 1 is completed. These drilling results will allow the high quality 3D seismic surveys to be calibrated with hard data, assisting the prediction of the distribution of potentially gas saturated sandstone reservoirs in this area of the Gulf of Papua.

During the quarter, a zone including the Euphrates Formation at the Taza well in Kurdistan was tested and flowed oil at good rates. Planning is now well underway for a comprehensive appraisal programme, comprising between two and four wells, scheduled to commence in the fourth quarter of 2013. The appraisal programme will help to define the Taza gross recoverable resource potential, which is currently estimated at between 250 and 500 million barrels of oil, and to establish an appropriate development plan.

The PNG LNG Project continued to make good progress under operator Esso Highlands Limited. The PNG LNG plant site is steadily moving from the construction phase through to commissioning. Train 1 and the common process areas are being prepared for the introduction of commissioning gas and construction continues at Train 2. The LNG storage tanks have been pneumatically tested and remaining work on insulation is advancing. The Komo airfield became operational in May and the movement of heavy and sensitive equipment has commenced. With cargo deliveries ahead of schedule, construction of the Hides Gas Conditioning Plant is progressing well. Upstream, the first production well, B1, was drilled to total depth during the quarter and drilling is currently underway on the next two production wells, B2 and C2.

Engineering scoping studies on the P'nyang gas field in PRL 3, focused on the potential use of the gas to help underpin an expansion of the PNG LNG Project, are continuing. During the quarter, additional seismic was acquired on both the P'nyang gas field (PRL 3) and Juha North gas field (PDL 9), with the data to be used to gain a better understanding of the Highlands gas resource potential and assist in potential development planning. Meanwhile, studies also continue on other Highlands exploration opportunities in close proximity to the PNG LNG Project area.

During the quarter, ExxonMobil entered into exclusive negotiations with InterOil and Pacific LNG Group, regarding the development of PRL 15 in the PNG Gulf Province, which contains the Elk and Antelope gas fields. The discussions are focused on InterOil and Pacific LNG selling ExxonMobil sufficient gas to develop an additional LNG train at the PNG LNG Project site. We are watching the progress of these negotiations with interest, as should this gas be brought into the PNG LNG Project, it is likely that Oil Search will have an opportunity to participate in this expansion."

Production and revenue performance in the second quarter:

"Reservoir performance at our key producing fields, Kutubu and Moran, remained strong during the quarter, resulting in a 4% increase in total oil and gas production. Production for the first half was 3.19 mmboe and our 2013 full year production guidance remains unchanged at 6.2 – 6.7 mmboe.

Total operating revenue for the quarter was US\$204.9 million (US\$176.0 million in the first quarter). Oil sales volumes were 33% higher than in the first quarter, due to the timing of shipments. This was partly offset by an easing in global oil prices, with the Company realising an average price of US\$104.58 per barrel for the second quarter compared to US\$113.92 per barrel in the first quarter of 2013. Total operating revenue for the first half of 2013 was US\$381.0 million (US\$398.5 million in the first half of 2012)."

Financial Position:

"At the end of June 2013, the Company's cash balance was US\$292.1 million and the US\$500 million five year non-amortising corporate debt facility, arranged in late 2012, remained undrawn, resulting in liquidity of US\$792.1 million.

The US\$1.5 billion supplemental project financing for the PNG LNG Project remains on schedule to be executed in the second half of 2013. The financing has been well supported and the documentation phase is now in progress."

Factors affecting profit in the first half of 2013:

"The 2013 first half results are scheduled to be released to the market on Tuesday 20 August. Normalised cash operating costs (including corporate costs) are expected to be within the previously advised guidance range of US\$24–26/boe, while non-cash charges, comprising depreciation, amortisation and site restoration, are also expected to be within the previous US\$8–10/boe guidance range. Additional cash costs related to the PDL 1 Hides GTE contract are forecast to be approximately US\$20 million.

As highlighted on page 11, US\$33.9 million of exploration and evaluation expenditure is expected to be expensed, of which US\$21.2 million is related to the Semda well in Tunisia, with the balance on seismic, geological, geophysical and general and administration expenses. The effective tax rate is expected to be slightly lower than the statutory tax rate for oil in PNG of 50%.

At present, the Company does not anticipate any impairment charges in the first half of 2013.

All the above guidance is subject to the finalisation of the financial statements, Board review and the half year audit currently underway."

PETER BOTTEN, CBE
Managing Director
23 July 2013

2013 SECOND QUARTER PERFORMANCE SUMMARY

See notes 1, 2, 3	Quarter End			Half Year		Full Year
	Jun 2013	Mar 2013	Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Dec 2012
PRODUCTION DATA						
Crude oil production ('000 bbls)						
- Kutubu	793	780	919	1,573	1,660	3,267
- Moran	523	465	546	988	964	1,865
- SE Mananda	9	1	8	10	19	22
- Gobe Main	10	10	11	20	20	39
- SE Gobe	38	42	54	80	112	198
- Total	1,373	1,299	1,538	2,672	2,774	5,390
Gas production (mmscf)	1,349	1,392	1,403	2,741	2,581	5,267
Hides condensate ('000 bbls)	29	30	30	59	55	112
Barrels of oil equivalent ('000 boe)	1,627	1,561	1,802	3,188	3,259	6,380
SALES DATA						
Internal oil usage ('000 bbls) ⁴	18	22	19	40	36	73
Oil sales volume ('000 bbls)	1,639	1,231	1,609	2,869	2,863	5,205
Gas sales (mmscf) ⁵	1,306	1,349	1,479	2,654	2,701	5,372
Hides liquids ('000 bbls) ⁶	29	27	34	56	58	111
Crude inventory ('000 bbls) ⁷	28	319	56	28	56	279
Barrels of oil equivalent sold ('000 boe)	1,886	1,483	1,890	3,367	3,371	6,211
FINANCIAL DATA						
Oil sales (US\$m)	171.4	140.2	174.9	311.6	330.6	593.2
Gas and refined product sales (US\$m)	24.1	25.7	24.8	49.8	48.0	95.6
Other field revenue (US\$m) ⁸	9.4	10.1	11.6	19.6	19.9	35.8
Total operating revenue (US\$m)	204.9	176.0	211.3	381.0	398.5	724.6
Average realised oil price (US\$ per bbl)	104.58	113.92	108.73	108.58	115.48	113.97
Cash (US\$m) ⁹	292.1	443.5	852.7	292.1	852.7	488.3
Debt (US\$m)						
- PNG LNG financing	3,307.9	3,056.5	2,349.2	3,307.9	2,349.2	2,866.0
- Revolving corporate facility ¹⁰	Nil	Nil	Nil	Nil	Nil	Nil
Net debt (US\$m)	3,015.8	2,613.0	1,496.5	3,015.8	1,496.5	2,377.7

1 2013 figures are unaudited.

2 Prior period comparatives updated for subsequent changes.

3 Numbers may not add due to rounding.

4 Oil either used within Oil Search's operations or sold domestically.

5 Gas sales relate to gas sold under the Hides Gas Sales Agreement.

6 Hides refined products used within Oil Search's operations, sold under the Hides Gas Sales Agreement or sold domestically.

7 Includes minor field quality adjustments

8 Other field revenue consists largely of rig lease income and infrastructure tariffs.

9 Restated to include Oil Search's share of joint venture cash balances.

10 At the end of June 2013, the Company had an undrawn revolving corporate facility of US\$500 million.

PNG LNG PROJECT ACTIVITIES

At the end of the second quarter of 2013, the PNG LNG Project was approaching 90% completion. Key activities and achievements during the quarter included the following:

LNG Plant Site

- Since Project start-up, the Project labour force has completed over 140 million cumulative work hours, the last 60 million of which have been LTI free.
- The LNG Plant site is transitioning to commissioning activities with remaining construction activities taking place concurrently.
- During the quarter, oil flushing of all five refrigerant compressors on Train 1 was completed, in preparation for commissioning.
- Construction activities continued on Train 2.
- Preparations took place in the common process areas for the introduction of commissioning gas.
- A bathymetric survey of the shipping channel, navigational aids and pilot boarding point was completed with no seabed anomalies identified.
- Both LNG tanks were pneumatically tested and perlite insulation installation is underway.

Upstream Facilities

- Construction of the onshore pipeline continued with the right of way completed through to the Homa Ridge, south east of Hides. Stringing operations on the Hides spinline commenced and a second installation work crew is being mobilised to site.
- The Komo airfield commenced operations in early May.
- At the Hides Gas Conditioning Plant, all three gas turbine generators were received and set onto foundations. In addition, the low voltage switch room, all utilities local equipment rooms, instrument air receiver, air compressor skids and the flare knockout drum were installed.
- The Associated Gas facilities are undergoing static and dynamic commissioning ahead of the start of commissioning gas supply. Remaining structural, piping, mechanical and electrical work made good progress.
- Drilling continued at well pad B with Rig 702. B1 has been drilled and cased to total depth and the bottom hole section is being drilled at B2. At well pad C, the top hole sections of both the C1 and C2 wells have been drilled with Rig 703 and deeper drilling of C2 is underway.

Supplemental Project Financing

- The US\$1.5 billion supplemental project financing for the PNG LNG Project remains on schedule to be executed in the second half of 2013. The financing has been well supported and the documentation phase is now in progress.



Hides Gas Conditioning Plant,
June 2013



Rig 703 at C pad, Hides
June 2013

GAS GROWTH AND EXPLORATION ACTIVITY

Gas Growth

Engineering scoping work on the potential development of the P'nyang gas field in PRL 3 (Oil Search – 38.51%), based on using the gas as a potential foundation resource for PNG LNG Project expansion, continued during the quarter. Studies on associated pipeline and other infrastructure and on environmental issues also took place. The 2D seismic programme over P'nyang continued with the acquisition of approximately 43 kilometres of seismic by the end of the quarter. A 2D seismic programme on the Juha North structure in PDL 9 (Oil Search – 24.42%) commenced during the quarter, with approximately 26 kilometres of seismic acquired. This information is expected to assist with development planning and resource assessment. Both programmes have now been suspended for the rainy season.

The assessment of exploration opportunities in close proximity to the PNG LNG Project facilities, which could provide additional gas resources, also continued.

In the Gulf of Papua, the Flinders 1 well in PPL 244 (Oil Search – 40%, operator), the first well in the Company's new offshore exploration drilling programme, made a highly significant gas discovery. A 5-10 metre gas column was found within a 54 metre thick sand package with good reservoir properties at the main Pliocene target level. This discovery proves not only the existence of the Pliocene turbidite sand play in this area of the basin, but also the potential for gas charge and retention. The gas bearing interval potentially extends updip over a broad area of the Flinders sand package and assessment of the resource potential at Flinders is now underway.

The Hagana 1 well (the second well in the campaign, also in PPL 244) commenced drilling in June and encountered a 35 metre thick turbidite sand package of good reservoir quality at the main Pleistocene target level. Unfortunately the sandstone was water-bearing at this location, with only low gas saturations. However, proving the presence of the Pleistocene turbidite play is significant for the prospectivity of the basin at this level. Shortly after the end of the quarter, preliminary interpretation of logging data recently acquired over the lower zone of the Hagana well, in the secondary Pliocene objective, indicates the presence of a nine metre gas column. Further work is underway to evaluate the volumetrics of the discovery prior to plugging and abandoning the well.

As a result of the encouraging results in the Gulf of Papua campaign to date, Oil Search has decided to take up the option to drill a third well in the offshore campaign, at Kidukidu in PPL 385 (Oil Search – 100%, operator), which will spud following the completion of Hagana 1.

In the onshore Gulf licences (PPLs 338 and 339), three gravity gradiometry surveys were completed and a 42 kilometre seismic programme in PPL 338 commenced during the quarter.

In June, ExxonMobil entered into exclusive negotiations with InterOil Corporation to acquire 4.6 tcf of gas from the Elk/Antelope fields located in PRL 15 in the PNG Gulf Province. ExxonMobil has advised that, should the acquisition proceed, its intention is to establish an additional LNG train at the PNG LNG plant site. Should this gas be brought into the PNG LNG Project, it is likely that Oil Search will have an opportunity to participate in that expansion. The Company believes that being an owner of core gas and liquids infrastructure in PNG will add value to its business as new developments take place.

PNG Oil Exploration

During the quarter, the Mananda 6 well in PPL 219 (Oil Search – 71.25%, operator) was drilled to a total depth of 2,093 metres. The well encountered oil in both the Toro and Imburu/Digimu intervals. The Digimu interval was cored and subsequently tested, flowing dry oil at rates up to 1,750 barrels per day through a 28/64" choke. Pressure data acquired in the well indicate that Mananda 6 has discovered a separate and slightly deeper oil field to the field

discovered by Mananda 5. The Mananda 6 well has been suspended for potential future re-entry and conversion to a production well. Evaluation of the data gathered in the well is ongoing.

The Company is preparing a Development Licence Application for submission to the PNG regulator in August 2013. The preliminary development concept envisages a tieback of Mananda 5 and Mananda 6 through a new flowline to the South East Mananda facilities, with primary oil processing to take place at the Agogo Processing Facility. Preliminary environmental baseline and social mapping studies are underway to support this application.

It is anticipated that further wells will be drilled, to help constrain volumes and optimise well designs in order to maximise recovery from the Mananda accumulations. The drilling of an appraisal well, Mananda 7, later in 2013 is currently being considered. If successful, Mananda 7 and any further wells would be tied-back into the same facilities.

A development team is being formed to manage the new Production Licence Application and to optimise the development of the various oil fields now discovered on the Mananda Ridge. A series of relatively low relief accumulations have been discovered to date, with further structures identified. The resource base from these could be significant, with potentially up to 100 million barrels of oil in place.

MENA Exploration

During the quarter, the Taza 1 well in the Taza Production Sharing Contract (PSC) located in the Kurdistan Region of Iraq (Oil Search – 60%, operator), was drilled to a total depth of 3,425 metres, through the Euphrates and into the deeper Kirkuk Group. Hydrocarbon shows were encountered throughout these deeper sections. Testing of a 150 metre interval across the Dhiban, Euphrates and Kirkuk units flowed up to 1,100 barrels per day of 36 degree API oil, with total fluid rates of over 4,000 barrels per day and approximately 1.7 million cubic feet per day of gas. The well demonstrated a good clean-up and it is expected that an extended flow period would result in a progressive reduction in water production rates.

Taza 1 has been suspended for potential future re-entry. Oil Search is now evaluating the data gathered at Taza 1 and intends to comprehensively appraise the discovery with further wells and seismic data acquisition. The Taza 2 well, which is expected to commence drilling in the fourth quarter of 2013, will appraise the hydrocarbon-bearing horizons already discovered by Taza 1 and will also target deeper, Cretaceous intervals known to be productive in other fields in Kurdistan. An extended well test is being planned, to provide longer term production data which, together with the appraisal data to be provided by Taza 2, will be key to confirming the commerciality of the discovery.

In Tunisia, data gathered from the Semda well, located in the Tajerouine PSC (Oil Search – 100%, operator) was processed, interpreted and incorporated into the subsurface model of the Tajerouine Block. Preparations progressed for a new 2D seismic survey, likely to commence in 2014.

The Company's Block 7 asset in Yemen (Oil Search - 34%, operator), remains in a state of force majeure. The Yemeni government has granted the Joint Venture a 12 month extension of the licence until June 2014. Given there is little prospect of a return to a stable and safe operating environment during 2013, the Company is reviewing its plans for near term seismic acquisition.

DRILLING CALENDAR

Subject to Joint Venture approvals, the 2013 exploration, appraisal and development programme is as follows:

Well	Well type	Licence	OSH interest	Timing
PNG				
Hides drilling programme	Development/ Appraisal	PNG LNG Project	29.0%	Ongoing
Hagana 1 (offshore)	Exploration	PPL 244	40.0%	Logging
IDT M	Exploration	PDL 2	60.0%	3Q 2013
Moran L (Moran 10 ST2)	Development	Moran Unit	49.5%	3Q 2013
Kidukidu 1 (offshore)	Exploration	PPL 385	100.0%	3Q 2013
Mananda 7	Appraisal/ Exploration	PPL 219	71.25%	4Q 2013
Kurdistan Region of Iraq				
Taza 2	Exploration	Taza PSC	60.0% (75% paying interest)	4Q 2013

Note: wells and timing are subject to change

PRODUCTION PERFORMANCE

Production in the second quarter of 2013 was 1.63 million barrels of oil equivalent (mmboe) net to Oil Search, produced at an average rate of 17,880 barrels of oil per day (bopd). This represented a 4.3% increase on production in the first quarter, with strong reservoir performances from both the Kutubu and Moran fields.

Kutubu (PDL 2 – 60.0 %, operator)

Second quarter production net to Oil Search was 0.79 million barrels (mmbbl), 1.6% higher than in the first quarter of 2013. Gross production rates averaged 14,510 bopd during the period, up from 14,441 bopd in the previous quarter.

At Kutubu, production was impacted in May by a shut-in of the APF-CPF flowline following the identification of a number of defects during pigging operations. Repairs were undertaken immediately and production has been fully reinstated. The hydraulic workover unit completed operations on the IDT 14 well where workover objectives, to optimise production and reserves recovery from the reservoir, unfortunately were not successful. The unit has subsequently been moved to Gobe.

At Usano, the UDT 14 ST1 horizontal well reached total depth and successfully encountered oil throughout the Toro interval. A four-zone selective completion has been installed and following sequential commissioning of each zone, the well is now on production and flowing at approximately 2,500 bopd.

Moran Unit (49.5 %, based on PDL 2 – 60.0 %, PDL 5 – 40.7 % and PDL 6 – 71.1 %, operator)

Oil Search's share of Moran 2013 second quarter production was 0.52 mmbbl, 12% higher than in the first quarter. The field produced at a gross average rate of 11,611 bopd compared to 10,440 bopd in the first quarter.

While production was impacted in May by the downtime in the APF-CPF flowline, noted above, field production rates were strong throughout the quarter. In particular, production from the recently completed Moran 13 ST3 well has been very encouraging, with rates of around 2,500 bopd achieved from the Digimu reservoir.

At the end of the quarter, operations commenced on a further Moran development well, Moran 10 ST2. This well is a sidetrack of the Moran 10 ST1 well and is targeting the Digimu reservoir in the A Block.

Gobe (PDL 3 - 36.4 % and PDL 4 - 10 %, operator)

Oil Search's share of production from the Gobe fields in the second quarter of 2013 was 0.048 mmbbl, down 6% from first quarter 2013 production levels.

The gross average production rate for Gobe Main was 6% higher than in the first quarter, at 1,133 bopd, reflecting continued strong reservoir performance. The gross average rate at SE Gobe was 8% lower than the previous quarter at 1,646 bopd, largely due to downtime incurred at the SEG 8 well. This well was brought back on line towards the end of the quarter.

SE Mananda (PDL 2 – 72.3 %, operator)

Oil Search's share of SE Mananda production in the second quarter was 9,000 barrels. The field produced at a gross average rate of 131 bopd compared to 23 bopd in the first quarter. The increase reflected sustained production from the SEM 4 well, which had been shut-in for much of the first quarter.

Hides Gas to Electricity Project (PDL 1 - 100 %)

2013 second quarter production of gas for the Hides Gas to Electricity Project was 1.35 billion cubic feet, produced at an average daily rate of 14.8 million cubic feet per day. This was slightly lower than in the first quarter due to a minor landslip at the Porgera mine site in May. 29,000 barrels of condensate were produced for use within the Hides facility and for local sales.

FINANCIAL PERFORMANCE

Sales Revenue

Oil production available for sale (production less internal usage) during the quarter was 1.36 mmbbl. Due to timing of shipments, oil sales volumes for the period were 1.64 mmbbl, leading to a reduction in the crude inventory position, from 0.32 mmbbl at the end of March to 0.03 mmbbl. The average oil price realised during the quarter was US\$104.58 per barrel, 8% lower than in the first quarter. The Company did not undertake any hedging transactions during the period and remained unhedged.

Sales revenue from oil, gas and refined products for the quarter was US\$195.5 million, while other field revenue, comprising rig lease income and infrastructure tariffs, was US\$9.4 million.

Total operating revenue for the six months to 30 June 2013 was US\$381.0 million, 4.4% lower than revenue in the first half of 2012 of US\$398.5 million.

Capital Management

As at 30 June 2013, Oil Search had cash of US\$292.1 million, compared to US\$488.3 million at the end of 2012 and US\$443.5 million at the end of March 2013. US\$3,307.9 million of the PNG LNG Project finance facility had been drawn down at the end of June (US\$2,866.0 million at the end of December 2012, US\$3,056.5 million at the end of March 2013).

Capital Expenditure

During the quarter, exploration and evaluation expenditure was US\$102.0 million. Key items of expenditure included drilling the Mananda 6 well in PPL 219 (US\$43.2 million), the Flinders well in the Gulf of Papua (US\$14.7 million) and on Taza in Kurdistan (US\$12.3 million).

Oil Search's share of PNG LNG Project development and financing costs in the second quarter was US\$341.7 million, funded 70% by drawdowns from the PNG LNG Project finance facility and the remaining 30% funded by cash reserves. Expenditure on producing assets totalled US\$25.6 million, mainly spent on well workovers and development wells in PNG.

During the quarter, US\$10.1 million of exploration and evaluation costs was expensed, of which US\$5.5 million related to the Semda well in Tunisia. Other expensed costs included seismic, geological, geophysical and general and administration expenses.

SUMMARY OF EXPENDITURE AND EXPLORATION AND EVALUATION EXPENSED

See notes 1, 2, 3	Quarter End			Half Year		Full Year
(US\$ million)	Jun 2013	Mar 2013	Jun 2012	Jan-Jun 2013	Jan-Jun 2012	Dec 2012
INVESTMENT EXPENDITURE						
Exploration & Evaluation						
PNG – Oil and Gas	81.4	27.6	65.8	109.0	110.2	185.5
MENA	20.5	37.6	8.0	58.2	15.5	55.0
Total Exploration & Evaluation	102.0	65.2	73.8	167.2	125.7	240.6
Development ⁴	341.7	285.9	421.2	627.6	779.0	1,492.5
Production	25.6	53.7	17.9	79.3	39.4	111.5
Other Property Plant & Equipment	2.1	1.2	1.0	3.3	1.6	16.5
TOTAL	471.5	406.0	513.9	877.5	945.7	1,861.2
EXPLORATION & EVALUATION EXPENDITURE EXPENSED^{5,6}						
Exploration and Evaluation						
From current year expenditure:						
PNG – Oil and Gas	0.8	2.3	20.7	3.1	37.6	117.4
MENA	9.3	17.8	2.3	27.0	6.8	14.5
Total	10.1	20.1	23.0	30.2	44.4	131.9
Prior year expenditures expensed	-	3.7	-	3.7	12.1	12.1
TOTAL	10.1	23.8	23.0	33.9	56.5	144.0

1 2013 figures are unaudited.

2 Prior period comparatives updated for subsequent changes.

3 Numbers may not add up due to rounding.

4 Includes capitalised interest and finance fees.

5 Exploration expensed includes costs of unsuccessful wells except where costs continue to be capitalised, certain administration costs and geological and geophysical costs. Costs relating to permit acquisition costs, expenditure associated with the drilling of wells that result in a successful discovery of potentially economically recoverable hydrocarbons and expenditures on exploration and appraisal wells pending economic evaluation of recoverable reserves are capitalised.

6 Numbers do not include business development costs of US\$3.1 million expensed in the second quarter of 2013.

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