



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

REPORT TO THE AUSTRALIAN SECURITIES EXCHANGE

Activities for the Quarter ended 30 September 2013

22 October 2013

HIGHLIGHTS

	3Q 2013	2Q 2013	% change
Oil and gas production (mmboe)	1.78	1.63	+10
Oil and gas sales (mmboe)	1.53	1.89	-19
Total revenue (US\$m)	175.3	204.9	-14

- The PNG LNG Project achieved several key milestones during the third quarter of 2013, including the introduction of commissioning gas, delivered from Oil Search's Kutubu fields into the LNG plant. The Project remains on budget and on track for first LNG deliveries in the second half of 2014.
- Shortly after the end of the quarter, US\$1.5 billion of supplemental project financing for the PNG LNG Project was secured.
- The PRL 3 Joint Venture continued to progress studies for the potential development of the P'nyang gas field, including technical work and the commencement of social mapping.
- Production in the third quarter of 2013 was 1.78 million barrels of oil equivalent (mmboe), 10% higher than in the second quarter. This took total production for the first three quarters of 2013 to 4.97 mmboe (4.59 mmboe in the corresponding period of 2012). Assuming no unforeseen events, 2013 full year production is expected to be towards the upper end of the 6.2 – 6.7 mmboe guidance range.
- Total operating revenue for the quarter was US\$175.3 million, based on an average realised oil price of US\$112.36 per barrel.
- In August, an oil field development licence application was submitted to develop the Mananda 5 and 6 oil discoveries in the PNG Highlands. The Mananda 7 appraisal well is expected to spud in the fourth quarter of 2013.
- In Kurdistan, preparations for a multi-well appraisal programme on the Taza oil discovery continued, with drilling also expected to commence in the fourth quarter.
- At the end of September 2013 Oil Search had a cash balance of US\$317.6 million and debt of US\$3,707.3 million, comprising US\$3,557.3 million drawn down from the PNG LNG project finance facility and US\$150.0 million from the Company's US\$500 million corporate facility.

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

"The third quarter was characterised by a very pleasing production performance from our core PNG oil fields and the achievement of a number of key milestones towards the delivery of the PNG LNG Project.

In early September, a major milestone was achieved when commissioning gas from Oil Search's Kutubu field was introduced into the LNG plant near Port Moresby. This gas will be used to progressively commission the plant site utilities and process trains. In the Highlands, Antonov cargo aircraft operations into the Komo airfield were completed during the quarter and the Antonov aircraft was released. All heavy equipment has now been received and set onto foundations at the Hides Gas Conditioning Plant (HGCP). Work continued on the remaining leg of the onshore mainline pipeline between Kutubu and Hides and the pipelines linking the Hides well pads to the HGCP. In addition, drilling advanced at Hides, with three wells – B1, B2 and C2 – now drilled and cased to total depth and drilling currently underway on the C1 well and at Wellpad D.

In September, the PNG LNG Project operator, Esso Highlands Limited, confirmed that, with the Project now more than 90% complete, the estimated cost remains unchanged from the US\$19 billion capital cost outlook provided in November 2012 and that the Project remains on track for first LNG deliveries in the second half of 2014. The operator has recently secured US\$1.5 billion in supplemental project financing and all funding is now in place to complete the Project.

During the quarter, we continued to evaluate a range of possible sources of gas to underwrite a potential expansion of the PNG LNG Project. The operator of PRL 3, Esso PNG P'nyang Ltd, made further progress on scoping work, including resource definition, engineering, environmental and social impact studies, on the P'nyang gas field. As highlighted at the half year results, this work will continue through 2014, in preparation for the submission of a development licence application for this field in early 2015. Studies to assess a potential extension in the Juha field area also took place.

The period of exclusive negotiations between ExxonMobil and InterOil, regarding the development of PRL 15 containing the Elk/Antelope gas fields, expired in August. InterOil has recommenced a competitive bidding process for a majority share in PRL 15. We are following the sale process closely and are engaged with key players on potential development options for the gas. The Elk/Antelope resource could potentially be a source of gas for LNG expansion or could underpin a new LNG development. We continue to believe that being an owner of core gas and liquids infrastructure in PNG places Oil Search in a strong position, as new developments take place in the country."

Oil exploration and appraisal:

"In August, we submitted a Petroleum Development Licence application covering the Mananda 5 and 6 oil discoveries to the PNG Government. Preparations to drill an appraisal well, Mananda 7, on the Mananda feature are underway, with drilling expected to commence in the fourth quarter. Planning continued for an extensive appraisal programme on the Taza oil discovery in Kurdistan, which will comprise drilling up to five wells plus the acquisition of up to 500 square kilometres of 3D seismic data. The first well in the programme, Taza 2, is also expected to spud in the fourth quarter.

The Company concluded its current exploration campaign offshore PNG in the Gulf of Papua in September. Two of the three wells drilled discovered gas (Flinders and Hagana) and while the volumes discovered to date are likely to be relatively modest, the programme has confirmed the presence of good quality reservoir sandstones in the Plio-Pleistocene section, a gas charge and the effectiveness of stratigraphic trapping in the play, as well as the de-risking capability of our high quality 3D seismic data. A comprehensive analysis of the drilling results is now underway."

Production and revenue performance in the third quarter:

“Production from our key fields, Kutubu and Moran, was strong during the quarter, reflecting the impact of recent wells, workovers and higher facilities uptime, a direct result of the investment we have made to sustain production and improve reliability. Total oil and gas production of 1.78 mmboe was 10% higher than in the second quarter of 2013 and year to date production is 8% higher than the previous year, at 4.97 mmboe. Assuming no unforeseen events, we are on track to achieve 2013 full year production towards the upper end of our guidance range of 6.2 – 6.7 mmboe.

The Company continued to benefit from strong global oil prices during the quarter, realising an average price of US\$112.36 per barrel, 7% above the second quarter price of US\$104.58 per barrel. Due to the timing of liftings, oil sales were approximately 224,000 barrels less than production available for sale, leading to total operating revenue for the quarter of US\$175.3 million. Crude oil inventories rose to 232,000 barrels at the end of September, worth approximately US\$26 million in revenue at average realised third quarter prices.

During the quarter, we spent US\$400.0 million on exploration, development and production activities, of which US\$279.0 million was related to the PNG LNG Project. This spend was funded by cash, operating cash flows and draw-downs from the PNG LNG project finance and our corporate debt facilities. At the end of September 2013, the Company held US\$317.6 million in cash and US\$350.0 million in undrawn committed funding lines, resulting in total liquidity of US\$667.6 million. We have more than sufficient cover for our remaining equity share of the PNG LNG Project development costs, estimated at approximately US\$360 million. However, given our recent exploration successes and the opportunity to move into the appraisal and development phases on key discoveries such as Taza and Mananda, it may be necessary to top up our liquidity prior to receipt of cash distributions from the PNG LNG Project. The magnitude, quality and longevity of the LNG cash flows provide us with considerable flexibility to access additional shorter-term funding, should it be required, and we continue to assess these options.”

PETER BOTTEN, CBE
Managing Director
22 October 2013

2013 THIRD QUARTER PERFORMANCE SUMMARY

See notes 1, 2, 3	Quarter End			Year to Date		Full Year
	Sep 2013	Jun 2013	Sep 2012	Sep 2013	Sep 2012	Dec 2012
PRODUCTION DATA						
Crude oil production ('000 bbls)						
- Kutubu	938	793	650	2,511	2,310	3,267
- Moran	550	523	360	1,538	1,324	1,865
- SE Mananda	3	9	3	13	22	22
- Gobe Main	10	10	11	30	30	39
- SE Gobe	27	38	49	107	161	198
- Total	1,528	1,373	1,072	4,200	3,846	5,390
Gas production (mmscf) ⁴	1,352	1,349	1,375	4,094	3,955	5,267
Hides condensate ('000 bbls)	29	29	30	88	85	112
Barrels of oil equivalent ('000 boe) ⁵	1,782	1,627	1,331	4,970	4,589	6,380
SALES DATA						
Internal oil usage ('000 bbls) ⁶	18	18	13	58	49	73
Oil sales volume ('000 bbls)	1,286	1,639	685	4,156	3,548	5,205
Gas sales (mmscf) ⁷	1,309	1,306	1,400	3,964	4,101	5,372
Hides liquids ('000 bbls) ⁸	27	29	26	83	84	111
Crude inventory ('000 bbls) ⁹	232	28	424	232	424	279
Barrels of oil equivalent sold ('000 boe)	1,532	1,886	945	4,899	4,315	6,211
FINANCIAL DATA						
Oil sales (US\$m)	144.5	171.4	78.6	456.1	409.2	593.2
Gas and refined product sales (US\$m)	21.9	24.1	22.9	71.7	70.9	95.6
Other field revenue (US\$m) ¹⁰	8.8	9.4	6.3	28.4	26.3	35.8
Total operating revenue (US\$m)	175.3	204.9	107.8	556.3	506.4	724.6
Average realised oil price (US\$ per bbl)	112.36	104.58	114.67	109.75	115.32	113.97
Cash (US\$m) ¹¹	317.6	292.1	597.0	317.6	597.0	488.3
Debt (US\$m)						
- PNG LNG financing	3,557.3	3,307.9	2,629.0	3,557.3	2,629.0	2,866.0
- Revolving corporate facility ¹²	150.0	Nil	Nil	150.0	Nil	Nil
Net debt (US\$m)	3,389.7	3,015.8	2,032.0	3,389.7	2,032.0	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 Gas production numbers exclude Oil Search's share of 2013 third quarter PNG LNG Project commissioning gas of approximately 190 mmscf.

5 Gas converted to barrels of oil equivalent on the basis of 6,000 scf = 1 boe.

6 Oil either used within Oil Search's operations or sold locally.

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

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

9 Includes minor field quality adjustments

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

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

12 At the end of September 2013, the Company had drawn down US\$150.0 million under its US\$500 million revolving corporate facility.

PNG LNG PROJECT ACTIVITIES

On 2 September, the operator of the PNG LNG Project, Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation, released a Project update, advising the co-venturers that:

- The estimated cost of the Project remained unchanged, at US\$19 billion.
- The Project remained on track to commence LNG sales in 2014, with first deliveries expected in the second half of the year.

At the end of the third quarter of 2013, the PNG LNG Project was more than 90% complete with over 150 million hours worked. Key activities and achievements during the quarter included the following:

LNG Plant Site

- By the end of September 2013, the LNG Plant labour force had completed over 55 million work hours without a Lost Time Incident.
- Commissioning gas from Oil Search's Kutubu facility was introduced into the LNG plant on 8 September.
- Commissioning activities took place on the common process and utilities areas, tanks and jetty.
- Commissioning also took place on Train 1 while on Train 2, construction continued while commissioning activities ramped up.
- Perlite insulation installation was completed at both LNG tanks and final drying and purging is underway.

Upstream Facilities

- Progress on the onshore pipeline was made, with welding of the mainline pipeline between Kutubu and Hides and installation of the spinline from the Hides Gas Conditioning Plant to Wellpad B at Hides taking place.
- After commencing operations in early May, all Antonov flights into the Komo airfield were completed in August, incident free and ahead of plan.
- At the Hides Gas Conditioning Plant, all major equipment was received from the Komo airfield and set onto foundations, with electrical and instrumentation installation, equipment tie-ins and interconnecting pipeline in support of final weld-out activities underway.
- The Associated Gas facilities commenced the flow of commissioning gas to the LNG plant.
- Drilling advanced at Hides, with the B2 and C2 wells drilled and cased to total depth, following the completion of B1 in the second quarter. In September, Rig 702 was moved from Wellpad B to Wellpad D. The upper section of the D1 well, which was spudded in late September, was drilled and the D2 well spudded in early October. At Wellpad C, drilling of the C1 deeper sections continued with Rig 703.

Supplemental Project Financing

- In early October, the operator advised the co-venturers that financing arrangements to raise US\$1.5 billion of supplemental project financing were completed. The financing was well supported, with the funds sourced from co-venturer and commercial bank lenders.



LNG plant site – gas flare
September 2013



Hides Gas Conditioning Plant
September 2013



GAS GROWTH AND EXPLORATION ACTIVITY

Gas Growth

Engineering, environmental and social baseline field studies on the P'nyang gas field in PRL 3 (Oil Search – 38.51%) took place during the quarter, focused on the potential use of the gas to help underpin an expansion of the PNG LNG Project. The 2D seismic programme over P'nyang was suspended during the quarter for the wet season and recommenced in early October. Further seismic work was also carried out in PDL 9 (Oil Search – 24.42%) in the Juha field area and this programme is expected to recommence shortly. Additional resources from these programmes, and exploration leads in the area, could potentially contribute to LNG expansion.

Development drilling, which is primarily for production deliverability requirements but will also help constrain the Hides gas resource, continued on the Hides gas field through the quarter.

In the Gulf of Papua, the Hagana 1 well in PPL 244 (Oil Search – 40%, operator), the second well in the Company's offshore exploration drilling programme, encountered a nine metre gas column at the top of a 13 metre sandstone section within the deeper secondary Pliocene objective. While the volume contained in this sand is modest, the results are significant, confirming the presence of an effective stratigraphic trapping mechanism within the Pliocene turbidite play, also seen by the gas discovery at Flinders in the same play.

The Kidukidu 1 well in PPL 385 (Oil Search – 100%, operator), the third and final well in the offshore Gulf of Papua campaign, commenced drilling in early August and encountered two sand intervals, of 51 metres and 21 metres gross thickness, in the Pleistocene stratigraphic level. Unfortunately, the sandstone was water-bearing with only minor gas saturations and the well was plugged and abandoned.

A fully integrated analysis of the drilling results of all three wells is underway which will evaluate the discovered resource volumes and implications for the remaining prospectivity of the area.

In the onshore Gulf licences (PPLs 338 and 339), a 42 kilometre seismic acquisition programme in PPL 338 continued during the quarter. Evaluation of the gravity gradiometry surveys acquired in the second quarter is underway.

Oil Search continued to monitor closely the sale process by InterOil Corporation of an interest in PRL 15 containing the Elk/Antelope gas fields and during the quarter engaged with key players on potential development options for the gas.

Oil Exploration

As highlighted in the 2013 first half results, the Company submitted a Petroleum Development Licence application covering the Mananda 5 and 6 oil discoveries to the PNG Government in August. The application is based on a tieback of both wells through a new flowline to the South East Mananda facilities, with primary oil processing to take place at the Agogo Processing Facility. Environmental and social baseline studies were undertaken during the quarter to support the application.

Future appraisal and development drilling will be undertaken to optimise oil recovery from the Mananda accumulations. Mananda 7 (Oil Search – 71.25%, operator), a deviated well to appraise the up-dip potential of the Mananda 6 discovery, will commence drilling from the Mananda 6 wellpad in the fourth quarter of 2013. If successful, Mananda 7 and any further wells would be tied back into the same facilities.

In the Kurdistan Region of Iraq, a discovery report, summarising the drilling results from the Taza 1 well in the Taza Production Sharing Contract (Oil Search – 60%, operator), was submitted to the Kurdistan Regional Government in July. In September, a proposed appraisal

programme incorporating drilling of Taza 2 (the commitment well for the present licence period), re-entry of the Taza 1 well, preparations for as many as three additional wells, 3D seismic and an extended well test on one of the wells, was also submitted for approval. Taza 2 is planned to commence drilling in the fourth quarter of 2013 and will appraise the hydrocarbon-bearing horizons already discovered by Taza 1 and target deeper Tertiary and Cretaceous intervals known to be productive in other fields in Kurdistan.

In Tunisia, preparations progressed for a new 2D seismic survey over the Tajerouine PSC (Oil Search – 100%, operator), which is 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. Should the security situation allow it, plans are in place for a modest return to activity in 2014, including a regional airborne geophysical survey and new seismic acquisition or well work on the suspended Al Meashar discovery.

DRILLING CALENDAR

Subject to Joint Venture approvals, the remaining 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
IDT 25 ST1	Development	PDL 2	60.0%	Ongoing
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 third quarter of 2013 was 1.78 million barrels of oil equivalent (mmbbl) net to Oil Search, produced at an average rate of 19,373 barrels of oil per day (bopd). This represented a 10% increase on production in the second quarter, primarily driven by strong performances from the Kutubu and Moran fields.

Kutubu (PDL 2 – 60.0%, operator)

Third quarter production net to Oil Search was 0.94 million barrels (mmbbl), 18% higher than the second quarter of 2013. Gross production rates averaged 16,976 bopd during the period, up from 14,510 bopd in the previous quarter. In addition, approximately 190 mmscf (net to Oil Search) was produced as commissioning gas for the PNG LNG Project.

Production at Kutubu benefited from sustained production rates from key wells in all fields, augmented by contributions from recent workovers at Agogo and Main Block Toro. This, together with a significant improvement in overall plant and facility uptime since the first half of the year, resulted in a strong production performance.

At Usano, the recently completed well, UDT 14 ST1, produced at encouraging rates of over 3,000 bopd. In addition, based on the positive information acquired from the UDT 14 ST1 well together with an updated simulation model, improved rates of over 2,500 bopd were achieved from the UDT 11 well. Well performance in this part of the Usano field will be closely monitored for further optimisation opportunities. Also at Usano, a coiled tubing unit was mobilised to the UDT 3A well. Operations commenced at the end of the quarter to clear a tubing obstruction and reinstate gas injection to the well, in order to support production from key producers in the Usano Main field.

During September, Rig 103 was mobilised and rigged up at the IDT 25 ST1 well. This well, a sidetrack of the IDT 25 well, will target undrained oil in the northern segment of the Main Block Toro reservoir. Sidetrack operations commenced in early October.

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 third quarter production was 0.55 mmbbl, 5% higher than in the second quarter. The field produced at a gross average rate of 12,067 bopd compared to 11,611 bopd in the second quarter.

Field production rates remained strong throughout the quarter, with the recently completed Moran 13 ST3 well achieving a sustained production rate of approximately 2,500 bopd from the Digimu reservoir. Preparations are underway to re-enter the Moran 6 ST3 well to stimulate the Toro reservoir and, depending on the results, a zone change to the Digimu.

During the quarter, drilling operations at the Moran 10 ST2 and ST3 development well were completed. While the well did not encounter the targeted A block oil rim, reflecting the significant structural uncertainty that remains in this part of the Moran field, drilling results have indicated that additional incremental opportunities may be present. The geological and simulation models will now be updated to confirm and further mature these opportunities.

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

Oil Search's share of production from the Gobe fields in the third quarter of 2013 was 0.037 mmbbl, down 24% from second quarter 2013 production levels.

The gross average production rate for Gobe Main was 6% lower than in the second quarter, at 1,065 bopd, reflecting the shut-in of the GM 5 ST3 well for workover operations. The gross average rate at SE Gobe was 29% lower than the previous quarter at 1,163 bopd, largely due to the prolonged shut-in of the SEG 2 and SEG 5 wells during workover operations. Unfortunately, the workovers in both these wells did not achieve the original objectives due to a number of down-hole issues and the wells have now been recompleted. Production from these wells is expected to be reinstated during the fourth quarter.

SE Mananda (PDL 2 – 72.3 %, operator)

Oil Search's share of production in the third quarter was 3,000 barrels. The field produced at a gross average rate of 51 bopd compared to 131 bopd in the second quarter, due to the shut-in of the SEM 4 well towards the end of the quarter while awaiting repairs to the separator water meter. Production from the well was reinstated shortly after the end of the quarter. Efforts to bring the SEM 3 well back on line have not been successful to date and alternative options are now being considered for this well.

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

2013 third quarter production of gas for the Hides Gas to Electricity Project was 1.35 billion cubic feet, produced at an average daily rate of 14.7 million cubic feet per day. This was similar to second quarter production of 14.8 million cubic feet per day. 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 1.51 mmbbl. Due to the timing of shipments, oil sales volumes for the period were 1.29 mmbbl (1.64 mmbbl in the second quarter), resulting in an increase in the crude inventory position, from 0.03 mmbbl at the end of June to 0.23 mmbbl at the end of September. The average oil price realised during the quarter was US\$112.36 per barrel, 7% higher than the previous quarter price of US\$104.58 per barrel. 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\$166.4 million, while other field revenue, comprising rig lease income and infrastructure tariffs, was US\$8.8 million.

Capital Management

As at 30 September 2013, Oil Search had cash of US\$317.6 million, compared to US\$292.1 million at the end of June 2013. US\$3,557.3 million had been drawn down under the PNG LNG Project finance facility (US\$3,307.9 million at the end of June) and US\$150.0 million from the Company's revolving corporate facility (nil at the end of June).

Capital Expenditure

During the quarter, exploration and evaluation expenditure was US\$79.3 million. Key items of expenditure included the offshore drilling campaign in the Gulf of Papua in PPL 244 and PPL 385 (US\$51.8 million), preparations for the Mananda development (US\$4.3 million) and Train 3 pre-FEED costs (US\$3.7 million).

Oil Search's share of PNG LNG Project development and financing costs in the third quarter was US\$279.0 million, funded 70% by drawdowns from the PNG LNG Project finance facility and the remaining 30% funded by cash. Expenditure on producing assets totalled US\$37.7 million, mainly spent on well workovers and development wells in PNG.

During the quarter, US\$57.2 million of exploration and evaluation costs was expensed, of which US\$46.4 million related to the Kidukidu 1 well in the Gulf of Papua. 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			Year to Date		Full Year
(US\$ million)	Sep 2013	Jun 2013	Sep 2012	Sep 2013	Sep 2012	Dec 2012
INVESTMENT EXPENDITURE						
Exploration & Evaluation						
PNG – Oil and Gas	66.7	81.4	55.2	175.7	165.1	185.5
MENA	12.6	20.5	14.2	70.7	29.7	55.0
Total Exploration & Evaluation	79.3	102.0	69.4	246.4	194.7	240.6
Development ⁴	279.0	341.7	362.2	906.7	1,141.2	1,492.5
Production	37.7	25.6	22.8	117.0	62.1	111.5
Other Property Plant & Equipment	4.0	2.1	4.4	7.4	6.0	16.5
TOTAL	400.0	471.5	458.8	1,277.5	1,404.0	1,861.2
EXPLORATION & EVALUATION EXPENDITURE EXPENSED^{5,6}						
Exploration and Evaluation						
From current year expenditure:						
PNG – Oil and Gas	51.4	0.8	64.3	54.5	101.9	117.4
MENA	5.8	9.3	4.8	32.8	11.5	14.5
Total	57.2	10.1	69.1	87.3	113.4	131.9
Prior year expenditures expensed	-	-	-	3.7	12.1	12.1
TOTAL	57.2	10.1	69.1	91.0	125.5	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 US\$2.4 million of business development costs expensed in the third quarter of 2013.

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