



Oil Search

2014 Strategic Review

Investor Seminar



Oil Search Limited

ARBN 055 079 868



Oil Search

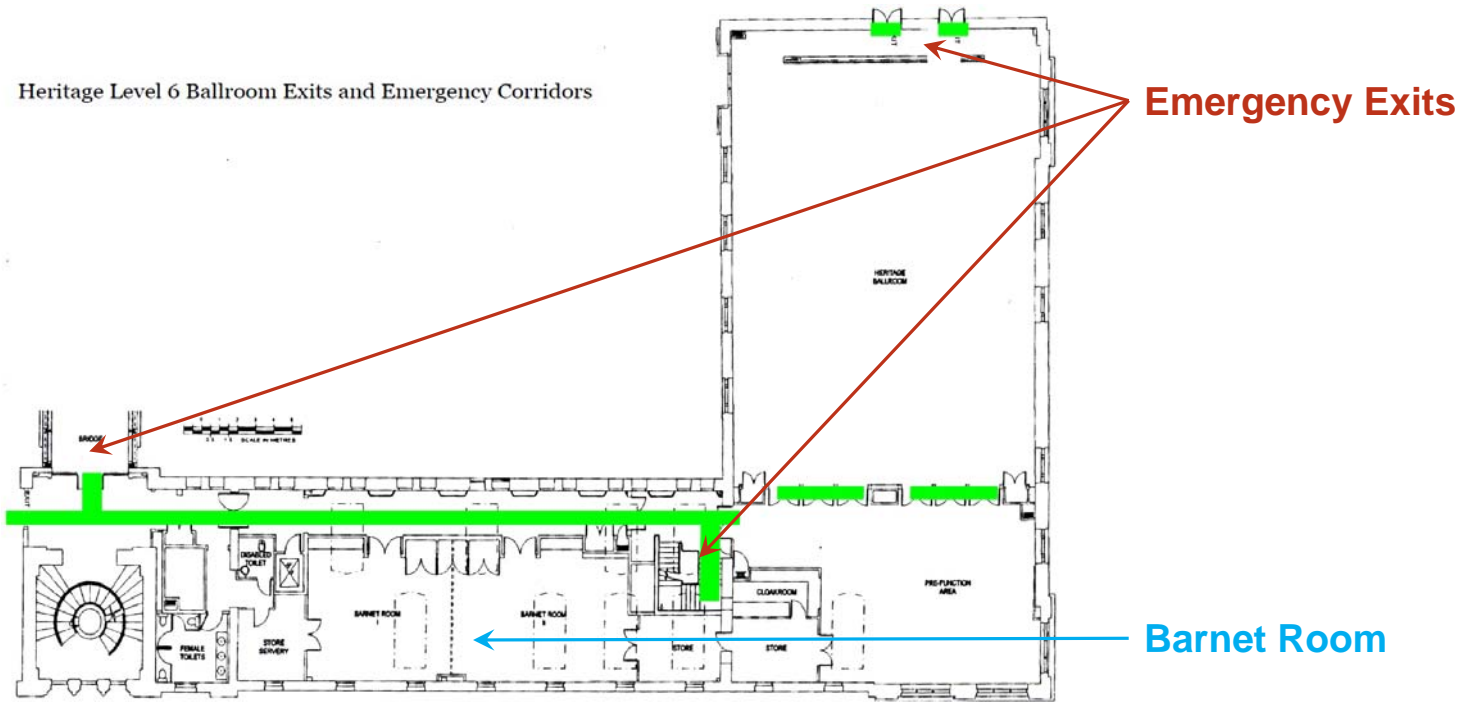
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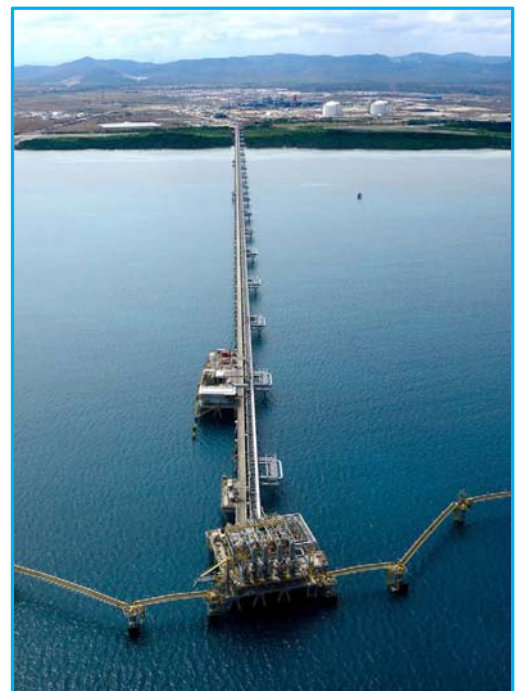
Safety Briefing, Westin Hotel

Heritage Level 6 Ballroom Exits and Emergency Corridors



Today's Agenda

| Start | Topic | Presenter |
|-------|-------------------------------------|-------------|
| 9.00 | Welcome/housekeeping | A. Diamant |
| 9.05 | Introduction | R. Lee |
| 9.10 | Review process and key outcomes | P. Botten |
| 9.40 | External environment | M. Kay |
| 9.55 | OSH's capabilities and competencies | M. Kay |
| 10.10 | Optimise value of existing assets | P. Cholakos |
| 10.20 | Q&A | |
| 10.30 | MORNING TEA | |
| 10.50 | Gas development | I. Munro |
| 11.15 | Exploration and new ventures | J. Fowles |
| 11.35 | PNG sustainability | P. Botten |
| 11.45 | Organisational structure | P. Botten |
| 11.50 | Finance and capital management | S. Gardiner |
| 12.10 | Summary and conclusions | P. Botten |
| 12.20 | Q&A | |
| 12.30 | LUNCH | |



Section 1

Introduction



Rick Lee
Chairman

Introduction

- » Oil Search (OSH) undergoing a major corporate transformation:
 - Commencement of PNG LNG Project and legacy cash flows
- » Timely to re-evaluate Company's position and strategy
- » 2014 Strategic Review recently completed:
 - All-encompassing review focused on setting roadmap for next phase of growth
 - Thorough review of overall strategy, asset portfolio, operational capabilities, skills, succession planning, capital management and dividend policy
- » Renewed vision, strategic objectives and initiatives have been endorsed by the Board
- » Reward structures will be aligned to delivery of new goals and objectives
- » Strategy will be reviewed on a regular basis and any material changes communicated to shareholders
- » Board believes OSH is in a very strong position and is confident that new strategies will ensure continued delivery of top quartile returns to shareholders



» Oil Search to adopt a proportional dividend policy, commencing with 2014 final dividend

- Target dividend payout ratio of 35% – 50% of core net profit after tax*
- Payout ratio will be reviewed in event of substantial rise or fall in oil prices
- Dividend reinvestment plan to be suspended, commencing with 2014 final dividend

*excludes any material one-off adjustments to income

Section 2

Review process and key outcomes



Peter Botten
Managing Director



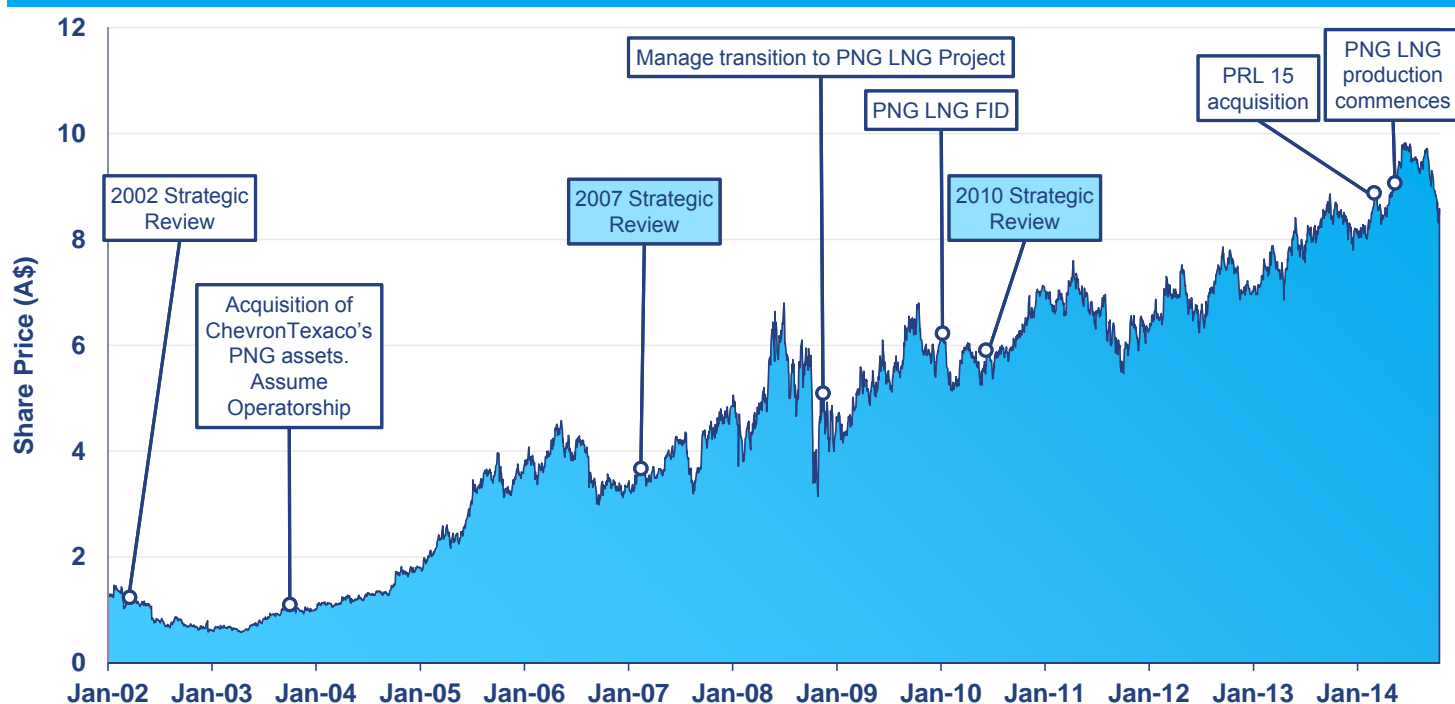
Background

» Previous strategic reviews established series of key objectives, strategies and initiatives, supporting a vision to deliver top quartile returns:

- 2002 Strategic Review:
 - Root and branch company assessment
 - Led to acquisition of ChevronTexaco's PNG assets, operatorship of PNG oil fields
- 2010 Strategic Review:
 - Reinforced OSH's commitment to extract value from PNG LNG, potential expansion and oil operations



Implementing core strategies from previous strategic reviews has delivered significant share price appreciation...

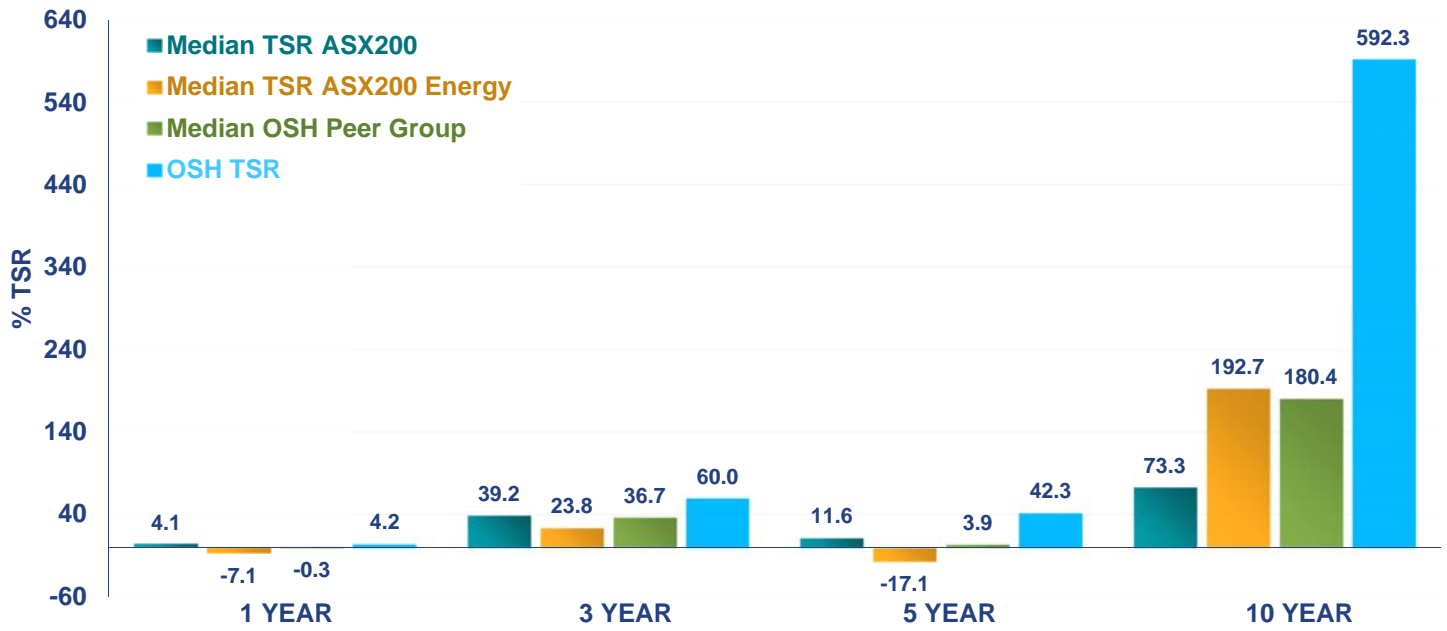


...and total shareholder return (TSR) outperformance relative to ASX 200 Energy/ASX 200 and energy peers



Oil Search

Relative TSR to 30 September 2014



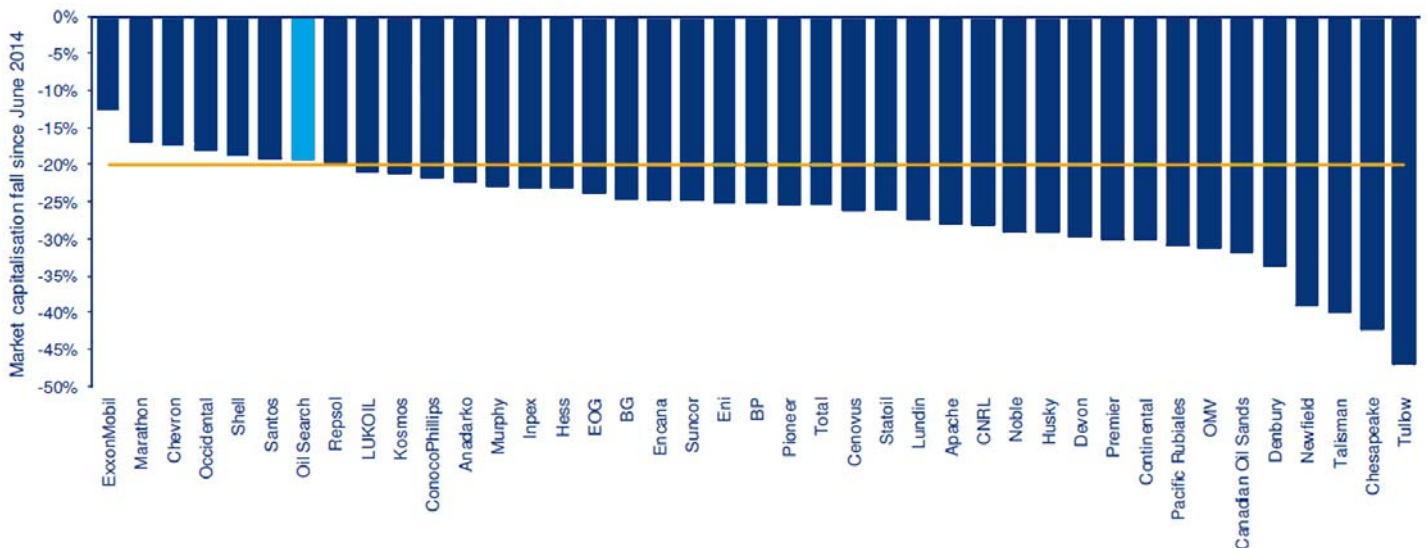
Source: Orientcap

Recent relative performance



Oil Search

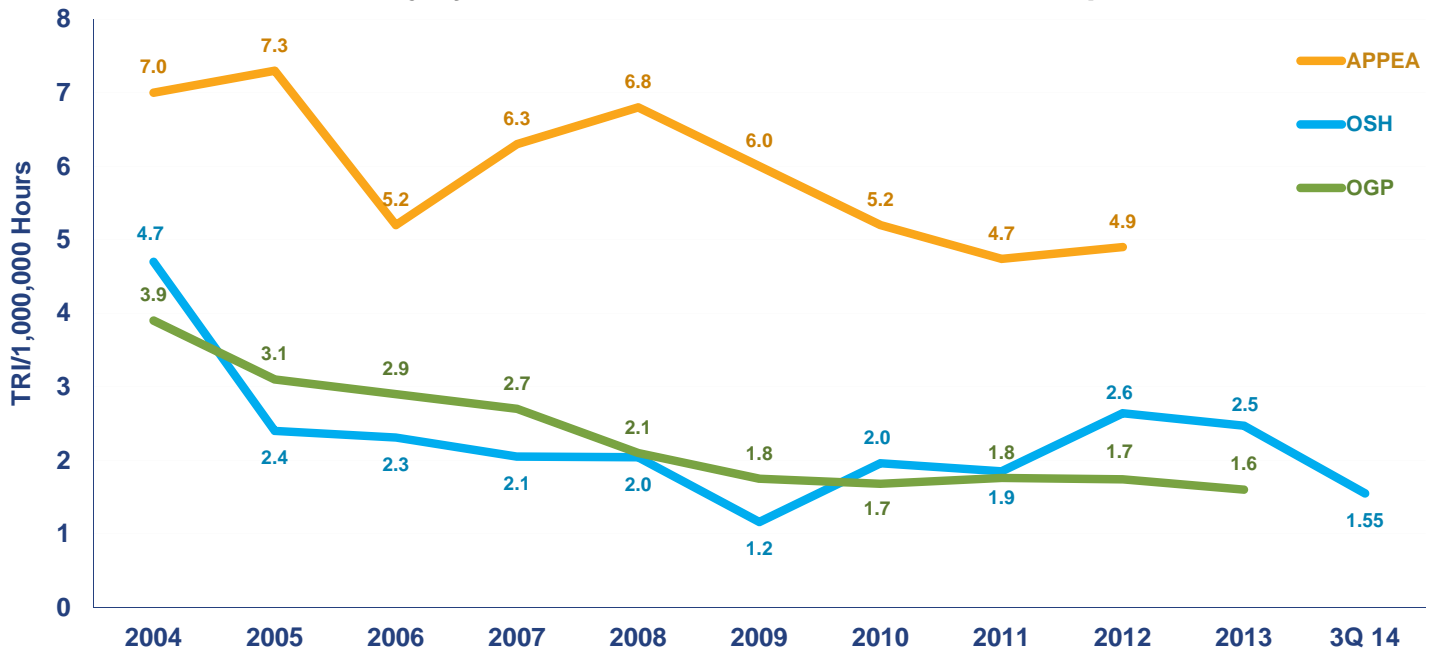
Market Capitalisation changes since June 2014 peak



Source: Bloomberg

Strong safety performance has been key component in delivering superior returns

Total Recordable Injury Rate of 1.55 for nine months to 30 September 2014



2014 Strategic Review Process

- » Multi-disciplined internal team seconded for six months to undertake Strategic Review
- » Range of external consultants also utilised – provided extensive data and reports:
 - Corporate Strategy, Product Pricing, Benchmarking and Capital Management : *Morgan Stanley, FACTS Global Energy (FGE)*
 - Development Technology and Capability: *Merlin Advisors, Helmsman International*
 - Operations Technology and Capability: *Wood Mackenzie, Genesis Oil and Gas Consulting, Schlumberger*
 - Exploration and New Ventures Assessment: *Wood Mackenzie, ISIS Petroleum Consultants*
 - People and Capability: *Wood Mackenzie, Litmus Group, Helmsman International*
 - Country Strategy: *Evello Partners (power)*
- » Process driven by Board and Executive Management Team with final oversight by Board



Key strategic questions

- » Review addressed the following key strategic questions:
 - Is top-quartile performance the relevant metric for Oil Search to target over next 5 years?
 - What is potential value of existing assets and opportunities?
 - Is a broader international portfolio necessary to meet value return objectives?
 - What is optimal capital management plan?
 - What country and people strategies are required to deliver return expectations?
- » Survey undertaken of Top 30 shareholders to seek input, augmenting broader shareholder meetings and engagement
- » Consistent message of need for value growth and prudent capital management



Key findings

- » OSH has unprecedented platform for growth in PNG:
 - Commercialisation of gas within existing PNG portfolio has potential to drive top quartile performance for next five years
 - Sufficient discovered gas in PNG to support at least two, and possibly three, LNG expansion trains
 - Significant additional exploration upside
- » OSH's core competency is operating in developing countries, in particular PNG:
 - Significant competitive advantage, unrivalled expertise and experience
- » High returning growth opportunities in PNG mitigate immediate requirement to expand internationally unless outstanding opportunities arise





Key findings cont.

- » Outlook for energy industry remains attractive, with ongoing growth in Asia-Pacific LNG demand
- » OSH business is robust in lower oil price environment
- » Focus to be maintained on delivering shareholder value, underscored by investment discipline
- » Based on cash flow forecasts, OSH can support both high returning growth initiatives and pay material dividend stream to shareholders
- » Organisational restructure underway to ensure capabilities to deliver next phase of growth and build capacity, especially in PNG

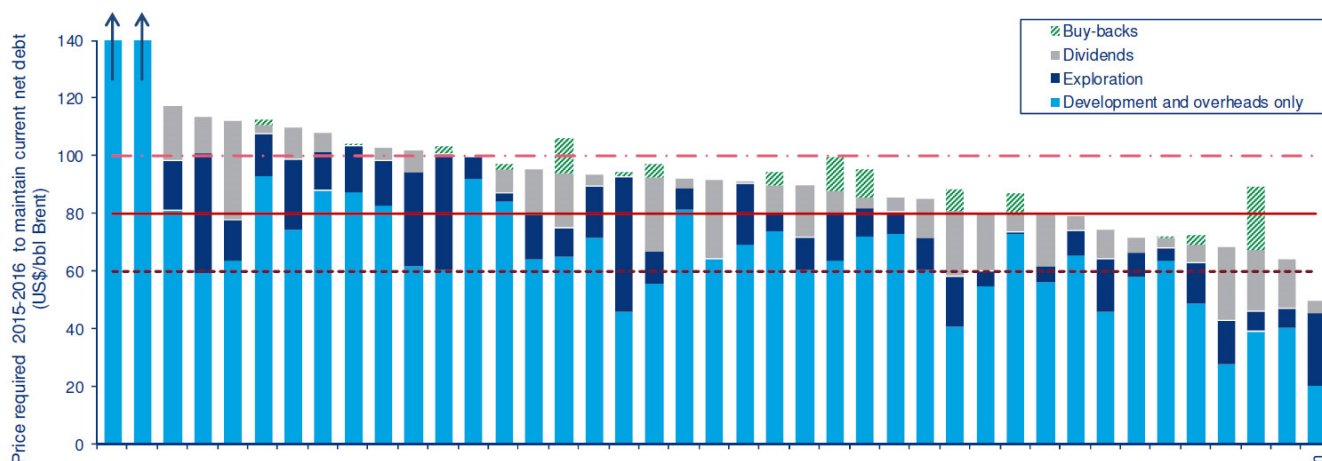


Two thirds of IOCs need US\$90/bbl to cover spend and distributions



- » Exploration spend, dividend and buy-backs under real pressure below US\$80/bbl

Brent price required to retain current net debt levels 2015-2016



Source: Oil Search and Wood Mackenzie. Company names removed.

Upstream portfolio only, including development, financing and all other costs. Dividend and buy-back estimates allocated in proportion between business segments, upstream share only shown. Assumes equity financing for all projects.

Vision

To generate top quartile returns for shareholders through excellence in socially responsible oil and gas exploration and production

- » Oil Search is committed to ongoing delivery of top quartile returns to shareholders
- » Also committed to continuing to operate in a socially responsible manner

Objective and Strategies

Objective

Achieve top quartile value growth performance versus peer group over next five years, by pursuing following strategies:



Optimise Value of Existing Assets

Sustain and optimise oil and gas assets through safe and reliable operations



Commercialise Gas in PNG

Commercialise additional LNG trains resourced from NW Highlands and Gulf hubs



Pursue High Value Opportunities

Explore for and appraise high value oil and gas accumulations in PNG and progress high value global new venture opportunities



Lead PNG Sustainability

Maintain Oil Search as a leading corporate citizen in PNG. Protect value and enable growth by mitigating risks and promoting a stable operating environment



Enhance Organisational Capability

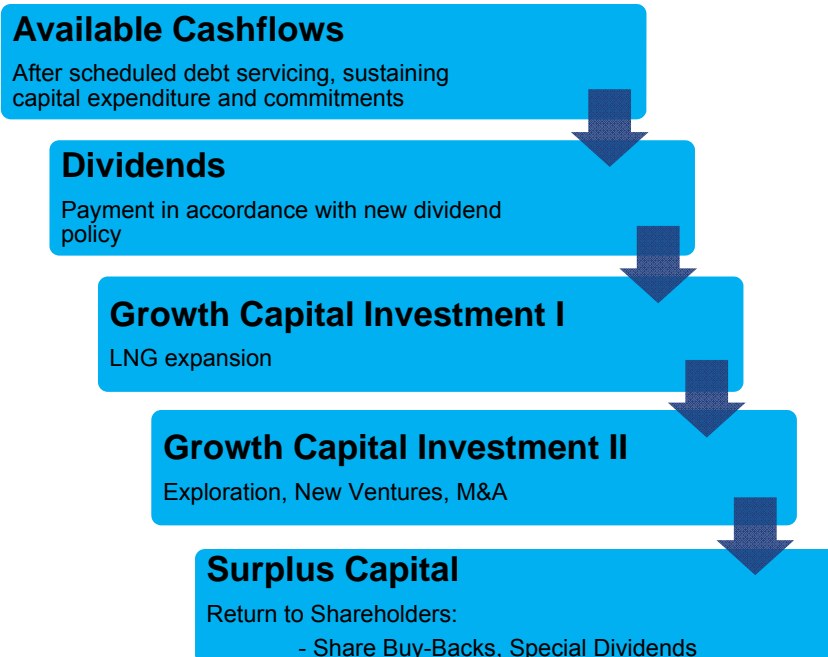
Enhance organisational capabilities to deliver our strategic commitments



Optimise Capital Management

Optimise capital and liquidity management to support investment and reward shareholders

Cash Flow Priorities



Section 3

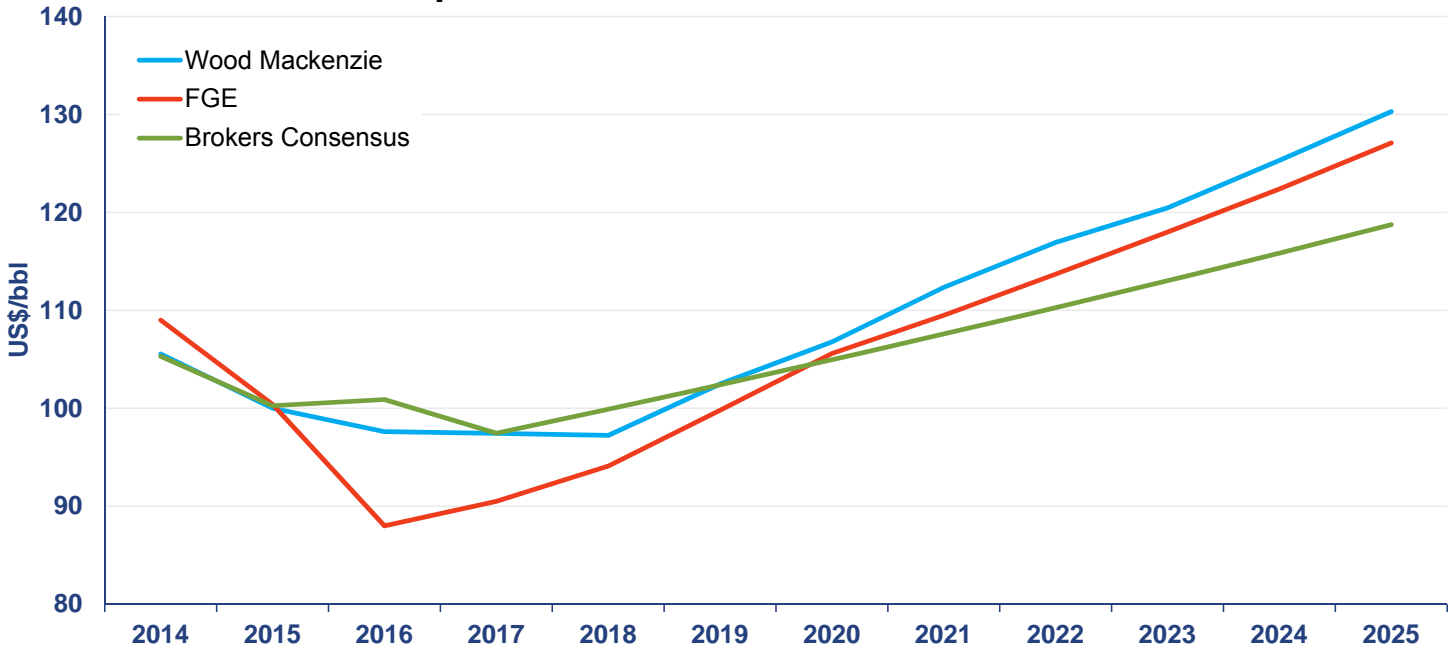
External Environment



Matt Kay
EGM, Strategy and Commercial

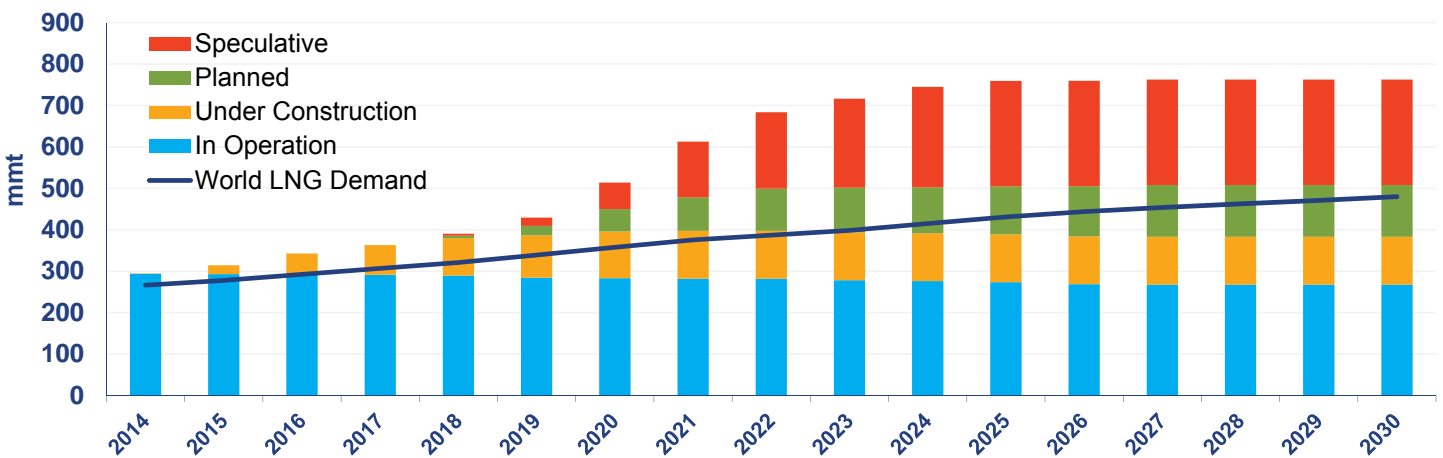
Predictions of softer Brent crude prices have arrived sooner than expected

Nominal Brent oil price outlook



Global LNG market balanced through to 2030

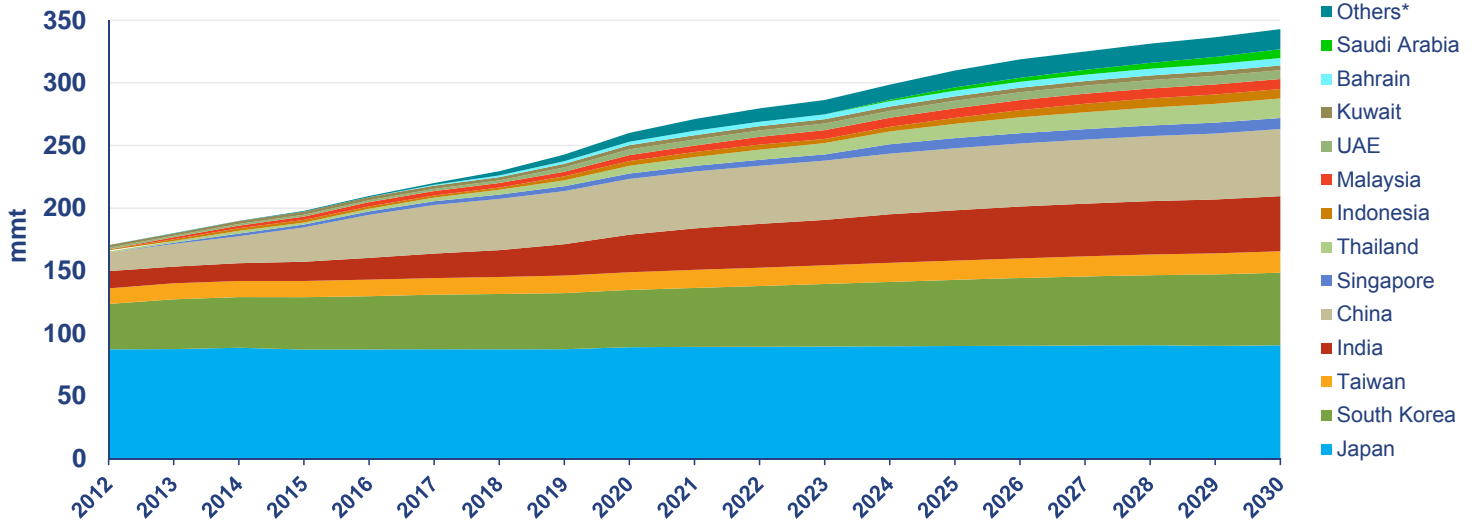
World Liquefaction Capacity and LNG Demand



Source: FGE report for OSH, July 2014

- » Globally, relatively tight LNG market conditions likely to last for next 2-3 years.
- » After 2017, market may soften due to new supplies from Australia and US. Further out, Canadian, Russian and East African projects may add to supplies.
- » Overall, global LNG market expected to be reasonably balanced up to 2030

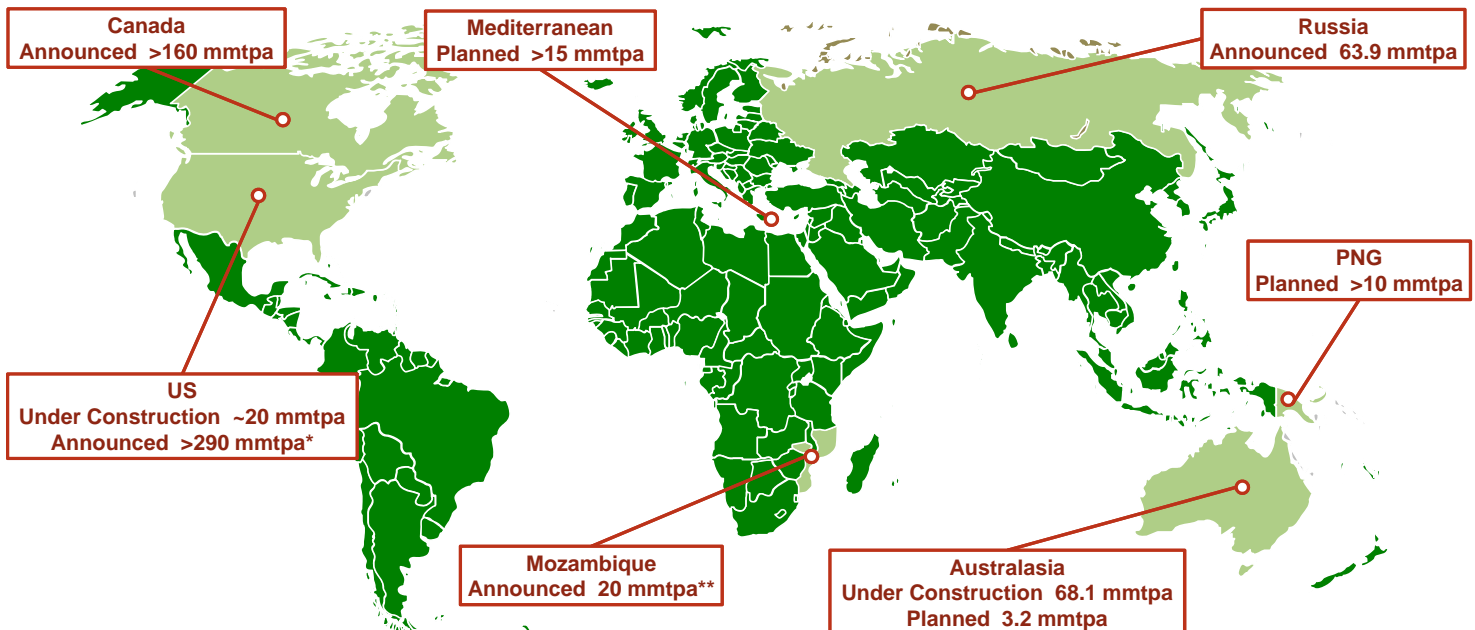
Asian and Middle East LNG demand nearly doubles by 2030



Source: FGE report for OSH, July 2014

- » Incremental demand in Asia will be driven primarily by China and India
- » Demand from Thailand, Singapore and Malaysia will further prop regional demand
- » Philippines, Pakistan and Vietnam may emerge as potential buyers

New LNG Suppliers....



*Capacity per Department of Energy authorization to Free Trade Agreement countries, in addition to capacities under construction
 **Project partners' plan includes expansion up to 50 mmtpa

Source: Goldman Sachs, FGE

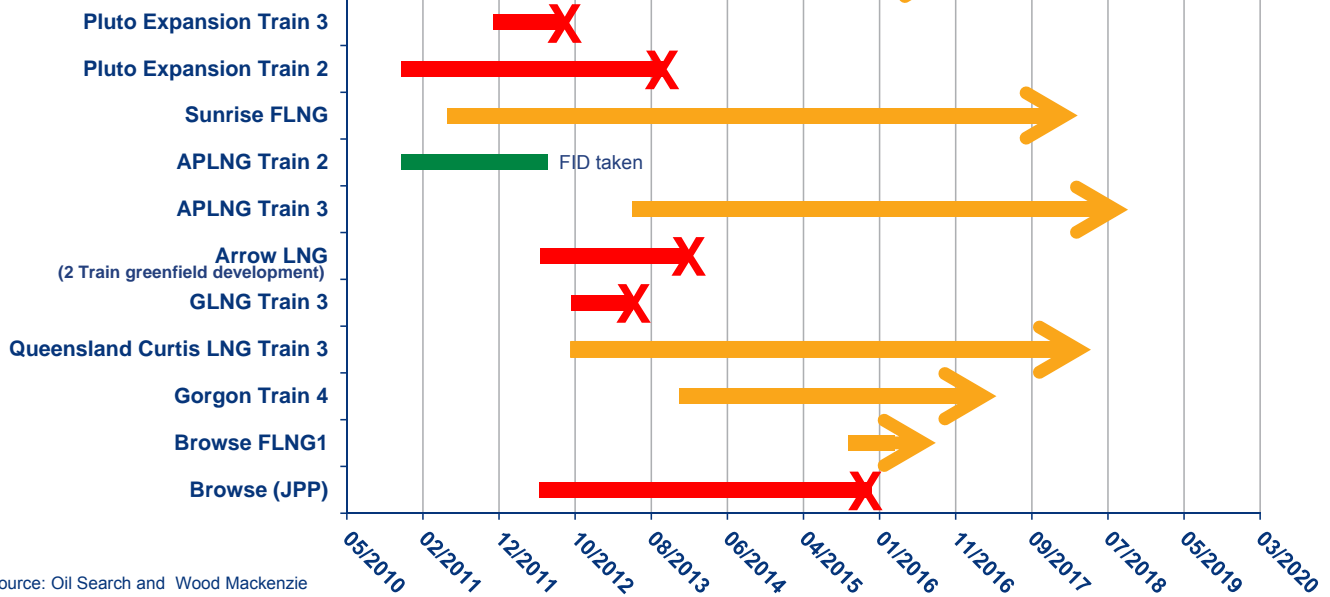


...but how much will come to market??

Lines indicates when FID date first proposed and WM current view

X Operator target FID date - Project cancelled

> FID date continuing to drift



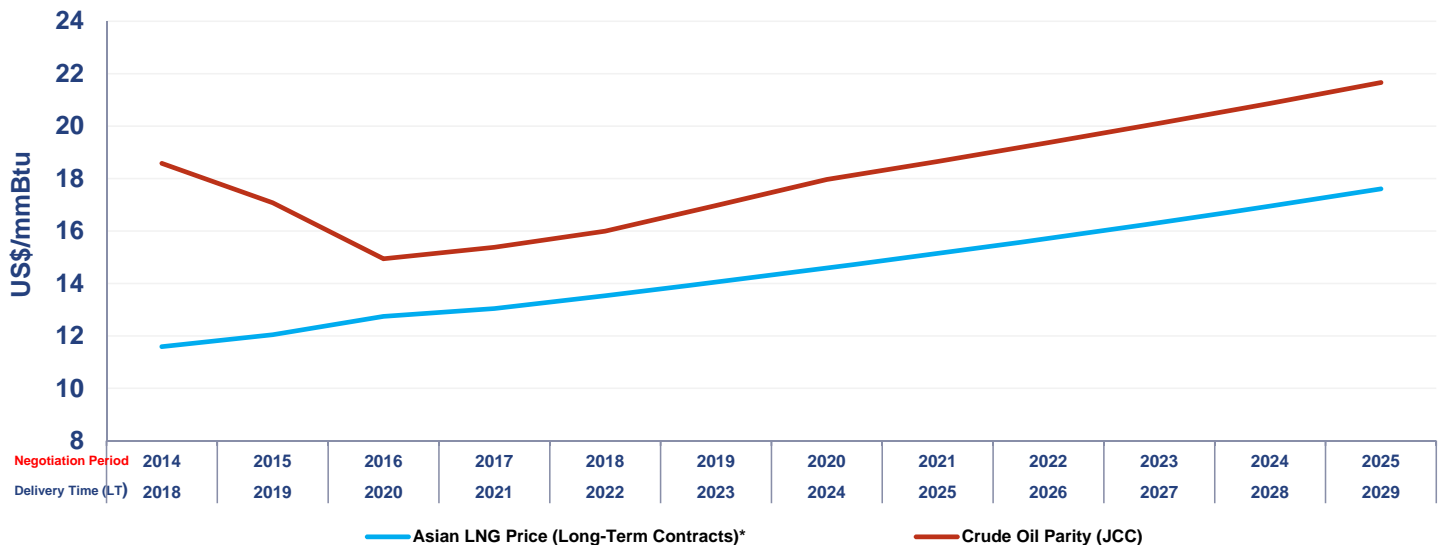
Source: Oil Search and Wood Mackenzie

Other LNG proposed projects (not shown in the diagram above) have not progressed beyond conceptual – Bonaparte FLNG, Cash/Maple FLNG, Scarborough FLNG, Darwin Expansion



Forecasters predict LNG prices may correct

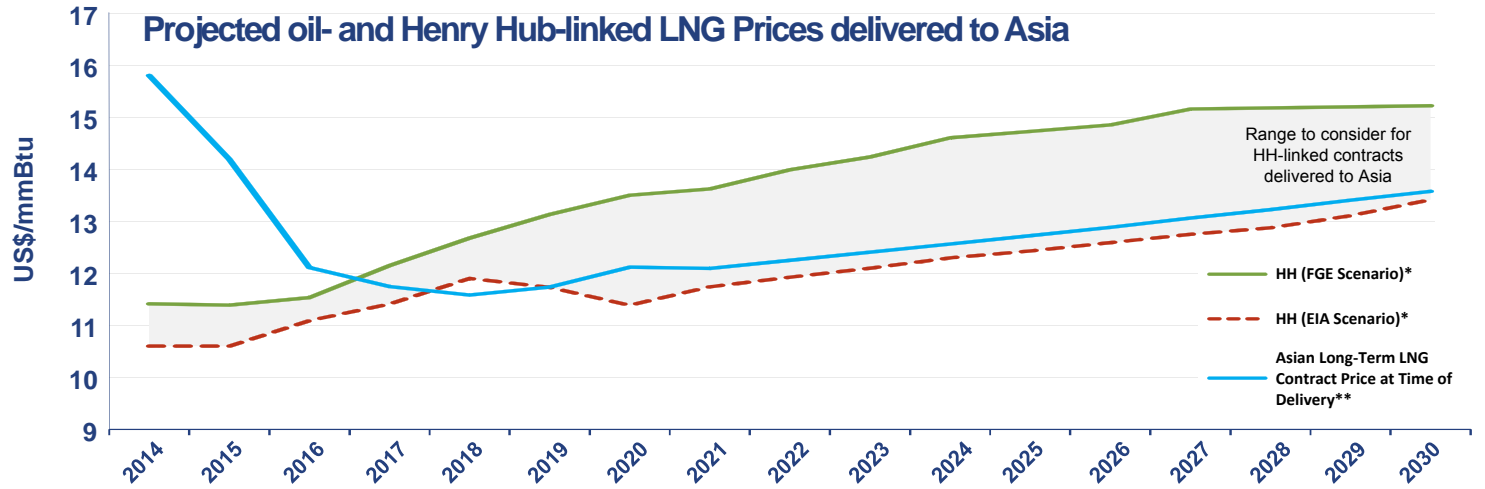
- » 2016 potential low point for oil price (2015 now likely)
- » 2018 potential low point for delivered LNG prices in long term contracts



*Nominal prices converted from real, expected price four years after negotiation period

Source: FGE report, September 2014

Oil vs Henry Hub indexation - which is better?



* Prices are real

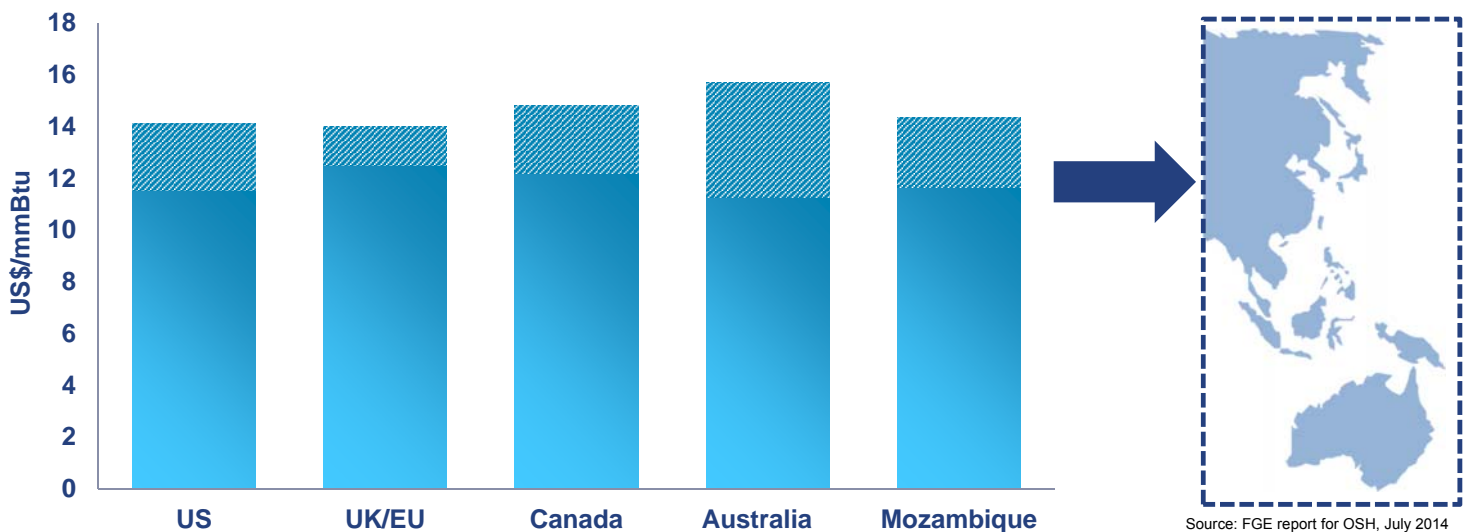
Estimated prices delivered to Asia, assuming $P(LNG) = 123\% \times HH = 6$
 EIA scenario is based on AEO2014 Early Release
 **Based on FGE oil price forecast

- » Lower case (Energy Information Administration's (EIA) 2014 Outlook) and higher case (FGE Outlook) for Henry Hub prices used as basis of hub-linked LNG contract prices when comparing oil-indexed contracts and hub-indexed LNG prices delivered to Asia
- » Henry Hub-linked contracts not necessarily cheaper but offer greater flexibility in non-pricing terms

Source: FGE report for OSH, July 2014

Delivered prices expected to settle at US\$12-14/mmBtu at destination...regardless of indexation

Forecast landed LNG Price in 2020 to Northeast Asia* from various sources**

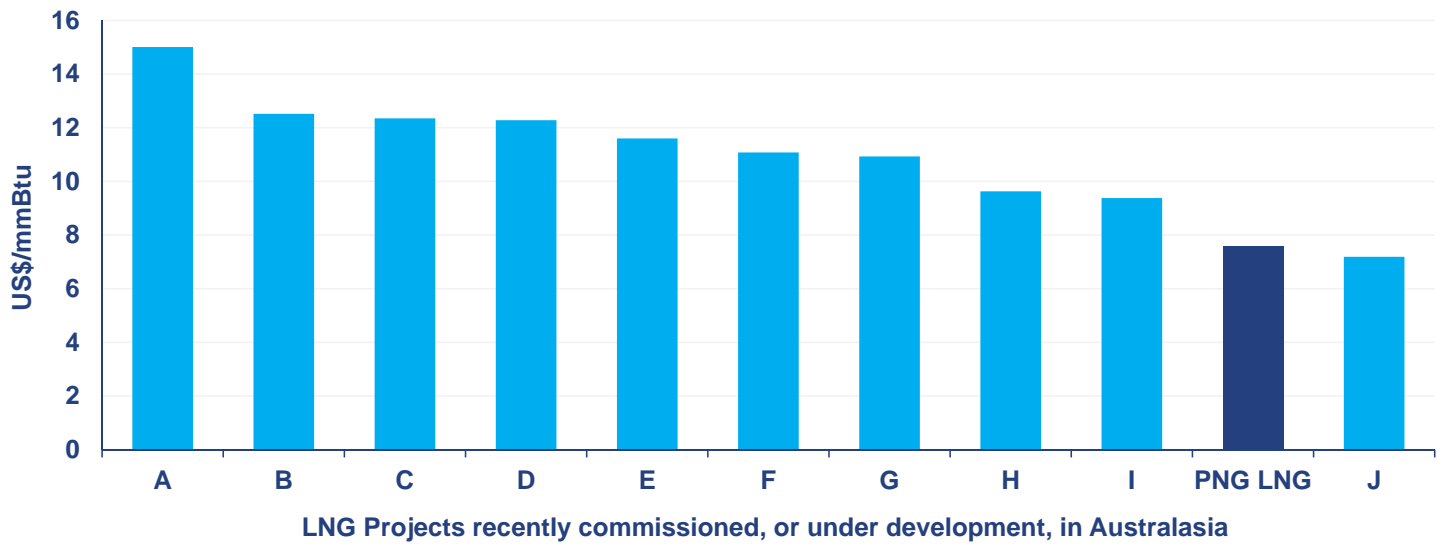


Source: FGE report for OSH, July 2014

**Based on FGE scenarios for Henry Hub, NBP, slope indexation, and/or shipping costs.*Japan (Chiba) used as proxy for Asia Pacific

PNG LNG competitive versus other recent LNG projects in Australia

Australasian LNG plant break-even costs

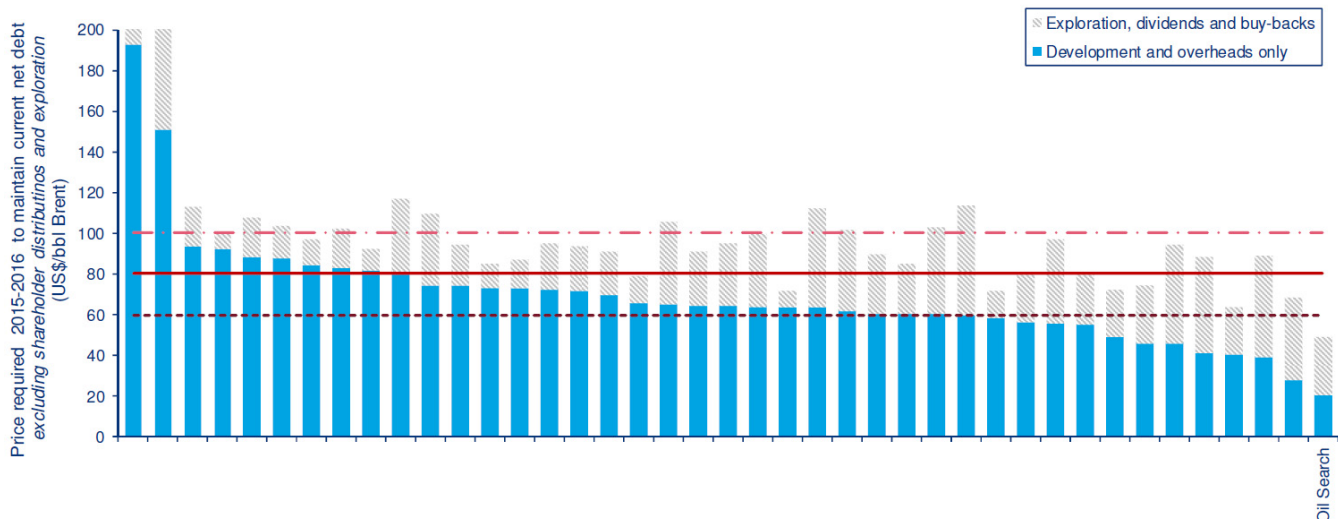


Source: Oil Search and Wood Mackenzie, Q3 2014, Project names removed

Most companies require US\$80/bbl to fund development costs

» Mid-Caps leveraged to development projects; Majors spend intensity typically lower

Brent price required to retain current net debt levels 2015-2016 *development and overheads only*



Source: Oil Search and Wood Mackenzie. Company names removed.

Upstream portfolio only, including development, financing and all other costs, but excluding exploration, dividends and share buybacks. Assumes equity financing for all projects.

LNG from PNG has competitive advantages



Oil Search

- » Conventional LNG projects with no new technology utilised in development
- » Substantial certified reserves base with high heating value, suitable for Asian reticulation network
- » High liquids, enhancing economics
- » Onshore location with existing infrastructure base from oil and LNG developments
- » Located close to growing Asian LNG markets
- » Stable fiscal regime with strong Government support
- » Aligned Joint Ventures. Highly respected Operators able to deliver and operate major projects, augmented by OSH's local knowledge
- » LNG from PNG provides attractive returns and is robust to product price movements



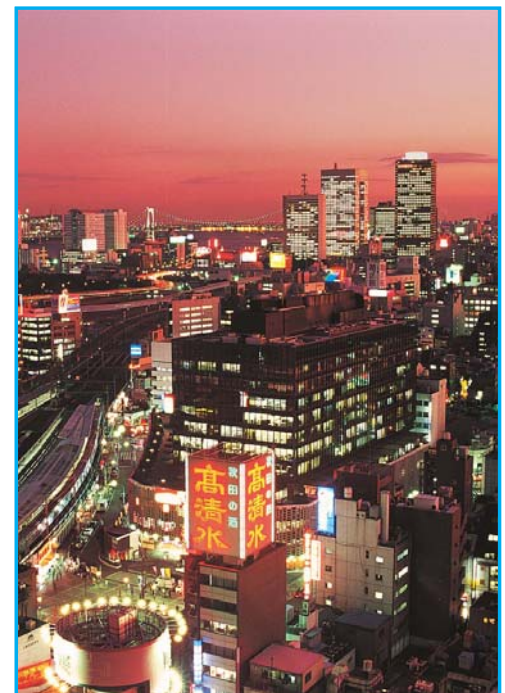
Image courtesy ExxonMobil

Summary



Oil Search

- » Softening global oil price but support for long term floor ~US\$90/bbl
- » Long term demand growth for energy from Asia still strong, especially for LNG
- » Asia Pacific LNG price base expected to be US\$12-14/mmBtu for 2020 -2025 supply
- » PNG is in highly competitive position to capture LNG markets
- » LNG in PNG provides material returns and is robust to product price movements



Section 4

Oil Search's capabilities and competencies



Matt Kay
EGM, Strategy and Commercial

OSH's competitive advantage in PNG

- » Strategic Review has concluded OSH should focus on delivering high returning projects from existing assets in PNG over next five years
- » Supported by capabilities and competencies integral to historic and future success:
 - Unrivalled operating experience in PNG
 - Strong PNG Government and regulator relations
 - Deep-rooted community affairs/landholder relations
 - PNG basin mastery
 - Proven success optimising production from mature oil fields
- » Excellent in-country track record of social responsibility and sustainable development – part of our DNA
- » Managing PNG country issues is critical to protecting OSH value, driving growth and maintaining social licence to operate



85 years expertise operating in PNG

- » Unrivalled experience operating in PNG – government, regulators, landowners, geology, supply chain
- » Positive corporate reputation locally – leading corporate citizen, key member of PNG society, second largest health provider (one of only two private sector managers worldwide of Global Fund programmes)
- » Well developed processes of community benefits, generating goodwill, ensuring stable workforce and maintaining business continuity
- » Local content approach and sustainable development embedded throughout operations
- » Negligible disruptions to production relating to community unrest since commencing operatorship in 2003
- » Dynamic operating environment – social understanding more important than ever



Strong PNG government and community relations

- » Close working relationship with all levels of government (national, provincial, local) and with local communities
- » Key role in supporting Government delivery of PNG LNG Project benefits to project impacted communities
- » PNG Government has 10% direct ownership in OSH, 19.6% interest in PNG LNG Project – strong alignment of interests
- » Committed to employing and developing local people and businesses. Results in:
 - Improved communication with local communities
 - Sustainable livelihood development
 - Improved corporate reputation locally and with shareholders, peers, financiers
 - Enhanced social licence to operate
- » Three additional LNG trains have potential to provide ~US\$40bn of taxes and levies to PNG Government and landowners

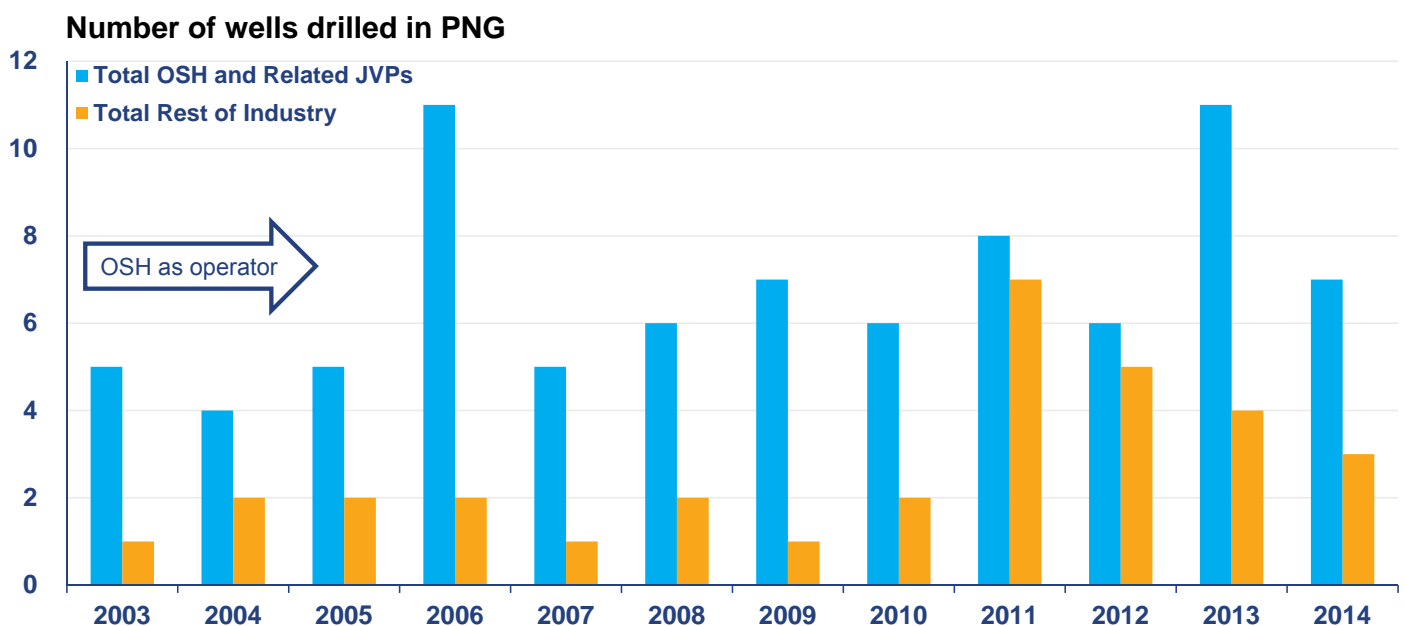


PNG basin mastery and production optimisation from mature oil fields

- » Unrivalled understanding of PNG's geologically complex and rugged Highlands region:
 - Superior fold belt geology expertise
 - Leveraged to identify high-value opportunities
 - Manage complex drilling operations
- » Extensive knowledge and capability of supply chain and infrastructure management in PNG
- » Proven success in optimising production from mature oil fields
- » Experience in gas commercialisation



Industry leading drilling expertise in PNG's remote and challenging terrains



- » Since taking over operatorship in 2003, OSH and JV partners have drilled +70% wells drilled in PNG

Summary

- » 85 years experience in PNG
- » Excellent in-country track record and social licence to operate – integral to OSH's historic and future success
- » Unparalleled experience working with PNG Government, landowners, regulators and communities
- » Committed to community through workforce, Oil Search Health Foundation, benefits management and local infrastructure projects
- » Extensive knowledge across fold belt geology, drilling, supply chain management, infrastructure development and operations in PNG
- » Delivery of further three trains of LNG in PNG will create value for shareholders and ~US\$40 billion of taxes and levies for PNG
- » Skills developed in PNG are transferable to other regions

Section 5

Optimise value of existing assets



Paul Cholakos
EGM, PNG Operations

Sustain and optimise existing assets to drive value

- » Strategic Review has confirmed OSH's operating strategy to sustain and optimise value of PNG operating assets through:

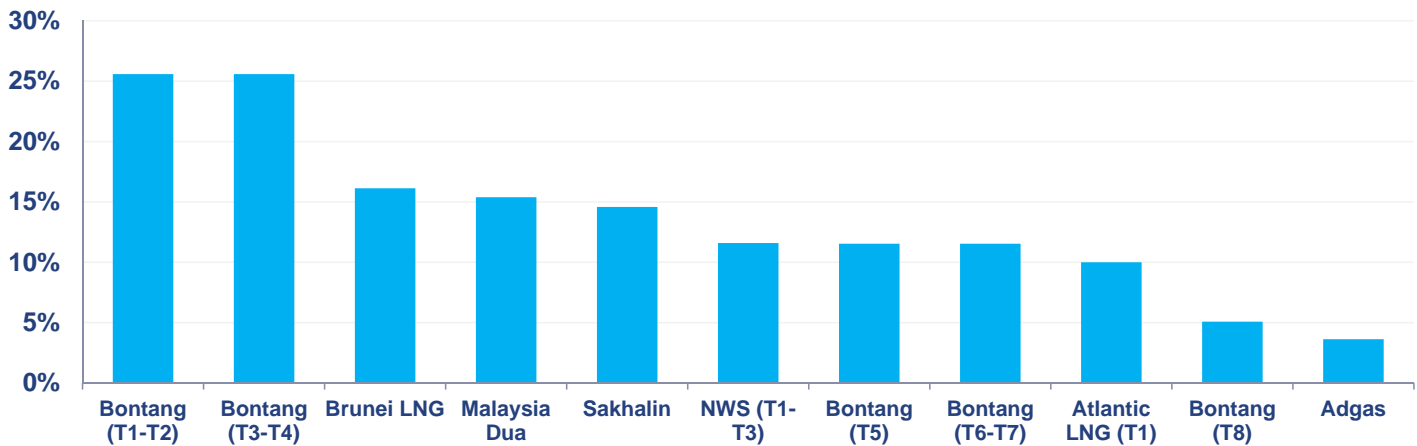
| | |
|---|--|
| Value enhancement | <ul style="list-style-type: none">» Debottlenecking of PNG LNG» Optimise operated production» Reduce OSH operated opex |
| Reliability of operations | <ul style="list-style-type: none">» Delivery of PNG LNG obligations» Reduce unplanned downtime |
| Sustainability of operations for 30+ years | <ul style="list-style-type: none">» Life of field planning» Capabilities/capacity build |
| Optimisation and efficiency | <ul style="list-style-type: none">» Optimise logistics/supply chain» Optimise drilling performance» Synergies with PNG LNG |

PNG LNG T1 + T2 – the new base business

- » In first full year (2015), PNG LNG expected to add ~21 mmboe net to Oil Search production
 - 18 mmboe LNG
 - 3 mmboe liquids
- » Project expected to produce +9 tcf gas and +200mmboe associated liquids (gross) over 30 year life:
 - LNG component to remain broadly flat
- » Four OSH-operated fields (Kutubu, Moran, Agogo, Gobe Main) to supply ~20% of total Project gas ('Associated Gas Fields')
- » Associated Gas field life extended by 30+ years, requiring ongoing sustainability of operations and facilities



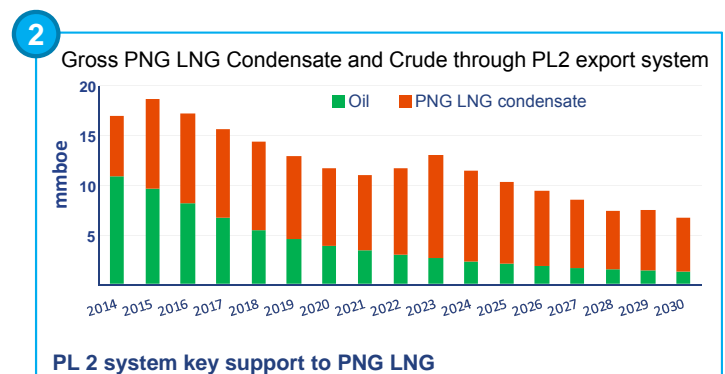
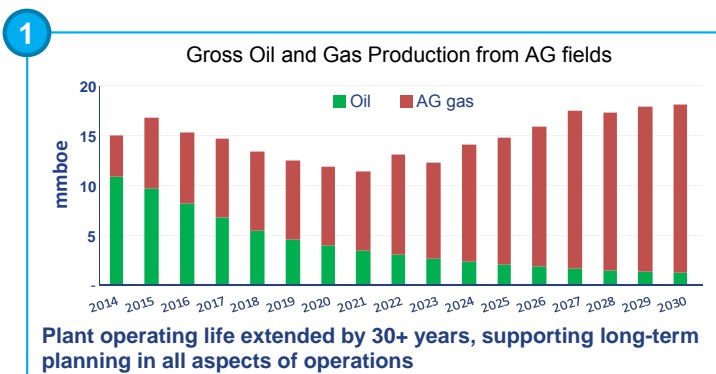
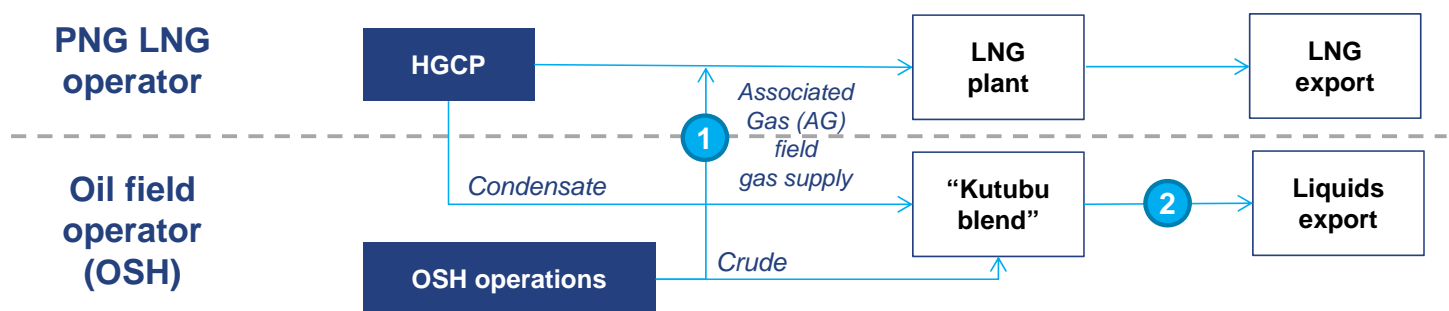
Debottlenecking offers potential for substantial incremental value



Source: FACTS Global Energy

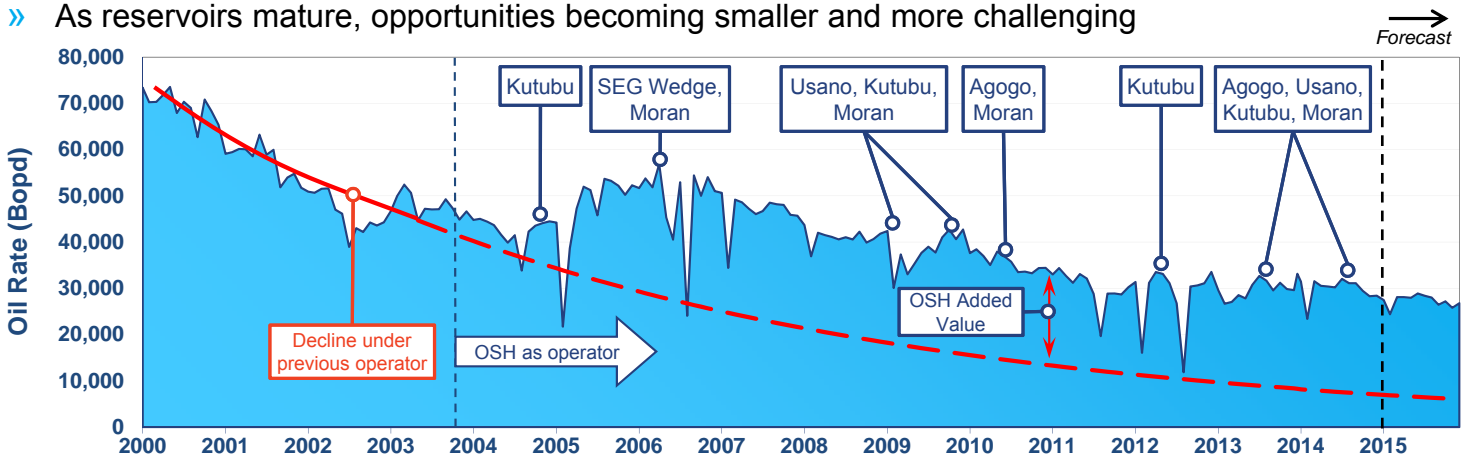
- » Global benchmarks suggest 10-15% increase in capacity achievable through debottlenecking
- » High value add – generally, minimal capex required
- » OSH believes potential debottlenecking of PNG LNG T1 & T2 represents highest returning opportunity in its portfolio

Reliability of OSH's PNG operations integral to meeting PNG LNG obligations for next 30+ years



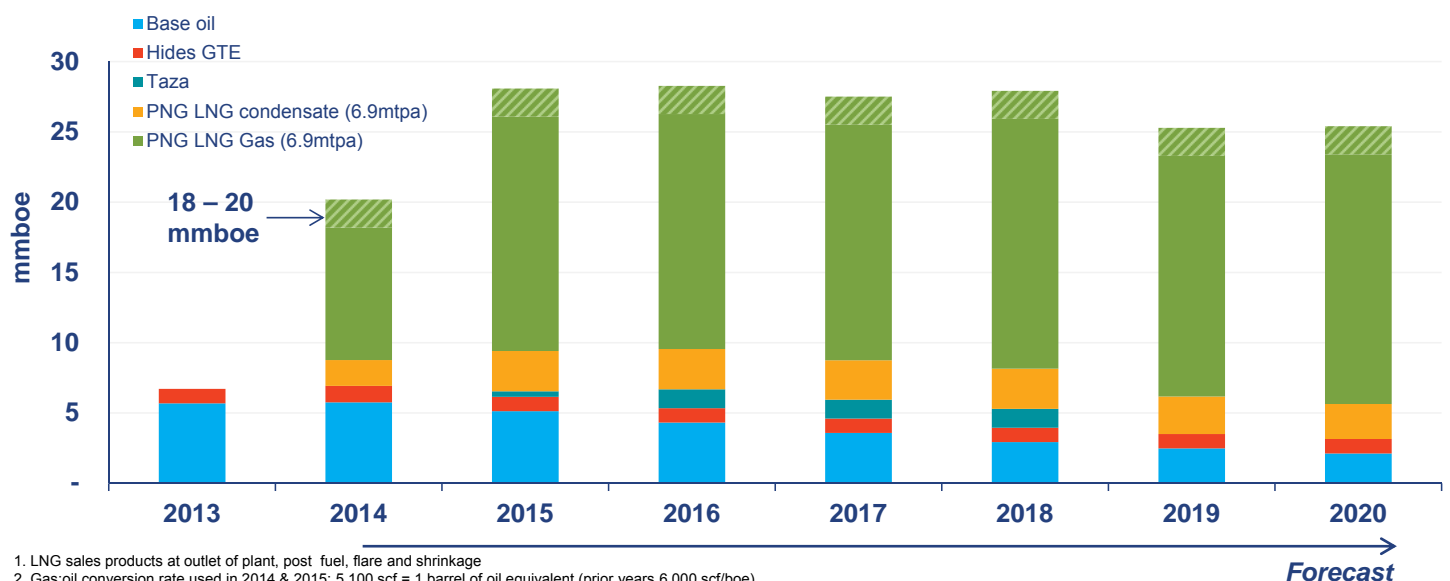
Proven success optimising production from mature oil fields

- » Since taking over oil field operatorship in 2003, OSH has:
 - Drilled 41 development wells with ~85% success rate
 - Added +50mmbbls oil (gross) to 2P expected ultimate recoveries (+75mmbbls to 1P EUR)
- » Achieved key 2010 objective of maintaining oil production broadly flat until first PNG LNG production
- » As reservoirs mature, opportunities becoming smaller and more challenging



Oil Search 2014 Strategic Review - 23 October 2014

Production outlook – PNG base business



1. LNG sales products at outlet of plant, post fuel, flare and shrinkage
 2. Gas:oil conversion rate used in 2014 & 2015: 5,100 scf = 1 barrel of oil equivalent (prior years 6,000 scf/boe)
 3. Taza forecast includes 4 year EWT 2015-2018 only

- » From 2014, PNG LNG (T1 + T2) will supplant oil as OSH's base business
- » Debottlenecking may provide additional upside

Oil Search 2014 Strategic Review - 23 October 2014

- » Potential T1 & T2 debottlenecking is highest returning opportunity in OSH's portfolio
- » Will continue to pursue production optimisation opportunities within operated fields
- » Operations extended by 30 years, requiring integrated asset planning while meeting or exceeding PNG LNG delivery obligations
- » Maintaining excellent safety record a key priority

Section 6

Gas development



Ian Munro
EGM, Gas Development

Strong platform for high value growth

- » PNG LNG Project has delivered:
 - Major infrastructure
 - Government and landowner support
 - Tier 1 LNG customers
 - Financier confidence
- » OSH played significant role in project execution and in ongoing operations
- » Delivery of additional trains is common objective for industry, communities and Government



Images courtesy ExxonMobil

Significant LNG value to be delivered in PNG

- » PNG has resources to deliver at least two expansion trains, underpinned by existing undeveloped resources, and third expansion train with modest exploration/appraisal success in current drilling programme
- » Two key resource hubs, in which OSH holds strong positions, that will supply next phase of development:
 - North Western Hub (P'nyang field)
 - Gulf Hub (Elk/Antelope fields)
- » Multiple exploration opportunities remain in both hubs



Images courtesy ExxonMobil

>20 tcf of discovered gas in PNG of which only 9 tcf is under development

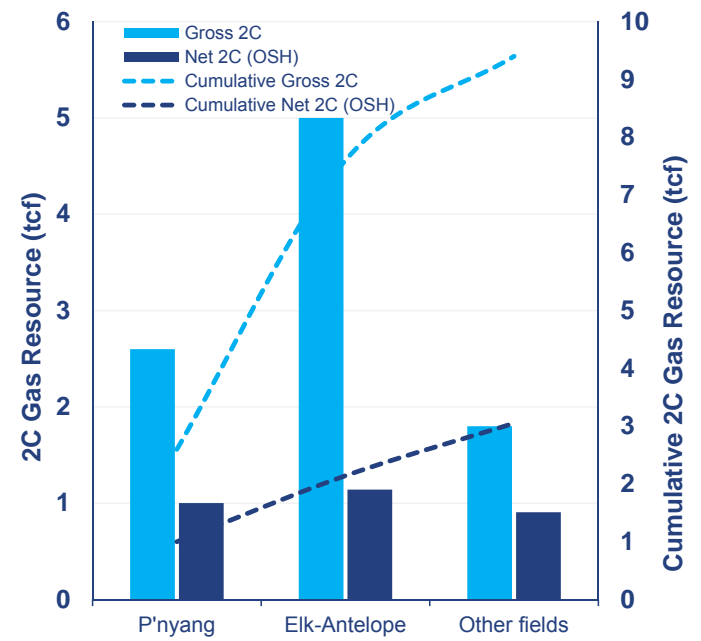


Undeveloped (best estimate)
PNG LNG Project dedicated 2P reserves and 2C resources

* OSH/other operator estimates
** Cumulative numbers based on arithmetic sum of best estimate resource

...of which OSH has interests in >9tcf gross

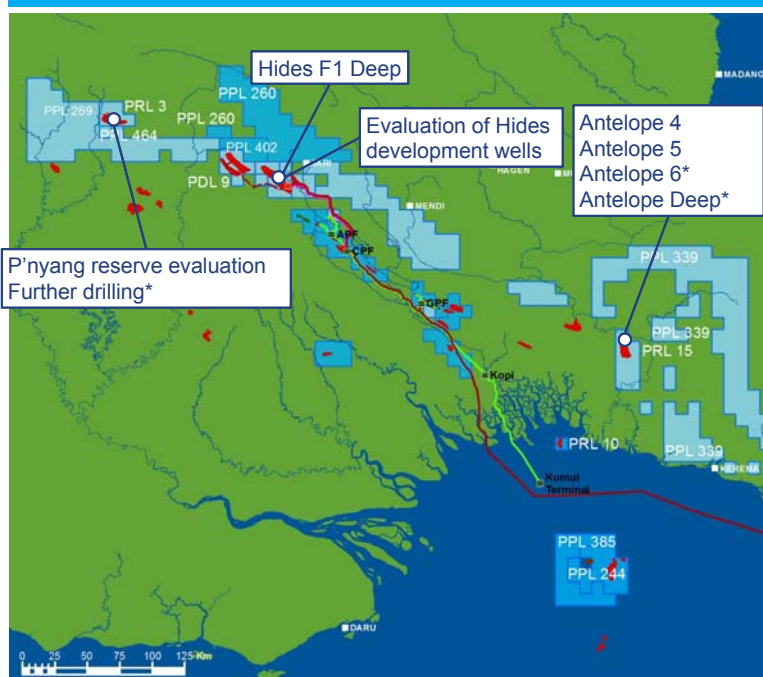
- » OSH well positioned to be lead gas aggregator in PNG:
 - One of largest holders of undeveloped resource, with equity positions in major gas fields that will underpin expansion
- » OSH participates in licences with total undeveloped resource of >9 tcf (P50) with OSH net resources of 3.1 tcf across 12 fields
- » Material upside in P'nyang and other fields, based on recent evaluation



* OSH estimates
** Cumulative numbers based on arithmetic sum of P50 resource



Gas resource evaluation ongoing



- » Key resource evaluation activities are ongoing. Will provide greater certainty through 2015 on development plans:
 - Structural remapping and reservoir modelling based on information from Hides development wells will help constrain gas volumes
 - Hides F1 Deep well – material exploration target underlying Hides field, recently commenced drilling
 - P'nyang evaluation ongoing plus possible further drilling to determine upside
 - Antelope 4 and 5 appraisal wells – will establish whether resource can underpin two trains. Possible further drilling (Antelope 6) to assess upside
 - Antelope Deep exploration well – planning underway for potential 2015 spud, high potential play
- » PRL 15 arbitration outcome expected 1Q15, important for development cooperation and timing

Resource requirements for next phase of LNG development



- » Discovered gas sufficient for at least two additional trains and potentially three with modest exploration/appraisal success:
 - One NW Hub train underpinned by development of P'nyang and foundation project/third party gas
 - One/two LNG trains from PRL 15
- » NW Hub train:
 - OSH estimates ~2 tcf 1P (4 tcf 2P) required to underpin development decision
 - Expansion is commercially attractive even based on shorter duration LNG contracts
- » Gulf Hub train - economics also attractive:
 - OSH assessment:
 - ~ 3 tcf 2P for 1 PNG LNG-sized (3.45 mmtpa) train, ~7 tcf 2P for 2 trains
 - ~ 5 tcf 2P for 5 mmtpa train
- » Targeting final investment decisions by end 2016, with progressive delivery of additional trains 2019 – 2022
- » Train sizing and start-up dates dependent on extent of cooperation



Image courtesy ExxonMobil



Maximising value of expansion trains

- » PNG can learn from other global LNG developments and expansions
- » Co-located brownfield projects will reduce investment, accelerate schedule and maximise project economics for all stakeholders:
 - Lower financing costs and attractive investment profile
 - Sustainable employment profile
 - Higher and accelerated government tax take, gas for local market
 - Reduced environmental footprint
- » Potential to increase value through pre-investment and cooperation:
 - Early understanding of, and investment in, upstream infrastructure and pre-investment in key elements of downstream facilities
 - Achieve alignment with PNG Government and joint venturers to optimise schedule
- » ~US\$3 billion of potential capital cost savings and ~two years of production acceleration



Image courtesy ExxonMobil

OSH's role in future developments



- » Unique opportunity over next 12 months to drive optimal development plan, through promoting cooperation agenda:
 - Extensive equity interests spanning sources of expansion gas
 - Alignment with PNG Government
- » Leverage OSH's unique local knowledge and PNG LNG experience through role in upstream development:
 - OSH operates Associated Gas Fields, which contribute ~20% of PNG LNG Project gas as well as liquids export system
 - Successfully delivered key components of PNG LNG infrastructure
 - Key role supporting PNG LNG operator in Government and landowner negotiations
- » Extensive exploration portfolio may supply additional trains or extend plateau



Image courtesy ExxonMobil

- » Undeveloped gas in existing portfolio can support at least two additional LNG trains in PNG. With modest exploration/appraisal success during 2015, third additional train possible
- » Integrating future projects will add value for all stakeholders
- » OSH intends to be a leader in next phase of development, working closely with Government, partners and communities
- » Significant longer term resource and train upside through exploration



Image courtesy ExxonMobil

Section 7

Exploration and new ventures



Julian Fowles
EGM, Exploration and Business Development

Exploration remains fundamental to OSH growth

- » Renewed focus on resource replacement, given step change in production and resource conversion with PNG LNG Project start-up
- » Exploration programmes to target 150% resource replacement (5 year rolling average)
- » Running room in PNG to support gas development beyond trains 3, 4 and 5
- » Development of international exploration portfolio to support longer term growth



Exploration strategy – find and appraise high value oil and gas accumulations

- » Support PNG gas growth
- » Focus on high value liquids from international portfolio
- » Delivered through:
 - Refreshing PNG exploration inventory with high impact gas opportunities
 - Actively drilling PNG portfolio to cream remaining active play segments and test best emerging play opportunities
 - International assets - pursue material, high-returning liquids opportunities





Proven exploration performance

- » OSH has track record of success in PNG and MENA across range of geological environments
- » Exploration look-back analysis 2003-2013:
 - Net expenditure of nearly US\$1.5bn
 - Drilled 59 wells
 - Discovered ~440 mmboe net to OSH
 - Commercial Success Rates:
 - Wildcat drilling - 21%
 - Near-field exploration - 75%
 - Unit Finding Cost ~US\$3.31 per boe



Image courtesy ExxonMobil



Planned PNG exploration activities

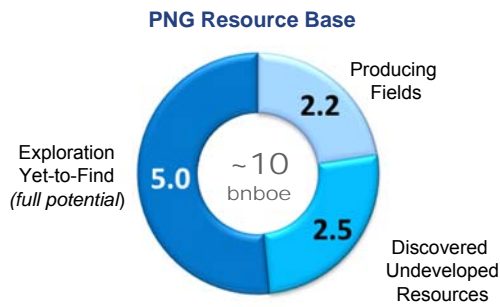
- » Focus on proving high impact gas resources to drive further LNG development:
 - Accelerated data acquisition to maintain prospect portfolio
 - ‘Game changer’ campaign focused on large foldbelt prospects
- » Active programme underway:
 - Multi-rig drilling programme through to end 2016
 - Continued seismic data acquisition to de-risk leads and prospects
- » Net annual PNG spend in 2015-2016 of ~US\$350m (~50:50 exploration and appraisal activities)



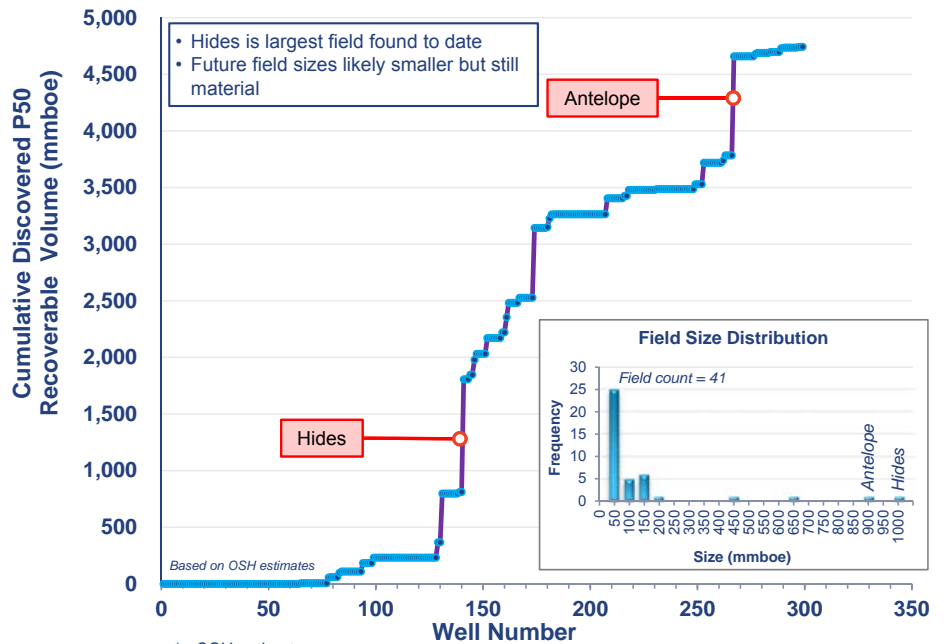


PNG exploration running room

- » Internal and external assessments indicate only half of PNG's full resource potential has been discovered
- » Significant remaining gas potential in Highlands and Gulf areas



YTF = USGS P50 & IHS Estimates

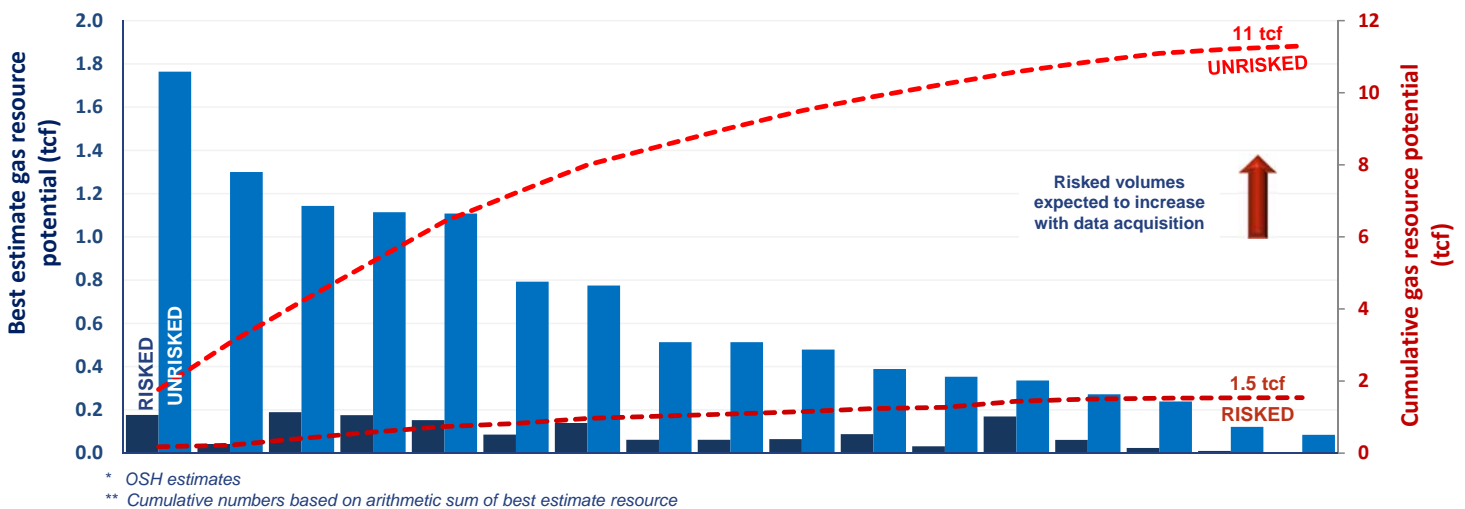


* OSH estimates

** Cumulative numbers based on arithmetic sum of P50 resource



11 tcf unrisked potential across NW Hub



* OSH estimates

** Cumulative numbers based on arithmetic sum of best estimate resource

- » NW Hub contains mix of undeveloped resource plus material running room:
 - Lead inventory currently contains ~11 tcf unrisked, 1.5 tcf on risked basis
 - Potential exploration targets with average prospective pool sizes in 700bcf range
 - Significant data acquisition required to mature/de-risk portfolio



OSH well positioned to explore PNG's full potential

- » Oil Search has strong acreage position
- » Continue to expand position in best play fairways:
 - Recent entries into PPL 269, 402 & 464 provide further access to NW foldbelt potential*
 - PRL15 acquisition - sweet-spot for emerging carbonate play
- » New infrastructure continues to open up new areas to exploration

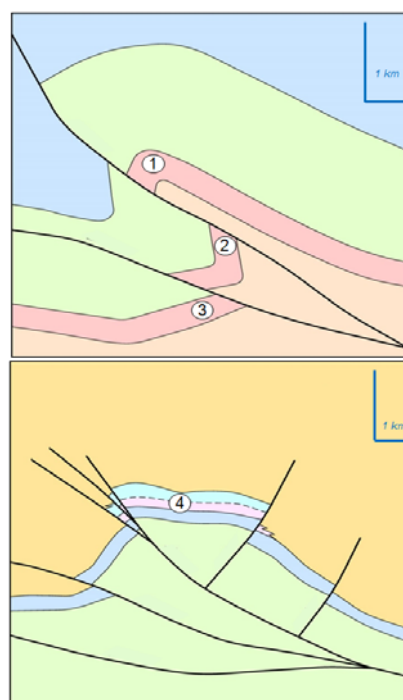


* Subject to Govt approvals



PNG - cream proven plays, test best emerging plays

- » Continue to drill out lower risk proven plays:
 - Hanging walls
 - Forelimbs
- » Test high impact emerging plays:
 - Highlands Footwall
 - Hides Deep
 - Antelope Deep*
- » Preference for opportunities in close proximity to existing infrastructure
- » Mananda: updating resource evaluation and implications for field development given complexity evident in Mananda 7



- ① Hanging wall
- ② Forelimb
- ③ Footwall

- ④ Intra-thrust "rafted reef play": Antelope

*Subject to JV approvals



International exploration

» International focus:

- Appraising high potential OSH operated Taza oil discovery
- Measured pursuit of material, high returning liquids-prone opportunities, with long term running room

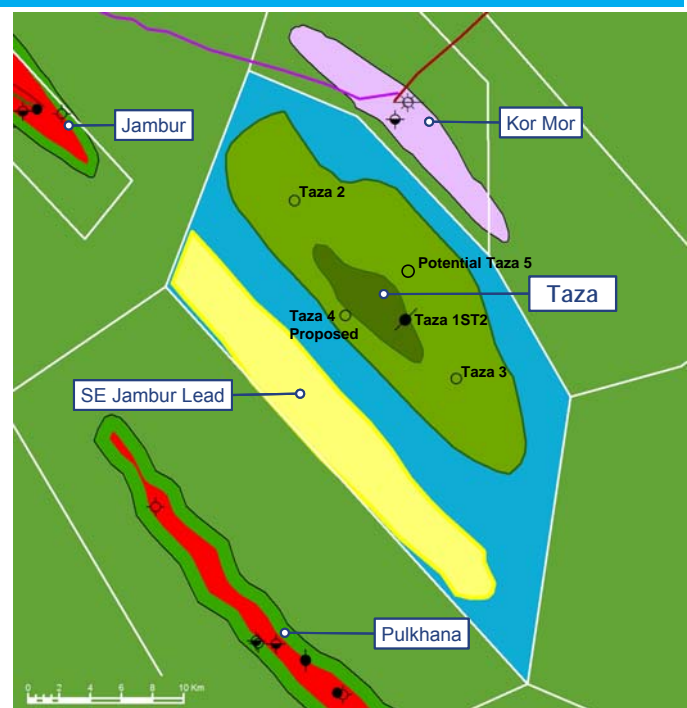
» Leverage strong regional relationships and skills base to further develop focused international portfolio

» Pace dependent on availability of high reward opportunities relative to timing of PNG capital commitments



Comprehensive appraisal of Taza

- » 2014-15 focus on defining field size and maximising value
- » Appraisal programme:
 - » >600km² of 3D seismic (includes SE Jambur lead) ~70% complete
 - » Taza 2 – oil proven 10km NW of Taza 1: testing 4Q14/1Q15
 - » Taza 3 – to prove SE extent, preparing to spud
 - » Taza 4 – to test highly fractured zones on West flank, 2Q15
- » Further drilling dependent on results
- » Extended Well Test planned in mid-2015
- » Declaration of Commerciality expected 4Q15





Summary

- » Significant exploration upside remains in PNG, with only half of PNG's estimated full potential of 10 bnboe discovered so far
- » Oil Search holds positions in best play fairways
- » Aim to support PNG gas growth through drilling high impact wells through 2015-2016
- » Maximise value of existing international portfolio
- » New Ventures will focus on:
 - PNG growth opportunities
 - International exploration/appraisal oil assets
 - Any new entries will be disciplined and assessed against high returning PNG growth assets
- » Exploration programmes targeting 150% resource replacement (5 year rolling average)
- » Total exploration and appraisal budget (PNG & international) for 2015–2016 of US\$350-450m pa
 - Spend focus is in PNG with clear short and medium term programme



Section 8

PNG sustainability



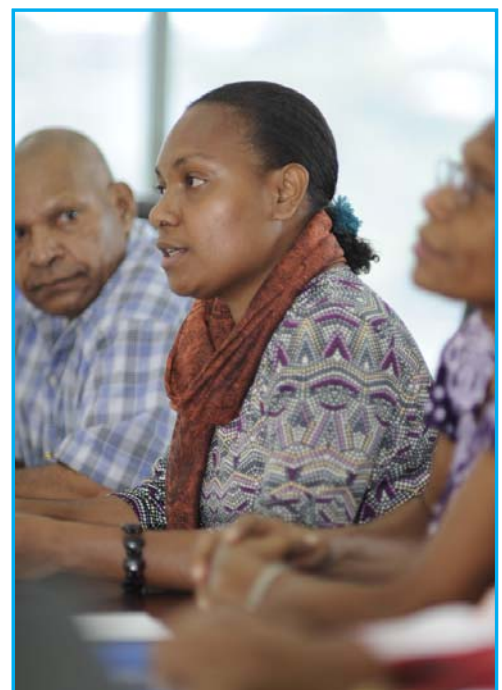
Peter Botten
Managing Director

- » Strategic Review highlights majority of OSH value growth over next 5-7 years will come from assets in PNG
- » Social responsibility, sustainable development and enduring government and community relationships – integral to historic and future success
- » Dynamic social environment, combined with significant economic changes, requires active management
- » Managing PNG country issues critical to preserving OSH value, generating growth and maintaining our social licence to operate



Working collaboratively with Government to lead development of PNG's oil and gas sector

- » Expectations within PNG for basic service delivery – schools, hospitals, roads, power etc – has never been higher
- » Capacity of National and Provincial Governments to deliver core services are challenged
- » Important that OSH plays a role to facilitate and helps augment Government capacity to deliver services critical to maintaining stable operating environment
- » OSH committed to playing lead role in:
 - Ensuring Government is aligned to support delivery of next two/three LNG trains
 - Supporting institutional capacity building within Department of Petroleum and Energy, Department of Environment and Conservation, Treasury, Planning, provincial and local level governments
 - Encouraging transparent governance framework
 - Proactively contributing to current tax review process
 - Proactively engaging with state and key agencies to ensure fiscal and regulatory regime stability



Ensure PNG LNG benefits commitments are delivered

- » Delivery of PNG LNG benefits commitments, as agreed in Umbrella Benefits Sharing Agreement, critical for project stability, to avoid social unrest and operational disruptions
- » Improved governance required for distribution of an estimated >K110 billion¹ (>US\$40 billion) total cash flow to PNG Government and landowners over 30-year life*
- » OSH to assist the operator, ExxonMobil PNG, using its Government and landowner relationships
- » Continue to promote transparency in benefits distribution:
 - EITI application
 - Sovereign Wealth Fund
 - Publish where benefits are paid, how much, to whom

*PNG LNG Economic Impact Study, ACIL Tasman, April 2009



Facilitate delivery of key infrastructure projects

- » OSH manages >US\$200m of infrastructure projects on behalf of Government, largely through National Infrastructure Tax Credit Scheme (NITCS). Projects funded by State and project-managed by OSH, leveraging our core skills
- » Has proven to be good way to ensure projects are delivered in transparent and timely manner
- » OSH committed to continuing this work, to deliver Government nominated and funded key infrastructure projects
- » Implement transparent model to deliver projects, based on Shared Responsibility Model (partnership between OSH, ExxonMobil, Government and project impacted communities)
- » Numerous community based programmes being delivered:
 - Churches, water supply, agricultural programmes etc



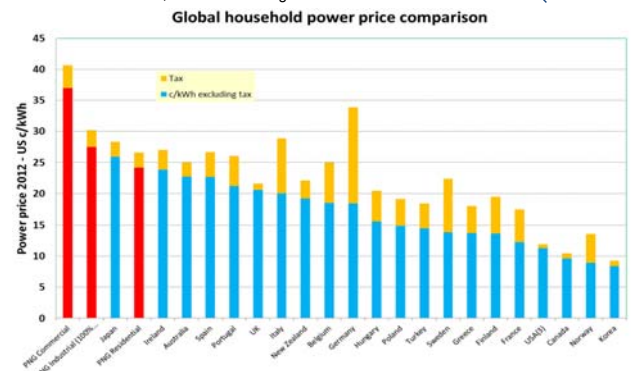
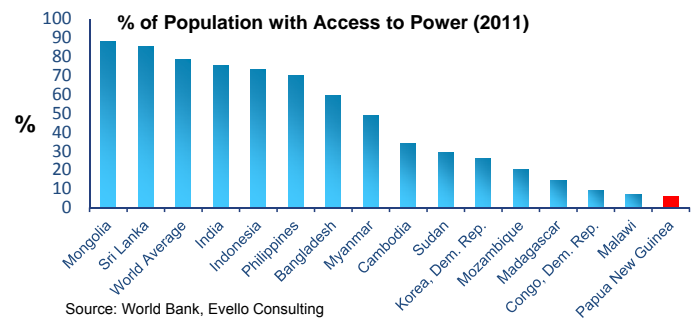
Strategic sustainable development and social responsibility

- » OSH has made significant contribution to health outcomes for staff and communities over past 10 years:
 - Major provider of healthcare across operating areas in PNG
 - Working with National and Provincial Authorities to deliver:
 - HIV Aids management programmes
 - Child and maternal health initiatives
 - Malaria eradication and control
 - Medical services
 - Oil Search Health Foundation supported by external agencies including Global Fund, DFAT, Asian Development Bank, Gates Foundation etc
- » OSH reviewing expansion of Foundation, with long-term commitment seeking transformational change
- » Projects under review include:
 - Further health programmes addressing TB, HIV, cervical cancer
 - Providing PNG women with means to break cycle of gender-based violence
 - Programmes for women’s empowerment
 - Developing PNG through building next generation of leaders
- » Feasibility work now underway, significant institutional support



Delivery of power solutions

- » Provision of power solutions in PNG an emerging political and social issue:
 - Electricity penetration is one of lowest in world. ~6% of population have access to delivered power
 - Electricity prices among highest in world, poor unreliable service a major constraint on industry development
- » OSH reviewing a number of power solutions including:
 - Small scale LNG for Highlands and remote power
 - Gas generation from peripheral fields
 - Biomass project for northern power grid
- » Focused on generation, helps manage Domestic Market Obligation, uses smaller peripheral gas fields
- » Low capital costs, small but important contribution to profits



Summary

- » OSH's present and future value tied to preserving a stable operating environment in PNG
- » Social responsibility and sustainable development remain embedded in our core values
- » OSH has a comprehensive series of social programmes to help government and communities address social and economic challenges
- » Continue to make a significant contribution to PNG society across infrastructure, education and health



Section 9

Organisational structure



Peter Botten
Managing Director

Organisational structure to deliver

- » Strategic Review has highlighted importance of PNG to OSH's future value growth
- » Number of organisational changes will take place, to manage programmes needed to deliver this growth
- » Several senior managers will be based in PNG:
 - Executive General Manager for PNG Assets
 - Senior Gas and Commercial executives
 - Operations and Development executives
- » Will deliver significant management depth to address key challenges in-country and understanding of in-country issues
- » Will assist development of deeper relationships with key PNG stakeholders
- » Will facilitate senior management development and succession planning
- » Board has appointed consultant to undertake gap analysis and help steer succession planning

Section 10

Capital Management



Stephen Gardiner
Chief Financial Officer



Financial and capital management

- » In light of commencement of cash flows from PNG LNG Project, OSH's financial and capital management policies were major component of Strategic Review
- » Key objective is to ensure all future growth opportunities can be fully funded and financial flexibility maintained while also sharing profits from PNG LNG Project with shareholders
- » Gearing and liquidity to be conservatively managed to ensure all future investment commitments can be prudently met
- » Based on analysis, OSH is in fortunate position to be able to support growth projects as well as pay dividends in range of 35%-50% of core net profit after tax*
- » New dividend policy to be implemented from final 2014 dividend

*excludes any material one-off adjustments to income



Funding to support growth projects

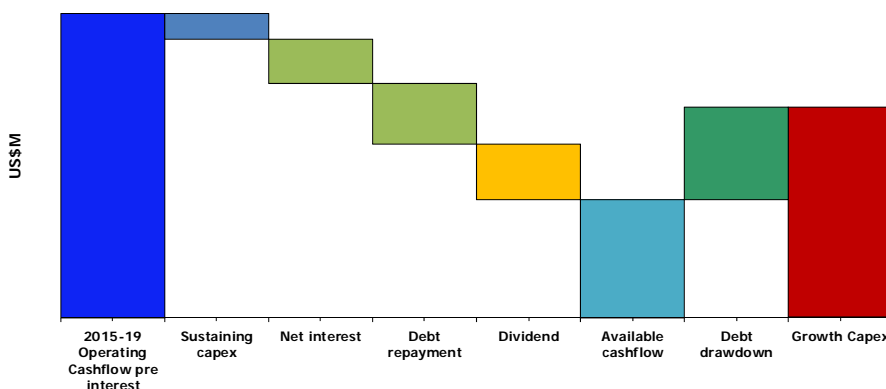
- » Anticipate that future LNG trains in PNG will be funded utilising project financing, MENA growth from internal funding sources (cash and corporate borrowings):
 - Project finance assumes conservative 60:40 debt:equity (70:30 for PNG LNG Project)
- » Consideration now being given to key project finance issues:
 - Timing for raising project financing for ExxonMobil-led Highlands train may be similar to timing of Total-led PRL 15 train. Will require co-ordination to minimise logistical challenges as well as addressing potential funding capacity issues in debt markets
 - OSH to maintain strong forecast liquidity profile and work with project operators to commence early discussions with potential LNG project lenders, to deliver best outcome
- » Investment hurdle rate well above WACC

Balance sheet and cashflows to be optimised to secure cost effective financing

- » Balance sheet to be conservatively managed to ensure all future growth opportunities can be prudently funded while accommodating dividend distributions in accordance with new dividend policy
- » Maintenance of committed undrawn credit lines and surplus cash to ensure immediate access to cost effective funds and meet project completion guarantor requirements
- » OSH will not seek credit rating at present:
 - OSH rating capped by PNG country rating of B+. Country sovereign risk ratings will not be re-visited by rating agencies until at least 2 – 3 years post PNG LNG start up.
 - Corporate credit rating less relevant when seeking project finance, particularly if rating is sub investment grade
 - Unlikely to deliver debt pricing benefits
 - Will continue to monitor
- » No hard gearing target but expect gearing not to materially exceed 30 June 2014 level (~ 45%)

Application of free cash-flow, based on three LNG train development 2015 – 2019

Allocation of cash generated



PNG vs International Capex Splits

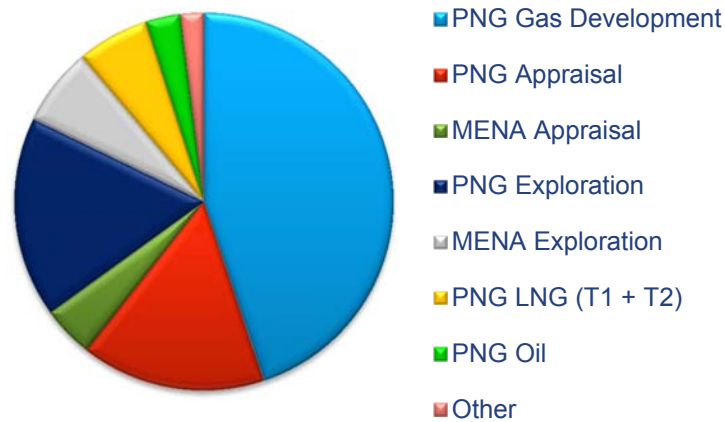


- » Expect to generate ~US\$1.5bn pa in operating cash flow before interest over next five years*
- » OSH has low sustaining capex requirements, <US\$650m over 5 year period (2015-2019)
- » OSH can fully fund its growth strategy as well as provide significant dividends under three train expansion case

* Based on flat Brent oil price of US\$90/bbl

Investment, based on three LNG train development 2015 – 2019

Investment allocation



- » Investment spend being directed primarily to business expansion
- » Of total expenditures, ~20% to be spent on appraisal and ~24% on exploration. Primary focus of exploration is on finding gas in PNG for LNG expansion beyond third train and international oil opportunities

OSH's new capital management policy

- » Review process included:
 - Extensive cashflow / earnings scenario analysis. Stress tested for:
 - Two/three LNG trains plus other growth opportunities such as Taza
 - Quantum and phasing of capital spend
 - Opex
 - Oil price volatility
 - Review of energy sector dividend policies
 - Survey of major shareholders
- » Oil Search to adopt a proportional dividend policy, commencing with 2014 final dividend
 - Target dividend payout ratio of 35% – 50% of core net profit after tax*
 - Payout ratio will be reviewed in event of substantial rise or fall in oil prices
 - Dividend reinvestment plan to be suspended, commencing with 2014 final dividend
- » Cash surplus to future needs will be returned to shareholders in form of special dividends or share buy-backs, depending on relative value outcomes for shareholders

*excludes any material one-off adjustments to income

Section 11

Summary and Conclusions



Peter Botten
Managing Director

Key strategic questions answered

- » Is top-quartile performance the relevant metric for Oil Search to target over next 5 years?
 - Existing portfolio provides opportunity to generate top quartile returns
 - Selective high value exploration and new ventures will add to long-term growth
 - Top quartile TSR is an appropriate target

Key strategic questions answered

» What is potential value of existing assets?

- Substantial remaining value within existing portfolio in PNG, where we have unparalleled operating experience and expertise
- Potential for T1 & 2 debottlenecking – high value opportunity
- Sufficient discovered gas in PNG to underpin at least two and possibly three further LNG trains
- Potential to double production from 2015 levels by early next decade
- Significant additional exploration potential

Key strategic questions answered

» Is an international portfolio necessary to meet value return objectives?

- No immediate need for significant step-out, given substantial growth opportunities in PNG. However, given long lead times, seek to build in a measured way a high value, oil focused exploration portfolio of material international opportunities to contribute post 2020
- Leverage strong regional relationships and skill base within and outside of PNG
- Pace dependent on availability of high returning value-add opportunities and PNG capital commitments

» What is optimal capital management plan?

- Wish to share material increase in profitability with shareholders
- OSH to adopt proportional dividend policy, commencing with 2014 final dividend:
 - Target dividend payout ratio of 35% – 50% of core net profit after tax
 - Payout ratio will be reviewed in the event of substantial rise or fall in oil prices
 - Dividend reinvestment plan to be suspended

Execution and delivery

» Structured and disciplined process to execute and monitor delivery of strategic objectives:

- Each strategy has range of initiatives underpinning delivery
- Clear accountability of strategy delivery defined with executive team
- Execution plans and timelines being put in place

» Governance in place at executive and Board level:

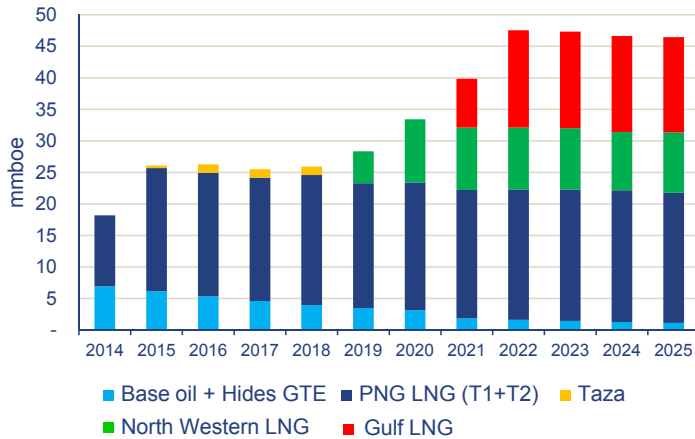
- Monthly review against progress of key annual deliverables
- Annual strategy update to assess overall progress against strategic outcomes

» Company and individuals will be assessed against delivery of initiatives:

- Will be linked to incentive plans

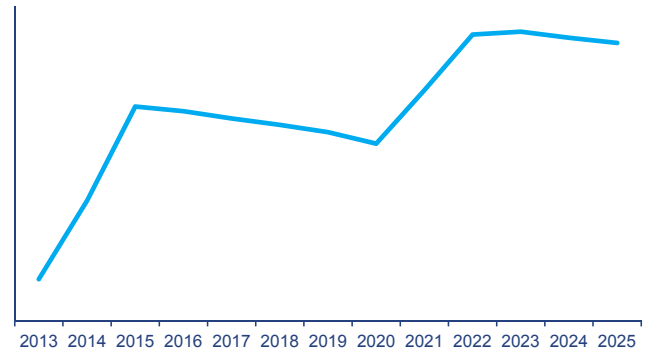
OSH has potential to provide material production growth as well as dividends

» Possible production growth profile



1 LNG sales products at outlet of plant, post fuel, flare and shrinkage
 2 Oil forecast assumes successful development drilling in 2014/15
 3 Gas:oil conversion rate used in 2014 & 2015: 5,100 scf = 1 barrel of oil equivalent for PNG LNG. No debottlenecking shown
 4 Taza forecast includes 4 year EWT 2015-2018 only

» Indicative dividend profile



- » OSH has potential to deliver both material growth and dividends
- » Debottlenecking and Taza full field development could add further production uplift
- » Dividend profile dependent on NPAT

Key milestones 2014-15

| | 2014 Q4 | Q1 | Q2 | Q3 | Q4 |
|---------------------------------|--|--|---------------------------------|----------------|------------------------------|
| External Factors | | PNG LNG Financial Completion | Increasing resource certainty → | | |
| Highlands Based Activity | PNG LNG Trains 1 & 2 Debottlenecking studies | | | | |
| | | PRL 3 PDLA Ongoing P'nyang development activity, possible drilling* | | | |
| | Hides F1 Deep | | | | |
| | Angore development x 2 | | | | |
| Gulf Based Activity | | PRL 15 Arbitration Result | | | |
| | Antelope 4 | Antelope 5 | Antelope 6* | Antelope Deep* | |
| | Ongoing Elk/Antelope development activity | | | | |
| International | Taza | | | | Declaration of Commerciality |
| | Yemen | | | | Licence expiry |
| | Tunisia | | | | Licence expiry |

Summary

- » Board has endorsed strategic objectives and OSH's vision:
 - Generate top quartile returns for shareholders through excellence in socially responsible oil and gas exploration and production
- » Review has confirmed OSH has high-returning growth opportunities in PNG, with enough gas in existing portfolio to support at least two and, with modest drilling success, three additional LNG trains:
 - Potential to double production again between 2015 and early 2020s and drive continued top quartile performance
- » Significant remaining exploration upside in PNG
- » Measured pursuit of high returning oil opportunities internationally
- » Expansion of PNG sustainability programmes
- » Organisational changes to address PNG relationships, structured succession planning
- » Sufficient funding available for both growth and dividends

OSH IN BEST POSITION IN ITS 85 YEAR HISTORY

Thank you

Investor Seminar

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