

Our reference: AVL 31618948  
Direct line: +61 2 9931 4816  
Email: [Andrew.lind@gadens.com](mailto:Andrew.lind@gadens.com)  
Partner responsible: Andrew Lind

**gadens**

Gadens Lawyers  
Sydney Pty Limited  
ABN 89 100 963 308

23 December 2014

77 Castlereagh Street  
Sydney NSW 2000  
Australia

DX 364 Sydney

Market Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

T +61 2 9931 4999  
F +61 2 9931 4888

[gadens.com](http://gadens.com)

By fax 1300 135 638

**Oil Search Limited – Notice of Substantial Shareholding from NPCP Investments Limited**

For release to the market, we attach, on behalf of NPCP Investments Limited, a Notice of Substantial Shareholding (Form 3) dated 23 December 2014 pursuant to section 118 of the Papua New Guinea *Securities Act 1997*.

Yours sincerely



Andrew Lind  
Partner

Att

**Securities Act 1997**

Section 115(2)(a)

**Form 3****NOTICE OF SUBSTANTIAL SHAREHOLDING**

*Note: To be given to the company, the stock exchange on which it is listed and the Securities Commission by a person who acquires a relevant interest in 5% or more of the voting shares of a listed company, within two days after the person becomes aware that they are a substantial shareholder. Use a separate form for each person that is a substantial shareholder.*

**1. Name of listed company**

Oil Search Limited (Oil Search)

*Note: Insert the name of the listed company in which the substantial shareholding is held.*

**2. Name of stock exchange**Port Moresby Stock Exchange and  
Australian Securities Exchange

*Note: Insert the name of the stock exchange on which the company is listed.*

**3. Details of person that is a substantial shareholder**

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
	NPCP Investments Limited (1104026) (NPCP Investments)	Level 7, Deloitte Tower Douglas Street Port Moresby, NCD Papua New Guinea	Level 7, Deloitte Tower Douglas Street Port Moresby, NCD Papua New Guinea

**4. Date substantial shareholding arose**

23 December 2014

*Note: Insert the date on which the person named in Item 3 became a substantial shareholder in the listed company in Item 1, not the date on which the person became aware of the substantial shareholding.*

**5. Voting shares in which a relevant interest is held**

Number of Shares	% of shares in company
149,390,244 (Relevant Shares)	9.81%

*Note: Insert the number and percentage of voting shares in which the person has a relevant interest as at the date in Item 4. The terms "voting shares" and "relevant interest" are defined in Sections 112 - 114 of the Act.*

**6. Total number of voting shares issued by the listed company**

1,522,692,587

*Note: Insert the total number of voting shares issued by the listed company used for the purpose of calculating the percentage in Item 5.*

## 7. Particulars of relevant interests

Class of voting shares in which relevant interest held.	Ordinary shares
Name(s) of registered holder(s).	The Relevant Shares are registered in the following names:  (a) 12,377,994 - UBS AG, Australia Branch (UBS); and  (b) 137,012,250 - UBS Nominees Pty Ltd (UBS Nominees).
Brief description of the nature of the relevant interest in the voting shares.	UBS holds the Relevant Shares as security for loans from UBS to NPCP Investments.  NPCP Investments has the following "relevant interests" in the Relevant Shares:  (a) NPCP Investments has the <i>power to exercise votes</i> attached to the Relevant Shares: sections 113(1)(b) and 113(f)(i) of the <i>Securities Act 1997 (Securities Act)</i> . For example, NPCP Investments may request a transfer from UBS of the Relevant Shares for the purpose of enabling NPCP Investments to vote at Oil Search shareholder meetings.  (b) NPCP Investments has the <i>power to acquire</i> the Relevant Shares: section 113(1)(d) of the <i>Securities Act</i> . For example, at the expiry of each tranche, and in the event that NPCP Investments opts for a "cash settlement", the applicable shares are transferred to NPCP Investments.
Brief description of the transaction under which the relevant interests arose e.g. purchase on stock exchange.	The relevant interests arise as a result of the novation of certain interests from the Independent State of Papua New Guinea (State) to NPCP Investments.
Number of voting shares affected by the transaction.	149,390,244
The consideration for the transaction	The assumption of liability by NPCP Investments of loans previously owed by the State to UBS.
Name of the other party to the transaction (if known). *	The State, UBS, UBS Nominees, UBS Securities Australia Limited, NPCP Holdings Limited (NPCP Holdings) and National Petroleum Company of PNG (Kroton) Limited.
Consideration, if any, paid for each relevant interest acquired in the previous 4 months.	N/A

\*This information is not required where the transaction took place on a stock exchange.

Note: Where there is insufficient space on the form to supply the information required, use additional forms or annex a separate sheet in the same format containing the information.

**8. Details of other person(s) giving a notice for the same transaction**

Given names (natural persons)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
	Independent State of Papua New Guinea	c/- Department of Treasury Vulupindi Haus Waigani Drive Waigani, NCD Papua New Guinea	Department of Treasury PO Box 542 Waigani 131, NCD Papua New Guinea
	UBS AG, Australia Branch	Level 16, Chifley Tower 2 Chifley Square Sydney NSW 2000 Australia	Level 16, Chifley Tower 2 Chifley Square Sydney NSW 2000 Australia

*Note: If known, insert the name and address of any other person(s) believed to have given, or to be intending to give, notice, whether a Form 3, 4 or 5, in relation to the transaction to which this notice relates. If not known, insert, "unknown".*

**9. Details of any associate who also has a relevant interest in the voting shares**

Given names (natural persons)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
	Independent Public Business Corporation of Papua New Guinea (IPBC)	Level 11, Pacific Place Cnr Musgrave Street and Champion Parade Port Moresby, NCD Papua New Guinea	PO Box 320 Port Moresby, NCD Papua New Guinea
	NPCP Holdings	Level 7, Deloitte Tower Douglas Street, Port Moresby, NCD Papua New Guinea	Level 7, Deloitte Tower Douglas Street Port Moresby, NCD Papua New Guinea

**Nature of Association**

Both IPBC and NPCP Holdings are associates pursuant to section 2(3)(c) of the Securities Act, in that they are body corporates which have the power to control the exercise of the right to vote attached to 20% or more of the voting shares of NPCP Investments.

**Details of Relevant Interest of Associates**

Both IPBC and NPCP Holdings have a relevant interest pursuant to section 113(3) of the Securities Act as they are both related body corporates of NPCP Investments. In particular:

- (a) NPCP Holdings is the sole shareholder of NPCP Investments; and
- (b) IPBC is the sole shareholder of NPCP Holdings.

*Note: Provide the name and address of each associate of the person submitting this notice who has a relevant interest in voting shares in the company, and the nature of the association with the associate and the details of the relevant interest of the associate.*

10. Prescribed particulars of any agreement under which substantial shareholding acquired.

Date of any agreement	Material terms of any agreement (whether written or oral)
17 December 2014	Clause 4 of the State Transfer Deed between the State, NPCP Investments and NPCP Holdings ( <b>State Transfer Deed</b> ), providing for the transfer of 12,377,994 of the Relevant Shares from the State to NPCP Investments.
17 December 2014	Under schedule 1, paragraph 11(b) of the novated and amended Confirmation Letter between NPCP Investments and UBS ( <b>Novated and Amended Confirmation Letter</b> ), NPCP has a right to cash settle each tranche of the loan and receive a transfer of 137,012,250 of the Relevant Shares applicable to such tranches.
17 December 2014	Under schedule 1, paragraph 11(b) of a further, new Confirmation Letter between NPCP Investments and UBS ( <b>New Confirmation Letter</b> ), NPCP has a right to cash settle each tranche of the loan and receive a transfer of 12,377,994 of the Relevant Shares applicable to such tranches.
17 December 2014	Under clause 3.1 of the Nominee Deed between NPCP Investments Limited, UBS, UBS Nominees and UBS Securities Australia Limited ( <b>Nominee Deed</b> ), UBS Nominees acts as trustee for NPCP Investments in respect of the Relevant Shares, and the transfer of those shares from UBS to UBS Nominees is allowed to enable NPCP Investments to vote those shares. Under clause 3.2 of the Nominee Deed, NPCP Investments has the right to vote at Oil Search shareholder meetings.

*Note: Provide the details of the material terms of any agreement, whether written or oral, and the details of the material terms of any relevant agreement through which a relevant interest, the subject of the notice, was acquired or otherwise arose. True copies of the documents must be submitted with this form.*

11. The following documents must be submitted with this form:

- A. a true copy of any document setting out the material terms of any agreement that:
- (a) contributed to the person having to submit this form;
  - (b) is in writing or in a document in which the material terms of an oral agreement have been reduced to writing in accordance with Section 40(5)(c) of the Regulation; and
  - (c) is readily available to the person submitting the notice; or
- B. where a document in paragraph A is not readily available to the person submitting this form, a memorandum in writing detailing the material terms of the document.

The following documents are submitted with this form:


- (a) the State Transfer Deed;
- (b) the Novated and Amended Confirmation Letter;

- (c) the New Confirmation Letter; and
- (d) the Nominee Deed.

The number of pages that accompany, or are annexed to, this notice is 83.

**12. Declaration.**

I declare that, to the best of my knowledge and belief, the information in this form is true and correct.

Signature:  \_\_\_\_\_

Full name of person signing: WAPU B. SONK

Role: Director Date: 23/12/14

*Note: Where this notice is given by a body corporate it must be signed by a director or secretary who is authorised by the board of the body corporate to give the notice. Initials are not sufficient for the full name of the person signing this form.*

# State Transfer Deed

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Independent State of Papua New Guinea

NPCP Investments Limited

NPCP Holdings Limited

**gadens**

77 Castlereagh Street  
Sydney NSW 2000  
Australia  
T +61 2 9931 4999  
F +61 2 9931 4888  
Ref AFD 34612460

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# State Transfer Deed

Dated 17 December 2014

## Parties

1. Independent State of Papua New Guinea (State).
2. NPCP Investments Limited (1-104026), incorporated in Papua New Guinea, of Level 7, Deloitte Tower, Douglas Street, Port Moresby, National Capital District, Papua New Guinea (NPCP Investments).
3. NPCP Holdings Limited (1-100145), incorporated in Papua New Guinea, of Level 7, Deloitte Tower, Douglas Street, Port Moresby, National Capital District, Papua New Guinea (NPCP Holdings).

## Background

- A. Pursuant to National Executive Council decision 264/2014 (NEC Decision), the National Executive Council, inter alia:
  - (a) noted the importance of the consolidation of the State's ownership interests in petroleum and mining assets;
  - (b) approved the establishment of NPCP Holdings as a wholly-owned ultimate subsidiary of IPBC; and
  - (c) directed that all petroleum assets of the State be consolidated into NPCP Holdings and that National Petroleum Company of PNG (Kroton) Limited and NPCP Holdings be authorised and directed to undertake all legal, financial and corporate activities necessary to implement this direction.
- B. NPCP Investments is a wholly owned subsidiary of NPCP Holdings;
- C. The parties enter into this deed to:
  - (a) give effect to the NEC Decision; and
  - (b) record the terms and conditions upon which the State will support the Transaction.
- D. The State is the registered holder and beneficial owner of the Bridge Loan Shares.
- E. The State has agreed to sell, and NPCP Investments has agreed to purchase, the Bridge Loan Shares on the terms and conditions set out in this deed.

## 1. Definitions and interpretation

### 1.1 Definitions

In addition to the terms defined within clauses, in this deed unless the context otherwise requires:

**\$** means the lawful currency of the Commonwealth of Australia.

**Business Day** means a day other than a Saturday, Sunday or a public holiday in Port Moresby.

**Bridge Loan** means the \$335 million bridge loan made by UBS to the State, security for which included the Bridge Loan Shares.

**Bridge Loan Shares** means 12,377,994 ordinary shares in OSH held by the State.

**Claim** includes all existing or potential actions, causes of action, suits, liabilities, rights, claims, expenses, losses, payments, proceedings and demands of any nature.

**Collar Loan** means the \$1,011,150,405 collar loan made by UBS to the State, secured by the Collar Loan Interest.

**Collar Loan Interest** means the State's rights in 137,012,250 of the OSH shares transferred to UBS as collateral for the Collar Loan.

**Collar Loan Shares** means 137,012,250 ordinary shares in OSH transferred by the State to UBS under the Collar Loan Credit Support Annex.

**Completion** means the completion of the sale and purchase of the Bridge Loan Shares contemplated by this deed.

**Completion Date** means the Effective Date (as defined in the Global Novation and Amendment Deed).

**Encumbrance** means any mortgage, charge, pledge, lien, hypothecation or other encumbrance.

**Execution Date** means the date of execution of this deed.

**Global Novation and Amendment Deed** means the global novation and amendment deed dated on or about the date of this document between the State, NPCP Investments, National Petroleum Company of PNG (Kroton) Limited, UBS AG, Australia Branch, UBS Nominees Pty Limited and UBS Securities Australia Limited.

**GST** means:

- (a) any goods and services tax payable pursuant to the *Goods and Services Tax Act 2003* (Papua New Guinea); and
- (b) any goods and services tax applying in a similar way (including any additional tax, penalty tax, fine, interest or other charge under a law for such a tax).

**IPBC** means the Independent Public Business Corporation established under the IPBC Act.

**IPBC Act** means the *Independent Public Business Corporation of Papua New Guinea Act 2002*.

**K** or **Kina** means the lawful currency of Papua New Guinea.

**New Equity Derivative Financing Agreement** has the meaning given in the Global Novation and Amendment Deed.

**New Collar Security** has the meaning given in the Global Novation and Amendment Deed.

**Novation Documents** has the meaning given in the Global Novation and Amendment Deed.

**Oil and Gas Act** means the *Oil and Gas Act 1998*.

**OSH** means Oil Search Limited (1-125).

**OSH Shares** means 149,390,244 ordinary shares in OSH.

**Principal Documents** has the meaning given in the Global Novation and Amendment Deed.

**Transaction** means the novation by the State to NPCP Investments of its rights and obligations in relation to the \$1.239 billion financing package made available by UBS to the State in connection with the State's acquisition of the OSH Shares and comprising:

- (a) the release by UBS Nominees of any Encumbrance granted by the State over the Bridge Loan Shares in favour of UBS Nominees in connection with the Bridge Loan;
- (b) the transfer of the Bridge Loan Shares from the State to NPCP Investments contemplated by this deed;
- (c) the novation of the State's rights and obligations under the Bridge Loan and the Collar Loan;
- (d) the subsequent repayment in full by NPCP Investments of the Bridge Loan; and
- (e) entry by NPCP Investments into a new collar loan with UBS in respect of the Bridge Loan Shares.

**Transaction Documents** means:

- (a) this document;
- (b) the Global Novation and Amendment Deed;
- (c) the Principal Documents;
- (d) the Novation Documents;
- (e) the New Equity Derivative Financing Agreement; and
- (f) the New Collar Security.

**UBS** means UBS AG, Australia Branch.

**UBS Nominees** means UBS Nominees Pty Ltd ACN 001 450 522.

## 1.2 Interpretation

In this document unless the context otherwise requires:

- (a) clause and subclause headings are for reference purposes only;
- (b) the singular includes the plural and vice versa;

- (c) words denoting any gender include all genders;
- (d) reference to a person includes any other entity recognised by law and vice versa;
- (e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- (f) any reference to a party to this document includes its successors and permitted assigns;
- (g) any reference to any agreement, deed or document includes that agreement, deed or document as amended at any time;
- (h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- (i) the expression **at any time** includes reference to past, present and future time and the performance of any action from time to time;
- (j) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;
- (k) an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;
- (l) when a thing is required to be done or money required to be paid under this document on a day which is not a Business Day, the thing will be done and the money paid on the immediately preceding Business Day; and
- (m) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated.

## 2. Role of NPCP Holdings

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### 2.1 Majority State-Owned Enterprise

NPCP Holdings and NPCP Investments are, at the time of entering into the Transaction, Majority State-Owned Enterprises within the meaning of, and for the purposes of, the IPBC Act.

### 2.2 Status

Notwithstanding the identity of any party owning shares in NPCP Holdings from time to time, and notwithstanding the provisions of any other Act or the application of any other law:

- (a) NPCP Holdings shall not be taken to be, or characterised as being, the State, an agent of the State or an instrumentality of the State;
- (b) NPCP Holdings shall not be entitled to claim the benefit of sovereign immunity in relation to its actions or assets;
- (c) the oil and gas assets of NPCP Holdings are not public assets for any purpose; and
- (d) unless otherwise agreed by the State, NPCP Holdings shall not be entitled to render the State liable for its debts, liabilities or obligations.

### 3. Taxation

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#### 3.1 Taxation and duties

The State indemnifies NPCP Holdings and NPCP Investments from and against, and must pay each of NPCP Holdings and NPCP Investments on demand the amount of, any stamp duty under any statute of Papua New Guinea charged to, payable by or imposed on NPCP Holdings or NPCP Investments (including as a result of an indemnity given by NPCP Holdings or NPCP Investments) under any Transaction Document or in connection with the Transaction Documents and the transactions contemplated by them.

### 4. Transfer of Bridge Loan Shares

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#### 4.1 Transfer

The State, as legal and beneficial owner, agrees to transfer to NPCP Investments (or a nominated subsidiary), and NPCP Investments agrees (or will procure that a nominated subsidiary agrees) to accept from the State, the Bridge Loan Shares on the terms set out in this deed:

- (a) free from Encumbrances;
- (b) with all rights, including dividend and voting rights, attached or accrued on or after Completion; and
- (c) with effect from Completion.

#### 4.2 Completion

- (a) Completion shall take place on the Completion Date in accordance with, and subject to the conditions set out in, the Novation Documents.
- (b) At or before Completion, the State must deliver to NPCP Investments a duly executed transfer of the Bridge Loan Shares in favour of NPCP Investments (or its nominee) in registrable form, together with the relevant original share certificates (if any);
- (c) NPCP Investments must ensure that registration of the transfer of the Bridge Loan Shares takes place as soon as possible after Completion and must procure that all relevant forms or written notices (as applicable) are lodged pursuant to the *Securities Act 1997*.

### 5. Warranties and Indemnity

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#### 5.1 State Warranties

The State warrants that:

- (a) with respect to the Bridge Loan Shares:
  - (i) the State is the registered legal and beneficial owner and has the full right, power and authority to sell, transfer, assign and deliver to NPCP Investments the Bridge Loan Shares; and
  - (ii) there is, or will be on Completion, no option, right to acquire or Encumbrance over or affecting the Bridge Loan Shares or any of them; and

- (b) all necessary consents, authorisations and approvals (including statutory authorisations and parliamentary approval) for the execution, delivery and performance by the State of its obligations under this deed have been obtained or will be obtained before Completion of the Transaction.

## 5.2 NPCP Investments Warranties

NPCP Investments warrants that all necessary consents, authorisations and approvals for the execution, delivery and performance by NPCP Investments of its obligations under this deed have been obtained or will be obtained before Completion of the Transaction. The State acknowledges that it has provided all necessary consents, authorisations and approvals on the part of the State for the execution, delivery and performance by NPCP Investments of its obligations under this deed.

## 6. Sovereign immunity

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The State unconditionally and irrevocably:

- (a) waives any claim to sovereign or other immunity in respect of:
  - (i) arbitration proceedings;
  - (ii) proceedings to recognise, enforce or execute any such award including, without limitation, immunity from service of process and from the jurisdiction of any court; and
  - (iii) it and its property or revenue relating to the enforcement and execution of any award rendered by the Tribunal or subsequent judgment registered in the National Court to enforce the award; and
- (b) agrees that the execution, delivery and performance by it of this deed constitute private and commercial acts.

## 7. General provisions

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### 7.1 Costs

The parties must bear their own costs arising out of the negotiation, preparation and execution of this deed.

### 7.2 GST

- (a) Any consideration to be paid or provided for a supply under this deed or any related transaction documents, unless specifically expressed to include GST, does not include an amount on account of GST.
- (b) If the State or NPCP Investments makes a supply (the party so making the supply, the **Supplier**) under this deed or any related transaction agreement on which GST is imposed:
  - (i) the consideration payable or to be provided for that supply but for the application of this clause 7.2 (where that consideration has not been specifically expressed under this document or any related transaction agreement to include GST) (**GST Exclusive Consideration**) is increased by, and the State or NPCP Investments (as the case may be) which is the

recipient of the supply (Recipient) must also pay to the Supplier an amount equal to, the GST payable by the Supplier on that supply; and

- (ii) the amount by which the GST Exclusive Consideration is increased must be paid to the Supplier by the Recipient without set-off, deduction or requirement for demand, at the same time as the GST Exclusive Consideration is payable or is to be provided.
- (c) The Supplier must, within 28 days of a request from the Recipient, issue a tax invoice (or an adjustment note) to the Recipient for any supply for which the Supplier may recover from the Recipient, an amount equal to the GST payable by the Supplier on that supply under this document.
- (d) The Recipient must indemnify the Supplier against, and pay the Supplier on demand, the amount of any damage or cost directly or indirectly arising from or caused by any failure by the Recipient to pay any amount as and when required by this clause 7.2 (including any additional tax, penalty tax, fine, interest or other charge payable in connection with such failure).
- (e) If a party is required under this deed or related transaction document to reimburse or pay to another party an amount calculated by reference to a cost, expense, outgoing, or an amount paid or incurred by that party, the amount of the reimbursement or payment will be reduced by the amount of any input tax credits or reduced input tax credits to which that party is entitled in respect of any acquisition regarding that cost, expense, outgoing or other amount.

### 7.3 Remedies

The parties agree that monetary damages alone may not be a sufficient remedy for a breach of this deed. In addition to any other legal remedy, a party is entitled to an interim, interlocutory or permanent injunction to prevent default under or compel specific performance of this deed.

### 7.4 Mutual collaboration

The parties recognise that circumstances may arise which could not have been foreseen at the time this deed was entered into. Both parties agree that they will use their best endeavours to solve any hardships or difficulties due to any unforeseeable circumstances in the spirit of mutual understanding and collaboration.

### 7.5 Announcements and confidentiality

Each party agrees to maintain the confidentiality of information which is not publicly available and is disclosed by the other party for the purposes of the Transaction and this deed. Without the prior written approval of the other party, which will not be unreasonably withheld or delayed, no public announcement may be made by either party or their associates in respect of either the entry into of this deed or the terms of this deed, unless such disclosure is required by a relevant authority.

### 7.6 Governing law and jurisdiction

The laws of Papua New Guinea apply to this deed and the parties submit to the non-exclusive jurisdiction of the courts of Papua New Guinea.

### 7.7 Notices

- (a) All notices under this deed, except those specifically provided for under other provisions of this deed (Notice), will (without prejudice to any other means of service) be deemed duly given if in writing and sent by pre-paid post registered or certified mail, messenger, fax or email addressed to the respective parties at the

addresses stated below or such other addresses as they will subsequently advise in writing from time to time.

#### State

Attention: Mr Dairi Vele, Secretary for Department of Treasury  
 Address: PO Box 542  
 Waigani 131  
 N.C.D.  
 Papua New Guinea  
 Fax: +675 5312 8804  
 Email: dairi.vele@treasury.gov.pg

#### NPCP Investments

Attention: Robert Acevski  
 Address: Level 7, Deloitte Tower  
 Douglas Street  
 Port Moresby  
 N.C.D.  
 Papua New Guinea  
 Fax: +675 3200238  
 Email: robert.acevski@npcp.com

#### NPCP Holdings

Attention: Robert Acevski  
 Address: Level 7, Deloitte Tower  
 Douglas Street  
 Port Moresby  
 N.C.D.  
 Papua New Guinea  
 Fax: +675 3200238  
 Email: robert.acevski@npcp.com

- (b) Any Notice given on behalf of the State under this deed must be given by the relevant Minister or departmental secretary.
- (c) Any Notice that is not issued in accordance with this clause 7.7 is deemed of no force or effect.

#### 7.8 Severability

Any provision of this deed which is invalid in any jurisdiction is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this deed or the validity of that provision in any other jurisdiction.



Executed as a deed

Signed, sealed and delivered on behalf of the Independent State of Papua New Guinea by Honourable Theodore Zurenuoc MP, Acting Governor General, acting with and in accordance with the advice of the National Executive Council in the presence of:

*[Handwritten signature]*

Witness

*[Handwritten signature]*

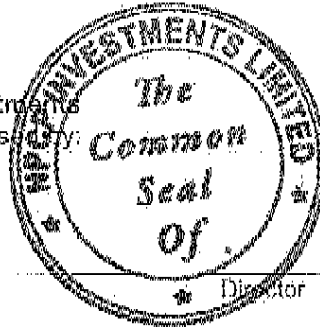
Honourable Theodore Zurenuoc, MP  
Acting Governor General



*ILAGI YEALI*

Print name

THE COMMON SEAL of NPCP Investments Limited, the fixing of which was witnessed by:



*[Handwritten signature]*

Secretary/Director

*[Handwritten signature]*

Director

*FRANK KRAMER*

Print name

*WAPA SANK*

Print name

THE COMMON SEAL of NPCP Holdings Limited, the fixing of which was witnessed by:



*[Handwritten signature]*

Secretary/Director

*[Handwritten signature]*

Director

*FRANK KRAMER*

Print name

*WAPA SANK*

Print name



UBS AG, Australia Branch  
 ABN 47 088 129 613  
 AFSL No. 231087  
 Level 16 Chifley Tower  
 2 Chifley Square  
 Sydney NSW 2000 Australia

OTC Operations  
 Tel. +612-9324 3455  
 Fax. +612-9324 2880

**Date:** 12 March 2014, as novated / amended and restated on or about 12 December 2014

**To:** **NPCP Investments Limited (Counterparty or Party B)**  
**E-mail:** Robert.acevski@npcp.com  
**Attention:** Robert Acevski  
**Tel:** +675 320 2253  
**Fax:** +675 320 0238

**From:** **UBS AG, Australia Branch (ABN 47 088 129 613) of Level 16, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 (UBS or Party A)**

**Subject:** **Financing transaction in respect of OSH**

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Dear Sirs/Madams,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the above referenced transaction entered into between Counterparty and UBS on the Trade Date specified below (the "**Transaction**").

This Confirmation evidences a complete binding agreement between the parties as to the terms of the Transaction to which this Confirmation relates. Until such time as the parties execute an ISDA Master Agreement and 1995 ISDA Credit Support Annex, the parties agree that this Confirmation, and any future Confirmation(s) entered into between the parties thereafter shall supplement, form part of, and be subject to, an agreement in the form of the 2002 ISDA Master Agreement as if on the Trade Date the parties had executed such agreement but without any Schedule, except for the election of Australian Dollars as the Termination Currency and New South Wales as the governing law and such other elections and modifications detailed herein referring to the ISDA Form (the "**Deemed Agreement**") and that each Confirmation entered into between the parties shall each be supplemented by and be subject to the terms of each 1995 ISDA Credit Support Annex with the elections and modifications provided in that Confirmation. The parties agree that the terms of each Annex to the 2002 Master Agreement Protocol published by the International Swaps and Derivatives Association, Inc ("**Protocol**") apply to the agreement as if the parties had adhered to the Protocol without amendment.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**") and the 2006 ISDA Definitions (the "**2006 Definitions**", and together with the Equity Definitions, the "**Definitions**"), in each case, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed references to a "Share Option Transaction" for the purposes of the Equity Definitions.

In the event of any inconsistency between the provisions of the Deemed Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

The terms of the particular Transaction to which this Confirmation relates are as follows:

#### GENERAL TERMS

Trade Date :	6 March 2014
Effective Date:	The date specified as such by Party A in a notice given to Party B confirming that all the conditions precedent to Party A entering into the Transaction specified in Schedule 2 to the Existing Side Letter have been satisfied, or waived by Party A.
Tax:	Has the meaning given in the ISDA Form and includes any stamp, registration, documentation or similar tax, duty, levy, fee or other imposition.
Shares:	Fully paid ordinary shares of Oil Search Limited (ARBN 055 079 868). ASX code "OSH".
Business Days:	Sydney
Currency Business Days:	Sydney
Convention:	If a payment or delivery is due, or a notice must be given or received, under this Confirmation on a day that is not a Business Day, a Local Business Day or a Currency Business Day, as the case may be, then the payment or delivery must be made, or the notice must be given or received, on the next Business Day, Local Business Day or Currency Business Day, as the case may be, immediately after that day.
Calculation Agent:	Party A, provided that if Party A is the sole Defaulting Party, then the Calculation Agent shall be a leading independent dealer in the relevant market mutually selected by the parties (the " <b>Substitute Calculation Agent</b> "). The Substitute Calculation Agent shall be mutually selected by the parties within one Business Day of the event that requires Calculation Agent determination. If the parties are unable to agree on a Substitute Calculation Agent, each party shall select an independent leading dealer and such independent leading dealers shall agree on an independent third party within two Business Days of the event that requires Calculation Agent determination. Unless there is a clear error, the calculations and determinations of the Substitute Calculation Agent are binding and conclusive. The fees and expenses of using the Substitute Calculation Agent, if any, shall be paid equally by Party A and Party B.

#### TERMS

Initial Exchange Payer (acting as lender):	Party A
Initial Exchange:	Party A shall pay to Party B the Aggregate Initial Exchange Amount on the Initial Exchange Date, where such amount is notionally split into 30 equal tranches ("Tranches") corresponding to 30 separate Final Exchange Amounts.
Aggregate Initial Exchange	The amount specified as such in the Existing Side Letter.

Amount:	
Initial Exchange Amount per Tranche:	In respect of each Tranche, the Initial Exchange Amount is calculated as: $\text{Tranche Notional} \times (1 - \text{Rate} \times t/365)$ where: "Tranche Notional" is the amount described as such in the Existing Side Letter; "Rate" is the rate described as such in the Existing Side Letter; and "t" is the number of days from but excluding the Initial Exchange Date to and including the Collar Group Final Exchange Date for the Collar Group to which the Tranche belongs.
Initial Exchange Date:	The Completion Date (as defined in the Subscription Agreement).
Final Exchange Payer (acting as borrower):	Party B
Final Exchange Amount per Tranche:	The Final Exchange Amount for each Tranche is the amount described as such in the Existing Side Letter.
Collar Group Final Exchange Amount:	Means, in respect of each Collar Group, the amount described as such in the Existing Side Letter, which is the sum of the Final Exchange Amounts of the Tranches that make up the Collar Group.
Final Exchange Payment Date:	If Cash Settlement is applicable in respect of a Collar Group, then Party B must pay to Party A the Collar Group Final Exchange Amount on the Collar Group Final Exchange Date for the relevant Collar Group. If Physical Settlement is applicable to a Tranche, then Party B must pay to Party A the Final Exchange Amount for that Tranche on the Settlement Date for that Tranche. Collar Group Final Exchange Dates and Expiration Dates of each Tranche are set out in Schedule 1 to the Existing Side Letter.
Collar Group Final Exchange Date:	Means, in respect of a Collar Group, the collar group final exchange date for that Collar Group as set out in section (B) of Schedule 1 to the Existing Side Letter.
Adjustments:	If any terms of the notional Put Options and Call Options are adjusted by the Calculation Agent in accordance with this Confirmation, Party A shall be entitled to adjust the financing terms above including but not limited to the Final Exchange Amount.

## OPTION TERMS

### General Terms

Single Transaction:	Party A and Party B acknowledge and agree that <ol style="list-style-type: none"> <li>the Share Option Transaction the subject of this Confirmation is a "<b>Step Collar</b>" option comprising 6 "<b>Collar Groups</b>";</li> <li>each Collar Group comprises five Tranches each with a different Expiration Date;</li> <li>each Tranche is made up of five "<b>Component Collars</b>" with the same Expiration Date and the applicable strike prices set out in Schedule 1 to the Existing Side Letter;</li> </ol>
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- (d) each Component Collar is made up of notional "**Put Options**" and "**Call Options**" over the same number of Shares;
- (e) the Step Collar, the Collar Groups, the Tranches, the Component Collars and the notional Put Options and notional Call Options comprised within them are not separate Transactions for the purposes of the Deemed Agreement, cannot be traded or dealt with separately and all payment and delivery obligations described herein form one Transaction for the purposes of the Deemed Agreement; and
- (f) without limiting paragraph (e) above, the Component Collars that make up a Tranche and the Initial Exchange Amount and Final Exchange Amount that correspond to that Tranche cannot be terminated independently of each other (each being a "**Related Transaction**" of the others), and "**Related Options**" mean the Put Options and Call Options that make up the Component Collars in each Tranche.

Additional details of the Component Collars, Tranches and Collar Groups are set out in Schedule 1 to the Existing Side Letter.

This Confirmation must be construed and interpreted accordingly.

Put Option Seller:	Party A
Put Option Buyer:	Party B
Call Option Seller:	Party B
Call Option Buyer:	Party A
Option Style:	European
Option Entitlement:	1 Share per Option.
Strike Price:	Means the Put Strike for each notional Put Option or the Call Strike for each notional Call Option that make up each Component Collar set out in column 3 and column 5 (respectively) of the table in section (A) of Schedule 1 to the Existing Side Letter.
Aggregate Number of Shares:	The sum of each Tranche Quantity for all outstanding Tranches, which as at the Effective Date is 137,012,250.
Collar Group Quantity:	The number specified as such in the Existing Side Letter
Tranche Quantity	The number specified as such in the Existing Side Letter
Number of Put Options per Component Collar:	The number specified as such in the Existing Side Letter
Number of Call Options per Component Collar:	The number specified as such in the Existing Side Letter
Premium:	Not applicable. There is no Premium payable by Party A or Party B in respect of the Transaction.
Expiration Date:	The Expiration Date for each Tranche as set out in section (B) of Schedule 1 to the Existing Side Letter is the Expiration Date of the Component Collars in that Tranche and all the notional Put Options and notional Call Options that make up the Component Collars in that Tranche.
Exchange:	Australian Securities Exchange (" <b>ASX</b> ") or any successor to such exchange or quotation system.
Related Exchange:	Not applicable

### Procedure for Exercise of Put Options and Call Options

Expiration Time:	The Scheduled Closing Time on the Exchange on the Expiration Date of the Put Option or Call Option.
Exercise Date:	The Expiration Date of the Put Option or Call Option.
Automatic Exercise:	Applicable, provided that Section 3.4(c) of the Equity Definitions shall be deleted in its entirety and replaced with the following: <b>“In-the-Money” means, in respect of a Call Option</b> , that the Reference Price is greater than the applicable Strike Price and, in respect of a Put Option, that the Reference Price is equal to or less than the applicable Strike Price.”

### Valuation (for the purposes of Settlement and Exercise)

Valuation Time:	The Expiration Time
Valuation Date:	The Expiration Date

### Settlement Terms

Settlement Method Election:	Applicable in respect of each Collar Group, provided that any election is irrevocable, given in respect of only one Collar Group at any one time, and the election (or default position in the absence of any election) shall apply to each Collar Group separately. Once a Settlement Method is elected for a Collar Group it shall apply to all Tranches (and therefore to all Component Collars and Related Options) in the Collar Group.
Electing Party:	Party B.
Settlement Method Election Date:	The date falling 10 Scheduled Trading Days prior to the earliest Expiration Date of each Collar Group (or such later date as Party A may agree following a request by Party B).
Default Settlement Method:	Cash Settlement
Reference Price:	For the purposes of determining whether a Put Option or a Call Option is “In-the-Money”, the Reference Price is the Volume Weighted Average Price of the Share on the Exchange at the Expiration Time on the Expiration Date for that Put Option or Call Option.
Volume Weighted Average Price (for purposes of Reference Price):	Means the price referenced for OSH AU Equity VWAP on Bloomberg (code RQ017).
Settlement Price:	For each Put Option and Call Option in respect of which Cash Settlement is applicable, the price per Share in Australian dollars that Party A has achieved or considers in a commercially reasonable manner that it would have achieved, in terminating or liquidating applicable Hedge Positions on the Expiration Date for that Put Option or Call Option plus applicable commissions and Taxes and any stamp, registration, documentation or similar tax, duty, levy, fee or other imposition.
Cash Settlement:	If Cash Settlement is applicable in respect of a Tranche, then the Seller must pay to the Buyer the Cash Settlement Amount for that Tranche, if any, on the Cash Settlement Payment Date for that Tranche, and Section 8.1 of the Equity Definitions shall not apply.

Cash Settlement Amount:	<p>In respect of each Tranche, the Cash Settlement Amount payable by Party B to Party A is an amount equal to the Aggregate Call Option Cash Settlement Amount minus the Aggregate Put Option Cash Settlement Amount, subject to a minimum of zero; and the Cash Settlement Amount payable by Party A to Party B is an amount equal to the Aggregate Put Option Cash Settlement Amount minus the Aggregate Call Option Cash Settlement Amount, subject to a minimum of zero.</p> <p>For the purposes of this calculation:</p> <ul style="list-style-type: none"> <li>- the Aggregate Call Option Cash Settlement Amount is the sum of the Option Cash Settlement Amounts in respect of each Call Option comprised in that Tranche which is exercised or deemed to be exercised on the Exercise Date of such Tranche, calculated in accordance with Section 8.2(b) of the Equity Definitions; and</li> <li>- the Aggregate Put Option Cash Settlement Amount is the sum of the Option Cash Settlement Amounts in respect of each Put Option comprised in that Tranche which is exercised or deemed to be exercised on the Exercise Date of such Tranche, calculated in accordance with Section 8.2(b) of the Equity Definitions.</li> </ul> <p>The intention of the parties is that following such calculations, only one net amount is payable by one party to the other in respect of each Tranche.</p>
Strike Price Differential:	An amount equal to the greater of (a) the excess of (i) in the case of a Call Option, the relevant Settlement Price over the Call Strike, or (ii) in the case of a Put Option, the Put Strike over the relevant Settlement Price, and (b) zero.
Cash Settlement Payment Date:	Where Cash Settlement applies in respect of a Tranche, the date occurring one Settlement Cycle after the Expiration Date of that Tranche, provided that if such date is not a Business Day then the Cash Settlement Payment Date shall be the immediately following Currency Business Day.
Settlement Date:	Where Physical Settlement applies in respect of a Tranche, the date that falls one Settlement Cycle following the Expiration Date of that Tranche. If such date is not a Currency Business Day then the Settlement Date shall be the following Currency Business Day.
Failure to Deliver:	Applicable if Physical Settlement is applicable, provided that Party A shall be the Determining Party.
<b>Dividends</b>	
Dividend Amounts:	Without prejudice to Schedule 1 to this Confirmation, and except to the extent included as an adjustment pursuant to "Adjustments" below (pursuant to Section 11.2 of the Equity Definitions), no Dividend Amounts are payable by Party A or Party B in respect of the Transaction.

**Adjustments**

Method of Adjustment:	<p>Calculation Agent Adjustment; provided, however, that:</p> <ul style="list-style-type: none"> <li>a) Section 11.2(c) of the Equity Definitions is deemed amended by the deletion of the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)" and replacing them with the words "(including</li> </ul>
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adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)"; and

b) Section 11.2(e)(iii) of the Equity Definitions shall be deleted.

## **Extraordinary Events**

### Consequences of Merger Events

Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Tender Offer:	Applicable

### Consequences of Tender Offers

Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Composition of Combined Consideration:	Not Applicable
Nationalization, Insolvency or Delisting:	Cancellation and Payment - Calculation Agent Determination
Determining Party:	Party A, in all cases

### Additional Disruption Events

Change in Law:	Applicable, <u>provided</u> that Section 12.9(a)(ii)(B) of the Equity Definitions is replaced in its entirety as follows: "(B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of Hedge Positions relating to such Transaction or (Y) a party to the Transaction will incur materially increased cost in performing its obligations under such Transaction (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position)".
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Hedge Positions:	The definition of "Hedge Positions" in Section 13.2(b) of the Equity Definitions shall be amended by inserting the words "or an Affiliate thereof" after the words "a party" in the third line.
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Insolvency Filing:	Applicable
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Hedging Disruption:	Applicable, provided that Section 12.9(a)(v) of the Equity Definitions is replaced in its entirety as follows: "(v) Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk, including, but not limited to, any currency risk) of entering into and performing its obligations with respect to this Transaction, or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts
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	outside of the Affected Jurisdiction."
Consequences of Hedging Disruption:	Section 12.9(b)(iii) of the Equity Definitions is replaced with the following: "(iii) If 'Hedging Disruption' is specified in the relevant Confirmation to be applicable to a Transaction, then upon the occurrence of such an event, the Hedging Party may elect to terminate the Transaction upon notice to the Non-Hedging Party specifying the date of such termination, which may be the day on which the notice of termination is issued, in which event the Determining Party will determine the Cancellation Amount payable by one party to the other."
Increased Cost of Hedging:	Applicable, <u>provided</u> that Section 12.9(a)(vi) of the Equity Definitions is replaced as follows: "(vi) 'Increased Cost of Hedging' means that the Hedging Party would incur a materially increased (as compared with the circumstances that existed on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, currency risk) of entering into and performing its obligations with respect to this Transaction or (B) freely realise, recover, receive, repatriate, remit or transfer the proceeds of the Hedge Positions or this Transaction between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction."
Loss of Stock Borrow:	Applicable, <u>provided</u> however that Section 12.9(b)(iv)(B) of the Equity Definitions is deemed amended to include after the words "(B) refer the Hedging Party to a Lending Party" and before the words "that will lend", the words "acceptable to the Hedging Party in its sole discretion".
Maximum Stock Loan Rate:	0% per annum
Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	0% per annum
Hedging Party:	Party A
Determining Party:	Party A
Non-Reliance:	Applicable
Agreements and Acknowledgements Regarding Hedging Activities:	Applicable
Additional Acknowledgements:	Applicable

## ACCOUNT DETAILS

<b>Account for payments to Party B:</b>	To be advised
<b>Account for payments to Party A:</b>	Beneficiary Bank: UBS AG Australia Bank Beneficiary Bank SWIFT: UBSWAU2S Account holder name: UBS AG Australia Correspondent: UBS AG, Australia Branch

BSB:	946 612
A/c:	242624
Swift:	UBSWAU2S

## ADDITIONAL PROVISIONS

For the purposes of this Transaction:

### 1) Disclosure requirement and additional representations and warranties

Party B represents and warrants to Party A:

- (a) that, as at the Trade Date for each Component Collar and on the Initial Exchange Date, there are no security interests (as defined in the Personal Property Securities Act 2009 (Cth) or any other encumbrance of any nature whatsoever) in respect of the Shares that would be delivered to Party A under the terms of this Confirmation (including in accordance with Schedule 1 to this Confirmation);
- (b) that it will seek its own advice on the appropriateness and suitability of the Transaction and any disclosure obligations it may have relating to its dealings in Shares and Transaction in respect of Shares;
- (c) at the time of entry into the Transaction and on a continuous basis during the term of the Transaction that, by entering into and performing its obligations under the Transaction, it is not, and will not be, acting in breach of any:
  - i. laws, regulations or Authorisations binding on it or any of its property or to which any of its property may be subject;
  - ii. agreements, instruments, undertakings or other restrictions binding upon it or any of its property (other than any negative pledges) in a manner that could have a Material Adverse Effect; or
  - iii. negative pledges binding on or applicable to it;
- (d) that neither Counterparty nor any of its Affiliates nor anyone acting on Counterparty's or any Affiliate's behalf has engaged in any behaviour which is designed to cause, has caused, or might reasonably be expected to cause manipulation of the price of any security of the Issuer;
- (e) it will record in its books and account for the value of this Transaction in accordance with the policies and rules applicable to it;
- (f) it has complied and will comply with all laws, regulations and administrative provisions applicable to it in connection with the Transaction, including making all relevant disclosures to, or obtaining any required approvals from all regulatory authorities in respect of its holding in the Shares (if any) and in respect of the Transaction as required by, and within the time limits required by, such regulatory authorities or pursuant to applicable laws or regulations in this regard;
- (g) neither this Transaction nor any delivery of Shares or payment of cash contemplated hereby will constitute a violation by Counterparty or any Affiliate of any applicable law or regulations of any applicable jurisdiction prohibiting "insider dealing" in, or market abuse in respect of, securities;
- (h) it is not in possession of any material information about the Shares or the Issuer which has not been publicly disclosed, which might have influenced its decision to enter into the Transaction or any particular element thereof and it is not entering into the Transaction on the basis of any such information;
- (i) it has full authority and capacity to enter into the Transaction and the execution and delivery of this Confirmation and the consummation by it of the Transaction contemplated hereby have been duly authorised by all necessary corporate action. All consents, orders, approvals, and other authorisations, whether governmental, corporate or other, necessary for the Transaction have been obtained or made and are in full force and effect;
- (j) the purpose and effect of the Transaction and the manner in which it intends to account for the Transaction are permissible and appropriate as a matter of local law, custom and practice in jurisdictions applicable to it in this regard;
- (k) it has entered into this Transaction as principal for its own account in the normal and ordinary course of its business; and
- (l) this Transaction, including the accounting and tax treatment to be accorded to the Transaction, is consistent with all regulatory requirements arising from or applicable to this Transaction and it has taken all steps necessary to ensure that this Transaction complies with such requirements, and it will ensure that such accounting and tax treatment is appropriately reflected, if required, with the proper regulatory authorities in the applicable jurisdiction.

Party B represents and warrants to Party A and undertakes to Party A at all times:

- (m) (status) it is a company validly existing under the laws of the place of its incorporation;
- (n) (power) it has the power to enter into and perform its obligations under the Equity Derivative Financing Documents, to carry out the Equity Derivative Transactions and to carry on its business as now conducted or contemplated;
- (o) (corporate authorisation) it has taken all necessary corporate action to authorise the entry into and performance of the Equity Derivative Financing Documents, and to carry out the Equity Derivative Transactions;
- (p) (documents binding) each Equity Derivative Financing Document is its valid and binding obligation enforceable against it in accordance with its terms, subject to the application of equitable principles and creditors rights generally and any necessary stamping and registration;
- (q) (transactions permitted) the execution and performance by it of the Equity Derivative Financing Documents and the Transaction did not and will not violate in any respect any existing provision of a law or treaty or a judgment, ruling, order or decree of a government agency binding on it, its constitution or other constituent documents, or any other document or agreement which is binding on it or its assets;
- (r) (filings and stamp taxes) all filings and registrations which are required to be effected, and all stamp, registration or similar Taxes which are required to be paid, to ensure that the Equity Derivative Financing Documents are legal, valid, binding, enforceable and admissible in evidence and have the priority that they contemplate have been effected and paid or will, within the time prescribed by law, be effected and paid;
- (s) (pari passu ranking) its payment obligations under the Equity Derivative Financing Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors;
- (t) (other information)
  - (i) the information and reports (if any) that it has given to Party A or any in connection with the Equity Derivative Financing Documents are true and accurate in all material respects and not misleading in any material respect (including by omission); and
  - (ii) any forecasts, projections and opinions in them are fair and reasonable (and were made or formed on the basis of recent historical information and reasonable assumptions after due inquiry and consideration by appropriate officers of Party B), as at the date of this document or, if given later, when given;
- (u) (disclosure of relevant information) Party B has disclosed to Party A all the information that is reasonably likely to be material to an assessment by it of the risks that it assumes by entering into the Equity Derivative Financing Documents;
- (v) (no default) Party B has notified Party A of any Event of Default or Potential Event of Default that has occurred and is continuing, and it is not in breach of any other agreement in a manner that could have a Material Adverse Effect;
- (v) (commercial activity) Party B is subject to civil and commercial law with respect to its obligations under the Equity Derivative Financing Documents. The execution and delivery of the Equity Derivative Financing Documents constitute, and Party B's performance of and compliance with its obligations under those documents will constitute, private and commercial acts rather than public or governmental acts;
- (w) (immunity) neither Party B nor any of its assets has any right of immunity from suit, execution, attachment or other legal process in any legal proceedings in relation to the Equity Derivative Equity Derivative Financing Documents taken in any jurisdiction, including, without limitation, in Party B's country; and
- (x) (processing of transactions) the processing of any transaction by Party A in accordance with Party B's instructions will not contravene any laws or regulations in Australia, Papua New Guinea or any other applicable jurisdiction.

These representations and warranties are repeated each time Party B enters into a Transaction with Party A and on each date on which a payment or delivery is due from Party B under the Transaction.

Each party will be deemed to represent to the other party on the date on which it enters into each Transaction that (in the absence of any written agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):-

- (A) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction will not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of this Transaction.
- (B) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
- (C) **Status Of The Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of this Transaction.

The parties further agree that details of this Transaction (including the identity of the counterparty) may, (1) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the securities exchange on which the underlying shares are listed, and (2) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By entering into the Transaction, each party agrees to such disclosure and releases the other party and any of its subsidiaries and affiliates from any duty of confidentiality owed to it in relation to such information.

## 2) **Additional Termination Event**

If any of the events, circumstances or conditions referred to in Part I (Additional Termination Events) of Schedule 2 (Additional Provisions) occurs it shall constitute an Additional Termination Event with all Transactions between Party A and Party B as Affected Transactions and Party B as the sole Affected Party.

## 3) **Credit Support**

- (a) **Credit Support Document** means: in relation to Party A, not applicable and in relation to Party B, the Existing Specific Security Deed and the Existing Nominee Deed.
- (b) **Credit Support Provider** means: in relation to Party A, not applicable and in relation to Party B, not applicable.
- (c) Paragraph 11 of the 1995 ISDA Credit Support Annex to the ISDA Form (“**CSA**”) is included as Schedule 1 hereto. However, it is acknowledged and agreed by the parties that the CSA shall operate one-way in the sense that only Party B is required to transfer Eligible Credit Support (and Party A shall not) and the CSA is modified in accordance with Schedule 1.

## 4) **Voting Arrangements**

Party B may, by providing at least 10 Business Days' prior written notice, request a transfer of Shares included in the Credit Support Balance for the sole purpose of enabling Party B to vote at a properly convened meeting of members of the Issuer. Subject to availability of stock borrow in the Shares on terms reasonably acceptable to Party A, Party A will use its best efforts to borrower Shares from third parties to comply with any such request, provided also that:

- (a) no Potential Event of Default, Event of Default or Termination Event has occurred in respect of which Party B is the Defaulting Party or in respect of which Party B is the Affected Party;
- (b) the number of Shares requested does not exceed the number of Shares included in the Credit Support Balance at that time;
- (c) the Shares are delivered to UBS Nominees Pty Ltd (the “**Nominee**”) who will hold the Shares in accordance with the Existing Nominee Deed;
- (d) Party B is eligible to vote at the meeting of members of the Issuer during the time when the Shares are held by the Nominee;
- (e) the Shares are to be held by the Nominee for the shortest period of time necessary to give Party B the entitlement to direct the Nominee to vote at the meeting of members referred to in paragraph (d) above,

- and the Nominee is subject to an enforceable, irrevocable instruction to redeliver the Shares to Party A as soon as possible after the record time for the member vote and Party B shall pay to Party A any costs incurred by Party A related to a delayed delivery;
- (f) an Ex-Distribution Date for the Share is not scheduled to occur during the period when Shares are held by the Nominee, and if an Ex-Distribution Date does occur during that period then the Nominee is subject to an enforceable, irrevocable instruction to promptly redeliver the Shares to Party A prior to the Ex-Distribution Date and Party B shall bear any costs incurred by UBS related to any delayed delivery relating to an Ex-Distribution Date;
  - (g) if Shares are not redelivered to Party A prior to an Ex-Distribution Date and Party B (or the Nominee as nominee for Party B) becomes entitled to receive, and does receive, any Distribution, then Party B agrees to deliver to Party A, or pay to Party A an amount equal to, and the Nominee is subject to an enforceable, irrevocable instruction from Party B to promptly deliver to Party A, or pay to Party A an amount equal to, such Distribution following the making of such Distribution by the Issuer; and
  - (h) Party B pays Party A the stock borrow cost incurred by Party A to procure the delivery of Shares to be held by the Nominee, by no later than the third Business Day after the Shares are returned to Party A. Such borrow cost shall be calculated on no more than the Delta Quantity of Shares.

Subject to the foregoing procedures, Party B may in accordance with the Existing Nominee Deed direct, in writing, the Nominee to exercise any voting rights it has in respect of the Shares held by the Nominee.

## 5) Events of Default

Section 5(a) is amended as follows:

- (i) by deleting the following words from subsection (i) thereof: "if such failure is not remedied on or before the first Local Business Day in the case of any such payment or the first Local Delivery Day in the case of any such delivery after, in each case, notice of such failure is given to the party"
- (ii) by deleting the number "30" appearing on line five of subsection (ii)(1) thereof and substituting the number "10" therefor; and
- (iii) by inserting the following at the end of subsection (vii)(3) thereof:

"or a notice is sent convening a meeting to propose a voluntary arrangement of its creditors".

## 6) Cross-Default

The "Cross-Default" provisions of Section 5(a)(vi) of the ISDA Form will apply to Party B and will not apply to Party A.

"Specified Entity" means:

- (a) In relation to Party A for the purpose of Section 5(a)(vi), none; or
- (b) In relation to Party B for the purpose of Section 5(a)(vi), none.

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of money borrowed or raised or under any finance lease, redeemable preference share, letter of credit, futures contract, bills facility, guarantee, indemnity or a transaction of a type described in sub-paragraphs (a)(i) and (ii), (b) and (c) of the definition of Specified Transaction.

"Threshold Amount":

- (a) does not apply to Party A; and
- (b) with respect to:
  - (i) Party B, means AUD25,000,000 or its equivalent in any other currency or currencies; or

- (ii) a Specified Entity of Party B, means AUD25,000,000 or its equivalent in any other currency or currencies.

**7) Market Disruption Events**

If the Expiration Date for a Tranche is a Disrupted Day then to the extent the Expiration Date is deferred to a later date in accordance with Section 3.1(f) of the Equity Definitions, the Expiration Date(s) for the unexpired Tranche(s) in the same Collar Group shall be deferred by the same number of Scheduled Trading Days.

**8) Miscellaneous**

**Offices:**

The Office of Party A for the Transaction is Australia.  
The Office of Party B for the Transaction is Port Moresby.

**Addresses for Notices:**

The addresses for notices for the purpose of section 12(a) of the Agreement are set out on page 1 of this Confirmation.

**Process Agent:**

- (a) Party B irrevocably appoints Gadens Lawyers Sydney Pty Ltd ACN 100 963 308 of Level 16, 77 Castlereagh Street, Sydney NSW 200 as its agent under this document for service of process in any proceedings in the State of New South Wales.
- (b) If any person appointed as process agent is unable for any reason to act as agent for service of process, Party B must immediately appoint another agent on terms acceptable to Party A. Failing this, Party A may appoint another person for this purpose.
- (c) Party B undertakes to maintain the appointment of the process agent until all money owed by Party A to Party B under the Equity Derivative Financing Documents is finally and irrevocably paid in full, and agrees that any process served on that person is taken to be served on it.
- (d) This clause does not affect any other method of service allowed by law.

**Governing Law and Consent to Jurisdiction**

This Confirmation will be governed by, and construed in accordance with, the laws in force in the State of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of that State without reference to choice of law doctrine.

Notwithstanding Section 13(b)(i) of the ISDA Form, each party submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Confirmation.

Party B irrevocably waives any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum.

**9) FATCA - HIRE Act.**

- (a) **FATCA PROTOCOL PROVISION.** "Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act. "Tax" as used in Part 2(a) of the Schedule (Payer Tax Representation), if applicable, and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "FATCA Withholding Tax"). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this

agreement. If the parties each independently decide to adhere to any ISDA Protocol on FATCA Withholding Tax, upon effective adherence by both parties, the provisions of such Protocol shall supersede the foregoing provision

(b) **SHORT FORM HIRE ACT PROTOCOL PROVISION.** The parties agree that the definitions and provisions contained in the Attachment to the 2010 Short Form HIRE Act Protocol published by the International Swaps and Derivatives Association, Inc. on November 30, 2010 are incorporated into and apply to this Agreement as if set forth in full herein. The definition of “Indemnifiable Tax” shall not include any Dividend Equivalent Tax.

## 10) Definitions

Unless the otherwise defined in this Confirmation and unless the context otherwise requires, capitalized terms and expressions used in this Confirmation have the respective meanings given to them in the Global Novation and Amendment Deed. In this Confirmation the following terms also have the following meanings:

**“Equity Derivative Financing Document”** means:

- (a) each Existing Equity Derivative Financing Document;
- (b) each New Equity Derivative Financing Document;
- (c) any document or agreement that is entered into under any of the above;
- (d) the Global Novation and Amendment Deed;
- (e) any document or agreement that amends, supplements, replaces or novates any of the above; and
- (f) any undertaking (whether or not in writing) by Party B that is given under or relates to any of the above.

**“Ex-Distribution Date”** means, in respect of any Distribution in respect of Shares, the date on which the Shares commence trading on the Exchange without entitlement to the Distribution.

**“Existing Equity Derivative Financing Documents”** means:

- (a) the Deemed Agreement;
- (b) the Existing Nominee Deed; and
- (c) the Existing Specific Security Deed.

**“Existing Nominee Deed”** means the document entitled “Nominee Deed” dated 12 March 2014 between Party A, the Independent State of Papua New Guinea and UBS Nominees Pty Ltd (ABN 32 001 450 522), as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).

**“Existing Side Letter”** means the letter entitled “**Financing transaction in respect of OSH – Confirmation Side Letter**” dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).

**“Existing Specific Security Deed”** means the “Specific Security Deed (CHESS Securities – Collar)” dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).

“**Global Novation and Amendment Deed**” means the document of that title dated on or about 12 December 2014 between, among others, the Independent State of Papua New Guinea, Party A and Party B.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) Party B’s business, operation, property or condition (financial or otherwise);
- (b) Party B’s ability to perform its obligations under the Equity Derivative Financing Documents;
- (c) the attachment, perfection, effectiveness or priority of any Security Interest given under the Equity Derivative Financing Documents; or
- (d) the validity or enforceability of any Equity Derivative Financing Document or the rights and remedies of Party A under any Equity Derivative Financing Document.

“**New Equity Derivative Financing Documents**” means:

- (a) the confirmation letter dated on or about 12 December 2014 between Party A and Party B, including any ISDA master agreement or credit support annex entered into or deemed to be entered into under or in relation to the letter or the transactions contemplated therein;
- (b) the letter entitled “Transaction in respect of OSH – Confirmation Side Letter” dated on or about 12 December 2014 between Party A and Party B;
- (c) the “Initial Price Notification Letter” given by Party A to Party B in relation to the Deemed Agreement and the Side Letter;
- (d) any document or agreement that is entered into under any of the above;
- (e) any document or agreement that amends, supplements, replaces or novates any of the above; and
- (f) any undertaking (whether or not in writing) by Party B that is given under or relates to any of the above.

“**Side Letter**” means the letter entitled “**Transaction in respect of OSH – Confirmation Side Letter**” dated on or about 12 December 2014 between Party A and Party B relating to the confirmation letter dated on or about 12 December 2014 between Party A and Party B.

“**State**” means the Independent State of Papua New Guinea.

## 11) Stamp duty

Party B is solely responsible for, and must indemnify Party A against, any stamp duty including any interest or penalty that is payable on or in relation to:

- (a) this Confirmation;
- (b) the sale, purchase, assignment, transfer or declaration of trust of or over any property under this Confirmation; and
- (c) any instrument or transaction that this Confirmation contemplates (including any other Equity Derivative Financing Document).



**SCHEDULE 1 – CREDIT SUPPORT ANNEX PARAGRAPH 11****Paragraph 11. Elections and Variables****(a) Base Currency and Eligible Currency.**

- (i) "Base Currency" means Australian Dollars.
- (ii) "Eligible Currency" means the Base Currency.

**(b) Credit Support Obligations.****(i) Delivery Amount, Return Amount and Credit Support Amount.****(A) "Delivery Amount"**

Party A is not required to deliver any Eligible Credit Support (whether by way of Delivery Amounts or Return Amounts or otherwise) to Party B in respect of the Transaction covered by this Confirmation.

Despite any other provision of this Confirmation, Party B must on the Initial Exchange Date deliver to Party A an initial Delivery Amount comprised of Shares in an amount equal to the Aggregate Number of Shares. No other Delivery Amounts are required to be delivered by Party B to Party A except:

(aa) in circumstances where Eligible Credit Support in the form of Shares has been transferred by Party A to the Nominee in accordance with "Additional Provisions paragraph 4 – Voting Arrangements" of this Confirmation, in which case the required Delivery Amount is equivalent to the number of Shares so transferred to the Nominee. The Delivery Amount must be delivered to Party A in accordance with "Additional Provisions paragraph 4 – Voting Arrangements" of this Confirmation and the Existing Nominee Deed; and

(bb) in circumstances where Party A has agreed to the delivery or substitution of collateral other than the Shares, in which case any required Delivery Amounts are determined in accordance with the agreement between Party A and Party B in respect of that alternative collateral.

**(B) "Return Amount"**

Despite any other provision of this Confirmation, Party A must on the Cash Settlement Payment Date (if Cash Settlement applies) or Settlement Date (if Physical Settlement applies) for a Tranche, deliver a Return Amount comprised of Shares in an amount equal to the Tranche Quantity for that Tranche to Party B, provided that no Event of Default (as defined in the ISDA Form) has occurred in respect of which Party B is the Defaulting Party or Termination Event has occurred in respect of which Party B is the Affected Party.

To the extent that, on a Settlement Date, Party A is required to deliver a Return Amount to Party B (such quantity of Shares being "**Quantity X**") and Party B is on that date required to deliver Shares to Party A in connection with the physical settlement of the Related Options (such quantity of Shares being "**Quantity Y**"), Party A's obligation to deliver Shares under this Confirmation in respect of the relevant Tranche shall be satisfied by the delivery of a number of Shares to Party B on the Settlement Date for that Tranche, equal to the excess, if any, of Quantity X over Quantity Y.

(C) **"Credit Support Amount"** in Paragraph 10 does not apply and, instead, for the purposes of this Confirmation, it means at any time an amount equal to the Aggregate Number of Shares comprised in the Delivery Amount on the Initial Exchange Date less any Shares delivered to Party B under paragraph (B) ("**Return Amount**") above.

(ii) **Eligible Credit Support.** The following items will qualify as "**Eligible Credit Support**":

	<b>Party B</b>	<b>Valuation Percentage</b>
<b>Fully paid ordinary shares of the Issuer, or any other collateral agreed to in advance in writing by Party A</b>	✓	100 %
<b>Australian Dollars cash</b>	✓	100 %

**"Issuer"** means Oil Search Limited (ARBN 055 079 868). ASX code "OSH".

(iii) **Thresholds.**

(A) **"Independent Amount"** means with respect to Party A: zero  
**"Independent Amount"** means with respect to Party B: zero

(B) **"Threshold"** means zero for both Party A and party B.

(C) **"Minimum Transfer Amount"** means AUD 1,000,000 for both Party A and Party B.

(D) **Rounding.** AUD 10,000

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means Party A.

(ii) **"Valuation Date"** means any Local Business Day.

(iii) **"Valuation Time"** means the close of business in the Relevant Market on the Local Business Day first preceding the Valuation Date or date of calculation, as applicable.

For the purposes of this provision, "**Relevant Market**" means:

(a) with respect to the calculation of Value, the principal market in which the Eligible Credit Support is traded; and

(b) with respect to the calculation of Exposure, the location most closely associated with the relevant Transaction;

each as determined by the Valuation Agent, or as otherwise agreed between the parties.

(iv) **"Notification Time"** means 3:00 p.m., Sydney time, on the Local Business Day.

(d) **Exchange Date.** "**Exchange Date**" has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution.**

- (i) **"Resolution Time"** means 3:00 p.m., Sydney time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.
  - (ii) **Value.** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), disputes over value will be resolved by the Valuation Agent seeking three bid quotes as of the relevant Valuation Date or date of Transfer from parties that regularly act as dealers in the securities or other property in question. The Value will be the Base Currency Equivalent of the arithmetic mean of the bid prices obtained by the Valuation Agent, multiplied by the applicable Valuation Percentage.
  - (iii) **Alternative.** The provisions of Paragraph 4 will apply.
- (f) **Distributions and Interest Amount.**

Despite anything to the contrary in the 1995 ISDA Credit Support Annex forming part of the ISDA Form, Party A is only required to pay "Equivalent Distributions" to Party B as contemplated under paragraph 5(c) of the 1995 ISDA Credit Support Annex as follows:

- a) If the ex-date of an Extraordinary Dividend declared in respect of the Shares occurs during the Dividend Period then Party B agrees that:
  - (i) Party A shall not be required to pay an Equivalent Distribution to Party B in respect of a quantity of Shares equal to the Delta Quantity;
  - (ii) Party A shall pay to Party B an Equivalent Distribution equal to the Actual Dividend Amount per Share in respect of the Non-Delta Quantity; and
  - (iii) payment under paragraph (ii) shall be made by no later than the second Business Day after the payment date of such Extraordinary Dividend or cash return by the Issuer.
- b) If the ex-date of an ordinary dividend declared in respect of the Shares occurs during the Dividend Period then Party B agrees that:
  - (i) Party A shall pay to Party B an Equivalent Distribution equal to A\$0.022 per Share in respect of the Delta Quantity;
  - (ii) Party A shall pay to Party B an Equivalent Distribution equal to the Actual Dividend Amount per Share in respect of the Non-Delta Quantity; and
  - (iii) payment under paragraphs (i) and (ii) shall be made by no later than the second Business Day after the payment date of such ordinary dividend by the Issuer.

No Interest Amounts are payable by Party A to Party B.

For the purposes of the above:

**"Delta Quantity"** is a number determined by UBS that is between zero and the Aggregate Number of Shares.

**"Non-Delta Quantity"** is calculated as the Aggregate Number of Shares minus the Delta Quantity.

**"Actual Dividend Amount"** is the Australian dollar dividend amount per Share declared by the Issuer, or if the Issuer does not declare a dividend in Australian dollars then it is the dividend amount per share declared by the Issuer multiplied by an exchange rate determined by the Calculation Agent on the ex-dividend date to convert that amount into Australian dollars, less any withholding that would be applicable to Party A when it makes a payment to Party B under this Confirmation, and less any withholding that would be applicable to a shareholder in the same position and with the same characteristics as Party A.

"**Dividend Period**" means the period from but excluding the Trade Date, to and including the Expiration Date for the relevant Component Collar.

(g) **Demands and Notices / Address for Transfers.**

- (i) Any demand, specification or notice under this Annex (each, a "Notice") must be delivered in writing which, for the avoidance of doubt, shall include electronic messaging or email. All Notices shall be delivered to the following email addresses and physical addresses:

With respect of Party A:

Level 16  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Email address: [elaine.chow@ubs.com](mailto:elaine.chow@ubs.com) / [kevin.bayett@ubs.com](mailto:kevin.bayett@ubs.com) / [sh-aus-eg-support@ubs.com](mailto:sh-aus-eg-support@ubs.com) / [greg.jansz@ubs.com](mailto:greg.jansz@ubs.com) / [grant.schwulst@ubs.com](mailto:grant.schwulst@ubs.com) / [sh-syd-rmp-op@ubs.com](mailto:sh-syd-rmp-op@ubs.com) / [jalpa.shillig@ubs.com](mailto:jalpa.shillig@ubs.com)

Telephone: +61 2 9324 2216 / +61 2 9324 3140 / +61 2 9324 3193

Fax number: +61-2-9324-2880

Attention: Elaine Chow / Kevin Bayett / Greg Jansz / Grant Schwulst / Jalpa Shillig

With respect to Party B:

NPCP Investments Limited

Level 7 Deloitte Tower  
Douglas Street  
Port Moresby  
N.C.D.  
Papua New Guinea

Email address: [robert.acevski@npcp.com](mailto:robert.acevski@npcp.com)

Telephone: +675 320 2253

Fax Number: +675 3200238

Attention: Robert Acevski

- (ii) **Addresses and account details for Transfers.**

With respect of Party A:

UBS AG, Australia Branch  
BSB: 946-612  
Account#: 242888  
Attn: Collateral Mgr Sydney  
Exigo Code: UBSB20  
For delivery of Shares:  
PID: 1505  
HIN: X0000103462

With respect to Party B:

To be advised by Party B to Party A

(h) **Other Provisions.**

This Annex, including the act of transfer (disposition) itself, will be governed and construed in accordance with New South Wales law.

## SCHEDULE 2 – ADDITIONAL PROVISIONS

### Part I – Additional Termination Events

Each of the following events or circumstances is an Additional Termination Event:

- (a) **(non-payment)** Party B fails to pay any amount that is due and payable by it under an Equity Derivative Financing Document when it is due unless payment is made within 1 Local Business Day of its due date;
- (b) **(other obligations)** Party B fails to comply with any of its obligations under an Equity Derivative Financing Document (other than a failure referred to elsewhere in this Part I) and:
  - (i) Party A considers that the failure cannot be remedied; or
  - (ii) Party A considers that the failure can be remedied, and the failure is not remedied within 10 days after it occurs;
- (c) **(misrepresentation)** any representation, warranty or statement made or repeated by Party B in or in connection with an Equity Derivative Financing Document is untrue or misleading (whether by omission or otherwise), when so made or repeated, in any material respect;
- (d) **(Insolvency Event)**
  - (i) a moratorium is declared in respect of the financial indebtedness (including granting a guarantee of financial indebtedness and including any obligation (whether present or future, actual or contingent) to pay or deliver any money or commodity under or in respect of any financial accommodation or derivative transaction) of Party B;
  - (ii) Party B commences negotiations with any one or more of its foreign creditors with a view to the general readjustment or rescheduling of its financial indebtedness (including granting a guarantee of financial indebtedness and including any obligation (whether present or future, actual or contingent) to pay or deliver any money or commodity under or in respect of any financial accommodation or derivative transaction);
  - (iii) an Insolvency Event occurs in respect of Party B;
- (e) **(Other default)** an event of default, a termination event or any other event giving rise to termination or cancellation of a transaction under another Equity Derivative Financing Document (however that event may be defined or described) occurs;
- (f) **(Material Adverse Effect)** an event or a change occurs (whether or not foreseeable) which has a Material Adverse Effect;
- (g) **(compulsory acquisition)**
  - (i) all or a material part of the property of Party B is compulsorily acquired by any government agency; or
  - (ii) Party B sells or divests itself of all or a material part of its property because it is required to do so by a binding order from a government agency,

and Party B does not receive compensation for the acquisition, sale or disposal which is acceptable to Party A;
- (h) **(inability to perform)** if Party B ceases for any reason to be able lawfully to carry out all the transactions which an Equity Derivative Financing Document contemplates may be carried out by it;

- (i) **(provisions void)** if all or any material provision of an Equity Derivative Financing Document is or becomes void, voidable, illegal or unenforceable or of limited force (other than because of equitable principles or laws affecting creditors' rights generally), or Party B claims this to be the case; and
- (j) **(exchange controls)** any restriction is imposed on the ability of Party B to hold, deal with and remit foreign currencies which would make it impossible for it to perform its obligations under an Equity Derivative Financing Document.

## **Part II – Undertakings**

Party B must:

- (a) **(comply with law)** comply with all applicable laws; and
- (b) **(hold Authorisations)** obtain and maintain each Authorisation that is necessary or desirable to:
  - (i) execute the Equity Derivative Financing Documents to which it is a party and to carry out the transactions that those documents contemplate; or
  - (ii) ensure that the Equity Derivative Financing Documents to which it is a party are legal, valid, binding and admissible in evidence,

and must comply with any conditions to which any of these Authorisations is subject.

**EXECUTION PAGES**

[EXECUTION BLOCKS INTENTIONALLY OMITTED]

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New Collar Confirmation

UBS AG, Australia Branch  
 ABN 47 088 129 613  
 APSL No. 231087  
 Level 16, Chifley Tower  
 2 Chifley Square  
 Sydney NSW 2000 Australia

OTC Operations  
 Tel. +612-9324 3455  
 Fax. +612-9324 2880

**Date:** 17 December 2014

**To:** NPCP Investments Limited of Level 7 Deloitte Tower, Douglas Street, Port Moresby NCD, Papua New Guinea (*Counterparty or Party B*)

**E-mail:** robert.acevski@npcp.com

**Attention:** Robert Acevski

**Tel:** +675 320 2253

**Fax:** +675 3200238

**From:** UBS AG, Australia Branch (ABN 47 088 129 613) of Level 16, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 (*UBS or Party A*)

**Subject:** Transaction in respect of OSH

Dear Sirs/Madams,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the above referenced transaction entered into between Counterparty and UBS on the Trade Date specified below (the "**Transaction**").

This Confirmation evidences a complete binding agreement between the parties as to the terms of the Transaction to which this Confirmation relates. Until such time as the parties execute an ISDA Master Agreement and 1995 ISDA Credit Support Annex, the parties agree that this Confirmation, and any future Confirmation(s) entered into between the parties thereafter shall supplement, form part of, and be subject to, an agreement in the form of the 2002 ISDA Master Agreement as if on the Trade Date the parties had executed such agreement but without any Schedule, except for the election of Australian Dollars as the Termination Currency and New South Wales as the governing law and such other elections and modifications detailed herein referring to the ISDA Form (the "**Deemed Agreement**") and that each Confirmation entered into between the parties shall each be supplemented by and be subject to the terms of each 1995 ISDA Credit Support Annex with the elections and modifications provided in that Confirmation. The parties agree that the terms of each Annex to the 2002 Master Agreement Protocol published by the International Swaps and Derivatives Association, Inc ("Protocol") apply to the agreement as if the parties had adhered to the Protocol without amendment.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity Definitions**") and the 2006 ISDA Definitions (the "**2006 Definitions**"), and together with the Equity Definitions, the "**Definitions**"), in each case, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and the Equity Definitions, the Equity Definitions will govern. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. References herein to a "**Transaction**" shall be deemed references to a "**Share Option Transaction**" for the purposes of the Equity Definitions.

In the event of any inconsistency between the provisions of the Deemed Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.

The terms of the particular Transaction to which this Confirmation relates are as follows:

#### GENERAL TERMS

Trade Date : \_\_\_\_\_ 2014

Effective Date: The Effective Date (as defined in the Global Novation and Amendment Deed).

Tax: Has the meaning given in the ISDA Form and includes any stamp, registration, documentation or similar tax, duty, levy, fee or other imposition.

Shares: Fully paid ordinary shares of Oil Search Limited (ARBN 055 079 868). ASX code "OSH".

Business Days: Sydney

Currency Business Days: Sydney

Convention: If a payment or delivery is due, or a notice must be given or received, under this Confirmation on a day that is not a Business Day, a Local Business Day or a Currency Business Day, as the case may be, then the payment or delivery must be made, or the notice must be given or received, on the next Business Day, Local Business Day or Currency Business Day, as the case may be, immediately after that day.

Calculation Agent: Party A, provided that if Party A is the sole Defaulting Party, then the Calculation Agent shall be a leading independent dealer in the relevant market mutually selected by the parties (the "**Substitute Calculation Agent**"). The Substitute Calculation Agent shall be mutually selected by the parties within one Business Day of the event that requires Calculation Agent determination. If the parties are unable to agree on a Substitute Calculation Agent, each party shall select an independent leading dealer and such independent leading dealers shall agree on an independent third party within two Business Days of the event that requires Calculation Agent determination. Unless there is a clear error, the calculations and determinations of the Substitute Calculation Agent are binding and conclusive. The fees and expenses of using the Substitute Calculation Agent, if any, shall be paid equally by Party A and Party B.

#### TERMS

Initial Exchange Payer (acting as lender): Party A

Initial Exchange: Party A shall pay to Party B the Net Aggregate Initial Exchange Amount on the Initial Exchange Date, where such amount is notionally split into 3 equal tranches ("Tranches") corresponding to 3 separate Final Exchange Amounts.

Net Aggregate Initial Exchange Amount: The amount specified as such in the Initial Price Notification Letter, being the sum of the Initial Exchange Amounts across all the Tranches minus the Aggregate Premium Amount.

Initial Exchange Amount per Tranche:	In respect of each Tranche, the Initial Exchange Amount is calculated as: $\text{Tranche Notional} \times (1 - \text{Rate} \times t/365)$ where: "Tranche Notional" is the sum of the Put Strikes of all of the notional Put Options in each Tranche, as set out in the Initial Price Notification Letter; "Rate" is the rate described as such in the Side Letter; and "t" is the number of days from but excluding the Initial Exchange Date to and including the Collar Group Final Exchange Date for the Collar Group to which the Tranche belongs.
Initial Exchange Date:	The Effective Date (as defined in the Global Novation and Amendment Deed).
Final Exchange Payer (acting as borrower):	Party B
Final Exchange Amount per Tranche:	The Final Exchange Amount for each Tranche is the amount described as such in the Initial Price Notification Letter.
Collar Group Final Exchange Amount:	Means, in respect of each Collar Group, the amount described as such in the Initial Price Notification Letter, which is the sum of the Final Exchange Amounts of the Tranches that make up the Collar Group.
Final Exchange Payment Date:	If Cash Settlement is applicable in respect of a Collar Group, then Party B must pay to Party A the Collar Group Final Exchange Amount on the Collar Group Final Exchange Date for the relevant Collar Group.  If Physical Settlement is applicable to a Tranche, then Party B must pay to Party A the Final Exchange Amount for that Tranche on the Settlement Date for that Tranche.  The Collar Group Final Exchange Date and Expiration Dates of each Tranche are set out in the Side Letter.
Collar Group Final Exchange Date:	Means, in respect of a Collar Group, the collar group final exchange date for that Collar Group as set out in the Side Letter.
Adjustments:	If any terms of the notional Put Options and Call Options are adjusted by the Calculation Agent in accordance with this Confirmation, Party A shall be entitled to adjust the financing terms above including but not limited to the Final Exchange Amount.

## OPTION TERMS

### General Terms

Aggregate Premium Amount :	The amount specified as such in the Initial Price Notification Letter.
Single Transaction:	Party A and Party B acknowledge and agree that: <ol style="list-style-type: none"> <li>(a) the Share Option Transaction the subject of this Confirmation is a "<b>Step Collar</b>" option comprising 1 "<b>Collar Group</b>";</li> <li>(b) the Collar Group comprises three Tranches each with a different Expiration Date;</li> <li>(c) each Tranche is made up of five "<b>Component Collars</b>" with</li> </ol>

- the same Expiration Date and the applicable strike prices set out in (the Side Letter and Initial Price Notification Letter;
- (d) each Component Collar is made up of notional "**Put Options**" and "**Call Options**" over the same number of Shares;
  - (e) the Step Collar, the Tranches, the Component Collars and the notional Put Options and notional Call Options comprised within them are not separate Transactions for the purposes of the Deemed Agreement, cannot be traded or dealt with separately and all payment and delivery obligations described herein form one Transaction for the purposes of the Deemed Agreement; and
  - (f) without limiting paragraph (e) above, the Component Collars that make up a Tranche and the Initial Exchange Amount and Final Exchange Amount that correspond to that Tranche cannot be terminated independently of each other (each being a "**Related Transaction**" of the others), and "**Related Options**" mean the Put Options and Call Options that make up the Component Collars in each Tranche.

Additional details of the Component Collars, Tranches and the Collar Group are set out in the Side Letter and Initial Price Notification Letter.

This Confirmation must be construed and interpreted accordingly.

Put Option Seller:	Party A
Put Option Buyer:	Party B
Call Option Seller:	Party B
Call Option Buyer:	Party A
Option Style:	European
Option Entitlement:	1 Share per Option.
Strike Price:	Means the Put Strike for each notional Put Option or the Call Strike for each notional Call Option that make up each Component Collar set out in the Initial Price Notification Letter.
Aggregate Number of Shares:	The sum of the Tranche Quantities for all outstanding Tranches, which as at the Effective Date is the quantity specified as such in the Side Letter.
Collar Group Quantity:	The number specified as such in the Side Letter
Tranche Quantity:	The number specified as such in the Side Letter
Number of Put Options per Component Collar:	The number specified as such in Schedule 1 to the Side Letter
Number of Call Options per Component Collar:	The number specified as such in Schedule 1 to the Side Letter
Expiration Date:	The Expiration Date for each Tranche as set out in the Side Letter is the Expiration Date of the Component Collars in that Tranche and all the notional Put Options and notional Call Options that make up the Component Collars in that Tranche.
Exchange:	Australian Securities Exchange (" <b>ASX</b> ") or any successor to such exchange or quotation system.
Related Exchange:	Not applicable

### Procedure for Exercise of Put Options and Call Options

Expiration Time:	The Scheduled Closing Time on the Exchange on the Expiration Date of the Put Option or Call Option.
Exercise Date:	The Expiration Date of the Put Option or Call Option.
Automatic Exercise:	Applicable, provided that Section 3.4(c) of the Equity Definitions shall be deleted in its entirety and replaced with the following: <b>“In-the-Money” means, in respect of a Call Option, that the Reference Price is greater than the applicable Strike Price and, in respect of a Put Option, that the Reference Price is equal to or less than the applicable Strike Price.”</b>

### Valuation (for the purposes of Settlement and Exercise)

Valuation Time:	The Expiration Time
Valuation Date:	The Expiration Date

### Settlement Terms

Settlement Method Election:	Applicable in respect of each Collar Group, provided that any election is irrevocable, given in respect of only one Collar Group at any one time, and the election (or default position in the absence of any election) shall apply to each Collar Group separately. Once a Settlement Method is elected for a Collar Group it shall apply to all Tranches (and therefore to all Component Collars and Related Options) in the Collar Group.
Electing Party:	Party B.
Settlement Method Election Date:	The date falling 10 Scheduled Trading Days prior to the earliest Expiration Date of each Collar Group (or such later date as Party A may agree following a request by Party B).
Default Settlement Method:	Cash Settlement
Reference Price:	For the purposes of determining whether a Put Option or a Call Option is "In-the-Money", the Reference Price is the Volume Weighted Average Price of the Share on the Exchange at the Expiration Time on the Expiration Date for that Put Option or Call Option.
Volume Weighted Average Price (for purposes of Reference Price):	Means the price referenced for OSH AU Equity VWAP on Bloomberg (code RQ017).
Settlement Price:	For each Put Option and Call Option in respect of which Cash Settlement is applicable, the price per Share in Australian dollars that Party A has achieved or considers in a commercially reasonable manner that it would have achieved, in terminating or liquidating applicable Hedge Positions on the Expiration Date for that Put Option or Call Option, plus applicable commissions and Taxes and any stamp, registration, documentation or similar tax, duty, levy, fee or other imposition.
Cash Settlement:	If Cash Settlement is applicable in respect of a Tranche, then the Seller must pay to the Buyer the Cash Settlement Amount for that Tranche, if any, on the Cash Settlement Payment Date for that

Tranche, and Section 8.1 of the Equity Definitions shall not apply.

Cash Settlement Amount:

In respect of each Tranche, the Cash Settlement Amount payable by Party B to Party A is an amount equal to the Aggregate Call Option Cash Settlement Amount minus the Aggregate Put Option Cash Settlement Amount, subject to a minimum of zero; and the Cash Settlement Amount payable by Party A to Party B is an amount equal to the Aggregate Put Option Cash Settlement Amount minus the Aggregate Call Option Cash Settlement Amount, subject to a minimum of zero.

For the purposes of this calculation:

- the Aggregate Call Option Cash Settlement Amount is the sum of the Option Cash Settlement Amounts in respect of each Call Option comprised in that Tranche which is exercised or deemed to be exercised on the Exercise Date of such Tranche, calculated in accordance with Section 8.2(b) of the Equity Definitions; and

- the Aggregate Put Option Cash Settlement Amount is the sum of the Option Cash Settlement Amounts in respect of each Put Option comprised in that Tranche which is exercised or deemed to be exercised on the Exercise Date of such Tranche, calculated in accordance with Section 8.2(b) of the Equity Definitions.

The intention of the parties is that following such calculations, only one net amount is payable by one party to the other in respect of each Tranche.

Strike Price Differential:

An amount equal to the greater of (a) the excess of (i) in the case of a Call Option, the relevant Settlement Price over the Call Strike, or (ii) in the case of a Put Option, the Put Strike over the relevant Settlement Price, and (b) zero.

Cash Settlement Payment Date:

Where Cash Settlement applies in respect of a Tranche, the date occurring one Settlement Cycle after the Expiration Date of that Tranche, provided that if such date is not a Business Day then the Cash Settlement Payment Date shall be the immediately following Currency Business Day.

Settlement Date:

Where Physical Settlement applies in respect of a Tranche, the date that falls one Settlement Cycle following the Expiration Date of that Tranche. If such date is not a Currency Business Day then the Settlement Date shall be the following Currency Business Day.

Failure to Deliver:

Applicable if Physical Settlement is applicable, provided that Party A shall be the Determining Party.

## **Dividends**

Dividend Amounts:

Without prejudice to Schedule 1 to this Confirmation, and except to the extent included as an adjustment pursuant to "Adjustments" below (pursuant to Section 11.2 of the Equity Definitions), no Dividend Amounts are payable by Party A or Party B in respect of the Transaction.

## **Adjustments**

Method of Adjustment:

Calculation Agent Adjustment; provided, however, that:

- a) Section 11.2(c) of the Equity Definitions is deemed amended by the deletion of the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant

Share)" and replacing them with the words "(including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)"; and

b) Section 11.2(e)(iii) of the Equity Definitions shall be deleted.

## **Extraordinary Events**

### Consequences of Merger Events

Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Tender Offer:	Applicable

### Consequences of Tender Offers

Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Composition of Combined Consideration:	Not Applicable
Nationalization, Insolvency or Delisting:	Cancellation and Payment - Calculation Agent Determination
Determining Party:	Party A, in all cases

### Additional Disruption Events

Change in Law:	Applicable, <u>provided</u> that Section 12.9(a)(ii)(B) of the Equity Definitions is replaced in its entirety as follows: "(B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of Hedge Positions relating to such Transaction or (Y) a party to the Transaction will incur materially increased cost in performing its obligations under such Transaction (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position)".
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Hedge Positions:	The definition of "Hedge Positions" in Section 13.2(b) of the Equity Definitions shall be amended by inserting the words "or an Affiliate thereof" after the words "a party" in the third line.
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Insolvency Filing:	Applicable
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Hedging Disruption:	Applicable, provided that Section 12.9(a)(v) of the Equity Definitions is replaced in its entirety as follows: "(v) Hedging Disruption" means that the Hedging Party is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk, including, but not limited to, any currency risk) of entering into and performing its obligations with respect to this Transaction, or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction")
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	or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction."
Consequences of Hedging Disruption:	Section 12.9(b)(iii) of the Equity Definitions is replaced with the following: "(iii) If 'Hedging Disruption' is specified in the relevant Confirmation to be applicable to a Transaction, then upon the occurrence of such an event, the Hedging Party may elect to terminate the Transaction upon notice to the Non-Hedging Party specifying the date of such termination, which may be the day on which the notice of termination is issued, in which event the Determining Party will determine the Cancellation Amount payable by one party to the other."
Increased Cost of Hedging:	Applicable, <u>provided</u> that Section 12.9(a)(vi) of the Equity Definitions is replaced as follows: "(vi) 'Increased Cost of Hedging' means that the Hedging Party would incur a materially increased (as compared with the circumstances that existed on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, currency risk) of entering into and performing its obligations with respect to this Transaction or (B) freely realise, recover, receive, repatriate, remit or transfer the proceeds of the Hedge Positions or this Transaction between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction."
Loss of Stock Borrow:	Applicable, <u>provided</u> however that Section 12.9(b)(iv)(B) of the Equity Definitions is deemed amended to include after the words "(B) refer the Hedging Party to a Lending Party" and before the words "that will lend", the words "acceptable to the Hedging Party in its sole discretion".
Maximum Stock Loan Rate:	0% per annum
Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	0% per annum
Hedging Party:	Party A
Determining Party:	Party A
Non-Reliance:	Applicable
Agreements and Acknowledgements Regarding Hedging Activities:	Applicable
Additional Acknowledgements:	Applicable

## ACCOUNT DETAILS

<b>Account for payments to Party B:</b>	To be advised
<b>Account for payments to Party A:</b>	Beneficiary Bank: UBS AG Australia Bank Beneficiary Bank SWIFT: UBSWAU2S Account holder name: UBS AG Australia



Correspondent: UBS AG, Australia Branch  
BSB: 946 612  
A/c: 242624  
Swift: UBSWAU2S

## **ADDITIONAL PROVISIONS**

For the purposes of this Transaction:

### **1) Disclosure requirement and additional representations and warranties**

Party B represents and warrants to Party A:

- (a) that, as at the Trade Date for each Component Collar and on the Initial Exchange Date, there are no security interests (as defined in the Personal Property Securities Act 2009 (Cth) or any other encumbrance of any nature whatsoever) in respect of the Shares that would be delivered to Party A under the terms of this Confirmation (including in accordance with Schedule 1 to this Confirmation);
- (b) that it will seek its own advice on the appropriateness and suitability of the Transaction and any disclosure obligations it may have relating to its dealings in Shares and Transaction in respect of Shares;
- (c) at the time of entry into the Transaction and on a continuous basis during the term of the Transaction that, by entering into and performing its obligations under the Transaction, it is not, and will not be, acting in breach of any:
  - i. laws, regulations or Authorisations binding on it or any of its property or to which any of its property may be subject;
  - ii. agreements, instruments, undertakings or other restrictions binding upon it or any of its property (other than any negative pledges) in a manner that could have a Material Adverse Effect; or
  - iii. negative pledges binding on or applicable to it;
- (d) that neither Counterparty nor any of its Affiliates nor anyone acting on Counterparty's or any Affiliate's behalf has engaged in any behaviour which is designed to cause, has caused, or might reasonably be expected to cause manipulation of the price of any security of the Issuer;
- (e) it will record in its books and account for the value of this Transaction in accordance with the policies and rules applicable to it;
- (f) it has complied and will comply with all laws, regulations and administrative provisions applicable to it in connection with the Transaction, including making all relevant disclosures to, or obtaining any required approvals from all regulatory authorities in respect of its holding in the Shares (if any) and in respect of the Transaction as required by, and within the time limits required by, such regulatory authorities or pursuant to applicable laws or regulations in this regard;
- (g) neither this Transaction nor any delivery of Shares or payment of cash contemplated hereby will constitute a violation by Counterparty or any Affiliate of any applicable law or regulations of any applicable jurisdiction prohibiting "insider dealing" in, or market abuse in respect of, securities;
- (h) it is not in possession of any material information about the Shares or the Issuer which has not been publicly disclosed, which might have influenced its decision to enter into the Transaction or any particular element thereof and it is not entering into the Transaction on the basis of any such information;
- (i) it has full authority and capacity to enter into the Transaction and the execution and delivery of this Confirmation and the consummation by it of the Transaction contemplated hereby have been duly authorised by all necessary corporate action. All consents, orders, approvals, and other authorisations, whether governmental, corporate or other, necessary for the Transaction have been obtained or made and are in full force and effect;
- (j) the purpose and effect of the Transaction and the manner in which it intends to account for the Transaction are permissible and appropriate as a matter of local law, custom and practice in jurisdictions applicable to it in this regard;
- (k) it has entered into this Transaction as principal for its own account in the normal and ordinary course of its business; and
- (l) this Transaction, including the accounting and tax treatment to be accorded to the Transaction, is consistent with all regulatory requirements arising from or applicable to this Transaction and it has taken all steps necessary to ensure that this Transaction complies with such requirements, and it will ensure that such accounting and tax treatment is appropriately reflected, if required, with the proper regulatory authorities in the applicable jurisdiction.

Party B represents and warrants to Party A and undertakes to Party A at all times:

- (m) (status) it is a company validly existing under the laws of the place of its incorporation;
- (n) (power) it has the power to enter into and perform its obligations under the Equity Derivative Financing Documents, to carry out the Equity Derivative Transactions and to carry on its business as now conducted or contemplated;
- (o) (corporate authorisation) it has taken all necessary corporate action to authorise the entry into and performance of the Equity Derivative Financing Documents, and to carry out the Transactions;
- (p) (documents binding) each Equity Derivative Financing Document is its valid and binding obligation enforceable against it in accordance with its terms, subject to the application of equitable principles and creditors rights generally and any necessary stamping and registration;
- (q) (transactions permitted) the execution and performance by it of the Equity Derivative Financing Documents and the Transaction did not and will not violate in any respect any existing provision of a law or treaty or a judgment, ruling, order or decree of a government agency binding on it, its constitution or other constituent documents, or any other document or agreement which is binding on it or its assets;
- (r) (filings and stamp taxes) all filings and registrations which are required to be effected, and all stamp, registration or similar Taxes which are required to be paid, to ensure that the Equity Derivative Financing Documents are legal, valid, binding, enforceable and admissible in evidence and have the priority that they contemplate have been effected and paid or will, within the time prescribed by law, be effected and paid;
- (s) (pari passu ranking) its payment obligations under the Equity Derivative Financing Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors;
- (t) (other information)
  - (i) the information and reports (if any) that it has given to Party A or any in connection with the Equity Derivative Financing Documents are true and accurate in all material respects and not misleading in any material respect (including by omission); and
  - (ii) any forecasts, projections and opinions in them are fair and reasonable (and were made or formed on the basis of recent historical information and reasonable assumptions after due inquiry and consideration by appropriate officers of Party B), as at the date of this document or, if given later, when given;
- (u) (disclosure of relevant information) Party B has disclosed to Party A all the information that is reasonably likely to be material to an assessment by it of the risks that it assumes by entering into the Equity Derivative Financing Documents;
- (v) (no default) Party B has notified Party A of any Event of Default or Potential Event of Default that has occurred and is continuing, and it is not in breach of any other agreement in a manner that could have a Material Adverse Effect;
- (v) (commercial activity) Party B is subject to civil and commercial law with respect to its obligations under the Equity Derivative Financing Documents. The execution and delivery of the Equity Derivative Financing Documents constitute, and Party B's performance of and compliance with its obligations under those documents will constitute, private and commercial acts rather than public or governmental acts;
- (w) (immunity) neither Party B nor any of its assets has any right of immunity from suit, execution, attachment or other legal process in any legal proceedings in relation to the Equity Derivative Equity Derivative Financing Documents taken in any jurisdiction, including, without limitation, in Party B's country; and
- (x) (processing of transactions) the processing of any transaction by Party A in accordance with Party B's instructions will not contravene any laws or regulations in Australia, Papua New Guinea or any other applicable jurisdiction.

These representations and warranties are repeated each time Party B enters into a Transaction with Party A and on each date on which a payment or delivery is due from Party B under the Transaction.

Each party will be deemed to represent to the other party on the date on which it enters into each Transaction that (in the absence of any written agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):-

- (A) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its

own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of this Transaction will not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of this Transaction.

- (B) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
- (C) Status Of The Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of this Transaction.

The parties further agree that details of this Transaction (including the identity of the counterparty) may, (1) upon request or order by any competent authority, regulatory or enforcement organisation, governmental or otherwise, including the securities exchange on which the underlying shares are listed, and (2) as required by applicable law, rules, regulations, codes or guidelines (whether having the force of law or otherwise), be disclosed in accordance with such request, order, law, rules, regulations, codes or guidelines (whether such disclosure is to be made to third parties or otherwise). By entering into the Transaction, each party agrees to such disclosure and releases the other party and any of its subsidiaries and affiliates from any duty of confidentiality owed to it in relation to such information.

## 2) Additional Termination Event

If any of the events, circumstances or conditions referred to in Part I (Additional Termination Events) of Schedule 2 (Additional Provisions) occurs it shall constitute an Additional Termination Event with all Transactions between Party A and Party B as Affected Transactions and Party B as the sole Affected Party.

## 3) Credit Support

- (a) Credit Support Document means: in relation to Party A, not applicable and in relation to Party B, the Specific Security Deed and the Existing Nominee Deed.
- (b) Credit Support Provider means: in relation to Party A, not applicable and in relation to Party B, not applicable.
- (c) Paragraph 11 of the 1995 ISDA Credit Support Annex to the ISDA Form (“CSA”) is included as Schedule 1 hereto. However, it is acknowledged and agreed by the parties that the CSA shall operate one-way in the sense that only Party B is required to transfer Eligible Credit Support (and Party A shall not) and the CSA is modified in accordance with Schedule 1.

## 4) Voting Arrangements

Party B may, by providing at least 10 Business Days' prior written notice, request a transfer of Shares included in the Credit Support Balance for the sole purpose of enabling Party B to vote at a properly convened meeting of members of the Issuer. Subject to availability of stock borrow in the Shares on terms reasonably acceptable to Party A, Party A will use its best efforts to borrow Shares from third parties to comply with any such request, provided also that:

- (a) no Potential Event of Default, Event of Default or Termination Event has occurred in respect of which Party B is the Defaulting Party or in respect of which Party B is the Affected Party;
- (b) the number of Shares requested does not exceed the number of Shares included in the Credit Support Balance at that time;
- (c) the Shares are delivered to UBS Nominees Pty Ltd (the “Nominee”) who will hold the Shares in accordance with the Existing Nominee Deed;
- (d) Party B is eligible to vote at the meeting of members of the Issuer during the time when the Shares are held by the Nominee;
- (e) the Shares are to be held by the Nominee for the shortest period of time necessary to give Party B the entitlement to direct the Nominee to vote at the meeting of members referred to in paragraph (d) above, and the Nominee is subject to an enforceable, irrevocable instruction to redeliver the Shares to Party A

- as soon as possible after the record time for the member vote and Party B shall pay to Party A any costs incurred by Party A related to a delayed delivery;
- (f) an Ex-Distribution Date for the Share is not scheduled to occur during the period when Shares are held by the Nominee, and if an Ex-Distribution Date does occur during that period then the Nominee is subject to an enforceable, irrevocable instruction to promptly redeliver the Shares to Party A prior to the Ex-Distribution Date and Party B shall bear any costs incurred by UBS related to any delayed delivery relating to an Ex-Distribution Date;
  - (g) if Shares are not redelivered to Party A prior to an Ex-Distribution Date and Party B (or the Nominee as nominee for Party B) becomes entitled to receive, and does receive, any Distribution, then Party B agrees to deliver to Party A, or pay to Party A an amount equal to, and the Nominee is subject to an enforceable, irrevocable instruction from Party B to promptly deliver to Party A, or pay to Party A an amount equal to, such Distribution following the making of such Distribution by the Issuer; and
  - (h) Party B pays Party A the stock borrow cost incurred by Party A to procure the delivery of Shares to be held by the Nominee, by no later than the third Business Day after the Shares are returned to Party A. Such borrow cost shall be calculated on no more than the Delta Quantity of Shares.

Subject to the foregoing procedures, Party B may in accordance with the Existing Nominee Deed direct, in writing, the Nominee to exercise any voting rights it has in respect of the Shares held by the Nominee.

## 5) Events of Default

Section 5(a) is amended as follows:

- (i) by deleting the following words from subsection (i) thereof: "if such failure is not remedied on or before the first Local Business Day in the case of any such payment or the first Local Delivery Day in the case of any such delivery after, in each case, notice of such failure is given to the party"
- (ii) by deleting the number "30" appearing on line five of subsection (ii)(1) thereof and substituting the number "10" therefor; and
- (iii) by inserting the following at the end of subsection (vii)(3) thereof:

"or a notice is sent convening a meeting to propose a voluntary arrangement of its creditors".

## 6) Cross-Default

The "Cross-Default" provisions of Section 5(a)(vi) of the ISDA Form will apply to Party B and will not apply to Party A.

"**Specified Entity**" means:

- (a) In relation to Party A for the purpose of Section 5(a)(vi), none; or
- (b) In relation to Party B for the purpose of Section 5(a)(vi), none.

"**Specified Indebtedness**" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of money borrowed or raised or under any finance lease, redeemable preference share, letter of credit, futures contract, bills facility, guarantee, indemnity or a transaction of a type described in sub-paragraphs (a)(i) and (ii), (b) and (c) of the definition of Specified Transaction.

"**Threshold Amount**":

- (a) does not apply to Party A; and
- (b) with respect to:
  - (i) Party B, means AUD25,000,000 or its equivalent in any other currency or currencies; or

- (ii) a Specified Entity of Party B, means AUD25,000,000 or its equivalent in any other currency or currencies.

#### 7) **Market Disruption Events**

If the Expiration Date for a Tranche is a Disrupted Day then to the extent the Expiration Date is deferred to a later date in accordance with Section 3.1(f) of the Equity Definitions, the Expiration Date(s) for the unexpired Tranche(s) in the same Collar Group shall be deferred by the same number of Scheduled Trading Days.

#### 8) **Miscellaneous**

##### **Offices:**

The Office of Party A for the Transaction is Australia.  
The Office of Party B for the Transaction is Port Moresby.

##### **Addresses for Notices:**

The addresses for notices for the purpose of section 12(a) of the Agreement are set out on page 1 of this Confirmation.

##### **Process Agent:**

- (a) Party B irrevocably appoints Gadens Lawyers Sydney Pty Ltd ACN 100 963 308 of Level 16, 77 Castlereagh Street, Sydney NSW 2000 as its agent under this document for service of process in any proceedings in the State of New South Wales.
- (b) If any person appointed as process agent is unable for any reason to act as agent for service of process, Party B must immediately appoint another agent on terms acceptable to Party A. Failing this, Party A may appoint another person for this purpose.
- (c) Party B undertakes to maintain the appointment of the process agent until all money owed by Party A to Party B under the Equity Derivative Financing Documents is finally and irrevocably paid in full, and agrees that any process served on that person is taken to be served on it.
- (d) This clause does not affect any other method of service allowed by law.

##### **Governing Law and Consent to Jurisdiction**

This Confirmation will be governed by, and construed in accordance with, the laws in force in the State of New South Wales and each party submits to the non-exclusive jurisdiction of the courts of that State without reference to choice of law doctrine.

Notwithstanding Section 13(b)(i) of the ISDA Form, each party submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Confirmation.

Party B irrevocably waives any objection to the venue of any proceedings on the ground that they have been brought in an inconvenient forum.

#### 9) **FATCA - HIRE Act.**

- (a) **FATCA PROTOCOL PROVISION.** "Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act. "Tax" as used in Part 2(a) of the Schedule (Payer Tax Representation), if applicable, and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "FATCA Withholding Tax"). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this

agreement. If the parties each independently decide to adhere to any ISDA Protocol on FATCA Withholding Tax, upon effective adherence by both parties, the provisions of such Protocol shall supersede the foregoing provision

(b) **SHORT FORM HIRE ACT PROTOCOL PROVISION.** The parties agree that the definitions and provisions contained in the Attachment to the 2010 Short Form HIRE Act Protocol published by the International Swaps and Derivatives Association, Inc. on November 30, 2010 are incorporated into and apply to this Agreement as if set forth in full herein. The definition of "Indemnifiable Tax" shall not include any Dividend Equivalent Tax.

#### 10) Termination and close-out under Related Agreements

(a) Application of this paragraph 10

This paragraph 10 only applies for such time that UBS AG, Australia Branch ABN 47 088 129 613 ("UBS AG") is a party to this Confirmation.

Each Party agrees that this this Confirmation and all Transactions under this Confirmation and the Related Agreements are entered into in reliance on the fact that this Confirmation and the Related Agreements constitute a single agreement between the Parties and the Parties would not otherwise enter into any Transaction.

(b) Close-Out Date

(i) (Designation of Close-Out Date) If an Event of Default (Related Agreement) or a Termination Event (Related Agreement) occurs, the Designating Party (Related Agreement) may, by notice to the Non-Designating Party (Related Agreement), designate a day (being a day not earlier than the date the notice is given) as the Close-Out Date.

(ii) (Significance of the Close-Out Date) The parties agree that the terms of each Related Agreement are amended with effect from the date of this Confirmation so that a Close-Out Date is taken to be the date on which all outstanding transactions under each such Related Agreement are accelerated, terminated, liquidated or cancelled (as applicable) in accordance with the terms of the Related Agreement, despite any notification requirements under the Related Agreement that would otherwise apply.

(c) Close-out netting

(i) (Termination) If a Close-Out Date occurs, then the Terminated Obligations shall terminate immediately on such date and be replaced with the obligations in this paragraph 10(c).

(ii) (Termination Amounts) The termination values of the Terminated Obligations are to be determined by the Designating Party (Related Agreement) as the net amount which would, but for this paragraph 10(c), be payable by one party to the other under the terms of the Related Agreements as determined in accordance with the terms of the Related Agreements in the relevant circumstances.

(d) Net Termination Amount

As soon as reasonably practicable following the determination of the Termination Amount in respect of each Terminated Obligation by the party making the determinations as contemplated by the Related Agreements (the "**Relevant Determining Party**"), the aggregate of the Termination Amounts due from UBS AG to Party B shall be set-off against the aggregate of the Termination Amounts due from Party B to UBS AG and only the difference between such amounts (the "**Net Termination Amount**") shall be payable by the party from whom the larger sum is due.

(e) Payment of Net Termination Amount

(i) The Relevant Determining Party shall notify the other party in writing of its calculation of each Termination Amount and the Net Termination Amount promptly following its

determination. The Net Termination Amount shall be payable by Party B to UBS AG or by UBS AG to Party B (as applicable) on the date on which such notice is effective.

- (ii) The Net Termination Amount shall accrue interest at the Default Rate from (and including) the Close-Out Date to (but excluding) the date on which the Net Termination Amount is paid.
- (iii) Upon the payment of the Net Termination Amount (together with any interest accrued on that amount), Party B's or UBS AG's obligation to pay any Net Termination Amount, as applicable, under this document shall be taken to have been satisfied and discharged, but without prejudice to any other sums that may be payable or owed under this document.

(f) Set-off rights under Related Agreements

If a Related Agreement includes a set-off right which allows or requires its Termination Amount to be set-off in whole or in part ("**Set-Off Right**"), the Set-Off Right is deemed not to apply in respect of the Termination Amount and to apply instead in respect of the Net Termination Amount.

(g) Definitions

For the purposes of this paragraph 10:

"**Affected Party (Related Agreement)**" has the meaning given to "Affected Party" in a Related Agreement.

"**Close-Out Date**" means the date which is the "Close-Out Date" as a result of paragraph 10(b) (Close-Out Date).

"**Defaulting Party (Related Agreement)**" means the party in respect of whom an Event of Default (Related Agreement) has occurred.

"**Designating Party (Related Agreement)**" means (a) in respect of an Event of Default (Related Agreement), the Non-Defaulting Party (Related Agreement) or, (b) in respect of a Termination Event (Related Agreement), (i) the Non-Affected Party (Related Agreement) if there is one Affected Party (Related Agreement), or (ii) any Affected Party (Related Agreement) if there are two Affected Parties (Related Agreement).

"**Event of Default (Related Agreement)**" means an "Event of Default" under a Related Agreement.

"**Net Termination Amount**" has the meaning given to it in paragraph 10(d) (Net Termination Amount).

"**Non-Affected Party (Related Agreement)**" means the party to a Related Agreement which is not the Affected Party (Related Agreement).

"**Non-Defaulting Party (Related Agreement)**" means the party to a Related Agreement which is not the Defaulting Party (Related Agreement).

"**Related Agreements**" means:

- (i) the Deemed Agreement (including, without limitation, this Confirmation);
- (ii) the Existing Equity Derivative Financing Agreement; and
- (iii) any replacement document or agreement that Party A and Party B agree in writing is to be the Related Agreement for the purposes of this document.

"**Set-Off Right**" has the meaning given to it in paragraph 10(f) (Set-off rights under Related Agreements).

**"Termination Amount"** means, in respect of a Terminated Obligation, the termination value determined under paragraph 10(c)(ii) (Termination Amounts) in respect of such Terminated Obligation.

**"Termination Event (Related Agreement)"** means a "Termination Event" under a Related Agreement.

**"Terminated Obligations"** means all the parties' outstanding payment and delivery obligations under each Related Agreement, in each case, other than their obligations under paragraph 10(c) (Close-out netting) immediately prior to termination under paragraph 10(c)(i) (Close-out netting).

## 11) Definitions

Unless the otherwise defined in this Confirmation and unless the context otherwise requires, capitalized terms and expressions used in this Confirmation have the respective meanings given to them in the Global Novation and Amendment Deed. In this Confirmation the following terms also have the following meanings:

**"Equity Derivative Financing Document"** means:

- (a) each Existing Equity Derivative Financing Document;
- (b) each New Equity Derivative Financing Document;
- (d) any document or agreement that is entered into under any of the above;
- (e) any document or agreement that amends, supplements, replaces or novates any of the above; and
- (f) any undertaking (whether or not in writing) by Party B that is given under or relates to any of the above.

**"Ex-Distribution Date"** means, in respect of any Distribution in respect of Shares, the date on which the Shares commence trading on the Exchange without entitlement to the Distribution.

**"Existing Equity Derivative Financing Documents"** means:

- (a) the Existing Equity Derivative Financing Agreement;
- (b) the Existing Nominee Deed; and
- (c) the Existing Specific Security Deed.

**"Existing Equity Derivative Financing Agreement"** means the confirmation letter dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, including any ISDA master agreement or credit support annex entered into or deemed to be entered into under or in relation to the letter or the transactions contemplated therein, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed.

**"Existing Nominee Deed"** means the document entitled "Nominee Deed" dated 12 March 2014 between Party A, the Independent State of Papua New Guinea and UBS Nominees Pty Ltd (ABN 32 001 450 522), as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).

**"Existing Side Letter"** means the letter entitled "**Financing transaction in respect of OSH – Confirmation Side Letter**" dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).



**“Existing Specific Security Deed”** means the “Specific Security Deed (CHESS Securities – Collar)” dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time).

**“Global Novation and Amendment Deed”** means the document of that title dated on or about 12 December 2014 between, among others, the Independent State of Papua New Guinea, Party A and Party B.

**“Material Adverse Effect”** means a material adverse effect on:

- (a) Party B’s business, operation, property or condition (financial or otherwise);
- (b) Party B’s ability to perform its obligations under the Equity Derivative Financing Documents;
- (c) the attachment, perfection, effectiveness or priority of any Security Interest given under the Equity Derivative Financing Documents; or
- (d) the validity or enforceability of any Equity Derivative Financing Document or the rights and remedies of Party A under any Equity Derivative Financing Document.

**“New Equity Derivative Financing Documents”** means:

- (a) the Deemed Agreement;
- (b) the Side Letter; and
- (c) the “Initial Price Notification Letter” given by Party A to Party B in relation to the Deemed Agreement and the Side Letter;
- (d) any document or agreement that is entered into under any of the above;
- (e) any document or agreement that amends, supplements, replaces or novates any of the above; and
- (f) any undertaking (whether or not in writing) by Party B that is given under or relates to any of the above.

**“Side Letter”** means the letter entitled **“Transaction in respect of OSH – Confirmation Side Letter”** dated on or about 12 December 2014 between Party A and Party B.

**“State”** means the Independent State of Papua New Guinea.

## 12) Stamp duty

Party B is solely responsible for, and must indemnify Party A against, any stamp duty including any interest or penalty that is payable on or in relation to:

- (a) this Confirmation;
- (b) the sale, purchase, assignment, transfer or declaration of trust of or over any property under this Confirmation; and
- (c) any instrument or transaction that this Confirmation contemplates (including any other Equity Derivative Financing Document).

**SCHEDULE 1 – CREDIT SUPPORT ANNEX PARAGRAPH 11****Paragraph 11. Elections and Variables****(a) Base Currency and Eligible Currency.**

- (i) "Base Currency" means Australian Dollars.
- (ii) "Eligible Currency" means the Base Currency.

**(b) Credit Support Obligations.****(i) Delivery Amount, Return Amount and Credit Support Amount.****(A) "Delivery Amount"**

Party A is not required to deliver any Eligible Credit Support (whether by way of Delivery Amounts or Return Amounts or otherwise) to Party B in respect of the Transaction covered by this Confirmation.

Despite any other provision of this Confirmation, Party B must on the Initial Exchange Date deliver to Party A an initial Delivery Amount comprised of Shares in an amount equal to the Aggregate Number of Shares. No other Delivery Amounts are required to be delivered by Party B to Party A except:

(aa) in circumstances where Eligible Credit Support in the form of Shares has been transferred by Party A to the Nominee in accordance with "Additional Provisions paragraph 4 – Voting Arrangements" of this Confirmation, in which case the required Delivery Amount is equivalent to the number of Shares so transferred to the Nominee. The Delivery Amount must be delivered to Party A in accordance with "Additional Provisions paragraph 4 – Voting Arrangements" of this Confirmation and the Existing Nominee Deed; and

(bb) in circumstances where Party A has agreed to the delivery or substitution of collateral other than the Shares, in which case any required Delivery Amounts are determined in accordance with the agreement between Party A and Party B in respect of that alternative collateral.

**(B) "Return Amount"**

Despite any other provision of this Confirmation, Party A must on the Cash Settlement Payment Date (if Cash Settlement applies) or Settlement Date (if Physical Settlement applies) for a Tranche, deliver a Return Amount comprised of Shares in an amount equal to the Tranche Quantity for that Tranche to Party B, provided that no Event of Default (as defined in the ISDA Form) has occurred in respect of which Party B is the Defaulting Party or Termination Event has occurred in respect of which Party B is the Affected Party.

To the extent that, on a Settlement Date, Party A is required to deliver a Return Amount to Party B (such quantity of Shares being "**Quantity X**") and Party B is on that date required to deliver Shares to Party A in connection with the physical settlement of the Related Options (such quantity of Shares being "**Quantity Y**"), Party A's obligation to deliver Shares under this Confirmation in respect of the relevant Tranche shall be satisfied by the delivery of a number of Shares to Party B on the Settlement Date for that Tranche, equal to the excess, if any, of Quantity X over Quantity Y.

(C) "**Credit Support Amount**" in Paragraph 10 does not apply and, instead, for the purposes of this Confirmation, it means at any time an amount equal to the Aggregate Number of Shares comprised in the Delivery Amount on the Initial Exchange Date less any Shares delivered to Party B under paragraph (B) ("**Return Amount**") above.

(ii) **Eligible Credit Support.** The following items will qualify as "**Eligible Credit Support**":

	<b>Party B</b>	<b>Valuation Percentage</b>
<b>Fully paid ordinary shares of the Issuer, or any other collateral agreed to in advance in writing by Party A</b>	✓	100 %
<b>Australian Dollars cash</b>	✓	100 %

"**Issuer**" means Oil Search Limited (ARBN 055 079 868). ASX code "OSH".

(iii) **Thresholds.**

(A) "**Independent Amount**" means with respect to Party A: zero  
"**Independent Amount**" means with respect to Party B: zero

(B) "**Threshold**" means zero for both Party A and party B.

(C) "**Minimum Transfer Amount**" means AUD 1,000,000 for both Party A and Party B.

(D) **Rounding.** AUD 10,000

(c) **Valuation and Timing.**

(i) "**Valuation Agent**" means Party A.

(ii) "**Valuation Date**" means any Local Business Day.

(iii) "**Valuation Time**" means the close of business in the Relevant Market on the Local Business Day first preceding the Valuation Date or date of calculation, as applicable.

For the purposes of this provision, "**Relevant Market**" means:

(a) with respect to the calculation of Value, the principal market in which the Eligible Credit Support is traded; and

(b) with respect to the calculation of Exposure, the location most closely associated with the relevant Transaction;

each as determined by the Valuation Agent, or as otherwise agreed between the parties.

(iv) "**Notification Time**" means 3:00 p.m., Sydney time, on the Local Business Day.

(d) **Exchange Date.** "**Exchange Date**" has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution.**

- (i) **"Resolution Time"** means 3:00 p.m., Sydney time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.
- (ii) **Value.** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), , disputes over value will be resolved by the Valuation Agent seeking three bid quotes as of the relevant Valuation Date or date of Transfer from parties that regularly act as dealers in the securities or other property in question. The Value will be the Base Currency Equivalent of the arithmetic mean of the bid prices obtained by the Valuation Agent multiplied by the applicable Valuation Percentage.
- (iii) **Alternative.** The provisions of Paragraph 4 will apply.

(f) **Distributions and Interest Amount.**

Despite anything to the contrary in the 1995 ISDA Credit Support Annex forming part of the ISDA Form, Party A is only required to pay "Equivalent Distributions" to Party B as contemplated under paragraph 5(c) of the 1995 ISDA Credit Support Annex as follows:

- a) If the ex-date of an Extraordinary Dividend declared in respect of the Shares occurs during the Dividend Period then Party B agrees that:
  - (i) Party A shall not be required to pay an Equivalent Distribution to Party B in respect of a quantity of Shares equal to the Delta Quantity;
  - (ii) Party A shall pay to Party B an Equivalent Distribution equal to the Actual Dividend Amount per Share in respect of the Non-Delta Quantity; and
  - (iii) payment under paragraph (ii) shall be made by no later than the second Business Day after the payment date of such Extraordinary Dividend or cash return by the Issuer.
- b) If the ex-date of an ordinary dividend declared in respect of the Shares occurs during the Dividend Period then Party B agrees that:
  - (i) Party A shall pay to Party B an Equivalent Distribution equal to \$x per Share multiplied by the Delta Quantity, where "\$x" is A\$0.08 if the ex-date is for the 2014 Final Dividend, or A\$0.10 if the ex-date is for the 2015 Interim Dividend or 2015 Final Dividend;
  - (ii) Party A shall pay to Party B an Equivalent Distribution equal to the Actual Dividend Amount per Share in respect of the Non-Delta Quantity; and
  - (iii) payment under paragraphs (i) and (ii) shall be made by no later than the second Business Day after the payment date of such ordinary dividend by the Issuer.

No Interest Amounts are payable by Party A to Party B.

For the purposes of the above:

**"Delta Quantity"** is a number determined by UBS that is between zero and the Aggregate Number of Shares.

**"Non-Delta Quantity"** is calculated as the Aggregate Number of Shares minus the Delta Quantity.

**"Actual Dividend Amount"** is the Australian dollar dividend amount per Share declared by the Issuer, or if the Issuer does not declare a dividend in Australian dollars then it is the dividend amount per share declared by the Issuer multiplied by an exchange rate determined by the Calculation Agent on the ex-dividend date to convert that amount into Australian dollars, less any withholding that would be applicable to Party A when it makes a payment to

Party B under this Confirmation, and less any withholding that would be applicable to a shareholder in the same position and with the same characteristics as Party A.

"**Dividend Period**" means the period from but excluding the Trade Date, to and including the Expiration Date for the relevant Component Collar.

(g) **Demands and Notices / Address for Transfers.**

- (i) Any demand, specification or notice under this Annex (each, a "Notice") must be delivered in writing which, for the avoidance of doubt, shall include electronic messaging or email. All Notices shall be delivered to the following email addresses and physical addresses:

With respect of Party A:

Level 16  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Email address: [elaine.chow@ubs.com](mailto:elaine.chow@ubs.com) / [kevin.bayett@ubs.com](mailto:kevin.bayett@ubs.com) / [sh-aus-eg-support@ubs.com](mailto:sh-aus-eg-support@ubs.com) / [jalpa.shillig@ubs.com](mailto:jalpa.shillig@ubs.com) / [sh-syd-rmp-op@ubs.com](mailto:sh-syd-rmp-op@ubs.com) / [greg.jansz@ubs.com](mailto:greg.jansz@ubs.com) / [grant.schwulst@ubs.com](mailto:grant.schwulst@ubs.com)  
Telephone: +61 2 9324 2216 / +61 2 9324 3140 / +61 2 9324 3193  
Fax number: +61-2-9324-2880  
Attention: Elaine Chow / Kevin Bayett / / Jalpa Shillig / Greg Jansz / Grant Schwulst

With respect to Party B:

Address: Level 7 Deloitte Tower,  
Douglas Street,  
Port Moresby NCD  
Papua New Guinea  
Email address: [robert.acevski@npcp.com](mailto:robert.acevski@npcp.com)  
Fax number: +675 3200238  
Attention: Robert Acevski

- (ii) **Addresses and account details for Transfers.**

With respect of Party A:

UBS AG, Australia Branch  
BSB: 946-612  
Account#: 242888  
Attn: Collateral Mgr Sydney  
Exigo Code: UBSB20  
For delivery of Shares:  
PID: 1505  
HIN: X0000103462

With respect to Party B:

To be advised by Party B to Party A

(h) **Other Provisions.**

This Annex, including the act of transfer (disposition) itself, will be governed and construed in accordance with New South Wales law.

## SCHEDULE 2 – ADDITIONAL PROVISIONS

### Part I – Additional Termination Events

Each of the following events or circumstances is an Additional Termination Event:

- (a) **(non-payment)** Party B fails to pay any amount that is due and payable by it under an Equity Derivative Financing Document when it is due unless payment is made within 1 Local Business Day of its due date;
- (b) **(other obligations)** Party B fails to comply with any of its obligations under an Equity Derivative Financing Document (including Part II of this Schedule 2) (other than a failure referred to elsewhere in this Part I) and:
  - (i) Party A considers that the failure cannot be remedied; or
  - (ii) Party A considers that the failure can be remedied, and the failure is not remedied within 10 days after it occurs;
- (c) **(misrepresentation)** any representation, warranty or statement made or repeated by Party B in or in connection with an Equity Derivative Financing Document is untrue or misleading (whether by omission or otherwise), when so made or repeated, in any material respect;
- (d) **(Insolvency Event)**
  - (i) a moratorium is declared in respect of the financial indebtedness (including granting a guarantee of financial indebtedness and including any obligation (whether present or future, actual or contingent) to pay or deliver any money or commodity under or in respect of any financial accommodation or derivative transaction) of Party B;
  - (ii) Party B commences negotiations with any one or more of its foreign creditors with a view to the general readjustment or rescheduling of its financial indebtedness (including granting a guarantee of financial indebtedness and including any obligation (whether present or future, actual or contingent) to pay or deliver any money or commodity under or in respect of any financial accommodation or derivative transaction);
  - (iii) an Insolvency Event occurs in respect of Party B;
- (e) **(Other default)** an event of default, a termination event or any other event giving rise to termination or cancellation of a transaction under another Equity Derivative Financing Document (however that event may be defined or described) occurs;
- (f) **(Material Adverse Effect)** an event or a change occurs (whether or not foreseeable) which has a Material Adverse Effect;
- (g) **(compulsory acquisition)**
  - (i) all or a material part of the property of Party B is compulsorily acquired by any government agency; or
  - (ii) Party B sells or divests itself of all or a material part of its property because it is required to do so by a binding order from a government agency,  
  
and Party B does not receive compensation for the acquisition, sale or disposal which is acceptable to Party A;
- (h) **(inability to perform)** if Party B ceases for any reason to be able lawfully to carry out all the transactions which an Equity Derivative Financing Document contemplates may be carried out by it;

- (i) **(provisions void)** if all or any material provision of an Equity Derivative Financing Document is or becomes void, voidable, illegal or unenforceable or of limited force (other than because of equitable principles or laws affecting creditors' rights generally), or Party B claims this to be the case;
- (j) **(exchange controls)** any restriction is imposed on the ability of Party B to hold, deal with and remit foreign currencies which would make it impossible for it to perform its obligations under an Equity Derivative Financing Document; and
- (k) **(Share Sale and Purchase Agreement):**
  - (i) the Share Sale and Purchase Agreement is vitiated, terminated, rescinded or repudiated by the State for any reason; or
  - (ii) a material provision of the Share Sale and Purchase Agreement is or becomes wholly or partly invalid, void, voidable or unenforceable in any respect,in each case without Party A's prior written consent.

## **Part II – Undertakings**

Party B must:

- (a) **(comply with law)** comply with all applicable laws;
- (b) **(hold Authorisations)** obtain and maintain each Authorisation that is necessary or desirable to:
  - (i) execute the Equity Derivative Financing Documents to which it is a party and to carry out the transactions that those documents contemplate; or
  - (ii) ensure that the Equity Derivative Financing Documents to which it is a party are legal, valid, binding and admissible in evidence,and must comply with any conditions to which any of these Authorisations is subject;
- (c) **(compliance with and enforcement of the Share Sale and Purchase Agreement)**
  - (i) comply fully with its obligations under the Share Sale and Purchase Agreement; and
  - (ii) enforce the Share Sale and Purchase Agreement and exercise its rights, authorities and discretions under that document prudently and in accordance with good industry practice;



EXECUTION PAGES

17 December 2014

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us at your earliest convenience.

Agreed and accepted for and on behalf of  
NFCP Investments Limited

By:   
Name: FRANK KRAMER  
Title: DIRECTOR

Agreed and accepted for and on behalf of  
UBS AG, AUSTRALIA BRANCH

By:

Name:  
Title:

By:

Name:  
Title:

\*\*\*\*\*  
**Disclaimer**

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction or product to which this document relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this document. UBS may pay or receive brokerage or retrocession fees in connection with this transaction. UBS' trading and/or hedging activities related to this transaction or product may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

Structured products and OTC transactions are complex and may involve a high risk of loss. Prior to entering into a transaction or a product you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction or product) based upon your own judgement and advice from those advisers you consider necessary.

EXECUTION PAGES

17 December 2014

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us at your earliest convenience.

Agreed and accepted for and on behalf of  
NPCP Investments Limited

By:

Name:

Title:

Agreed and accepted for and on behalf of  
UBS AG, AUSTRALIA BRANCH

By: *Elaine Chow*

Name: ELAINE CHOW

Title: Managing Director

By: *Craig Roberts*

Name: CRAIG ROBERTS

Title: MANAGING DIRECTOR

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Disclaimer

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## **Nominee Deed**

### **NPCP Investments Limited**

### **UBS AG, Australia Branch**

ABN 47 088 129 613

### **UBS Nominees Pty Ltd**

ABN 32 001 450 522

### **UBS Securities Australia Limited**

ABN 62 008 586 481

Project Kutubu

12 March 2014, as novated / amended and restated on or about 12 December 2014

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**THIS DEED** is made on 12 March 2014, as novated / amended and restated on or about 12 December 2014

**BETWEEN**

- (1) **NPCP Investments Limited (NPCP)**;
- (2) **UBS AG, Australia Branch** ABN 47 088 129 613 (**UBS**);
- (3) **UBS Nominees Pty Ltd** ABN 32 001 450 522 (**Nominee**); and
- (4) **UBS Securities Australia Limited** ABN 62 008 586 481 (**Participant**).

**RECITALS**

The Nominee agrees to act on the terms set out in this deed as trustee for NPCP.

**THE PARTIES AGREE AS FOLLOWS:**

1. **INTERPRETATION**

1.1 **Definitions**

Unless otherwise defined in this deed, or unless the context otherwise requires, capitalised terms and expressions used in this deed have the respective meanings given to them in a Confirmation (including by reference to one or more other documents). The following definitions also apply in this deed.

**Amounts Payable** means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by the NPCP to UBS on any account at any time (whether present or future, actual or contingent) under or in connection with the Equity Derivative Financing Documents or the transactions which they contemplate.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the operating rules of the clearing and settlement facility operated by ASX Settlement.

**Beneficial Interest** means the beneficial interest of NPCP in the Trust Property.

**Confirmation** means:

- (a) the long-form confirmation in respect of a step collar derivative transaction dated 12 March 2014 between UBS and the Independent State of Papua New Guinea, as novated from the Independent State of Papua New Guinea to NPCP pursuant to the Global Novation and Amendment Deed (as amended, restated, novated, supplemented, modified or varied from time to time); or
- (b) the long-form confirmation in respect of a step collar derivative transaction dated on or about 12 December 2014 between UBS and NPCP,

or both of the above.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means:

- (a) a security interest that is subject to the PPS Act;

- (b) any other mortgage, pledge, lien or charge;
- (c) an easement, restrictive covenant, caveat or similar restriction over property; or
- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property,

in each case, whether existing or agreed to be granted or created.

**Equity Derivative Financing Agreement** means the confirmation letter dated 12 March 2014 between Party A and the Independent State of Papua New Guinea, including any ISDA master agreement or credit support annex entered into or deemed to be entered into under or in relation to the letter or the transactions contemplated therein, as novated from the Independent State of Papua New Guinea to Party B pursuant to the Global Novation and Amendment Deed.

**Equity Derivative Financing Document** has the meaning given to it in the Equity Derivative Financing Agreement.

**Global Novation and Amendment Deed** means the document of that title dated on or about 12 December 2014 between, among others, Independent State of Papua New Guinea, UBS and NPCP.

**Government Agency** means a government or government department, or governmental or semi-governmental person and a person (whether autonomous or not) charged with administration of any applicable law and includes without limitation the Australian Tax Office and any revenue authority of Papua New Guinea.

**GST** has the same meaning as given to that term in the GST Law.

**GST Law** has the meaning given to the term "GST law" in *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

**Indemnified Party** means:

- (a) the Nominee;
- (b) UBS; and
- (c) any successor, substitute or assign of any of the above.

**Nominee** means the trustee of the Trust from time to time being UBS Nominees Pty Ltd (ABN 32 001 450 522) at the date of this deed.

**Payment Undertaking** has the meaning given to that term in clause 4.1 (*Payment undertaking*).

**PPS Act** means the *Personal Property Securities Act 2009* (Cth).

**Tax** includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government Agency including GST, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on this deed, or on the transfer of property to or by UBS or the Nominee.

**Tax Invoice** means a tax invoice complying with the requirements of any law about GST.

**Trust** means the trust constituted under this deed.



**Trust Property** means the sum of A\$10 and all other property transferred to and held by the Nominee pursuant to this deed from time to time (including any Shares) and all related rights, benefits and interests.

**UBS Entity** means UBS and any of its related bodies corporate.

## 1.2 Interpretation - references

Unless the contrary intention appears, a reference in this deed to:

- (a) **(variations or replacements)** a document (including this deed) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this deed;
- (c) **(reference to statutes)** a statute, ordinance, code or other law or the ASX Settlement Operating Rules includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(jointly and severally)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually except that the obligations of UBS and the Nominee under this deed are several and not joint;
- (j) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (k) **(meaning not limited)** the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (l) **(time of day)** a date or time is a reference to a date or time in Sydney;
- (m) **(next Business Day)** under this deed if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day;
- (n) **(headings)** headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed; and

- (o) **(definitions)** a word or phrase defined in the Corporations Act or ASX Settlement Operating Rules, has the same meaning in this deed.

## 2. **DECLARATION**

### 2.1 **Declaration of Trust**

The Nominee declares that it holds each item of Trust Property as a trustee on the terms of this deed on trust for NPCP solely.

Subject to this deed, the Nominee undertakes to NPCP that it will:

- (a) transfer, deal with or otherwise dispose of the Trust Property as NPCP may direct and not otherwise; and
- (b) recognise the right of NPCP to dividends or distributions on Trust Property and will account to NPCP or as NPCP may direct for all Income or other distributions paid or made from time to time in respect of the Trust Property; and
- (c) deliver promptly or procure the transfer on demand to NPCP, or as it may direct, legal title to the Trust Property.

### 2.2 **Present entitlement**

NPCP is presently entitled to and has an absolute vested and indefeasible interest in the income of the Trust.

### 2.3 **Termination**

The Trust under this deed will terminate on the earlier of:

- (a) the date 80 years from the date of this deed; and
- (a) any earlier date determined by the Nominee in its absolute discretion with the consent of UBS.

### 2.4 **No disposal**

- (a) Except as expressly permitted by this deed, neither the Nominee nor NPCP shall dispose of any Trust Property during the continuation of the Trust.
- (b) In consideration for the transactions contemplated under the Equity Derivative Financing Documents, NPCP gives to UBS, and UBS has, irrevocable authority to give to the Nominee, on behalf of NPCP, such direction and instructions as to the disposal of Trust Property as NPCP is entitled to give under this deed. Without limiting the generality of this paragraph (b), this includes any such direction and instructions as to the disposal of Trust Property following UBS or any agent on its behalf appointing any controller or taking possession of any of NPCP's property (or any analogous event occurring under the law of any applicable jurisdiction).

### 2.5 **Beneficial Interest**

- (a) NPCP is absolutely entitled pursuant to this deed as against the Nominee to the Trust Property.
- (b) NPCP must forebear from requiring the transfer of Trust Property to it or its nominee (other than the Nominee) prior to the termination date of the Trust.

## 2.6 Liability of Indemnified Parties

To the extent permitted by law, no Indemnified Party will be liable in respect of any conduct, delay, negligence or breach of duty in the exercise or non-exercise of any power, nor for any loss (including direct and indirect, economic and consequential loss) which results, except where it arises from fraud, gross negligence, or wilful misconduct by or on behalf of the Indemnified Party.

## 2.7 Encumbrances

- (a) The Nominee and NPCP must not create, or take or omit to take any action to permit to exist, any Encumbrance or other third party interest (other than an Encumbrance or third party interest created under an Equity Derivative Financing Document) over or in respect of any Trust Property or any interest in the Trust Property. Any such Encumbrance or other third party interest shall be invalid and unenforceable as between and/or against UBS, the Nominee and NPCP (or any person claiming under or through any of them).
- (b) Each of the Nominee and NPCP represents and warrants to UBS that no Trust Property is subject to any Encumbrance or other third party interest created by it (other than an Encumbrance or third party interest created under an Equity Derivative Financing Document).

## 3. VOTING AT MEETINGS OF THE ISSUER

### 3.1 Request

- (a) If NPCP is, or would be, eligible to vote at the meeting of members of the Issuer:
  - (i) at the record time for the members' vote; and
  - (ii) during the time when the Shares are proposed to be held by the Nominee in accordance with this clause 3 (*Voting at meetings of the Issuer*),
 and provided that:
  - (iii) no Event of Default or Termination Event has occurred in respect of NPCP;
  - (iv) an Ex-Distributions Date in respect of the Shares is not scheduled or anticipated to occur during the time when the Shares are proposed to be held by the Nominee in accordance with this clause 3 (*Voting at meetings of the Issuer*); and
  - (v) UBS determines (acting reasonably) that no Extraordinary Event would occur or is likely to occur during the time when the Shares are proposed to be held by the Nominee in accordance with this clause 3 (*Voting at meetings of the Issuer*),

then NPCP may request in writing, at least 10 Business Days prior to the proposed transfer date, that UBS transfers to the Nominee a specified number of Shares which Shares must not exceed the number of Shares in the Collateral Balance of NPCP at the time of the request.

- (b) UBS will use its best commercial efforts (as determined by UBS) to comply with a written request from NPCP under paragraph (a), subject to the terms of the Equity Derivative Financing Documents.
- (c) NPCP must pay to UBS the stock borrow cost incurred by UBS to procure the delivery of Shares to be held by the Nominee, by no later than the third Business

Day after the Shares are transferred to UBS as contemplated under clause 3.3 (*Transfer of Shares back to UBS*). The borrow cost shall be calculated on no more than the Delta Quantity of Shares.

- (d) To the fullest extent permitted by law, UBS has and is under no liability (whether in negligence or otherwise) to NPCP or the Nominee for any costs, liabilities, losses or expenses incurred or suffered by NPCP or the Nominee in connection with or relating to any ability or inability of the Nominee or NPCP to cast any vote at any meeting of members (or a class of members) of the Issuer if Shares are not delivered to the Nominee as contemplated by this clause 3 (*Voting at meetings of the Issuer*).

### 3.2 **Voting**

In respect of any Shares comprised in the Trust Property:

- (a) subject to paragraph (b), the Nominee shall not cast any vote at any meetings of members (or a class of members) of the Issuer; and
- (b) NPCP may direct the Nominee to cast a vote at any meeting of members (or a class of members) of the Issuer in respect of any such Shares, in which case the Nominee must vote in accordance with the direction of NPCP.

### 3.3 **Transfer of Shares back to UBS**

- (a) NPCP acknowledges and agrees that for so long as any Shares are held by the Nominee, NPCP has an outstanding obligation to re-deliver Equivalent Credit Support under the terms of a Confirmation.
- (b) Accordingly, the parties acknowledge and agree that the Shares are to be held by the Nominee for the shortest period of time necessary to give NPCP the entitlement to direct the Nominee in accordance with clause 3.2 (*Voting*) to vote at the meeting of members referred to in clause 3.1 (*Request*). NPCP hereby irrevocably and unconditionally instructs and directs the Nominee to transfer to UBS (which transfer is undertaken in the ordinary exercise of the Nominee's lien as trustee) all Shares held by the Nominee as soon as practicable and in any event within one Business Day after the record time for the member's vote.
- (c) Without limiting clause 3.1(a) or the other provisions of this clause 3.3 (*Transfer of Shares back to UBS*), if an Ex-Distributions Date for the Shares is scheduled or anticipated to occur at any time while the Shares are held by the Nominee, then NPCP hereby irrevocably and unconditionally instructs and directs the Nominee to transfer to UBS (which transfer is undertaken in the ordinary exercise of the Nominee's lien as trustee) all Shares held by the Nominee as soon as practicable and in any event prior to the relevant Ex-Distributions Date in respect of the Shares.
- (d) All Shares transferred to UBS in accordance with this clause 3.3 (*Transfer of Shares back to UBS*) will constitute the delivery of Eligible Credit Support under and for the purposes of a Confirmation.
- (e) NPCP must indemnify the Indemnified Parties against, and must pay to the Indemnified Parties on demand the amount of, all costs, liabilities, losses or expenses incurred by an Indemnified Party in respect of any delay in transfer of the Shares caused directly or indirectly by NPCP.

- (f) If, notwithstanding and without limiting paragraph (c):
- (i) the Shares are held by the Nominee on an Ex-Distributions Date of a Distribution declared or resolved to be paid or made in respect of the Shares; and
  - (ii) the Nominee receives any Distribution,
- then NPCP agrees that:
- (iii) the Nominee shall deliver to UBS, or pay to UBS an amount equal to, the entirety of such Distribution received from the Issuer by no later than the second Business Day after the making of such Distribution by the Issuer; and
  - (iv) the provisions of a Confirmation in respect of Distributions in respect of Shares shall apply, as if the Shares remained held by UBS pursuant to the terms of a Confirmation, and with any other necessary changes.

NPCP hereby irrevocably and unconditionally instructs and directs the Nominee to make each such payment contemplated by this paragraph (f).

#### 4. **UNDERTAKING**

##### 4.1 **Payment undertaking**

At any time while the Trust Property consists of Shares, the Nominee indemnifies UBS against, and must pay to UBS on demand, the amount of all Amounts Payable (**Payment Undertaking**). The Payment Undertaking is a continuing indemnity and will (subject to the Nominee's limitation of liability in clause 7.2 (*Limitation of liability and obligations*)) extend to the ultimate balance of sums payable by NPCP under the Equity Derivative Financing Documents, regardless of any intermediate payment or discharge in whole or in part.

##### 4.2 **NPCP undertakings**

NPCP agrees:

- (a) to comply with all obligations affecting the Trust Property and pay on time all amounts for which the holder of the Trust Property is liable, including calls, instalments and Taxes;
- (b) at UBS's request in its discretion, to take up any rights attaching to Trust Property;
- (c) to promptly provide to UBS on request any information which UBS reasonably requests about the Trust Property or anything in relation to it; and
- (d) not to provide any instructions to the Nominee relating to the Trust Property that are inconsistent with this deed or any other Equity Derivative Financing Document.

##### 4.3 **Nominee undertakings**

The Nominee and NPCP each acknowledges and agrees for the benefit of UBS in respect of each Share comprised in the Trust Property that:

- (a) the Nominee will not comply with instructions given by NPCP without seeking the consent of UBS except as expressly contemplated under clause 3 (*Voting at meetings of members*); and

- (b) the Nominee must comply with instructions (including instructions to transfer the Shares) given by UBS in accordance with the Equity Derivative Financing Documents without seeking the consent of NPCP.

## 5. **POWERS AND DUTIES OF THE NOMINEE**

### 5.1 **Limitations**

The Nominee shall have no powers, duties, rights or discretions in respect of the Trust except those expressly set out in this deed. In particular the Nominee shall have no power to dispose of Trust Property otherwise than in accordance with this deed.

### 5.2 **Transfer of Property**

Any power or duty of the Nominee to transfer any property under this deed (including the transfer of Trust Property) may be exercised or satisfied by instructing the Participant to transfer or dispose of the relevant property and/or posting or delivering to the registered address of the recipient an instrument of transfer of the relevant property in addition to any other mechanism or process permitted by law. Compliance by the Nominee with this clause will be a complete discharge of the Nominee's obligations with respect to the transfer of the relevant property.

### 5.3 **Directions of the Court**

UBS and/or the Nominee and/or NPCP may apply to a court for directions as to any matter arising in connection with the exercise of the powers and functions of UBS and/or the Nominee and/or NPCP under this deed, and the applicant shall not be responsible for any delay arising as a result.

### 5.4 **Knowledge of the Nominee**

The Nominee will only be considered to have knowledge, awareness or notice of a thing, or grounds to believe any thing, by virtue of the officers of the Nominee having day to day responsibility for the administration of the Trust having actual knowledge, actual awareness or actual notice of that thing, or grounds to believe that thing (and similar references will be interpreted in this way).

## 6. **OBLIGATIONS OF THE NOMINEE**

### 6.1 **Extent of discretion**

The Nominee need not:

- (a) act except when required to do so by this deed and then at the discretion of the Nominee as to the manner and time of acting; or
- (b) consult with NPCP before acting or giving any consent, approval or agreement or making any determination under this deed except where this deed expressly provides otherwise (including under clause 3.2 (*Voting*)).

### 6.2 **In funds**

The Nominee shall not act or fail to act if by doing so it will knowingly incur any material liability for which it is not satisfied that it is sufficiently indemnified from the Trust Property or otherwise.

### 6.3 **No responsibility for deed**

The Nominee has no responsibility for the form or contents of this deed or any other Equity Derivative Financing Document and will have no liability arising as a result of or in connection with any inadequacy, invalidity or unenforceability of any provision of this deed or any other Equity Derivative Financing Document.

### 6.4 **Exclusion of further obligations**

Despite any provision of this deed, the Nominee:

- (a) is not required to do or omit to do anything or incur any liability unless the Nominee's liability is limited in a manner satisfactory to the Nominee;
- (b) will not be under any obligations to advance or use its own funds for the payment of any costs, expenses or facilities;
- (c) will have no liability for the acts or omissions of any brokers or other agents whose acts or omissions are not reasonably capable of supervision by the Nominee;
- (d) has no responsibility for the performance by UBS and/or NPCP of their obligations under or in connection with this deed, the Trust Property, and the Nominee will have no liability arising as a result of or in connection with any act or omission of UBS and/or NPCP; and
- (e) will have no obligations to prepare accounts or tax returns in respect of the Trust.

### 6.5 **Set Off**

The Nominee may set off or withhold any amount payable to it by UBS and/or NPCP against or from any amount payable by the Nominee to UBS and/or NPCP (as the case may be).

## 7. **LIMITATION OF LIABILITY**

### 7.1 **Indemnity**

- (a) The Nominee:
  - (i) is fully indemnified out of the Trust Property in respect of any liability or obligation that the Nominee incurs while acting or purporting to act as Nominee; and
  - (ii) may reimburse itself from the Trust Property for all expenses incurred or payments made by it in respect of the Trust, except in relation to any liability, obligation or expense incurred as a result of the Nominee's fraud, gross negligence or wilful default.

The Trustee may apply either or both capital and income of the Trust Fund to satisfy its rights under this clause.

- (b) Without limiting paragraph (a) above, NPCP acknowledges and agrees that the Nominee's liabilities and undertakings under this deed including in respect of the Payment Undertaking are expenses of the Trust for which the Nominee is entitled to be indemnified out of Trust Property. Accordingly, NPCP acknowledges and agrees that that if UBS makes a demand on the Nominee under the Payment Undertaking given under clause 4.1 (*Payment undertaking*), the Nominee (under

its trustee's lien) may (without first notifying NPCP) dispose of the Trust Property and use the proceeds of that disposal to satisfy that demand.

## 7.2 **Limitation of liability and obligations**

- (a) Despite any other provision of this deed or any other Equity Derivative Financing Document, a liability or obligation of the Nominee arising under or in connection with this deed or any other Equity Derivative Financing Document (including in connection with the Payment Undertaking) is strictly limited to the extent to which (and can be enforced against the Nominee only to the extent to which) the Nominee is actually indemnified for the liability and the liability or obligation can lawfully be satisfied of the Trust Property. No person may seek to recover any shortfall in the amounts owing by the Nominee by bringing proceedings against the Nominee or applying to have the Nominee wound up.
- (b) When the Nominee, whether on instructions or under the Nominee's lien as trustee, exercise a power to dispose of Trust Property, the Nominee has no liability to NPCP for any delay in disposal or any failure to obtain a particular price or for obtaining difference prices for the Trust Property.

## 7.3 **Nominee's lien as trustee**

NPCP acknowledges and agrees that the Nominee's common law lien as trustee is a proprietary interest in the Trust Property that ranks in priority to the Beneficial Interest. However, nothing in this deed is intended to create a charge or security interest separate from the Trustee's rights at common law.

## 7.4 **Reliance on documents and experts**

The Nominee may rely on:

- (a) any document (including any facsimile transmission or telegram) unless it knows or has reasonable grounds to believe that the document is not genuine and correct; and
- (b) advice, information and statements of UBS or other persons employed or retained by UBS,

and shall not be liable for any act or omission undertaken in reliance on that document, advice, information or statement. Without limitation, the Nominee may rely on such documents, advice, information and statements for the purpose of exercising and performing its powers and duties to make payments to NPCP and to transfer or dispose of Trust Property in accordance with this deed. Where the Nominee considers that it requires any advice, information or statement from any of the persons referred to in paragraph (b) of this clause, for the purpose of exercising or performing its powers and duties under this deed, the Nominee will have no liability in connection with any delay in the exercise or performance of the relevant powers or duties pending receipt of the relevant advice, information or statements.

## 7.5 **Independent Investigation**

NPCP confirms that it has made and will continue to make, independently and without reliance on the Nominee or UBS:

- (a) its own investigations into the affairs of UBS and the Nominee; and
- (b) its own analyses and decisions whether to take or not take action under this deed.



## 7.6 **No monitoring**

The Nominee is not required to keep itself informed as to any Issuer or the compliance by UBS and/or NPCP with this deed or any other document or agreement or to inspect any property or book of UBS and/or NPCP.

## 7.7 **Replacement of Nominee**

- (a) Subject to the appointment of a successor Nominee as provided in this clause:
  - (i) the Nominee may resign at any time by giving not less than 30 days written notice to UBS and/or NPCP; and
  - (ii) UBS may remove the Nominee from office if the Nominee breaches any of its obligations under this deed and the breach remains unremedied after UBS has given not less than 30 days written notice to the Nominee.
- (b) On notice of resignation or removal UBS has the right to appoint a successor Nominee who accepts the appointment.
- (c) If no successor Nominee is appointed within 30 days after notice, the retiring Nominee may appoint a successor Nominee who accepts the appointment.
- (d) On its appointment the successor Nominee will have all the rights, powers and obligations of the retiring Nominee (except liabilities arising from defaults).
- (e) The retiring Nominee shall execute and deliver all documents or agreements which UBS considers necessary or desirable in UBS's opinion to transfer to the successor Nominee this deed or to effect the appointment of the successor Nominee (subject to satisfaction of all liabilities owed to the Nominee on its own account under this deed or for which the Nominee may be personally liable).
- (f) After any retiring Nominee's resignation or removal, this clause will continue in effect in respect of anything done or omitted to be done by it while it was acting as Nominee, and the retiring Nominee retains the rights and remedies available to it under this deed or at law in relation to the performance and exercise of its powers, duties and functions while Nominee.
- (g) UBS shall not unreasonably withhold its approval of any proposed successor Nominee. It shall respond as soon as practicable to any request for approval.
- (h) NPCP agrees not to remove the Nominee as its nominee under this deed during the term of the Equity Derivatives Financing Documents.

## 8. **TAXES**

### 8.1 **Obligation to pay Tax**

- (a) Where the Nominee has received notice requiring the payment of any Tax on behalf or in respect of NPCP or Trust Property, the Nominee shall determine, on advice, whether it has any obligation to pay or provide for the amount of the Tax. The Nominee may also at any time obtain advice as to whether it has any obligation to pay any Tax on behalf of or in respect of NPCP or any Trust Property, whether or not it has received notice requiring payment. If the Nominee determines that it has an obligation to pay the Tax, or there are reasonable grounds to argue that it has an obligation to pay the Tax, the Nominee shall give notice to NPCP, with a copy of that notice to be provided to UBS.

- (b) NPCP agrees to indemnify the Nominee in respect of any tax referred to in clause 8.1(a).

## 8.2 Notice to NPCP

A notice given by the Nominee to NPCP pursuant to clause 8.1 (*Obligation to pay Tax*) shall set forth reasonable particulars pertaining to the obligation to make the relevant Tax payment.

## 8.3 Withholding

- (a) If the Nominee receives advice that it is prudent to withhold any amount of Tax in respect of any amount otherwise payable to NPCP then, notwithstanding any other provision in this deed, the Nominee will withhold that amount for so long as it remains prudent to do so.
- (b) Despite any other provision in this deed, if at any time an applicable law obliges the Nominee to make a deduction or withholding in respect of Taxes from a payment under this document, the Nominee:
  - (i) must notify NPCP of the obligation (with a copy of that notification to be provided to UBS);
  - (ii) must ensure that the deduction or withholding does not exceed the minimum amount required by law; and
  - (iii) must pay to the relevant Government Agency on time the full amount of the deduction or withholding and promptly deliver to NPCP a copy of any receipt, certificate or other proof of payment.
- (c) If any amount is deducted or withheld in accordance with paragraph (b) above, the Nominee is not required to gross up any payment or future payment either under this deed or any other Equity Derivative Document to NPCP in respect of that amount deducted or withheld.

## 8.4 Time for payment

NPCP must make any payment due pursuant to the indemnity in clause 8.1(b) on or before the day that is five Business Days before the last date on which payment of the relevant Tax may lawfully be made without incurring penalties or interest for late payment.

## 8.5 GST

If GST is or will be payable on a supply by UBS or NPCP made under or in connection with this deed, to the extent that the consideration otherwise provided for that supply under this deed is not stated to include an amount in respect of GST on the supply, NPCP must:

- (a) pay to UBS or the Nominee an additional amount equal to any GST which UBS or the Nominee must pay for any supply by UBS or the Nominee to NPCP under this deed;
- (b) pay that additional amount as and when NPCP must pay the other consideration for the supply; and

- (c) indemnify UBS and the Nominee from any GST and against any damage or cost directly or indirectly arising from or caused by the failure of NPCP to pay any amount as and when required by this clause.

UBS or the Nominee will issue NPCP with a Tax Invoice in respect of any additional amount on account of GST that UBS or Nominee may recover from NPCP under this clause.

## 9. **PAYMENTS**

All monies payable under this deed shall be paid by electronic funds transfer to an account designated by the payee unless otherwise agreed.

## 10. **NOTICES**

### 10.1 **Notice by UBS and the Nominee**

Except where otherwise provided in this deed, all notices required or permitted to be given by UBS or the Nominee to NPCP pursuant to this deed must be in writing and will be duly given if:

- (a) left at NPCP's address as set out in clause 10.5 (*Addresses for notices*); or
- (b) sent by prepaid mail to NPCP 's address (which must be airmail if that address is not within Australia);
- (c) sent by facsimile transmission to NPCP 's facsimile number; or
- (d) sent in electronic form (such as email), with the subject matter line of an email specifying NPCP's name, this deed and a brief description of the subject matter of the communication.

### 10.2 **Time of receipt**

A notice given by UBS or the Nominee in accordance with clause 10.1 is treated as having been duly given and received:

- (a) when delivered, in the case of a notice left at NPCP 's address;
- (b) on the second Business Day after posting, in the case of being sent by pre-paid mail to an address in Australia;
- (c) on the fifth Business Day after posting, in the case of being sent by pre-paid mail to an address outside Australia; and
- (d) at the time of confirmation of transmission, in the case of being sent by facsimile transmission; and
- (e) when sent in readable form:
  - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that Business Day; or
  - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day,

in the case of being sent in electronic form.

**10.3 Notice by NPCP**

All notices required or permitted to be given by NPCP to UBS or the Nominee pursuant to this deed must be in writing and will be treated as being duly given if and only if they are actually received by UBS or the Nominee at the address of that party as set out in clause 10.5 (*Addresses for notices*) or at such other address as may have been notified to the NPCP.

**10.4 Notices Between UBS and Nominee**

Notices required or permitted to be given by UBS to the Nominee or by the Nominee to UBS may be given orally provided UBS and the Nominee are related bodies corporate.

**10.5 Addresses for notices****NPCP**

Address: Level 7 Deloitte Tower,  
Douglas Street  
Port Moresby NCD  
Papua New Guinea

Telephone: +675 320 2253

Fax number: +675 320 0238

Email: robert.acevski@npcp.com

Attention: Robert Acevski

**UBS**

Address: Level 16  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Fax number: +61-2-9324-2880

Email: [elaine.chow@ubs.com](mailto:elaine.chow@ubs.com) / [kevin.bayett@ubs.com](mailto:kevin.bayett@ubs.com) / [sh-aus-eg-support@ubs.com](mailto:sh-aus-eg-support@ubs.com) / [justin.churchill@ubs.com](mailto:justin.churchill@ubs.com) / [luke.goldsworthy@ubs.com](mailto:luke.goldsworthy@ubs.com) / [jalpa.schillig@ubs.com](mailto:jalpa.schillig@ubs.com) / [sh-syd-rmp-op@ubs.com](mailto:sh-syd-rmp-op@ubs.com)

Attention: Elaine Chow / Kevin Bayett / Justin Churchill / Luke Goldsworthy / Jalpa Schillig

**Nominee**

Address: Level 16  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Fax number: +61-2-9324-2880

Email: [elaine.chow@ubs.com](mailto:elaine.chow@ubs.com) / [kevin.bayett@ubs.com](mailto:kevin.bayett@ubs.com) / [sh-aus-eg-support@ubs.com](mailto:sh-aus-eg-support@ubs.com) / [justin.churchill@ubs.com](mailto:justin.churchill@ubs.com) / [luke.goldsworthy@ubs.com](mailto:luke.goldsworthy@ubs.com) / [jalpa.schillig@ubs.com](mailto:jalpa.schillig@ubs.com) / [sh-syd-rmp-op@ubs.com](mailto:sh-syd-rmp-op@ubs.com)

Attention: Elaine Chow / Kevin Bayett / Justin Churchill / Luke Goldsworthy / Jalpa Schillig

**Participant**

Address: Level 16  
Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Fax number: +61-2-9324-2880

Email: [elaine.chow@ubs.com](mailto:elaine.chow@ubs.com) / [kevin.bayett@ubs.com](mailto:kevin.bayett@ubs.com) / [sh-aus-eg-support@ubs.com](mailto:sh-aus-eg-support@ubs.com) / [justin.churchill@ubs.com](mailto:justin.churchill@ubs.com) / [luke.goldsworthy@ubs.com](mailto:luke.goldsworthy@ubs.com) / [jalpa.schillig@ubs.com](mailto:jalpa.schillig@ubs.com) / [sh-syd-rmp-op@ubs.com](mailto:sh-syd-rmp-op@ubs.com)

Attention: Elaine Chow / Kevin Bayett / Justin Churchill / Luke Goldsworthy / Jalpa Schillig

11. **PROCESS AGENT**

- (a) NPCP irrevocably appoints Gadens Lawyers Sydney Pty Ltd ACN 100 963 308 of Level 16, 77 Castlereagh Street, Sydney NSW 2000 as its agent under this deed for service of process in any proceedings in the State of Victoria.
- (b) If any person appointed as process agent is unable for any reason to act as agent for service of process, NPCP must immediately appoint another agent on terms acceptable to UBS and the Nominee. Failing this, UBS may appoint another person for this purpose.
- (c) NPCP undertakes to maintain the appointment of the process agent until all money owed by NPCP to UBS is paid to UBS, and agrees that any process served on that person is taken to be served on it.
- (d) This clause does not affect any other method of service allowed by law.

12. **PARTICIPANT**

- (a) Each of NPCP and the Nominee notify the Participant that NPCP has granted or will grant a security interest in its present and future right, title and interest in, to, under and derived from all Shares transferred to, and held by, the Nominee as trustee for NPCP pursuant to this deed (**Security**).
- (b) Each of NPCP and the Nominee irrevocably and unconditionally:
  - (i) authorise any representative of UBS (the **Authorised Signatories**) severally to be the sole signatories authorised on behalf of NPCP and the Nominee to instruct the Participant from time to time in relation to the Shares (except as contemplated by clause 3.2);
  - (ii) (except as contemplated by clause 3.2) direct the Participant to only act on the instructions and directions of an Authorised Signatory in respect of the

Shares, including instructions and directions by which the Shares can be transferred or otherwise dealt with, and to only act in accordance with any such instructions and/or directions from the Authorised Signatories including the provision of any information that they request on the Participant's holding of the Shares (for the avoidance of doubt, any such instructions or directions may include the giving of communications by means of electronic messages or other electronic communications); and

- (iii) direct the Participant to pay or deliver (as appropriate):
  - (A) the proceeds of enforcement of the Security; or
  - (B) (subject to any contrary directions of UBS) any dividends, rights, payments, distributions, other amounts and other entitlements to which UBS is entitled under the terms of any Equity Derivative Financing Document in respect of any Shares,

into the following account (**Nominated Bank Account**):

Bank: To be advised by UBS to the other parties  
 Account name: To be advised by UBS to the other parties  
 SWIFT ID: To be advised by UBS to the other parties  
 Account no: To be advised by UBS to the other parties  
 Payment directions: To be advised by UBS to the other parties,

or as an Authorised Signatory may direct from time to time.

- (c) The Participant confirms that it:
  - (i) accepts the terms, authorisations and directions contained in paragraph (b) and undertakes to act only in accordance with the instructions and directions of an Authorised Signatory (including where such instructions relate to the sending of electronic messages or other electronic communications) in relation to the Shares and will provide information on the Shares to an Authorised Signatory upon request;
  - (ii) will pay any proceeds of:
    - (A) enforcement of the Security; or
    - (B) (subject to any contrary directions of UBS) any dividends, rights, payments, distributions and other amounts to which UBS is entitled under the terms of any Equity Derivative Financing Document in respect of any Shares,
 into the Nominated Account or as an Authorised Signatory may direct from time to time.
- (d) Each of NPCP, the Nominee and UBS acknowledge that the Participant is entitled to assume the genuineness and authenticity of any instruction purported to be given by an Authorised Signatory and each of NPCP and the Nominee is deemed to have ratified and confirmed any such instruction. The Participant is not liable for any act or loss that results from the Participant having acted on an instruction given by a person it reasonably believes to be an Authorised Signatory for the purposes of this clause.

### 13. GENERAL

#### 13.1 Stamp duty

NPCP shall be responsible for the payment of all stamp duties and documentary taxes (including any interest or penalty that is payable) assessed by any revenue authority in Australia and/or Papua New Guinea upon the transfer of Trust Property to or by the Nominee, the constitution of the Trust, the execution of this deed or any other transactions contemplated by this deed.

#### 13.2 Telephone recording

NPCP agrees to:

- (a) the tape recording by UBS or its agents of any telephone conversation with NPCP;
- (b) the retention of any tape recording so made; and
- (c) the use of any tape recording so made as evidence of the contents of the telephone conversation.

#### 13.3 Amendments to deed

UBS, NPCP and the Nominee may amend this deed from time to time by supplemental deed signed by the parties.

#### 13.4 Waiver

No failure to exercise and no delay in exercising any power operates as a waiver. Nor does any single or partial exercise of any power preclude any other or further exercise of that power or any other power. The powers in this deed are in addition to and do not exclude or limit any right, power or remedy provided by law.

#### 13.1 Waiver of Immunity

Each party irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment,

to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

#### 13.2 Governing Law

- (a) This deed shall be governed by the laws applying in Victoria.
- (b) The parties submit to the exclusive jurisdiction of the courts of Victoria.

- (c) Nothing in this clause 13.2 limits the right of UBS or the Nominee to institute proceedings arising out of or in connection with this deed or any Beneficial Interest against NPCP in any manner permitted by law.



**EXECUTED** as a deed.

[EXECUTION BLOCKS INTENTIONALLY OMITTED]