
ASX Announcement

Results of PRL 15 arbitration

11 February 2015

Oil Search advises the market that the International Court of Arbitration of the International Chamber of Commerce (ICC) has declined to issue pre-emptive rights over the transfer of a 40.1% participating interest in PRL 15 from an InterOil subsidiary to a subsidiary of the Total SA Group, which was announced 26 March 2014.

In a complex, non-unanimous, judgement, the ICC decision declared that Total is a party to the Elk/Antelope Joint Venture Operating Agreement (JOA), but it also declared that Total has no rights in PRL 15 or in the Elk/Antelope JOA, unless and until InterOil and Total comply with relevant transfer clauses within the JOA. Oil Search anticipates that InterOil and Total will attempt to comply with these terms and the Company intends to work constructively with its Joint Venture partners to resolve all outstanding transfer and joint venture management issues.

Oil Search's 22.8% interest in PRL 15 is a core asset for the Company. The Elk/Antelope fields represent a world-class gas resource which has the potential to underpin a major new LNG development or LNG expansion, both of which are potentially commercially attractive, despite the recent sharp fall in oil prices. A key focus for Oil Search, its Joint Venture partners and the PNG Government, is to complete the comprehensive appraisal programme currently underway, to have the gas resource in Elk/Antelope certified and move seamlessly into the development phase, as soon as possible.

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