
ASX Announcement

Oil Search signs statement of intent on the next phases of the Ramu Power Project

23 September 2015

Further to the announcement on 1 April of the commencement of continuous 24-hour power generation and supply to Tari, Oil Search today signed a statement of intent with Government-owned PNG Power Limited (PPL) on the next phases of the Ramu Power Project (RPP). The RPP is aimed at connecting up to one million people to a larger and improved electricity grid by 2030, through the provision of modular, low cost power supply.

Implementation agreements are planned to be developed with the PNG Government over the next few months to support the following projects:

- **Biomass Independent Power Producer (IPP).** A 30 MW Biomass project in the Markham Valley, Morobe Province. This project is aimed at providing baseload power for the Lae region and will have significant environmental, social and employment benefits. The development will be phased in two x 15 MW units, to match supply with demand.
- **Highlands IPP.** The construction of an initial 2 MW gas-fired power project, with potential to ramp up to 65 MW, located near Hides in the Hela Province. This project will source gas from the Hides gas field and provide lower cost baseload and intermittent power primarily for households and social infrastructure in the Hela and Southern Highlands Provinces.
- **Hides to Tari Transmission Line.** Installation of a 45 km transmission line from the Oil Search Hides Gas-to-Electricity Processing Plant to the Tari Power Station. The Hides – Tari transmission line is to be constructed, operated and maintained by PPL and PPL's selected third party.
- **Highlands distribution and connections.** Oil Search will assist PPL in designing a low cost rural connections rollout plan to households in the Hela and Southern Highlands Provinces.
- **Early Power to Tari.** Oil Search will extend the provision of diesel to PPL's power plant in Tari, which commenced in March 2015, until the earlier of completion of the Hides – Tari transmission line or the second quarter of 2016.

Peter Botten, Oil Search's Managing Director said:

"Oil Search continues to work closely with the PNG Government to develop long-term solutions for PNG's power sector. With one of the world's lowest electricity connection rates, delivery of reliable, competitively priced power is one of PNG's highest priorities and we are delighted that we can play our part in providing clean and sustainable biomass-fired and gas-fired power to the country. We have been exploring the potential for the Markham Valley Biomass project and cost effective gas fired generation in the Highlands for

a number of years and hope to sign Power Purchase Agreements for these projects, which have the potential to make a real difference to people's lives, by the end of the year."

PETER BOTTEN, CBE
Managing Director

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