Bernstein Roadshow
US/Canada – April 2016

Oil Search

Oil Search Limited
ARBN 055 079 868

ASX: OSH | POMSoX: OSH US | ADR: OISHY
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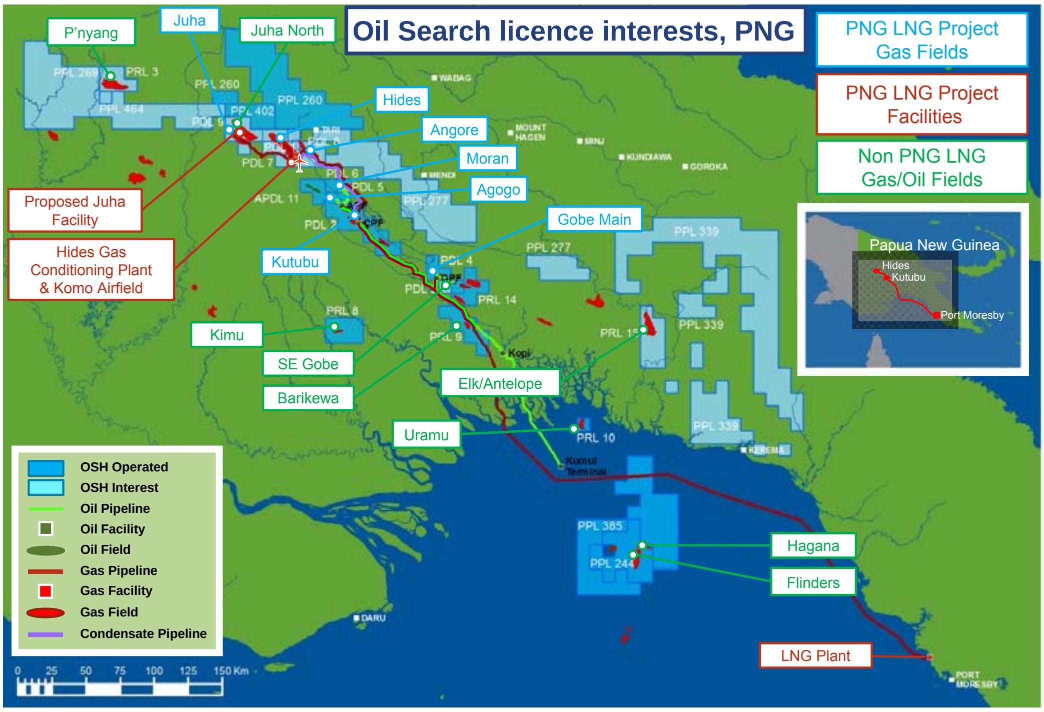
Oil Search Profile

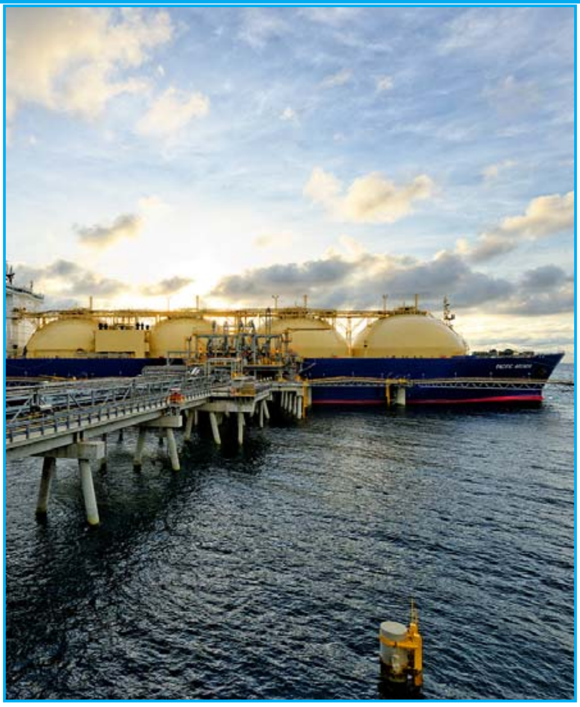
Oil Search



- Established in Papua New Guinea (PNG) in 1929
- 29% interest in world-class PNG LNG Project, operated by ExxonMobil, and ~60% interest in all PNG's producing oil fields, operated by OSH
- Pursuing two major LNG growth opportunities – potential PNG LNG expansion and Papua LNG Project. Both among most competitive proposed LNG projects globally
- Material gas exploration upside in PNG
- Market capitalisation ~A$10bn (~US$7.5bn)
- Listed on ASX (Share Code: OSH) and POMSOX, plus US ADR programme (Share Code: OISHY)

Overview

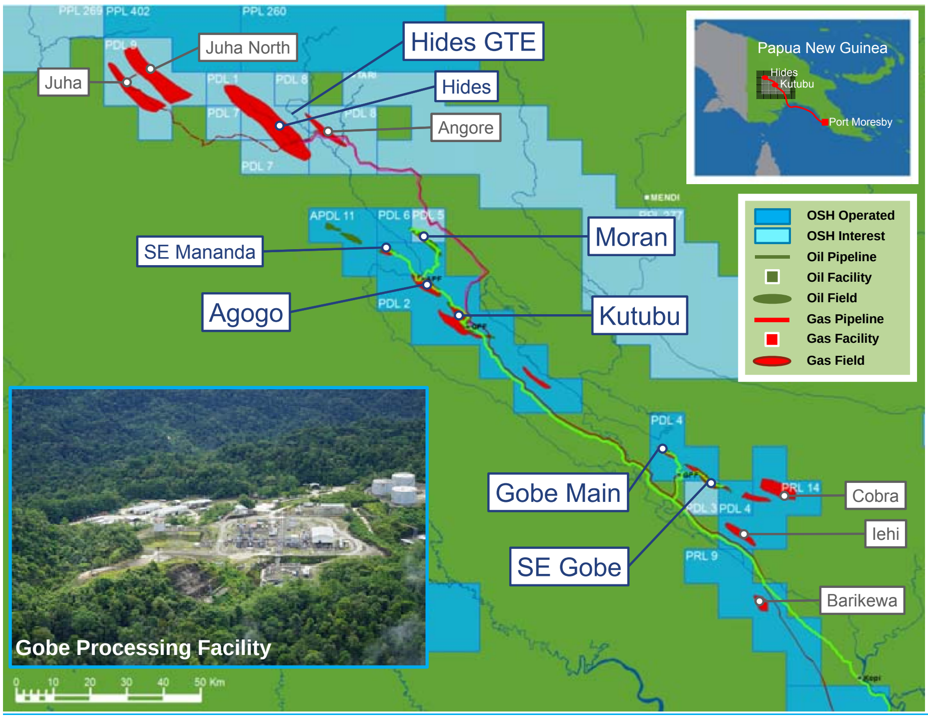
- » Strong production from high quality, low cost quality assets with low sustaining capital requirements:
  - – PNG LNG Project performing well above expectations
- » OSH generating positive cash flows even at current oil prices:
  - – Cash flow breakeven (opex plus interest) in 2016 forecast at US$19/bbl and ~US$30/bbl after principal repayments and sustaining capex
- » Solid balance sheet with liquidity of ~US$1.7bn
- » Making progress on two high-potential LNG growth opportunities, assessed to have breakeven costs in lowest quartile in region:
  - – Expansion of PNG LNG through production optimisation/debottlenecking of existing trains and potential third train development
  - – Papua LNG Project, expected to be next major LNG development in PNG
- » Major near-field gas exploration campaign planned for 2016/2017+
- » Number of initiatives implemented in 2015 to recalibrate costs and prioritise capital spend:
  - – ~25% reduction in controllable costs expected in 2016, ~35% reduction in capex
  - – Further innovation and improved efficiencies planned in 2016



PNG LNG Project – performing well above expectations

- » Annualised production rate of 7.4 MTPA in 2015 vs nameplate capacity of 6.9 MTPA, reflecting success of production optimisation activities:
  - » 101 LNG cargoes sold, comprising 78 LT contract, 23 spot plus 31.5 cargoes Kutubu Blend and 8 naphtha cargoes
- » Annualised production in 1Q16 at record rate of 8.0 MTPA (16% above nameplate):
  - » 28 LNG cargoes sold in 1Q16, 24 long term, 4 spot, with LT contracts now at plateau. 8 cargoes of Kutubu Blend and 3 naphtha
- » Very high facilities uptime from LNG trains and HGCP plus strong productivity from wells
- » Evaluation of potential debottlenecking opportunities ongoing
- » OSH contributes gas from OSH-operated oil fields (Kutubu, Gobe Main, SE Gobe) (~13% of total Project gas feedstock in 1Q16) plus handles export of all Project condensate through liquids export system

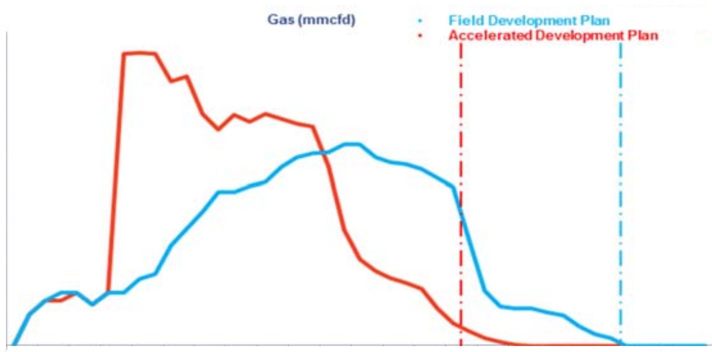
Stable contribution from operated oil and gas fields



- 2015 net operated production of 7.0 mmboe:
  - Similar to 2014 production of 7.1 mmboe
  - Excellent outcome given maturity of fields
- Strong start to 2016, with 1Q16 production of 1.8 mmboe
- Kutubu and Moran fields remain key producers (>95% total oil produced in 2015)

Potential value upside from accelerating gas supply from OSH-operated AG fields to PNG LNG

- Significant value opportunity identified from accelerating gas blowdown of OSH-operated Associated Gas (AG) fields to PNG LNG
- Potential benefits:
  - Provision of low cost gas to PNG LNG, increased gas delivery flexibility
  - Optimising future capital investment in alternative supply sources
  - Earlier end of AG field life, reducing cost of supporting ageing facilities and wells
  - Build on OSH's existing operator capabilities
  - Material economic value
- Project team formed, feasibility studies and possible FEED entry end 2016, subject to commercial and fiscal progress

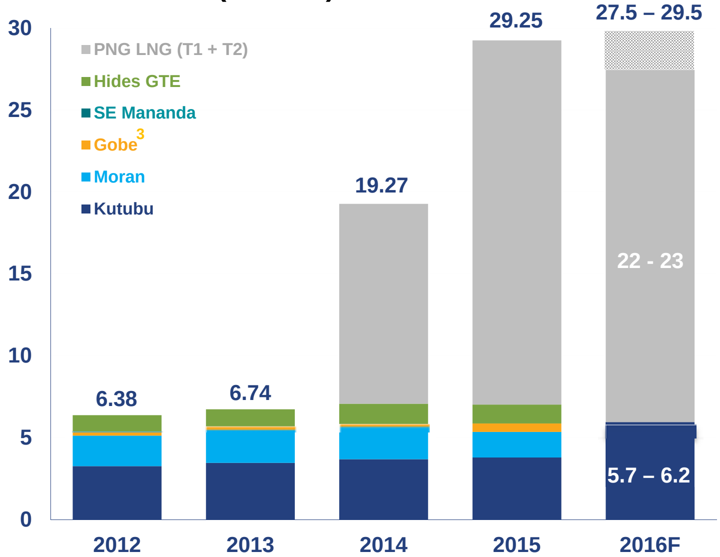


2016 Production Outlook

- » 2016 production forecast of 27.5 – 29.5 mmboe, comprising:
  - – OSH-operated production: 5.7 – 6.2 mmboe*
  - – PNG LNG: 22 – 23 mmboe
- » Scheduled PNG LNG plant maintenance in April factored into OSH estimate of FY rate of 7.5-7.9 MTPA (gross)
- » 2016 focus items:
  - – Add value to mature oil fields in low oil price environment through:
    - Optimising operated production by reducing planned downtime, improving reliability of facilities
    - Ongoing focus on well integrity, process safety and optimising facilities uptime
  - – PNG LNG OSH deliverables:
    - Continued delivery Kutubu, Gobe Main and SE Gobe (third-party) gas to PNG LNG Project, operation of liquids export system via Kumul Marine Terminal
    - Support operator in analysing opportunities for further production optimisation and debottlenecking
    - Work on potential accelerated gas blow down of OSH-operated AG fields

* Includes 2.8 – 3.0 bcf (net) of SE Gobe gas sales (OSH – 22.34%) exported to the PNG LNG Project

Net Production (mmboe)[1,2]



[1] LNG sales products at outlet of plant, post fuel, flare and shrinkage
[2] Gas:oil conversion rate used from 2014 onwards: 5,100 scf = 1 barrel of oil equivalent (prior years 6,000 scf/boe)
[3] Includes SE Gobe gas sales to the PNG LNG Project, which commenced May 2015

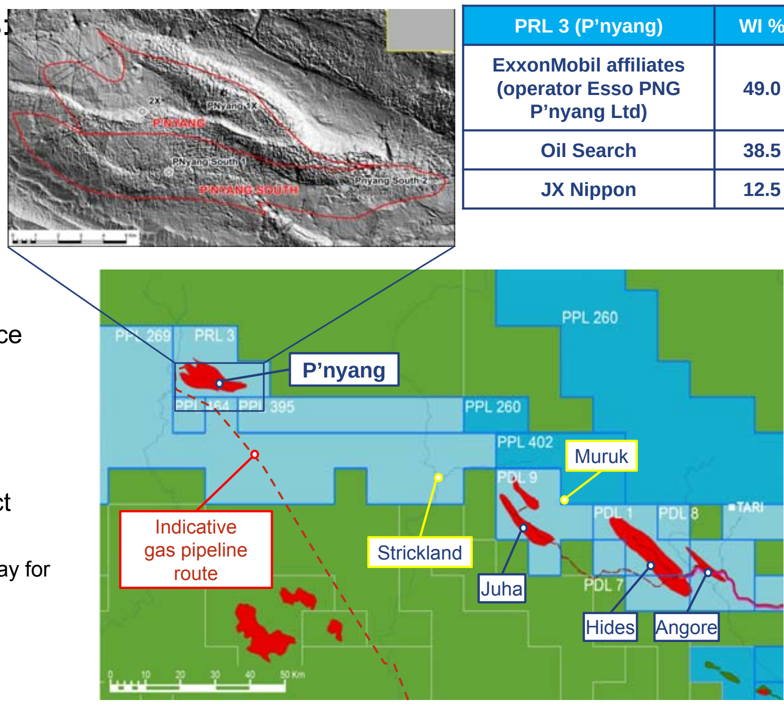
Gas growth to drive value

- » Gas commercialisation activities in Highlands and Gulf Province made significant progress in 2015:
  - – PNG LNG Project: production optimisation, debottlenecking studies, P'nyang MoU and power delivery
  - – Papua LNG Project: positive appraisal, selection of project sites, discussions on financing commenced
  - – ~10 tcf (gross) undeveloped gas available, sufficient to underpin both world-class developments
- » PNG LNG expansion and Papuan LNG high priority for JVs, Government and landowners, while many other LNG projects globally are being deferred:
  - – Among lowest project break-even costs in region (WoodMac)
  - – Attractive returns even under revised oil price scenario
- » Low oil price provides impetus to maximise value of both developments through co-operation and integration
- » Growth projects could double OSH production by early 2020s, with further upside from exploration

Potential PNG LNG expansion, underpinned by P'nyang and existing gas fields

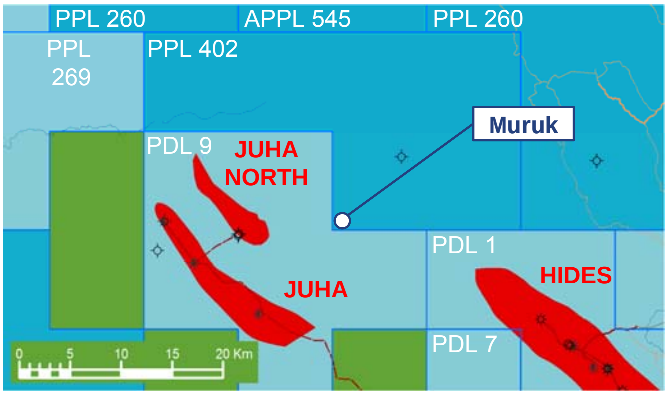
- Potential PNG LNG Project expansion includes:
  - High-value production optimisation/debottlenecking:
    - ~ 1+ MTPA above nameplate already achieved
  - Potential third LNG train (~4 MTPA)
  - Delivery of domestic power
- Benefits of brownfield expansion:
  - Fiscal regime in place
  - Relatively straightforward expansion of project finance facility
  - Reduced capex due to use of existing infrastructure
- Resource base for potential expansion:
  - Integration of P'nyang (PRL 3) into PNG LNG Project
    - OSH's P'nyang gross 2C contingent resource estimate upgraded from 2.6 tcf to 3.5 tcf. Preparatory work underway for P'nyang South 2 well, targeted to spud 4Q16, to move 2C resource to 1C
  - Recertification of Foundation Project fields in 2H16

PRL 3 (P'nyang)	WI %
ExxonMobil affiliates (operator Esso PNG P'nyang Ltd)	49.0
Oil Search	38.5
JX Nippon	12.5

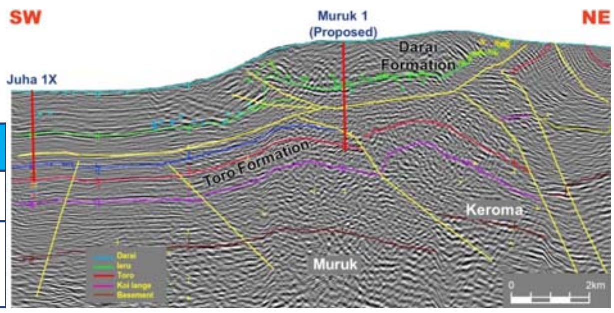


Muruk 1 (PPL 402): High potential exploration

- Muruk 1 targeted to spud in 4Q16:
  - Operated by OSH in co-venture with ExxonMobil
  - Rig site preparation delayed due to bad weather, revised spud date aligned to coincide with dry season
- Targeting multi-tcf prospect on-trend with Hides, located north-east of Juha and Juha North
  - ~ 1 in 5 chance of success
  - May de-risk adjacent structures
- High-impact well and potential new source of gas for expansion or backfill near existing PNG LNG infrastructure



PPL 402	WI %
Oil Search	50.0
Esso PNG Wren Ltd (ExxonMobil affiliate)	50.0



Papua LNG – potential next LNG development in PNG

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PRL 15	WI %
Total	40.1
InterOil	36.5
Oil Search	22.8
Minorities	0.5

» Significant progress made in 2015:

- Total SA assumed operatorship of Elk-Antelope (PRL 15) in 3Q15, ramping up in-country presence
- Locations of key infrastructure sites selected for development and decisions supported by PNG Government
- Financing activities commenced with financial, legal and tax advisors appointed

» Completion of appraisal programme and confirmation of resource size will enable selection of final development concept and number of LNG trains:

- 1 x 5 MPTA or 2 smaller trains

» LNG marketing, Gas Agreement negotiations targeted to commence in 2H16, ahead of FEED entry in 2017

» OSH expects final investment decision in 2018 preceded by early works

Encouraging PRL15 appraisal results to date

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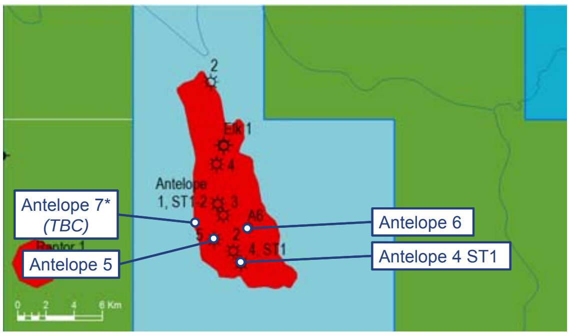
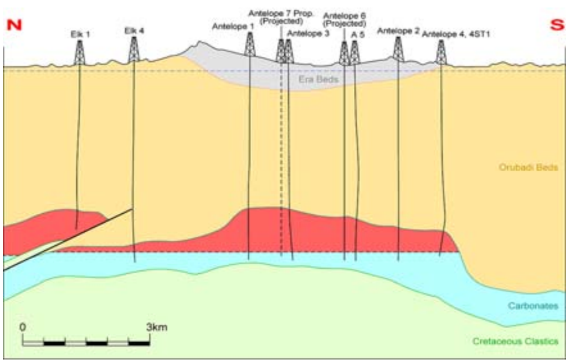




» Positive appraisal results to date compared to OSH's current resource booking of 5.3 tcf, with potential for resource increase:

- Antelope 4 ST1 & 5 extended high quality carbonate reservoir to south and west
- Antelope 5 initial testing (mid-15) confirmed substantial resource base, excellent reservoir quality and deliverability and strong pressure communication between A5 and A1
- Second production test of A5 (1Q16) confirmed excellent reservoir quality and connectivity with A1 seen in initial test. Further analysis underway to quantify reservoir properties
- Antelope 6 confirmed productive reservoir and eastern extent of structure towards gas-water contact, direct connectivity with Ant 1 and 5, plus presence of three dolomitised intervals

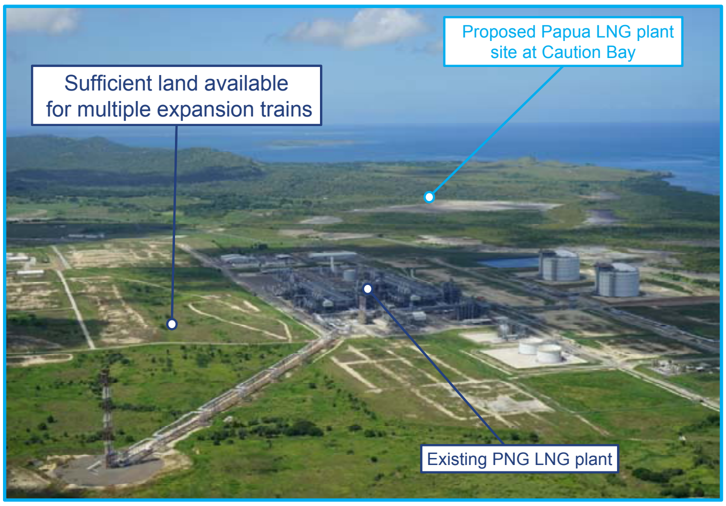
» Further appraisal well, Antelope 7, under consideration for drilling in 2H16

» Certification by two independent world-class certifiers (Gaffney Cline and Netherland Sewell) commenced mid-Mar 16, results anticipated mid-year

» JV maturing PRL15 exploration prospects to drill-ready status

Maximising value of next phase of LNG development in PNG

- » Low oil price provides impetus to maximise value of PNG LNG Project expansion and proposed Papua LNG Project through cooperation and integration
- » Co-location of LNG plant sites would provide opportunity to drive capital efficient investment, cost and operational synergies and schedule optimisation
- » Current gross undeveloped resource across both projects of ~10 tcf delivers two x 4 MTPA LNG trains, with option of third expansion train subject to proving up additional proven resource base
- » Coordinated development would allow developers to optimise employment / contractor deployment and extend increasingly skilled labour force across successive developments
- » In-country resources and regulator better able to support one large cooperative development
- » PNG can learn from other global LNG developments and expansions. Failure to achieve high level of co-operation would be missed opportunity



Time is right to drive greater cooperation and potential integration of PNG's LNG projects

- » Focus in 2016 is on resource confirmation and definition of development plans:
  - – Timing is right to consider how projects can work together
- » Strong case for more cooperation, where it makes sense for all parties. Includes potential full integration, with potential for material benefits for all parties, including PNG Government
- » Current oil price and cost environment conducive to alignment
- » OSH's role:
  - – Unique position with interests in PNG LNG and Elk-Antelope resources and in key NW Highlands and Gulf Province exploration licences
  - – Well positioned to support operators, ExxonMobil and Total, and to promote benefits of cooperation
  - – Leverage strong foundations – extensive in-country operating experience, strong Government, community and landowner relationships
- » PNG Government will also have equity in both projects and will be major beneficiary of cost-effective and timely development

Examples of potential areas of cost savings

Base Cost	Existing Contractor Rel.
	Contractor/Op Synergy
	Lessons Learned
	Execution Experience
Infrastructure	LNG Tank
	Jetty Spur
	Accommodation
	Pipeline Corridors Access Roads
	Warehousing
	Shipping Channel
Front end	Site foundation surveys
	Pre-FID costs
	FEED
	Environmental Approvals & Surveys
KPS	Export System
	Pipeline Distance
	Improved Schedule
Project	PMT
	Improved Schedule
	Contractor Execution Plan
	Detailed Engineering
	Reduced Contingency
Process	Commissioning & Start up
	Pre-treatment
	Sparing
	LNG, LPG and NGL Process

LNG demand expected to exceed supply in early 2020s

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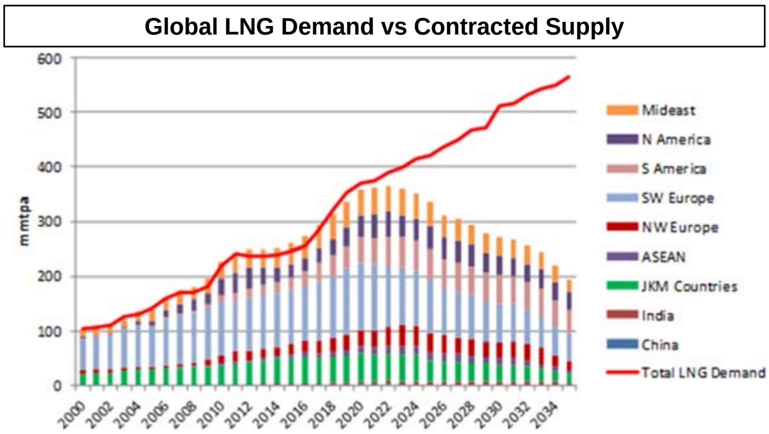
- » Global LNG market increasingly competitive – new projects in Australia, North America exports ramping-up
- » Market over-supplied near term
- » Demand expected to surpass contracted supply early next decade, particularly from Asia Pac, due to:
  - – Expiry of existing long-term contracts (>25 MTPA from Japan, Korea, Taiwan between 2020-25)
  - – Expected deferral/delay of proposed project sanctions due to challenging economics
- » Window opening aligns with timeframes for potential PNG LNG third train and Papua LNG, aimed at high quality Asian customers:
  - – Good demand expected for low cost, high heating value LNG from PNG



Source: Wood Mackenzie, LNG Tool, December 2015

LNG projects from PNG competitive versus Australian and global alternatives (WoodMac)

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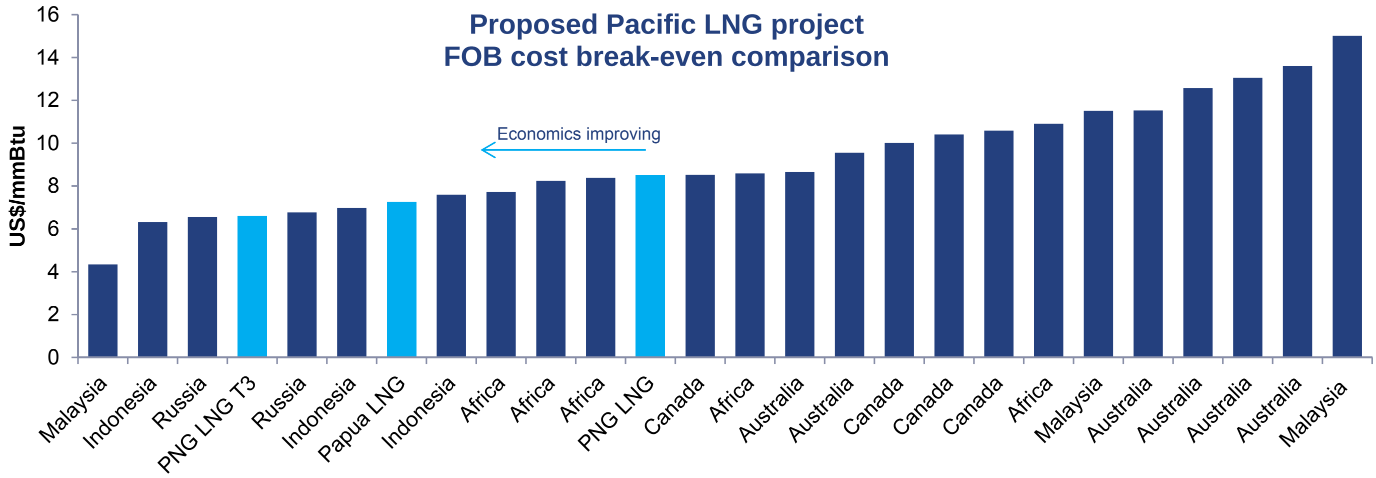
- » PNG LNG well placed compared to recently commissioned Australian projects. Production optimisation adding material value, debottlenecking can further improve economics
- » OSH analysis demonstrates PNG LNG train 3 has robust economics
- » Papua LNG 1 or 2 train options highly competitive against global LNG project alternatives



Source: Wood Mackenzie, LNG Tool, February 2016

Exploration strategy

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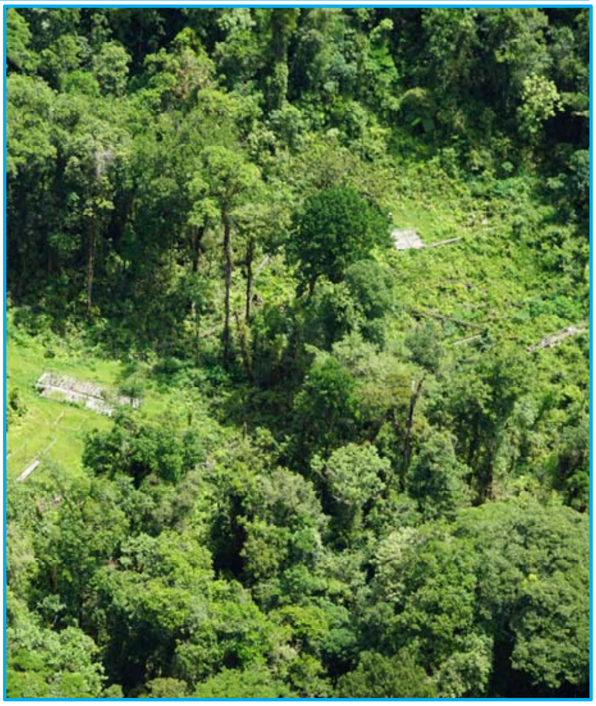
- Exploration approach in light of low oil and gas prices is to reduce costs, focus on core areas and build long-term growth options. Generating opportunities:
  - Renegotiation of drilling, seismic contract rates
  - Fit-for-purpose approach
  - Stronger cooperation with operating partners
  - Increased exploration asset availability
- International activities pared back to focus on PNG:
  - Optimise partnerships with Total and Exxon
- In 2015, OSH entered three new exploration licences:
  - PPL 269 (10%) and PPL 402 (50%, operator) – Highlands
  - PPL 339 (35%, operator) – Gulf Province
- Nine new licence applications submitted
- Muruk (PPL 402) and Strickland (PPL 269) matured for drilling in 2016



2016/17 PNG exploration/appraisal programme targeting ~5-6 tcf gas (unrisked) close to existing infrastructure

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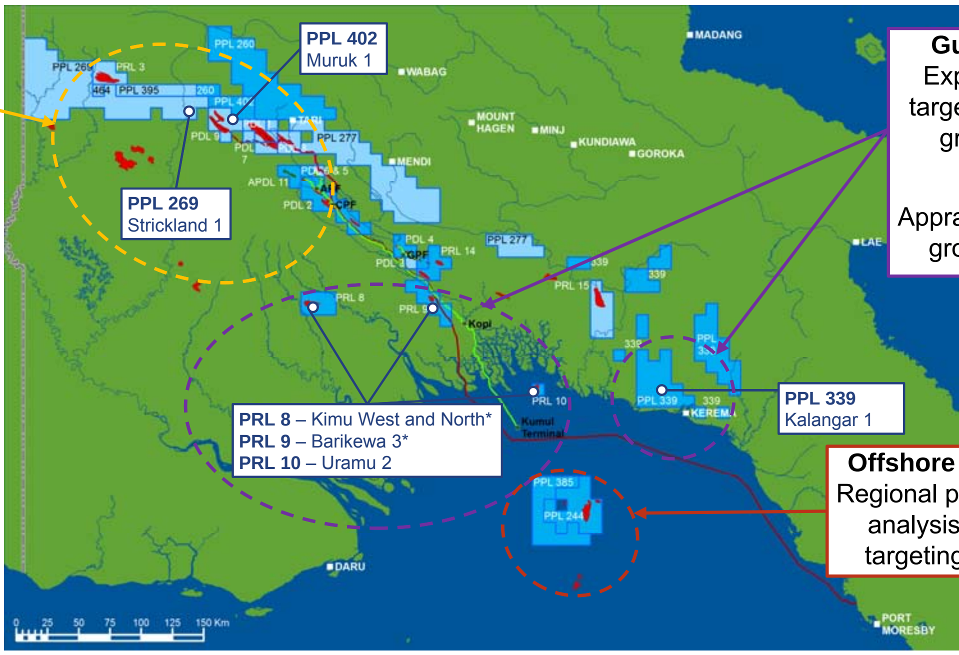
NW Highlands – Activities targeting ~3-4 tcf* mean gross prospective resources

Gulf / Forelands – Exploration activities targeting ~1 tcf** mean gross prospective resources

Appraisal targeting ~1 tcf gross 2C resources



Offshore Papuan Gulf – Regional petroleum system analysis and mapping targeting new frontiers

* Subject to JV approval

** Mean gross prospective resources. OSH 2015 internal analysis. P50/best estimate equivalent is ~2.7 tcf. All estimates are unrisked*

*** Mean gross prospective resources. OSH 2015 internal analysis. P50/best estimate equivalent is ~0.5 tcf. All estimates are unrisked*

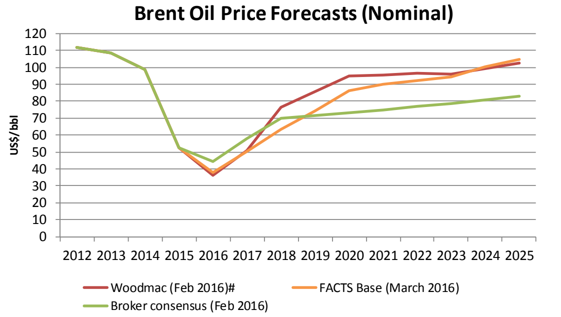
Operating environment remains volatile

» Short-term fundamentals remain weak:
- Current production > demand
- Inventories at highest level in years
- Weak demand in China, Japan, Europe

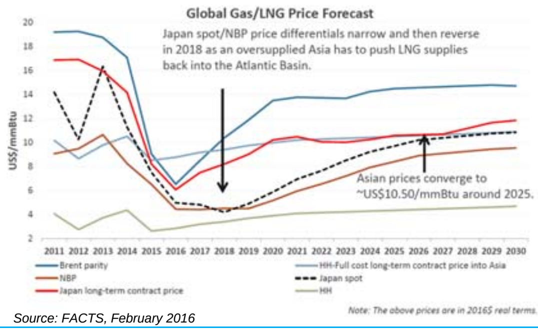
» Global industry reaction:
- ~US$400bn of projects stalled. 5 projects sanctioned in 2015 vs annual average 30-50 in recent years
- Exploration down 60-70% worldwide
- Major labour contraction, ~35% oil and gas personnel made redundant
- Cost deflation a positive for projects that are economic

» Expect impact on supply, inevitable that prices will eventually rise

» LNG price outlook:
- Lower oil price drives contracted gas price
- New project commissioning resulting in high level of spot sales
- Potential oversupply to early 2020's
- Moving to world-traded commodity



 # Woodmac have not yet adjusted their LT price forecast from 2018 onwards post the recent price falls
FACTS real price range have been nominalised at 2.5%pa inflation



Source: FACTS, February 2016

PNG and OSH remain well positioned

» PNG:
- Production of oil, condensate and LNG highly competitive
- PNG LNG recognised as world-class and reliable project, performing well above nameplate Significant positive impact on perception of PNG, with strong customer, financing and investor confidence
- Potential PNG LNG Project expansion and Papua LNG among most competitive globally, with aligned partners, supportive Government
- Government loan with UBS successfully refinanced in Feb 16, confirming long-term shareholding and removing perceived potential overhang in market

» Oil Search:
- Strong production
- 2015 Business Optimisation Programme:
  - Slimmer, fit for purpose organisation with recalibrated cost base
  - Completing delivery of identified pipeline of improvement initiatives and developing further opportunities to deliver ~25% reduction in operated costs in 2016
- Low cash flow break-even:
  - Total cash opex ~US$13/boe (includes shipping, royalties, corporate costs etc)
  - Cash flow breakeven after opex, interest, principal repayments and sustaining capex in low US$30's/bbl
- Solid balance sheet and liquidity, significantly reduced capital expenditure obligations
- Sufficient funding to pursue discretionary activities to progress LNG growth

Helping preserve stable operating environment in PNG

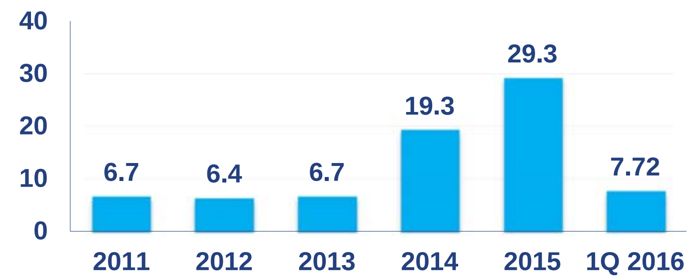
- Operating and political stability essential for long-term sustainability
- Landowner and community expectations have not changed with fall in oil and gas prices
- Budget stresses and impacts of drought represent major challenges
- OSH's unique role in PNG:
  - History deeply rooted in PNG, built on 87 years of operating in-country, strong and genuine relationships
  - Long-standing commitment to social responsibility and sustainable development – fundamental to maintaining stable operating environment, the right thing to do
- OSH focus areas:
  - Provision of competitively priced, reliable power – Ramu Power Project
  - Partnerships on infrastructure development through Tax Credit Scheme projects (recently delivered Manasupe (Marea) House and PNG National Football Stadium)
  - Partnerships on health programmes, women's empowerment and protection and education (Oil Search Foundation). Includes Public-Private Partnership agreements with Government for Hela Regional Hospital
  - Capacity development – education (both ways), PNG leaderships, new Colombo Plan initiative
- Partnership between State and private sector remains vitally important

Summary

- Strong production, with excellent performance from PNG LNG Project
- Robust cash flows with low breakeven
- Steady progress on potential PNG LNG Project expansion and Papua LNG Project. Both globally competitive and commercially sound, with opportunity to maximise value and returns through cooperation/integration
- Recalibrated cost base, improved organisational structure:
  - Expect to drive further efficiencies and innovation in 2016
  - Ensuring PNG stability and building capabilities of PNG staff remain a priority
- Strong balance sheet, with sufficient liquidity to fund growth activities
- Monitoring opportunities to take advantage of low oil price to optimise portfolio and support strategic priorities

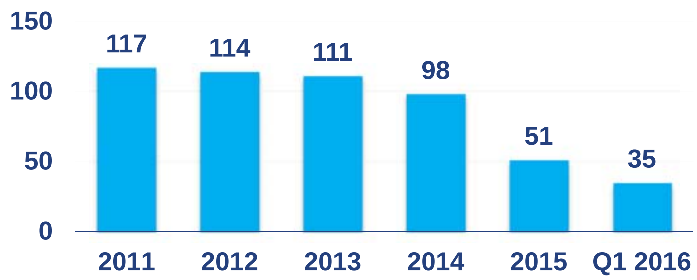
Appendix 1: Key metrics

Production (mmboe)



Net Profit After Tax (US$m)

Average Oil Price (US$/bbl)



DPS (US cents)

Appendix 2: 2015 Highlights

	2015	2014	
Total production (mmboe)	29.25	19.27	
Net (loss)/profit after tax (US$m)	(39.4)	353.2	
Core profit[1] (US$m)	359.9	482.8	
Operating cash flow (US$m)	952.7	992.3	
Total dividend (US cents)	10.0	14.0	
Net debt (US$m)	3,318.2	3,452.0	
Liquidity (US$m)	1,658.5	1,560.2	

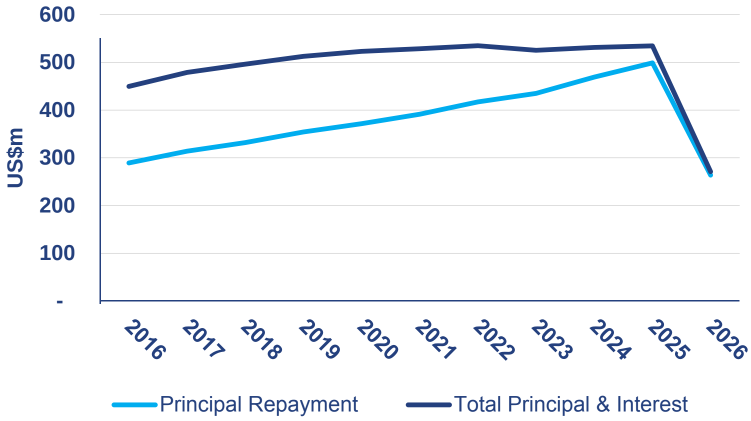
1. Core profit (net profit after tax before significant items) is a non-IFRS measure that is presented to provide a more meaningful understanding of the performance of Oil Search's operations. The non-IFRS financial information is derived from the financial statements which have been subject to audit by the Group's auditor.

- Total production of 29.25 mmboe – 52% higher than 2014 and all-time record
- Core profit of US$359.9m, US$39.4m loss after impairment of Taza, Kurdistan
- Final dividend for 2015 of 4 US cents, 10 US cents total for year, 42% payout ratio on 2015 core profit
- Continued progress on gas commercialisation activities in PNG:
  - Both PNG LNG and Papua LNG JVs remain committed, projects offer attractive returns even on revised oil price expectations
- Business recalibrated:
  - Cost base reduced
  - Resourcing and organisational structure changes
  - Improved productivity
- Well placed for lower oil price environment:
  - Cash flow positive at <US$20/bbl, with break-even cash flow AFTER interest, principal repayments and sustaining capex in low US$30s/bbl
  - US$1.66bn liquidity available to support growth programmes

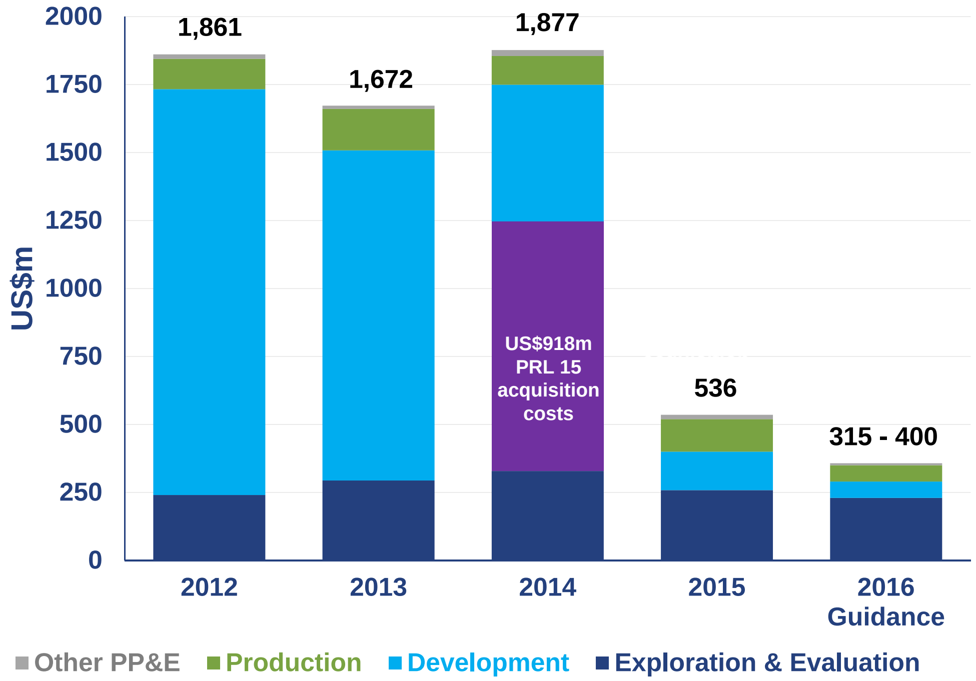
Appendix 3: Financial position

- Strong liquidity position at 31 March 2016 of US$1.66 billion:
  - US$914m of cash (incl. US$419m of PNG LNG escrowed cash) and US$748m available corporate revolving facilities
- Total debt of US$4.23bn, representing OSH's share of debt drawn under PNG LNG Project non-recourse finance facility:
  - Principal repayments in June and December
  - Interest and principal to be paid semi-annually over next 10.5 years (mortgage-style repayment profile)
- PNG LNG 2016 debt service costs (interest and principal) forecast to be ~US$16/boe

Indicative Annual Repayment profile



Appendix 4: 2016 Investment Outlook



2016 Capital Cost Guidance (US$315 – 400 million)

- Exploration & Evaluation: US$210 – 250 million (largely discretionary)
- Development: US$50 – 70 million
- Production: US$50 – 70 million
- Other PP&E: US$5 – 10 million

Appendix 5: 2016 Guidance Summary

Production	2016 Guidance[1]
Oil Search operated	5.7 – 6.2 mmboe[2,3]
PNG LNG Project	
LNG	95 – 100 bcf
Liquids	3.3 – 3.5 mmbbl
Total PNG LNG Project	22 – 23 mmboe[2]
Total Production	**27.5 – 29.5 mmboe**
Operating Costs	
Production costs	US$8 – 10 / boe
Other operating costs[4]	US$135 – 155 million
Depreciation and amortisation	US$13.50 – 14.50 / boe

[1] Numbers may not add due to rounding.
[2] Gas volumes have been converted to barrels of oil equivalent using an Oil Search specific conversion factor of 5,100 scf per boe, which represents a weighted average, based on Oil Search's reserves portfolio, using the actual calorific value of each gas volume at its point of sale.
[3] Includes 2.8 – 3.0 bcf (net) of SE Gobe gas sales (OSH – 22.34%) exported to the PNG LNG Project.
[4] Includes Hides GTE gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, corporate administration costs (including business development) and inventory movements.

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Oil Search

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