2016 Half Year Results

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Oil Search

Oil Search Limited

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2016 Half Year Results Agenda

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2016 Half Year Highlights	**Peter Botten**
Financial Overview	Stephen Gardiner
PNG Production	Julian Fowles
Gas Development	Keiran Wulff
Exploration/Appraisal	Keiran Wulff
Strategy post InterOil	Peter Botten
Summary	Peter Botten

2016 Half Year Highlights

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- Total production of 14.9 mmboe – 4% higher than 1H15 and only marginally lower than record 2H15:
  - 2016 full year production guidance upgraded to 28 – 30 mmboe
- Unit production costs down 8% to very competitive US$8.21/bbl, at lower end of 2016 full year guidance, reflecting cost reduction programmes
- Net profit after tax of US$25.6 million, impacted by lower oil, condensate, LNG and gas prices, higher effective tax rate
- Strong operating cash flow despite lower oil price environment, balance sheet and liquidity remain strong
- Interim ordinary dividend of 1 US cent per share

	1H16	1H15	
Sales volume (mmboe)	15.17	14.45	↑
Production volume (mmboe)	14.89	14.32	↑
Oil price (US$/bbl)	41.61	56.64	↓
Net profit after tax (US$m)	25.6	227.5	↓
Operating cash flow (US$m)	239.2	516.8	↓
Interim dividend (US cents)	1.0	6.0	↓
Net debt (US$m)	3,304	3,443	↓
Liquidity (US$m)	1,528	1,593	

Bid for InterOil (IOC) and MoU with Total

- In May, OSH announced agreed bid for IOC and MOU with TOT
- In July, IOC board changed recommendation to pursue transaction with ExxonMobil
- OSH decided it was not in best interests of shareholders to revise offer. Basis for decision:
  - Opportunity for cooperation and/or integration maximised by ExxonMobil having material equity interest in Elk-Antelope
  - Value accretion for shareholders maximised by realising benefits of cooperation and/or integration through existing 29% interest in PNG LNG and 23% interest in Papua LNG, without dilution and acquisition risk
  - Achieves OSH's key pre-bid objectives
  - ExxonMobil bid underscores OSH's view on PRL 15 resource quality and value
- US$60m break fee received, shared 80:20 between OSH and Total. More than covers costs associated with offer
- OSH and TOT mutually agreed to terminate MoU (including termination of exclusivity provisions)
- OSH bid provided catalyst for potential LNG project consolidation in PNG

OSH to benefit from ExxonMobil – IOC transaction

- Post ExxonMobil – IOC transaction, significant overlap in equity across PNG LNG and Papua LNG
- ExxonMobil and Total have expressed desire to explore downstream integration between projects:
  - Learning from other projects where infrastructure was duplicated
- Combined PNG LNG expansion and Papua LNG Project will be highly competitive
- Oil Search Strategy Refresh commenced. Key focus is to examine various options for cooperative development, in preparation for dialogue with Total, ExxonMobil, PNG Government and other stakeholders
- PNG Government a major beneficiary of cost-effective and timely development given joint equity interests

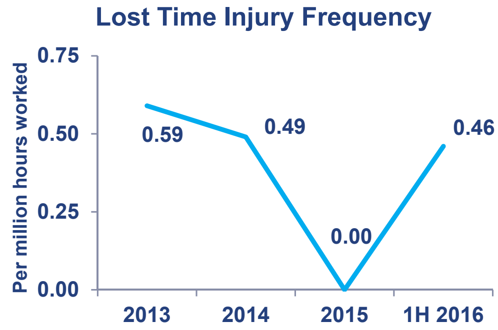
"ExxonMobil will work with co-venturers and the government to evaluate processing of gas from the Elk-Antelope field by expanding the PNG LNG Project. This would take advantage of synergies offered by expansion of an existing project to realize time and cost reductions that would benefit the PNG Treasury, the government's holding in Oil Search, other shareholders and landowners."

Source: ExxonMobil news release of intention to acquire InterOil, 21 July 2016

"Total, as operator of PRL15, is committed to cooperate with the PNG LNG Project in order to maximize the value of the Elk and Antelope fields for the benefit of the country of Papua New Guinea and the shareholders of PRL 15."

Source: Total SA media statement regarding InterOil assets, 20 July 2016

Safety improvement plan introduced



- Increase in TRIR in 1H16 related to small number of areas
- Safety improvement plan introduced
- TRIR for seven months to end July reduced to 2.04

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2016 Half Year Financial Performance

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US$m	1H16	1H15
Sales volume (mmboe)	*15.17*	*14.45*
Revenue	580.8	863.8
Costs of production	(145.6)	(156.4)
Other costs	(57.8)	(63.3)
EBITDAX[1]	**377.4**	**644.1**
Depreciation and amortisation	(214.2)	(200.1)
Exploration costs expensed	(18.9)	(34.5)
Net finance costs	(96.3)	(92.0)
Profit before tax	**48.0**	**317.5**
Tax	(22.4)	(90.0)
Net profit after tax	**25.6**	**227.5**
Core profit[1]	**25.6**	**227.5**

Note: Numbers in table may not add due to rounding

- Revenue down 33%, driven by significantly lower realised oil and LNG prices, partially offset by higher sales volumes
- Lower costs of production, mainly due to cost reduction initiatives and lower royalties and gas purchase costs resulting from decline in realised oil and LNG prices
- Lower 'other costs' from reduction in shipping and corporate costs, partially offset by IOC acquisition-related and power business development costs
- Exploration costs expensed include Strickland 2 well, seismic, G&G and G&A costs
- Effective tax rate of 47%, significantly higher due to one-off non-deductible costs

[1] EBITDAX (earnings before interest, tax, depreciation/amortisation, impairment and exploration) and core profit (net profit after tax before significant items) are non-IFRS measures that are 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 review by the Group's auditor.

Operating Margins

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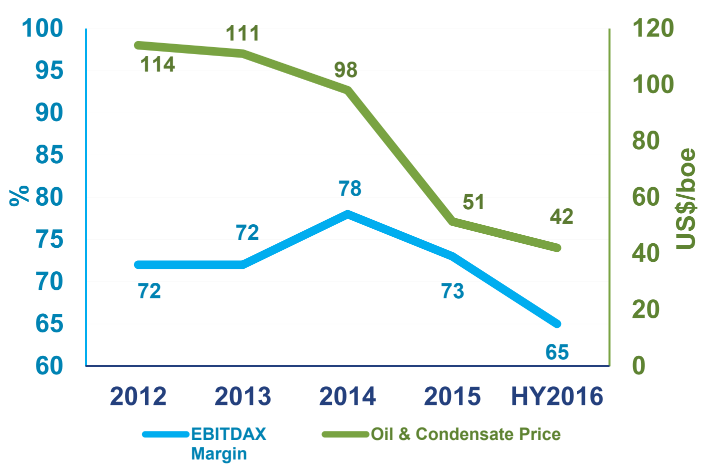
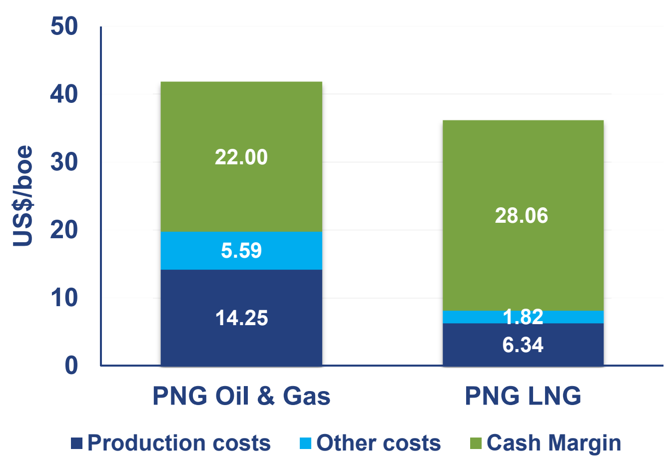
EBITDAX Margin



Cash Margin by Asset



- Average realised oil and condensate price of US$41.61/bbl, reflecting steady decline in global oil prices
- EBITDAX margin impact moderated by lower unit operating costs

- PNG Oil and Gas and PNG LNG cash margins remain healthy but impacted by downturn in oil prices
- Other costs include inventory movements and, for Oil and Gas, gas purchases for Hides GTE project

Unit production costs reduced to US$8.21/boe

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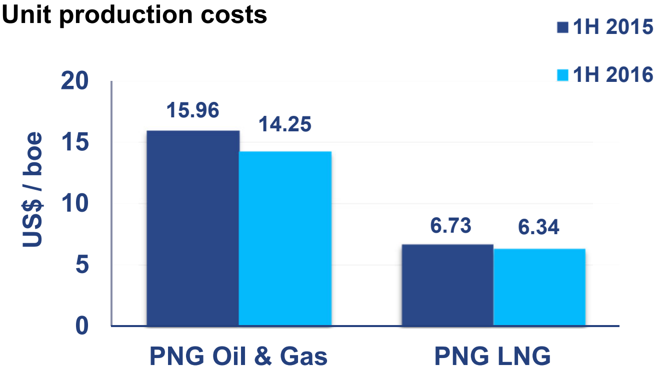
US$m	1H16	1H15
Production costs:		
- PNG LNG	72.1	73.6
- PNG Oil and Gas	50.1	53.9
	122.2	**127.5**
US$/boe	***8.21***	***8.90***
Royalties and levies	2.0	7.6
Gas purchases	6.5	11.3
Inventory movements	14.9	10.0
Total cost of production	**145.6**	**156.4**

- Lower PNG LNG Project unit production costs reflects cost savings and LNG plant producing well above nameplate capacity
- Lower PNG Oil and Gas unit production costs due to cost reduction initiatives and phasing of 2016 work programmes towards 2H16

Unit production costs



Healthy operating cash flows

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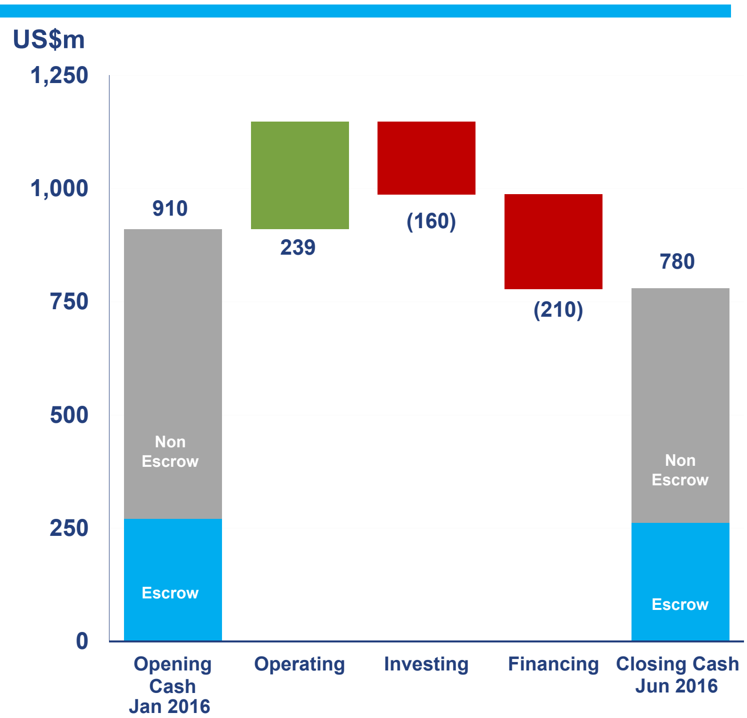
- Healthy operating cash flows despite weak oil price environment:
  - Operating cash flow equates to US$15.77/boe
  - Includes borrowing costs paid of US$94.9 million
- Investment spend primarily on Muruk and Antelope wells and residual development activities for PNG LNG
- Financing includes:
  - Payment of 2015 final dividend totalling US$60.9 million
  - Scheduled principal repayment of US$144.5 million under PNG LNG Project finance facility



Robust balance sheet to fund development activities in capital efficient manner

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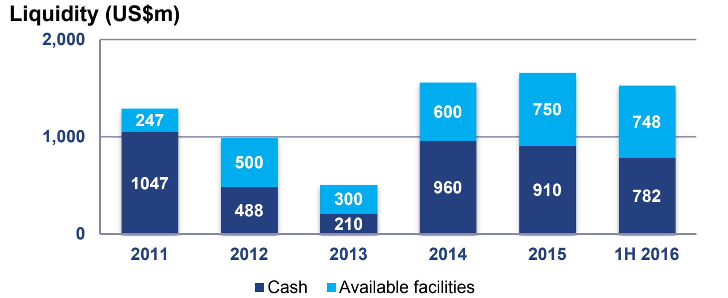
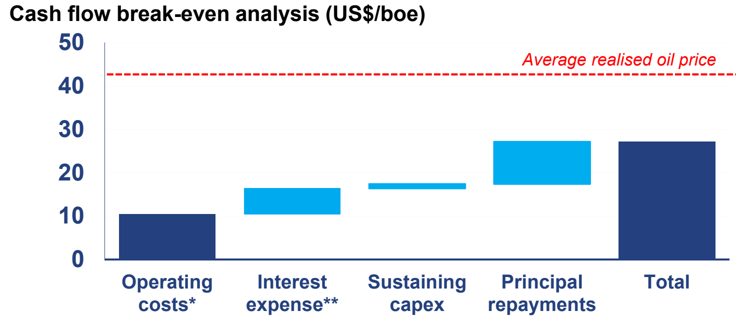
- Strong production base from high quality, low opex assets, with modest sustaining capex, generating positive cash flows
- Very competitive first half unit production costs of US$8.21/boe. Cash operating costs, including core corporate costs, of US$10.45/boe for consolidated operations
- Operating cash flow breakeven (opex plus interest) in 1H16 of under US$17/boe and under US$28/boe after sustaining capex and principal repayments
- Strong liquidity position – total liquidity of US$1.53bn:
  - Cash of US$780m
  - Undrawn facilities of US$748m
- Debt of US$4.08 billion (OSH share of PNG LNG debt)
  - Principal repayments in June and December
  - Principal and interest be paid semi-annually over next 10.5 years (mortgage-style profile)

Liquidity (US$m)



Cash flow break-even analysis (US$/boe)



* Excludes Hides GTE gas purchase costs, inventory movements, donations, IOC acquisition costs, power expense and rig operating costs
** Includes interest from finance leases

2016 investment spend expected to be ~45% lower than 2015

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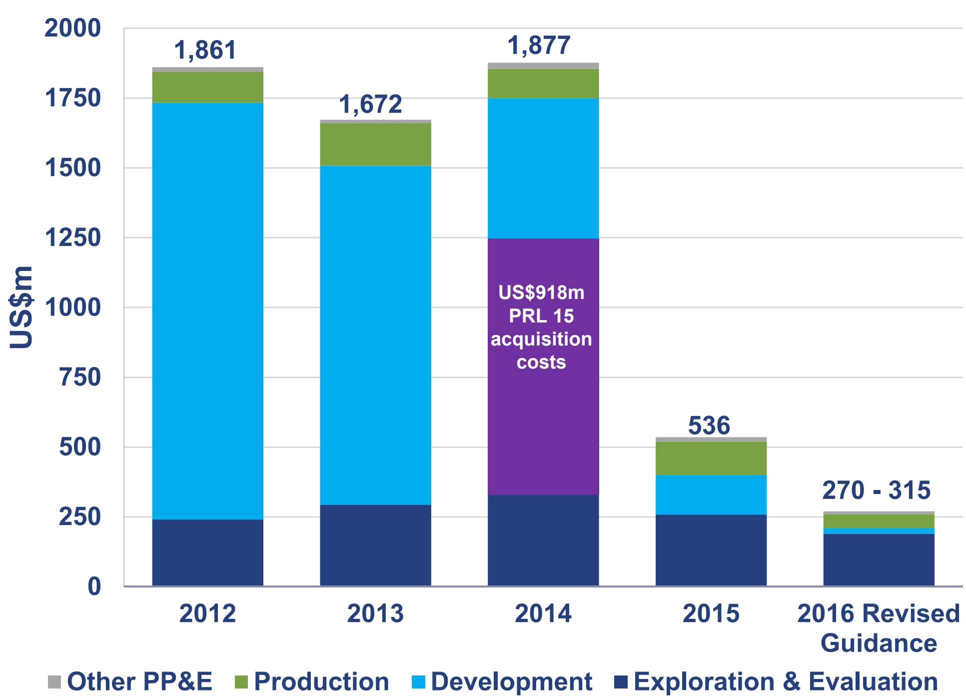

Revised 2016 capital cost guidance (US$270 – 315m)

- Exploration & Evaluation: US$190 – 210m
- Development: US$20 – 30m
- Production: US$50 – 60m
- Other PP&E: US$10 – 15m

2016 Guidance Summary

Production	2016 Guidance
Oil Search operated (PNG Oil and Gas)	6.3 – 6.7 mmboe
PNG LNG Project	
LNG	95 – 98 bcf
Liquids	3.3 – 3.5 mmbbl
Total PNG LNG Project[1]	22 – 23 mmboe
Total Production[1]	**28 – 30 mmboe**
Operating Costs	
Production costs	US$8 – 10 / boe
Other operating costs[2]	US$135 – 155 million
Depreciation and amortisation	US$13.50 – 14.50 / boe

[1] 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.
[2] Includes Hides GTE gas purchase costs, royalties and levies, selling and distribution costs, rig operating costs, corporate administration costs (including business development), power costs and inventory movements. Excludes costs associated with InterOil bid.

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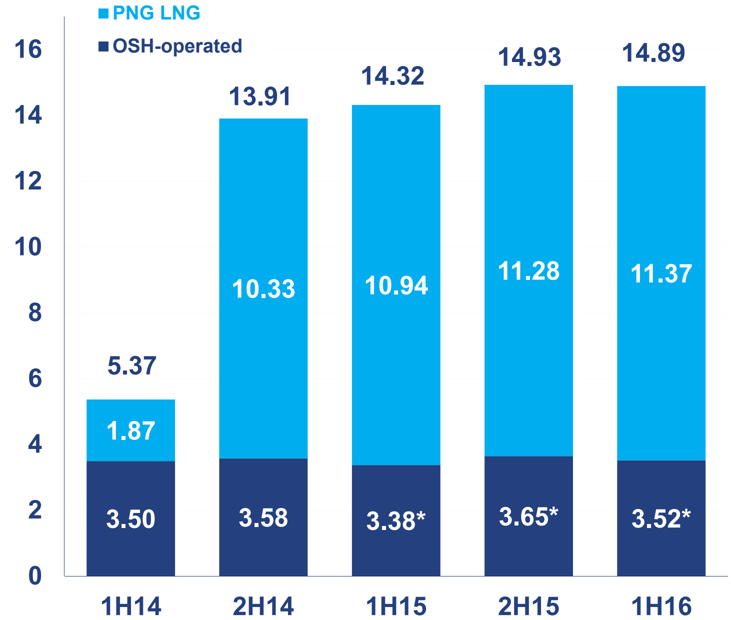
Strong performance in 1H16

» Total production for 1H16 of 14.9 mmboe, 4% higher than in 1H15 and only marginally down on record 2H15

» PNG LNG Project contributed 11.4 mmboe (49.4 bcf LNG plus 1.686 mmboe liquids), 4% above previous corresponding period

» Oil fields and Hides GTE contributed 3.52 mmboe (including SE Gobe third party gas sales to PNG LNG), also 4% above previous corresponding period despite maturity of fields

Net Production (mmboe)



* Includes SE Gobe gas sales

PNG LNG Project

» Annualised production in 1H16 of ~7.7 MTPA, compared to nameplate capacity of 6.9 MTPA:

– Results achieved despite scheduled rate reduction for maintenance in April and unplanned shutdown in May

» 53 LNG cargoes delivered in 1H16. Project has produced 205 cargoes since start-up in 2014

» Strong upstream contribution from OSH:

– 24.1 bcf from Associated Gas fields

– 5.6 bcf delivered from SE Gobe third party sales

» Project delivering substantial incremental value

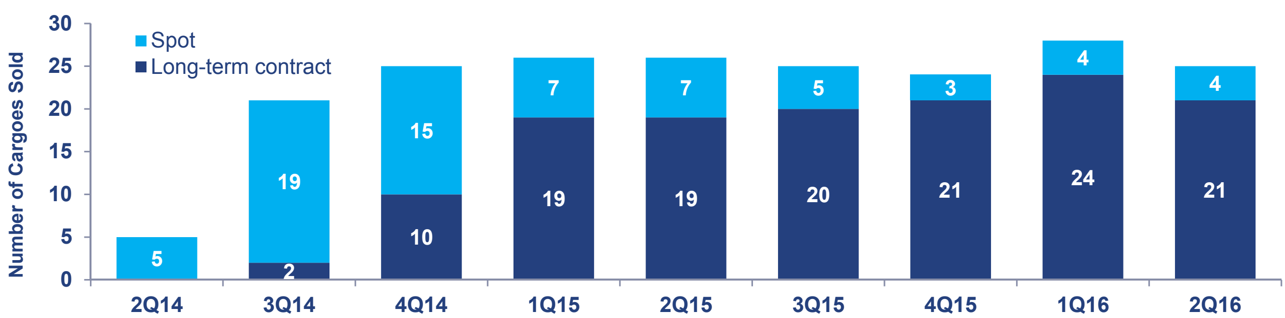
» 1H16 opex and capex both below operator budget

» Excellent safety performance

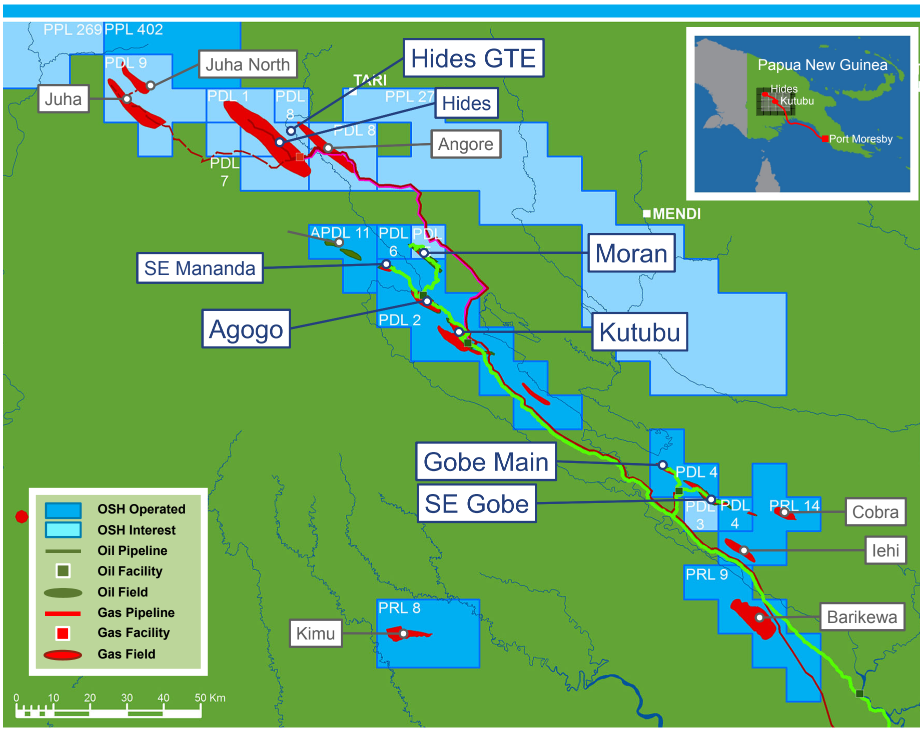
Solid demand for PNG LNG spot cargoes

- » Contract offtake at plateau levels
- » Consistent demand for spot volumes, particularly from Japan, reflecting:
  - – High heating value gas – well suited to Asian reticulation network
  - – Geographical proximity
  - – Reliability

LNG cargoes sold



Excellent performance from operated oil fields



- » 1H16 oil, SEG gas and Hides GTE production of 3.52 mmboe
- » Excellent outcome given field maturity. Follows business optimisation programme last year and implementation of initiatives:
  - – Holistic view of production:
    - • Not just reservoir, but also facility uptime performance, reducing unplanned shutdowns
  - – Focus on reliability and performance – seeing compressor uptimes at well above 95%
  - – Revamped / improved practices
- » Successful well intervention work at Moran and Kutubu
- » Upgrade in 2016 operated production guidance, from 5.7 - 6.2 mmboe to 6.3 - 6.7 mmboe
- » Disappointing safety performance – renewed focus with improvement plan in place, already seeing results

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Reduction in operated cost base

- Sustainable reduction in operating expenditure:
  - Unit production cost for PNG Oil and Gas operations of US$14.25/boe (US$15.96/boe in 1H15)
  - Reduction in staff levels
  - Contract renegotiation/renewal
  - Optimisation of efficiency of support services/camps
  - Improved aviation utilisation, lower costs
- Other impacts in 1H16:
  - Deferral of well work and other capital programmes pending oil price recovery

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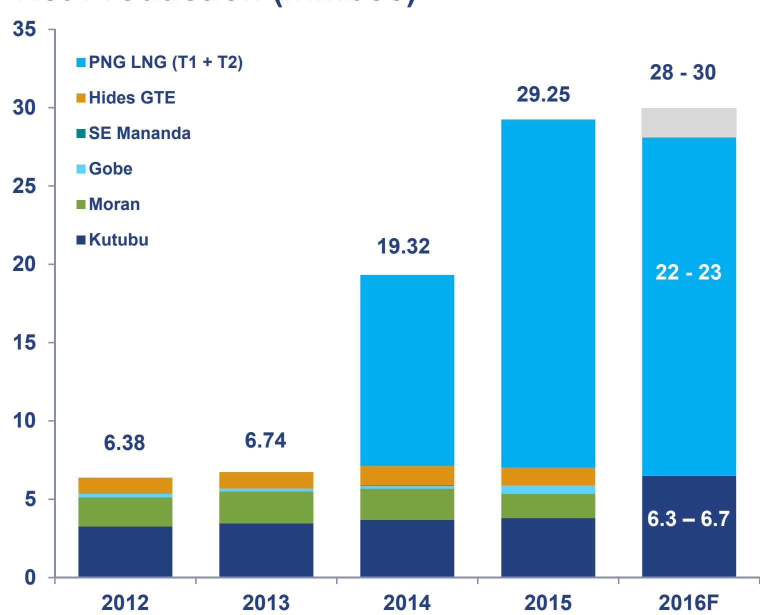
2016 Production Outlook

- 2016 production guidance increased from 27.5 – 29.5 mmboe to 28 – 30 mmboe, comprising:
  - Production from operated oil fields, Hides GTE and SEG sales to PNG LNG: 6.3 – 6.7 mmboe
  - PNG LNG Project: 95 – 98 bcf LNG
- Minor impact on production from recent landowner issues, no change to guidance
- 2H16 focus items for OSH:
  - Improved safety performance
  - Ongoing production optimisation with focus on process safety, reliability and well integrity
  - Continued delivery of Kutubu, Gobe Main and SE Gobe (third party) gas to PNG LNG Project and operation of liquids export system via Kumul Terminal
  - Support PNG LNG operator in activities which maximise Project production
  - Integrated planning for 2H16 and activities into 2017
  - Continue to progress 'gas acceleration from AG fields' project, following formation of project team and award of concept select engineering in 1H15

Net Production (mmboe)



1. LNG production at outlet of plant, post SEG Sales, fuel, flare and shrinkage
2. Gas:oil conversion rate used from 2014: 5,100 scf = 1 barrel of oil equivalent (prior years 6,000 scf/boe)

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Delivering OSH's gas strategy: two new LNG trains in PNG with further expansion upside

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- Monetising discovered resources:
  - Antelope certification plus P'nyang resource has confirmed combined gas resource of >6 tcf of proven contingent (1C) and ~10 tcf of proven and probable contingent (2C) resource
  - PNG LNG 1P/2P recertification underway
- Maximising cooperation/integration:
  - Key driver for InterOil bid and MOU with Total in 1H16
  - OSH bid acted as catalyst for ExxonMobil proposal
  - High likelihood of optimising integration benefits
- Driving lowest quartile costs:
  - PNG projects in lowest quartile for costs globally
  - Coordinated development further enhances economics
  - OSH well positioned to play key role to ensure optimum development
- Long term sustainable growth:
  - Multiple exploration opportunities being prioritised to supply further gas for LNG

Resource certainty: ~10 tcf in P’nyang and Elk-Antelope underpins at least two trains

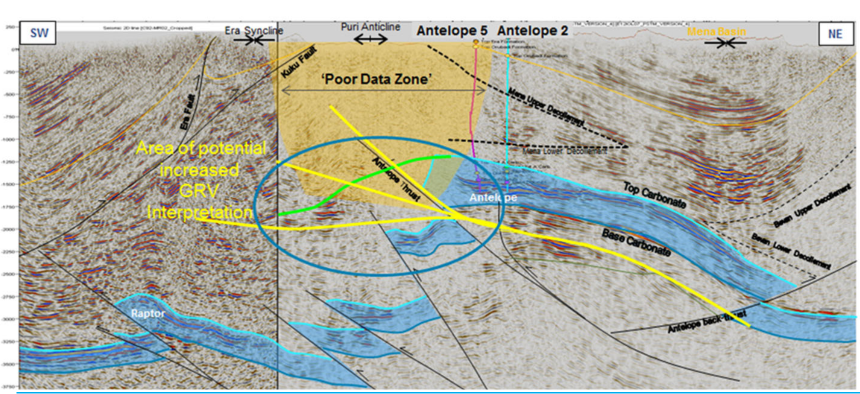
- » Foundation PNG LNG fields recertification:
  - Potential to sustain PNG LNG increased capacity
- » ~ 10 tcf of 2C resource in Elk-Antelope & P’nyang:
  - Certification completed in July estimated average of 6.43 tcf 2C resource at Elk-Antelope, similar to OSH internal estimate of ~6.5 tcf
  - P’nyang 2C resource upgraded to 3.5 tcf
  - Combined P’nyang and Antelope resource can underwrite two x 4 MTPA train integrated development
- » >6 tcf of 1C resource in Elk-Antelope and P'nyang:
  - Elk-Antelope: 1C – 5.2 tcf (average certification)
  - P’nyang: 1C - 1.1 tcf
  - Sufficient to underpin project financing and LNG marketing
- » Near-term gas upside for third expansion train:
  - Antelope 7 (early 4Q16 spud), potential additional 1-2 tcf
  - Muruk (4Q16 spud)
  - P’nyang drilling (2017) and other exploration prospects

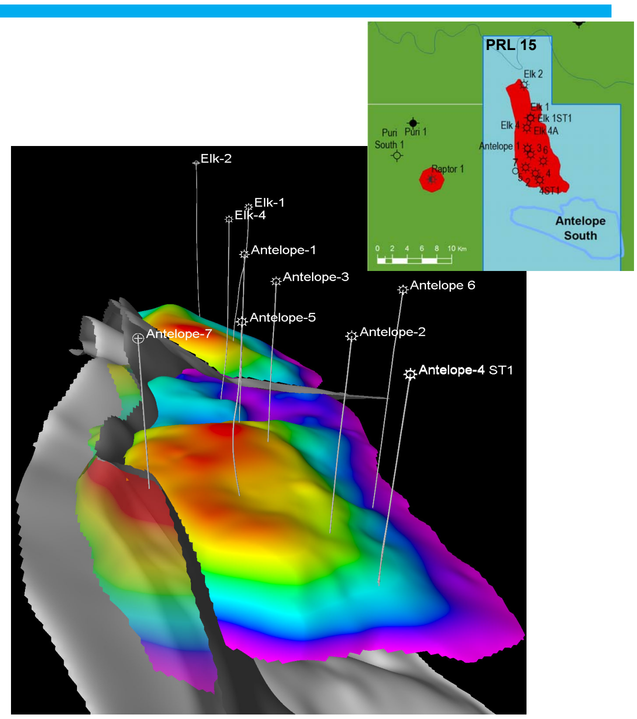
2016 Antelope Certification Results Summary

		Recoverable Raw Gas (tcf)		
	Year	Low (1C)	Most Likely (2C)	High (3C)
Gaffney, Cline & Associates	2011	4.3	6.6	10.3
	2013	4.9	7.0	9.7
	2016	5.53	6.80	7.57
NSAI NETHERLAND, SEWELL & ASSOCIATES, INC. WORLDWIDE PETROLEUM CONSULTANTS	2016	4.80	6.06	8.11
Average	2016	5.17	6.43	7.84

Potential for material upside in, and adjacent to, Elk-Antelope in PRL 15

- » Further gas upside for potential additional expansion train from Antelope 7, Antelope Deep and Antelope South:
  - Antelope 7 expected to spud Oct 16 to test poorly imaged western flank of Antelope field, with potential to add 1-2 tcf
  - Antelope Deep testing separate feature below Antelope 7 primary target
  - Antelope South is deeper structure south of Antelope field. Possible well in 2017, with unrisked mean prospective resource potential of ~1 tcf*





** Mean gross prospective resources. P50/best estimate equivalent is ~0.5 tcf based on OSH 2016 internal analysis. All estimates are unrisked.*

Potential capex savings of US$2-3 bn and opex savings of US$125m pa (OSH estimate) through infrastructure sharing

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- Excludes savings in PMT/Owner's costs, schedule acceleration
- Additional savings on site preparation, surveys and upstream synergies

Image from ExxonMobil http://corporate.exxonmobil.com/en/company/multimedia/the-lamp/reputation-for-excellence

Commercial models to deliver project integration

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- OSH expects project integration could involve:
  - Two new ~4 MTPA trains constructed together at existing PNG LNG site, operated by ExxonMobil, operational 2022/23
  - Trains underpinned by ~10 tcf of 2C resource from P'nyang and Elk-Antelope, with resource upside for possible further train from planned drilling
  - Operations optimised across four+ trains for next 40 years
  - Land available for additional expansion
- Various commercial models can be applied to ensure fair sharing of significantly increased value between P'nyang, Elk-Antelope and PNG LNG owners. Examples are:
  - Full unitisation of upstream fields/new downstream infrastructure, with tariff paid to existing facility owners
  - Separate upstream projects/new downstream infrastructure, with tariff paid to existing facility owners
  - Separate upstream projects with existing facility owners investing in new downstream infrastructure and receiving material tariff
  - OSH assessing optimal development options in its Strategy Refresh
- Project financing and LNG marketing will be important considerations for commercial structure selected
- Numerous multi-train global analogues of successful LNG integration, involving both ExxonMobil and Total
- Integrated development offers material capex/opex savings and schedule acceleration which will benefit all stakeholders

Indicative timetable for integrated development

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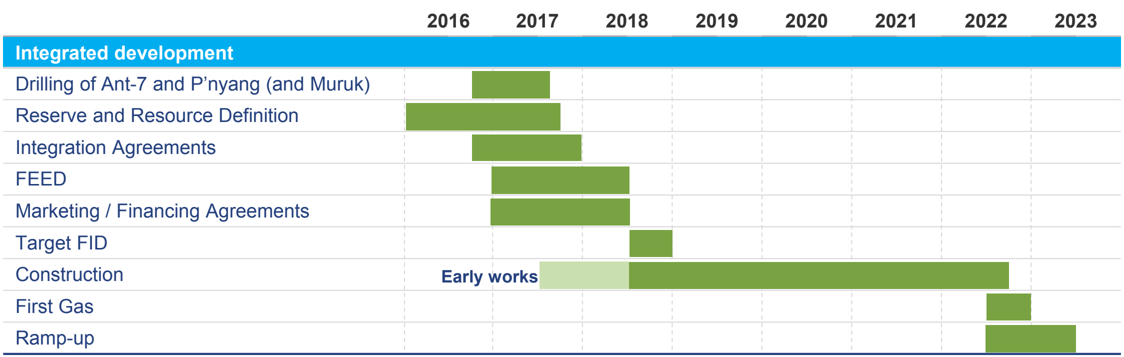

Note: Indicative only, subject to change dependent on development concept selected, JV and Government approvals

- » Proven resource base may allow for material early works to protect schedule
- » Replicated downstream train design should shorten FEED and construction periods
- » Integrated development could potentially accelerate first gas from Papua LNG by ~1 year

Significant LNG supply gap from early 2020s

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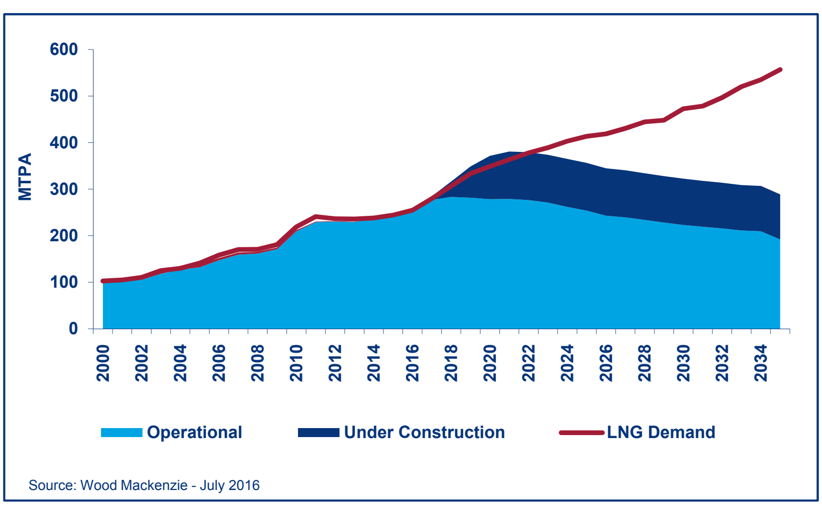
Global LNG demand vs contracted LNG supply



- » Current market - excess LNG supply vs demand, ~100MTPA of new supply under construction
- » However, significant number of LNG projects expected to come off plateau next decade
- » LNG demand growth forecast to continue to grow:
  - – ExxonMobil believes LNG market will double by 2040
- » Supply/demand gap opens up around 2022/23
- » New LNG project FIDs required by 2018/19 to meet this increased demand
- » Additional 150 MTPA of new supply will need to take FID to meet 2030 shortfall

Material LNG demand growth in quality Asian markets

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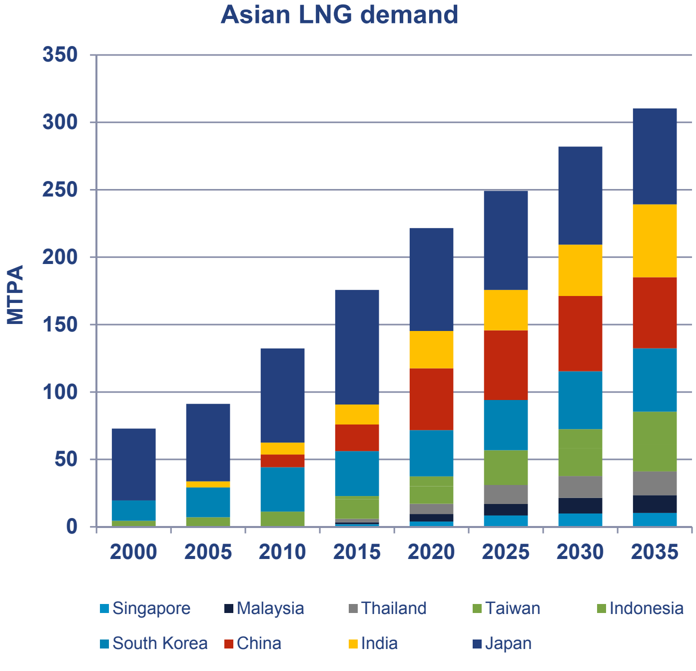

Source: Wood Mackenzie July 2016

- Regional market in Asia anticipated to grow by >100 MTPA by 2030
- In addition, >80 MTPA of existing NE Asia LNG contracts expire next decade
- LNG supply from PNG:
  - Close proximity to Asian markets
  - PNG LNG Project has proven PNG as reliable supplier
  - Higher heating value LNG anticipated to continue to command price premium
  - New trains in PNG globally very competitive with other potential new supply:
    - Low cost, brownfield expansion with quality product
    - Optimal timing - into market in early to mid 2020's
  - Gas resources in NW Highlands and Gulf support two new trains, with line of sight to additional expansion
  - ExxonMobil takeover of IOC enhances likelihood of cooperation/integration and enhances PNG's competitiveness

2016 Half Year Results Agenda

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Exploration/appraisal strategy to target major gas opportunities

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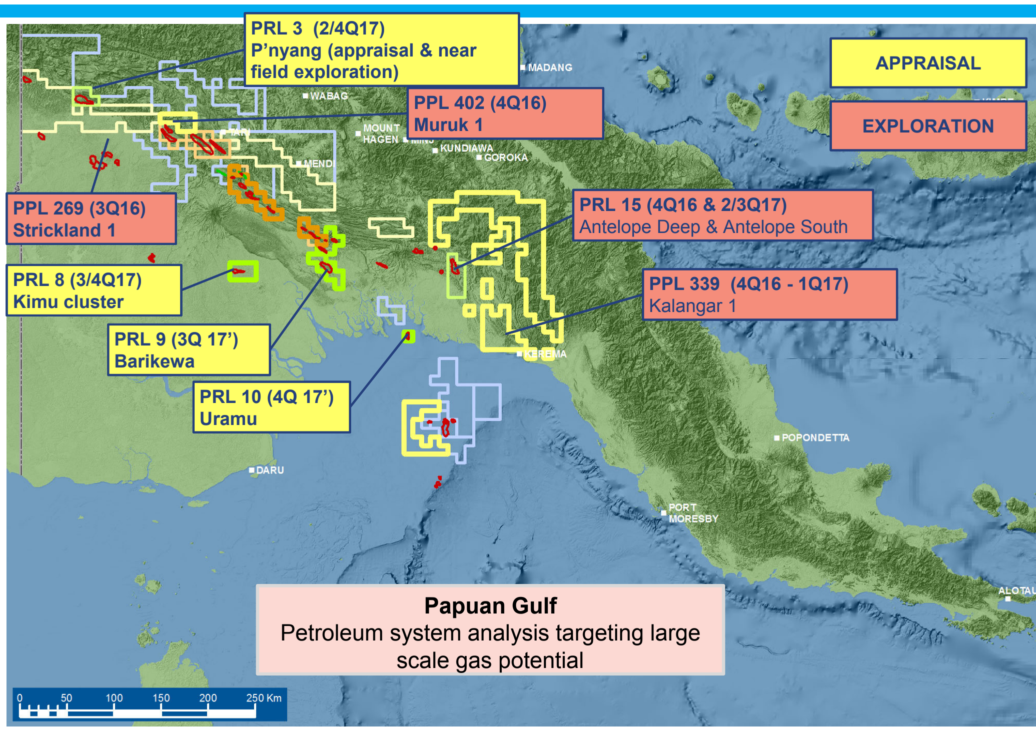
- » 2015/16 study identified high yet-to-find potential:
  - – Yet-to-find estimated at 5-7 billion boe, of which >90% gas
- » Balanced programme to support gas growth:
  - – Near-field, exploration (Muruk, Antelope Deep & Antelope South)
  - – Appraise existing gas discoveries
  - – High potential, multi-tcf frontier areas
- » 2016/17 activities targeting ~6.4* tcf gas (unrisked):
  - – Gulf gas appraisal: 2-3 tcf* mean gross prospective resources
  - – Foreland gas appraisal: up to 1.3 tcf gross 2C
  - – NW Highlands: 2-3 tcf* mean gross prospective resources



** Mean gross prospective resources plus 2C. Prospective resource P50/best estimate is ~3.1 tcf plus 1.3 tcf gross 2C. Numbers are based on OSH 2016 internal analysis. All estimates are unrisked.*

Significant gas upside potential from near term drilling at Muruk 1 (PPL 402) and in PRL 3

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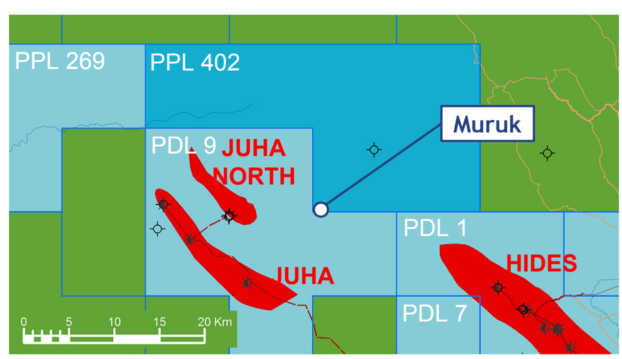
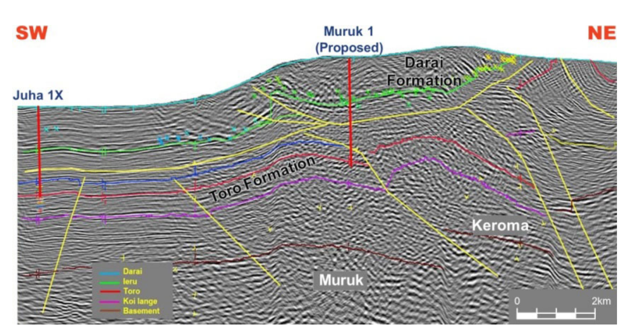
- » Muruk 1 targeted to spud in 4Q16 (OSH 50%):
  - – Operated by OSH in co-venture with ExxonMobil
  - – Pad construction and rig mobilisation complete, pre-stocking and rig up progressing as weather allows
  - – High-impact well targeting multi-tcf potential prospect on-trend with Hides, located north-east of Juha and Juha North
  - – Potential new source of gas for expansion or backfill near existing PNG LNG infrastructure
- » P'nyang (OSH 38.5%):
  - – P'nyang South 2 well planning in progress
  - – Designed to reclassify 2C resource into 1C category
  - – P'nyang NW possible second well, with potential to add 2C as well as 1C resource
- » Additional exploration potential:
  - – 2016 seismic defined two material multi-tcf potential structures adjacent to existing fields





Material opportunities adjacent to Elk-Antelope being matured for drilling in 2016/17

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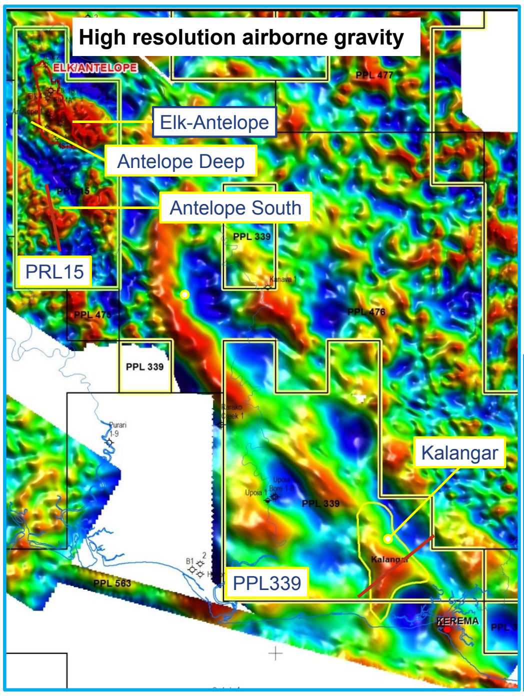
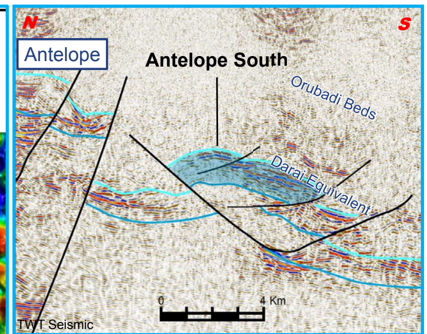
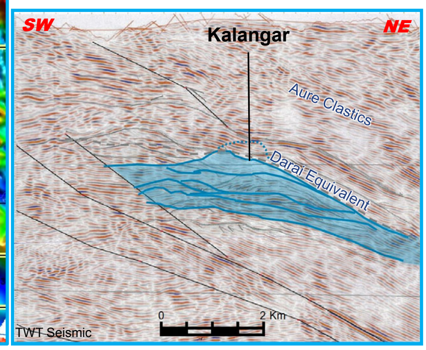
- Three 2016/17 onshore Gulf wells will test 2-3 tcf* mean prospective resources:
  - On trend with Elk-Antelope field
  - Prospective under-explored Miocene play
  - Seismically defined, supported by gravity
- PRL 15 (OSH 22.8%):
  - Antelope Deep – if Ant 7 is deepened to test footwall
  - Antelope South – deeper well south of Antelope
- PPL 339 (OSH 70%):
  - Kalangar 1 - close to coast, with on-trend follow up if successful
  - Advanced stage of farm out
- Highly prospective region requiring carbonate reef distribution delineation







* *Mean gross prospective resources. P50/best estimate equivalent is ~1.1 tcf based on OSH 2015 internal analysis. All estimates are unrisked.*

Systematically enhancing portfolio in PNG to support gas growth

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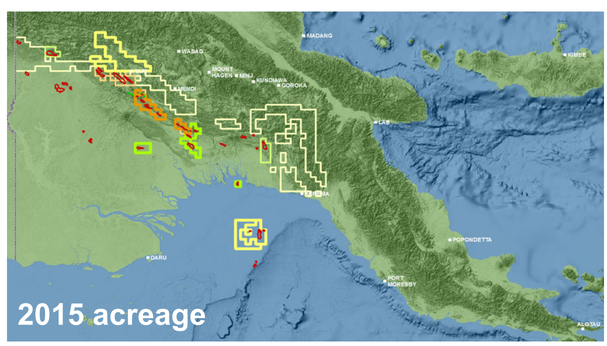
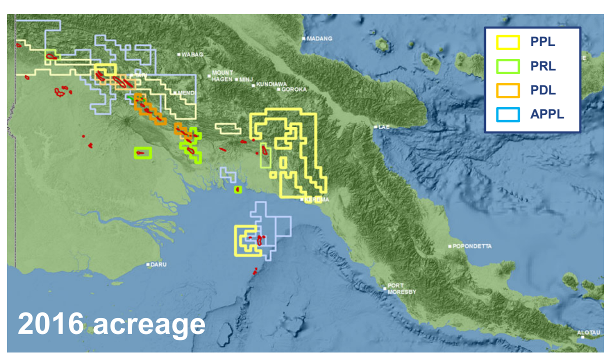
- OSH's exploration portfolio study has led to:
  - 15 new licence applications, one offered to date
  - Identification of new focus area
  - Four potential farm-ins
  - OSH farming out areas with high risk exposure
  - Upgrading resource potential in Kimu, Uramu and Barikewa
- Programme focused on:
  - Supporting long term growth for LNG expansion
  - Delivering secure and predictable programme
  - Diversifying risk
  - Testing new frontiers with material reserves potential
- OSH targeting to drill 4-6 wells/year, subject to oil prices





2016 Half Year Results Agenda

2016 Half Year Highlights	Peter Botten
Financial Overview	Stephen Gardiner
PNG Production	Julian Fowles
Gas Development	Keiran Wulff
Exploration/Appraisal	Keiran Wulff
Strategy post InterOil	**Peter Botten**
Outlook & Summary	Peter Botten

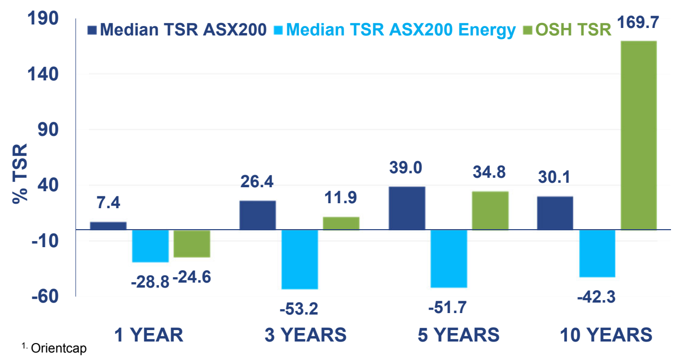
Strategy refresh

- OSH undertook major review of corporate strategy in 2014, identified that top quartile returns for shareholders could be delivered by competitive LNG expansion in PNG
- Undertaking focused refresh of strategy:
  - Backdrop of global macro-economic factors – low commodity prices, near term increase in LNG supply and deferral of LNG project FIDs – and PNG specific factors
- Acquisition of InterOil by ExxonMobil will have fundamental influence on LNG expansion in PNG:
  - Likely to result in material added value through integration of downstream elements of PNG LNG and Papua LNG plus additional upstream synergies
  - Reviewing key aspects and options for cooperation, including value/timing, in preparation for discussions with partners and other key stakeholders
- 2H16 timely opportunity to identify key drivers and activities up to FID of next LNG trains and identification of resources for additional expansion

OSH's strategies have delivered top quartile long term growth for shareholders

Strategic review	Core strategies	Our actions post strategic review
2002	» Maximise operating performance » Secure PNG operatorship and manage ChevronTexaco exit » Commercialise PNG Gas Project » Invest in expanded exploration in PNG and internationally	✓ Acquisition of ChevronTexaco PNG ✓ Assume operatorship ✓ Drive material increases in oil production and decreases in operating cost/bbl
2007	» Optimise cash generation from oil fields » Commercialise PNG LNG Project » Re-focus MENA	✓ Commercialise gas resource ✓ Divested non-core MENA assets for a profit ✓ FID PNG LNG
2010	» Maximise operating performance » Deliver PNG LNG T1 & T2 » Deliver PNG LNG T3 Sanction » Deliver gas resource accumulation	✓ Continued to drive production from oil assets above previously expected decline ✓ Delivered PNG LNG T1 & T2 ✓ Acquisition of PRL 15 interest
2014 / 2015	» Optimise value of existing assets » Commercialise Highlands and Gulf gas resources » Pursue high value opportunities in PNG and internationally	✓ Proposed acquisition of InterOil to facilitate integration between Papua LNG and PNG LNG ✓ ExxonMobil-InterOil transaction delivers pathway to integration

Total shareholder returns to 31 December 2016[1]

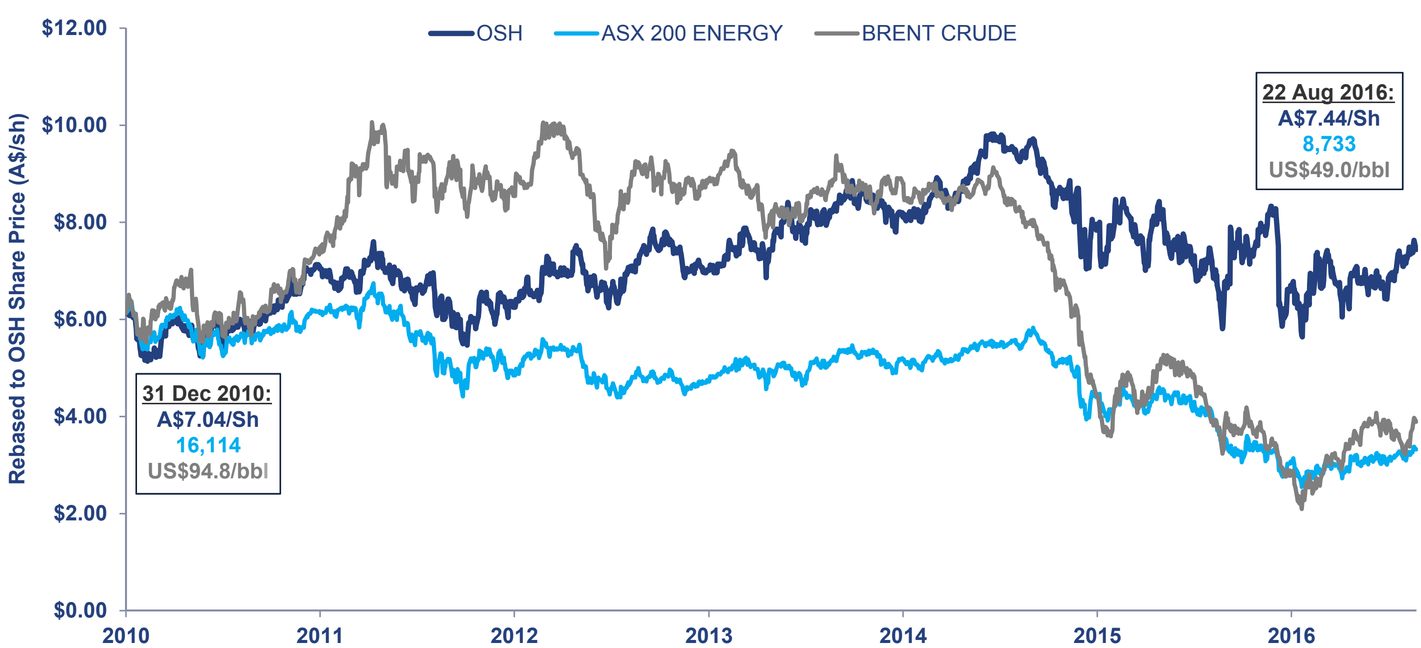


[1] Orientcap

Strong platform to continue to deliver strong shareholder returns:

- » Two world-class LNG projects
- » Highly competitive cost base
- » Potential to more than double production by 2025
- » Significant exploration potential
- » Maintain robust balance sheet
- » Ongoing dividend to shareholders, subject to core profitability

Core strategies have delivered long term share price stability in volatile market



Source: Bloomberg as at 22 August 2016

Committed to helping preserve stable PNG operating environment

- Long-standing commitment to social responsibility and sustainable development:
  - Fundamental to maintaining stable operating environment
  - Helps forge strong relationships with Government, communities, other partners
  - The right thing to do
- Sustainable development efforts spearheaded by Oil Search Foundation:
  - Operating since 2011 - Oil Search Health Foundation
  - Relaunched in 2015 to include Leadership and Education, and Women's Protection and Empowerment development streams as well as health
  - OSH recently committed US$58 million over five years (2016 – 2020) to fund Foundation's core operational costs and signature programme
- Other areas of focus delivered directly by OSH:
  - Provision of competitively priced, reliable power
  - Partnerships on infrastructure development through Tax Credit Scheme projects (Manasupe (Marea) House and PNG National Football Stadium)
  - Public-Private Partnership agreement with Government for Hela Regional Hospital (in conjunction with OSH Foundation)
  - Capacity development – education, PNG leadership, new Colombo Plan initiative
- Government strongly supportive of public:private partnership approach used by OSH

Summary

- Downstream integration of Papua LNG and PNG LNG projects de-risked by ExxonMobil's bid for InterOil:
  - Total and ExxonMobil have expressed willingness to work together to develop optimal outcomes for LNG development
  - Benefits of achieving successful integration expected to be substantial
  - Sufficient resource within Elk-Antelope and P'nyang to support two additional LNG trains
  - Strategy Refresh to review key integration options
- Drilling programme commencing in October with Antelope 7, testing 1-2 tcf of upside in Elk-Antelope, followed by Muruk in 4Q16 and P'nyang drilling in 2017
- Together with replenished exploration portfolio, provides line of sight to potential third additional LNG train
- Liquidity position remains robust, with US$1.53 billion of cash and undrawn facilities. Combined with very competitive breakeven cash flows, OSH has strong capacity to fund its growth
- Well placed for future oil price recovery:
  - Strong cash flows from quality assets, with recalibrated cost structure
- OSH's interests in PNG LNG, Papua LNG and exploration portfolio create unprecedented platform for long-term growth, with OSH positioned to deliver shareholders top quartile long-term value growth
- In-country initiatives remain high priority

Appendix: Key metrics

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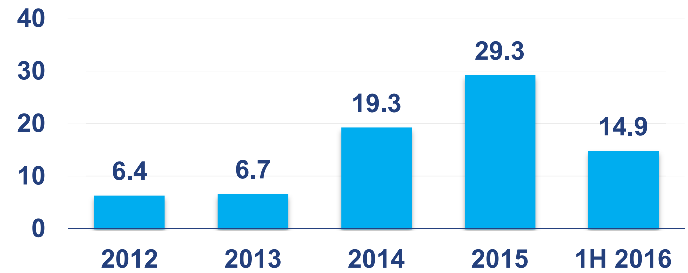
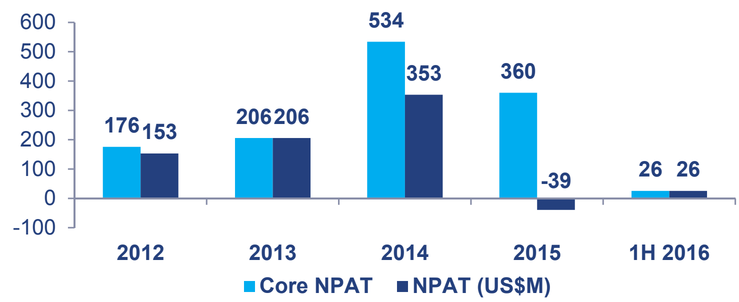
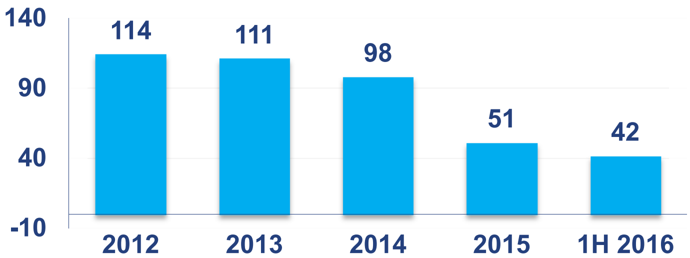
Production (mmboe)



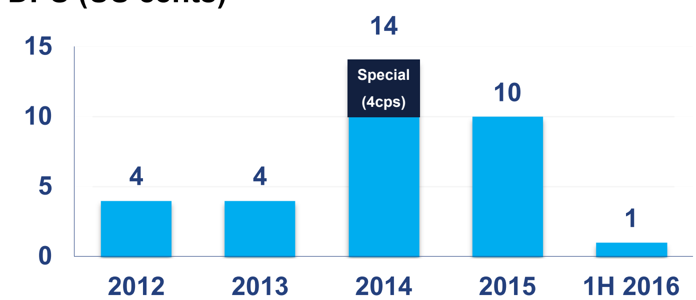
Core & Underlying NPAT



Oil Price (US$/bbl)



DPS (US cents)



Oil Search

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