
ASX Announcement

Oil Search farms down PNG Foldbelt exploration licence to Santos

17 November 2016

Oil Search announces that, together with ExxonMobil, it has signed an agreement to sell a 20% interest in Petroleum Prospecting Licence (PPL) 402 to Barracuda Limited (a subsidiary of Santos).

The Operator, Oil Search (PNG) Limited, will retain a 37.5% interest while ExxonMobil's subsidiary, Esso PNG Wren Limited, will retain a 42.5% interest.

PPL 402 is located in the Highlands Province in Papua New Guinea, approximately 650 kilometres northwest of Port Moresby. The licence covers an area of 510 km², 40 kilometres northwest of the Hides production facilities.

This agreement will result in Barracuda participating in the recently spudded Muruk 1 well. Muruk 1 is targeting a mean gas resource of approximately 2 tcf in Cretaceous sands of the Toro Formation, at a depth of approximately 3,450 metres. This target reservoir is hydrocarbon bearing in the nearby Hides and Juha gas fields.

Commenting on the farm-in, Oil Search Managing Director, Peter Botten, said:

"This transaction is consistent with the Company's strategic approach of working with selected partners to balance risk while holding appropriate participation levels in opportunities that have the potential to add material gas resources to the Company's portfolio."

The completion of the Sale and Purchase Agreement and Barracuda's acquisition of the licence interest is subject to conditions precedent, including regulatory approvals. The terms of the agreement are confidential.

PETER BOTTEN, CBE

Managing Director

For further information please contact:

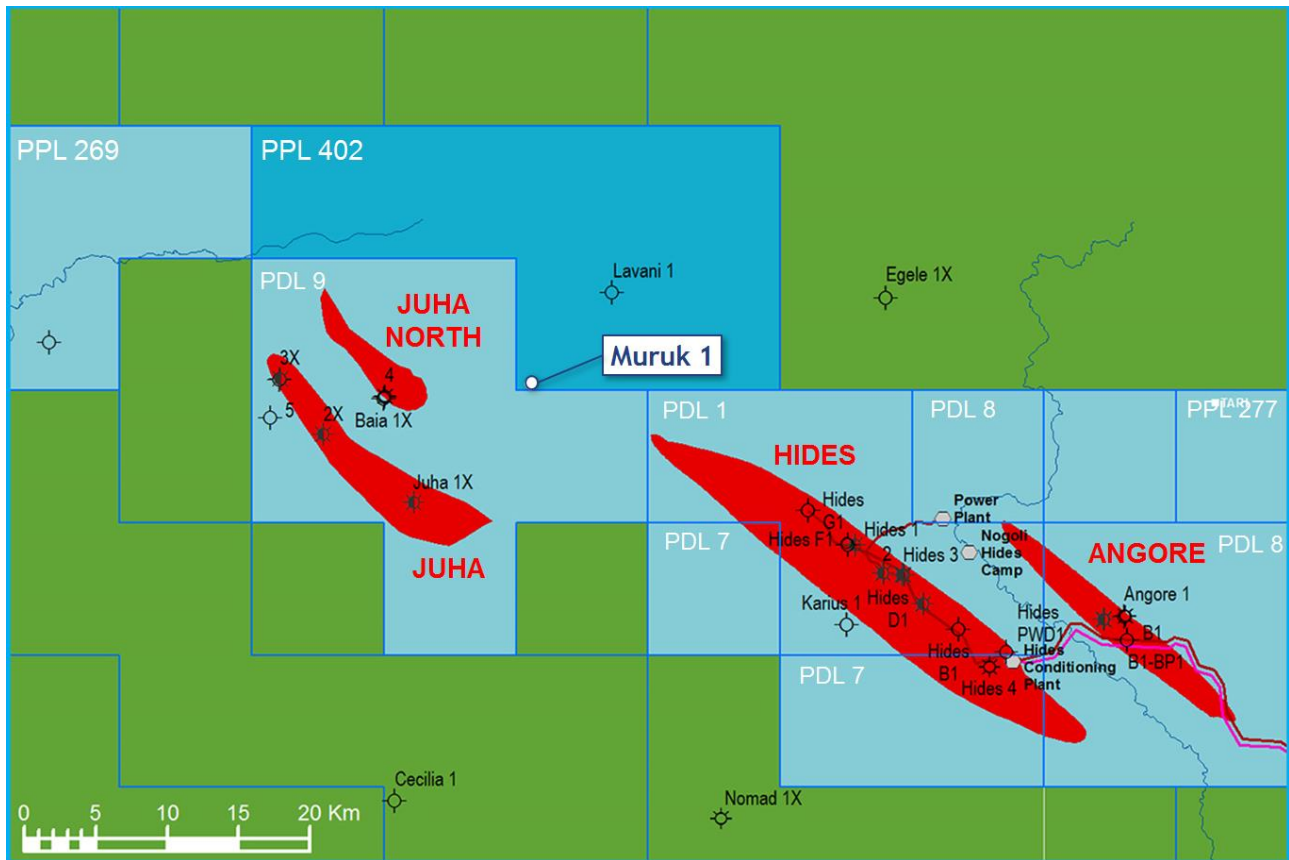
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Location map for PPL 402



Licence Interests:

Licence – PPL 402	Licence Interests	
	Pre-Sale	Post-Sale
Oil Search (PNG) Ltd	50%	37.5%
Esso PNG Wren Limited	50%	42.5%
Barracuda Limited	0%	20%