ASX Announcement
2020 Full-Year Results

23 February 2021

ASX: OSH | PNGX: OSH | ADR: OISHY

Full-year results (US$ millions)	2020	2019	Change (%)
Revenue	1,074.2	1,584.8	(32%)
EBITDAX	721.1	1,145.9	(37%)
Net (Loss) / Profit After Tax (NPAT)	(320.7)	312.4	(203%)
Core NPAT	22.0	320.9	(93%)
Net debt	2,376.2	2,983.2	(20%)
Free cash flow	12.8	(58.7)	122%
Final Dividend (US cents per share)	0.5	4.5	(89%)

Oil Search has delivered full year production of 29.0 mmboe and the strongest safety performance since assuming operatorship in 2003. The financial results reflect significantly lower realised hydrocarbon prices in 2020 compared to 2019, and this resulted in a full-year net loss of US$320.7 million, including a post-tax impairment charge of US$260.2 million that had been recognised in the interim financial results. Core net profit after tax (NPAT) excluding impairment and other significant non-recurring items was US$22.0 million.

Commenting on the 2020 full-year results, Managing Director Dr. Keiran Wulff said:

"Oil Search emerged from 2020 stronger and more resilient as a result of its response to the Covid-19 pandemic, demand collapse and oil price downturn. Despite the material challenges, Oil Search achieved three important records for the year. The first is the strongest safety performance in PNG since becoming operator of the PNG oil fields in 2003, with a Total Recordable Incident Rate of 0.78 per million hours worked, and no Tier 1 process safety events. The second is the strongest production reliability from our operations in PNG since the 2018 earthquake and, lastly, the delivery of record annual production from the PNG LNG project.

The Company took decisive action to ensure that we limited discretionary spend, enhanced our liquidity, rightsized the organisation and materially reduced our operating cost base and breakeven for new and existing projects. We also undertook a major strategic review to prioritise activities and capital spend for a low carbon future. This resulted in streamlining our portfolio and incurring a non-recurring, post-tax impairment charge of US$260.2 million. We are now, however, a more focused, leaner and lower cost resilient business in a strong position to commercialise our world class resource base and leverage the oil price upside.

We will continue to focus on maximising operating cash flow and delivering on our material growth projects which will be underpinned by resilient operations and disciplined capital management. We have established a dedicated transformation team to embed a high performance culture across the business."

Dividend

"The Board has approved the payment of a final unfranked dividend of 0.5 US cents per share. This represents a dividend payout ratio of 47% of full year core NPAT, which is in line with the Board's dividend policy range, to return between 35% and 50% of core NPAT to shareholders."

Hedging

"As part of executing our capital management plan that is focused on delivering a more resilient balance sheet, we have entered into oil price hedges to reduce the Company's downside exposure to oil prices over the balance of 2021. We have locked in a floor price of US$55 per barrel covering nine million barrels of oil equivalent production over the period from May to December 2021, via the purchase of put options at a pre-tax cost of under US$30 million. With this hedge arrangement, we have not limited our exposure to further oil price appreciation. We will continue to consider the merits of a longer-term hedging strategy as we approach investment decisions for our major growth projects."

Progressing Papua LNG - Fiscal Stability Agreement and alignment of key stakeholders

"Significant progress was made in advancing our developments in 2020 and that momentum has accelerated in 2021. We have worked constructively with our PNG stakeholders which culminated in signing the Fiscal Stability Agreement for the Papua LNG project with the Independent State of Papua New Guinea earlier this month. In addition, the Papua LNG joint venture has been offered a second five-year extension of its Petroleum Retention Licence (PRL 15), to progress the project to the Final Investment Decision (FID). This is a clear demonstration of the increasing alignment between the PNG Government and the Papua LNG joint venture. It marks a significant milestone for the project as the Papua LNG Operator, Total, targets entering the Front-End Engineering and Design (FEED) phase in 2022. We are excited for the opportunities and benefits the project will bring to all stakeholders, including the people of PNG, and the Papua LNG project development schedule is targeting the delivery of LNG volumes into the market window when additional supply is forecast to be required."

Pikka project enters FEED

"Our Alaska asset delivered further exploration success and a material resource upgrade in 2020, contributing to a 94% increase to the 2C contingent resource base since acquisition. We are aligned with our working interest partner on the phased development concept for the Pikka project and were pleased to announce that the joint venture has approved FEED entry. We are targeting first oil production for Pikka Phase 1 in 2025 at 80,000 bopd from a single well pad. In 2020, we redesigned the development plan to halve the initial development costs for Pikka and lower the breakeven cost of supply to under US$40 per barrel, inclusive of a 10% return. Partner alignment, resilient economics and a world-class project management team make us confident that the Pikka Project will be ready for FID towards the end of this year."

Sustainability ambitions

"Underpinning all our activities is a strategic focus that was developed in 2020, which culminated in a renewed purpose and ambition to be the preferred energy company for all stakeholders. This was shared at our market briefing in November, along with our plans to deliver full value to our shareholders and enhance our commitment to sustainability across the business whilst also ensuring we adapt to the rapidly changing economic and social environment.

Oil Search has long been recognised as a leader in community engagement and betterment. With our new corporate strategy – Focus, Deliver, Evolve – we will strive to lead by example in all areas of sustainability and value. In November we announced our plan to deliver a more than 30% reduction in our operated greenhouse gas emissions intensity by 2030. Today we are announcing a commitment to go one step further by aiming to become a net zero energy company by 2050. Our initiatives to achieve this will require more work, and so Beth White, our EVP of Sustainability and Technology will lead an energy transition review this year to develop a plan which will deliver tangible and achievable results to reach this shared societal goal.

Whilst we are encouraged by the recovery in the oil price over the last few months, particularly given our strong cash flow and earnings leverage to higher prices, the Company remains focused on maintaining discipline in both our capital management and in cost control across our operations. Oil Search is consequently increasingly well positioned to manage through periods of uncertainty and deliver our projects in 2021 and beyond."

Business highlights

Base operations

- Achieved highest compressor uptime for operated facilities since 2018 earthquake
- Strongest safety performance since becoming operator in 2003, PNG BU operated assets TRIR of 0.78 per million hours worked
- Northwest Moran wells back online ahead of schedule adding gross production of ~2,500 bopd
- Highest utilisation of LNG plant capacity globally in 2020 (PNG LNG >25% above nameplate)[1]
- Record annual production at PNG LNG, throughput rate of 8.8 MTPA (gross)

Papua LNG Fiscal Stability Agreement and PRL 15 licence extension

- Increasing alignment between the PNG Government and the PRL15 Joint Venture
- Fiscal Stability Agreement and PRL 15 licence extension set clear path for project development
- Papua LNG Operator, Total, targeting FEED entry in 2022

Pikka project enters FEED

- Joint venture approved FEED entry, targeting FID in fourth quarter 2021
- Independent certification of 2C resources at 967.9 mmbbl (gross); 94% increase since acquisition
- Initial development costs more than halved, with breakeven cost of supply <US$40/bbl, inclusive of a 10% return

Strategy implementation progressing

- Continuing to deliver strategic milestones laid out in November
- Ambition to be a net zero energy Company by 2050
- Commitment to reduce operated GHG intensity by more than 30% by 2030

Live webcast and teleconference

A live webcast providing an overview of the full-year 2020 results and a question and answer session will be held at 11:00am AEDT on Tuesday, 23 February 2020.

Investors are encouraged to participate in this event by registering at www.oilsearch.com. You may also access the presentation through a teleconference (details will be provided on registration).

A copy of the presentation is attached.

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This ASX announcement was authorised for release by the Oil Search Board of Directors

[1] IHS Markit

2020 Full Year Results Investor Briefing

23 February 2021

Oil Search Limited – ARBN 055 079 868 – ASX: OSH – PNGX: OSH – US ADR: OISHY

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1

Overview

Managing Director – Dr Keiran Wulff

Global pandemic, pricing outlook uncertainty and societal expectations focused on key issues in 2020

Business stabilisation

- Rapid Covid-19 response with outstanding workforce commitment
- Strengthened balance sheet and liquidity
- Right sized organisation
- Strategic review ensuring resilience and positioning for growth
- Board renewal preparations

Operational discipline

- Strong safety performance – 0.94 TRIR across the company
- Pikka project redesign – globally attractive, giant resource base
- Sustainable cost reductions with dedicated transformation team
- Disciplined capital allocation

Ongoing prioritisation

- Workforce wellbeing and safety
- Maintain PNG LNG outperformance and focus on Papua LNG
- Resilience and low cost of supply
- Commercialise 2C resource base
- Pikka project FEED and divestment
- Optimal position for demand recovery and price turnaround

Oil Search emerged positioned to realise full value turnaround

2020 focus on safety, sustainability, long term profitability and prioritisation across the business

Financials	Sustainability	PNG BU	Alaska BU
Core NPAT[1] **US$22m**	**Targeting** **Net Zero by 2050**	**Record BU safety** **0.78 TRIR**	**2C resource upgrade to** **968 mmbbl gross**
Dividend declared **US0.5¢ per share**	**Operated GHG intensity** **30% reduction by 2030**	**Production costs decreased** **US$60m** **US$2.50/boe**	**Breakeven cost of supply**[4] **<US$40/bbl**
Hedging with put options **9 mmboe at US$55/bbl floor**	**Paris aligned portfolio** **Gas 70% of portfolio**[2] **Pikka 75% lower intensity**[3]	**Highest post earthquake production** **29.0 mmboe**	**Phase 1 capex halved** **US$3bn**[5]

(1) Core NPAT reconciliation to net loss after tax can be found on the Financial Data slide in attached appendix.
(2) Based on 2P and 2C resource and reserves statements, oil converted to Gas Equivalent using PNG LNG conversion factor of 5,100 scfGE/bbl & gas converted to oil using same factor of 5,100 scf/BOE.
(3) Wood Mackenzie Emissions Benchmarking Tool Nov 2020, when compared with the current average for North Slope operations.
(4) Full point forward costs including 10% WACC (5) Gross costs.

Commercialising our world class 2C resource base

We are focused on de-risking ~500 mmboe net with clear milestones

Papua LNG

- Increasing alignment between PNG Government and joint venture partners
- Fiscal Stability Agreement signed and PRL 15 licence extension offered
- Expect pre-FEED activities to start in 2021, targeting FEED entry in 2022

Equity: 22.8%[1]

Production: targeting 2027

Net 2C: 1.6 tcfGE[2]

Pikka project

- Pikka Phase 1 FEED entry approved based on modular design that supports expansion
- Planning underway for equity selldown
- Progressing discussions with lenders
- On track for Phase 1 FID towards end of the year, subject to market conditions

Equity: 51%, targeting 36%

Production: targeting 2025

Net 2C: ~200 mmbbls[3]

(1) Papua LNG equity interest prior to government back-in
(2) Gas equivalent, based on 2P and 2C resource and reserves statements, converted using PNG LNG conversion factor of 5,100 scfGE/bbl
(3) Net before royalties, Phase 1 only, prior to divestment

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Full-Year Financial Results

Chief Financial Officer – Stephen Gardiner

2020 Financial Highlights

Improved efficiencies

- Producing more for less, production costs reduced by US$60 million
- Reduced investment expenditure by 51% compared to 2019

Strengthened profitability

- Unit production costs 20% lower than 2019
- Free cash flow breakeven below US$20/boe[1]
- Realised average hydrocarbon prices of US$37.22/bbl and US$6.49/mmBtu

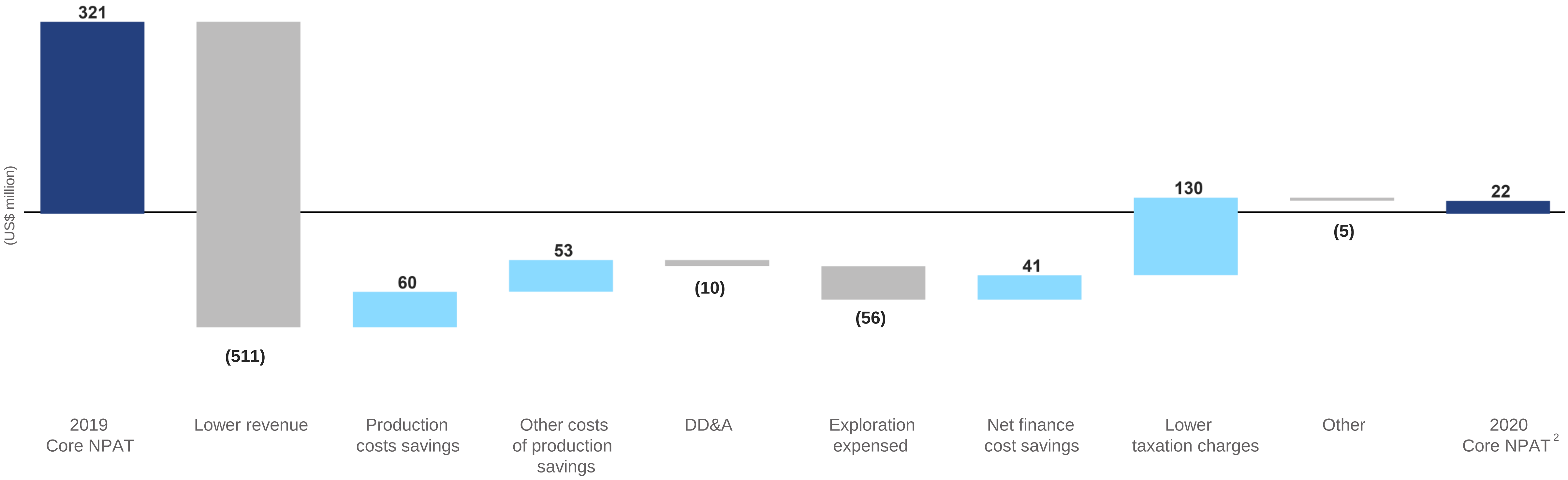
Rebuilding liquidity

- Equity raising fully subscribed by existing shareholders
- Liquidity position of US$1.4 billion at year end
- Net debt reduced by 20%

(1) Annual average realised price at which cash flows from operating activities equals cashflows from investing activities excluding major development and certain other spend.

Core NPAT reconciliation relative to 2019[1]

Oil Search



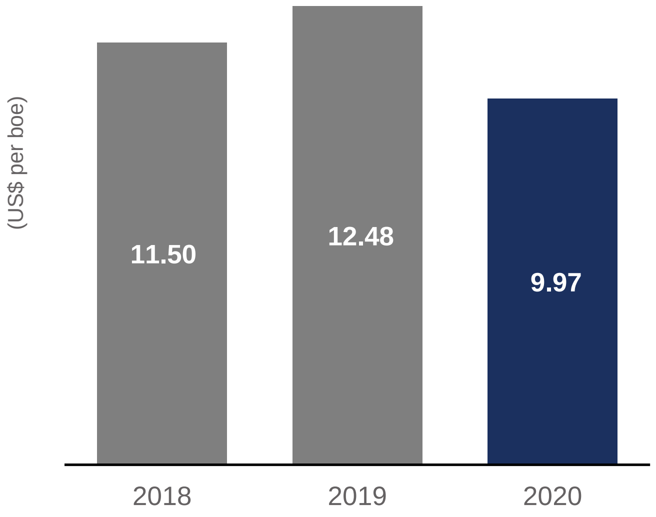
- Lower revenue: driven by lower prices, partially offset by higher volumes sold
- Production cost savings: implementation of various cost reduction programs, deferral of non-essential work and no workovers
- Other costs of production savings include lower gas purchases, decreases in royalties and levies and a favourable inventory movement
- Higher exploration costs expensed: Gobe Footwall well in PNG and seismic activity in Alaska
- Net finance cost savings: lower interest rates
- Lower taxation charges: effective rate of 12.3% compared to 30.4% in 2019

(1) Core NPAT is a non-IFRS financial measure that has been presented to provide a more meaningful understanding of Oil Search's financial performance and has been derived from the financial statements which have been subject to audit by the Company's auditor.

(2) Core NPAT reconciliation to net loss after tax can be found on the Financial Data slide in attached appendix.

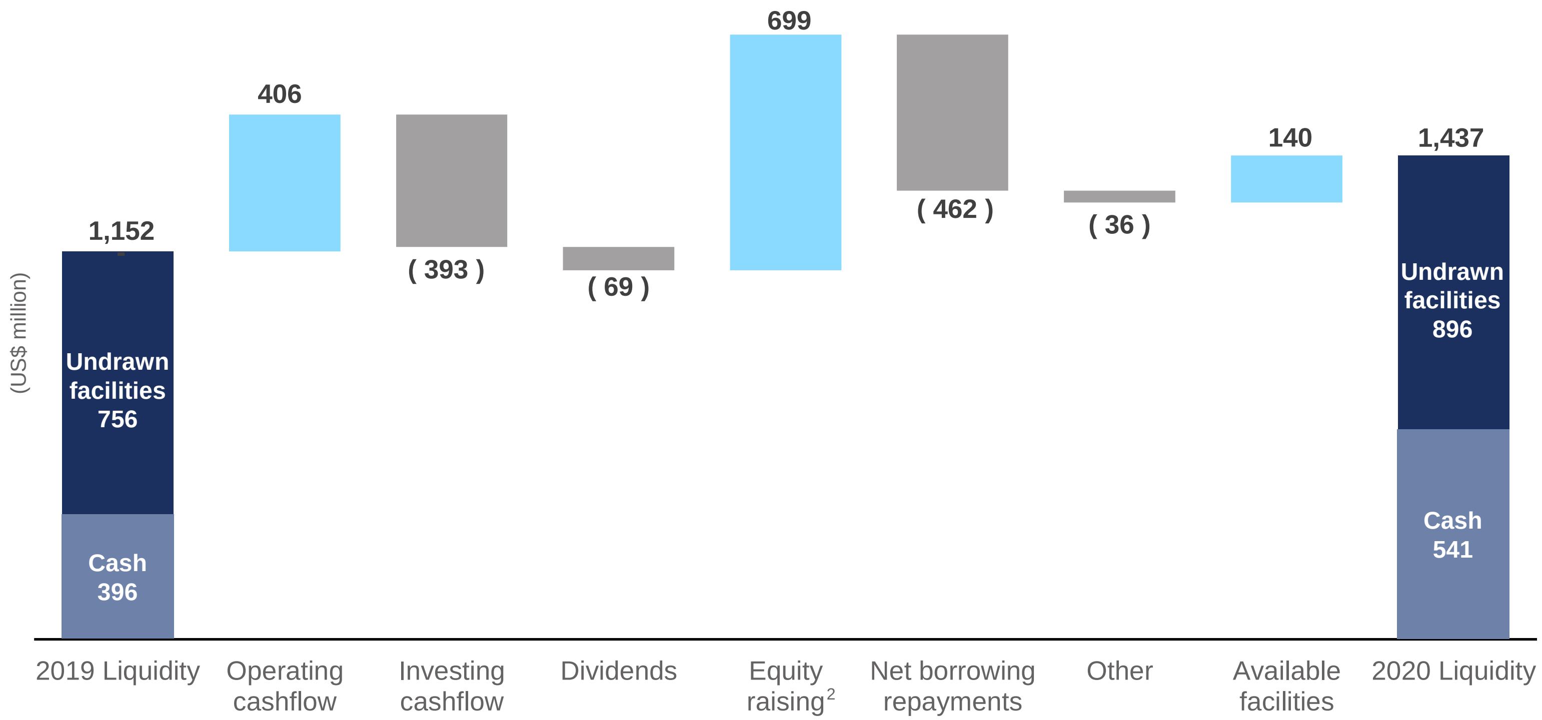
Free cash flow generation

Competitive unit production costs



- Unit production cost of US$9.26 per boe excluding one off and Covid-19 related costs of US$0.71 per boe
- Absolute reduction of 17% or $60 million[1]

Total liquidity reconciliation



- Focused on improving and increasing flexibility of balance sheet
- Net debt decreased by 20% compared to prior year
- Refinancing of corporate facility underway
- High leverage to oil prices, every US$5 increase per boe equals ~US$90 million in operating cash flow

(1) Compared to 2019
(2) Net of transaction costs

Disciplined focus on capital management

Increasing predictability through building optionality, resilience and capital allocation discipline

Oil Search

Capital Allocation Hierarchy	2021 Priorities
Sustaining capital	▪ PNG LNG development of Angore ▪ High value, low breakeven and early production opportunities
Strengthening and building a flexible balance sheet	▪ Refinancing corporate facility ▪ Executed hedging to protect downside – longer term program linked to capital strategy ▪ Selldown Alaska interest to fund initial development and ensure expansions are self-funded
Major project delivery	▪ Pikka FEED (engineering, contract tendering), targeting FID by end-2021 ▪ Papua LNG pre-FEED, targeting FEED in 2022 ▪ Advancing Biomass and prudent investment into the energy transition[1]
Dividends	▪ Maintain dividend policy of 35-50% of core NPAT, subject to Board discretion

(1) Subject to PNG government regulatory approvals, and FID

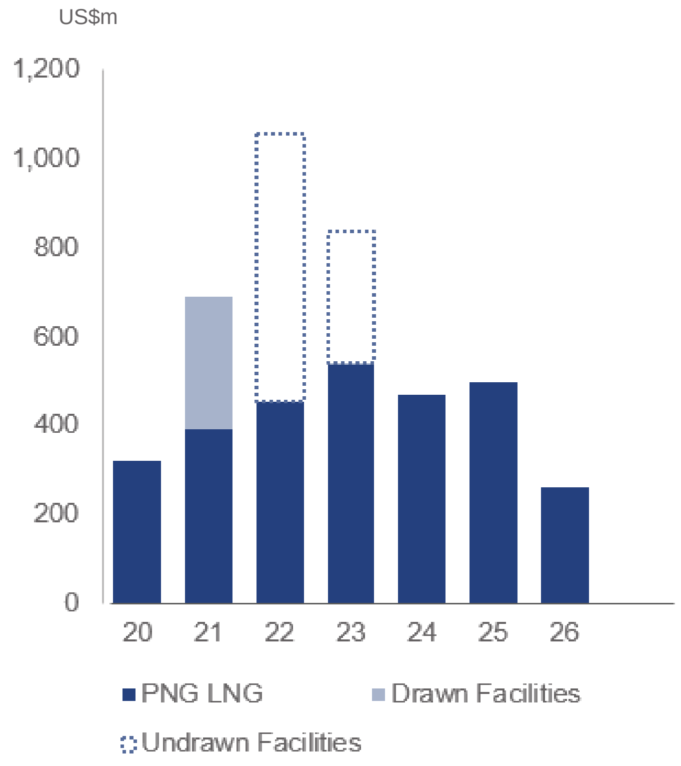
Balance sheet underpinned by PNG LNG cash flows

Liquidity and net debt as of 31 Dec 2020

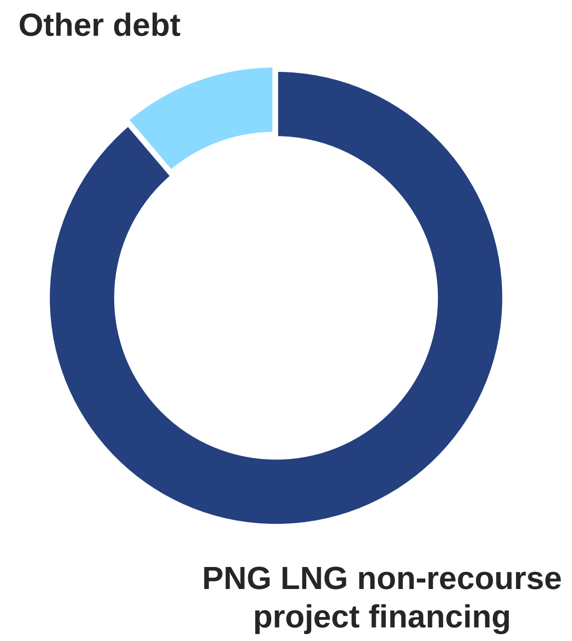
	US$m
Cash	541
Undrawn bank facilities	896
Total Liquidity	**1,437**

Corporate facility	300
PNG LNG project finance (non-recourse)	2,617
Total debt	**2,917**
Less: Cash	(541)
Net debt	**2,376**

Phased drawn debt maturities, with US$896m undrawn credit facilities



90% of drawn debt relates to PNG LNG non-recourse project finance



2021 Full Year Guidance

	Low	High
Costs		
Unit production costs (US$/boe)	10.50	11.50
Other operating costs (US$m)	105	125
Depreciation and amortisation (US$/boe)	12.50	13.50
Production (mmboe)	**Low**	**High**
Oil Search Operated	2	3
Hides GTE	0	1
PNG LNG project	23	25
Total production[1]	**25.5**	**28.5**
Investment expenditure (US$m)	**Low**	**High**
Production (PNG)	60	80
Development	85	115
Exploration and evaluation	110	150
Biomass[2]	50	70
Other plant and equipment	20	30
Total investment expenditure	**325**	**445**

Unit production costs for 2021 expected to be higher than 2020 due to:

- Scheduled maintenance for PNG LNG trains one (deferred from 2020) and two
- Major maintenance shutdown in operated facilities which occurs every four years
- Underlying costs flat, excluding major maintenance

Investment expenditure in 2021 includes:

- Production: PNG production sustaining capex programs and earthquake remediation works
- Development: PNG LNG Angore and Pikka project
- Exploration and evaluation: FEED and other activities related to the Pikka project in Alaska and pre-FEED for LNG expansion projects in PNG
- ~25% of investment expenditure is discretionary or subject to FID[3]

(1) Numbers may not add due to rounding
(2) Subject to government regulatory approvals and FID
(3) Discretionary expenditure relates to post FID costs for the Pikka and Biomass projects which are still subject to additional approvals and considerations, including FID

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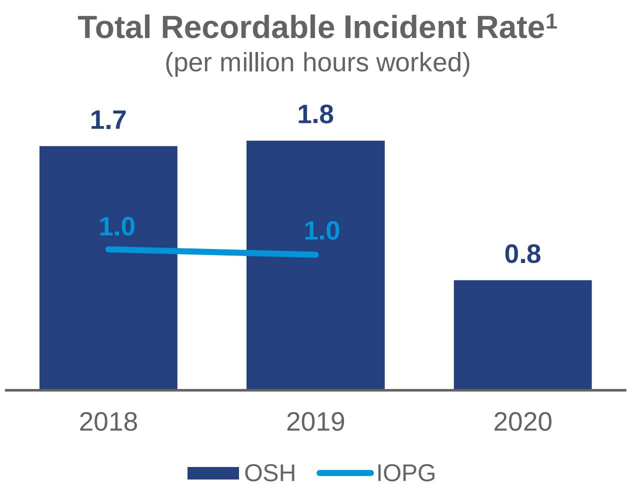
Business Unit Review

Managing Director – Dr Keiran Wulff

2020 PNG BU Performance

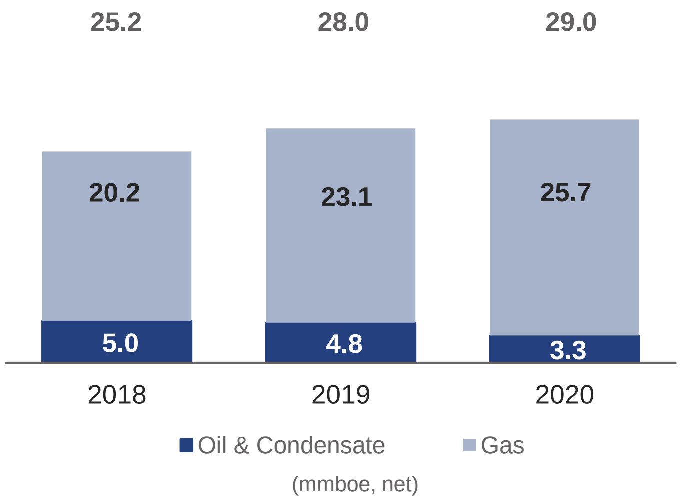
Strong safety performance

- Strongest safety performance since assuming operatorship in 2003
- Zero Tier 1 and two Tier 2 events for 2020



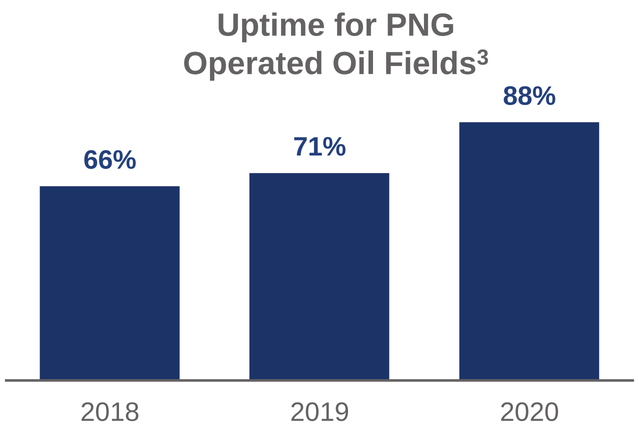
Record PNG LNG annual production

- Record PNG LNG annual production, equivalent to 8.8 MTPA (gross)
- More than 25% above nameplate capacity



Focus the business

- Best oil fields facilities compressor uptime since 2018 earthquake
- Northwest Moran wells brought back online, adding 2,500 bopd[2]

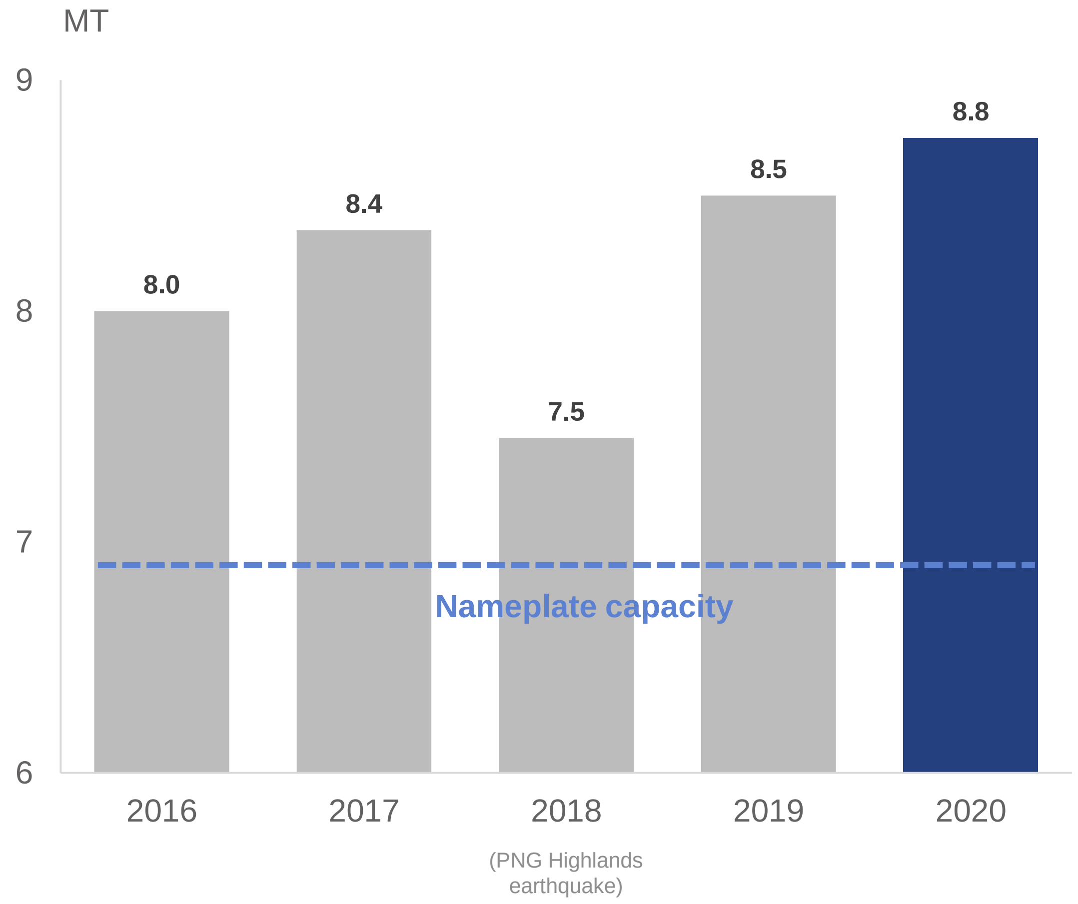


(1) Oil Search operated assets only
(2) Gross production
(3) Operated oil fields facilities compressor uptime

PNG LNG

Record annual production – consistent outperformance

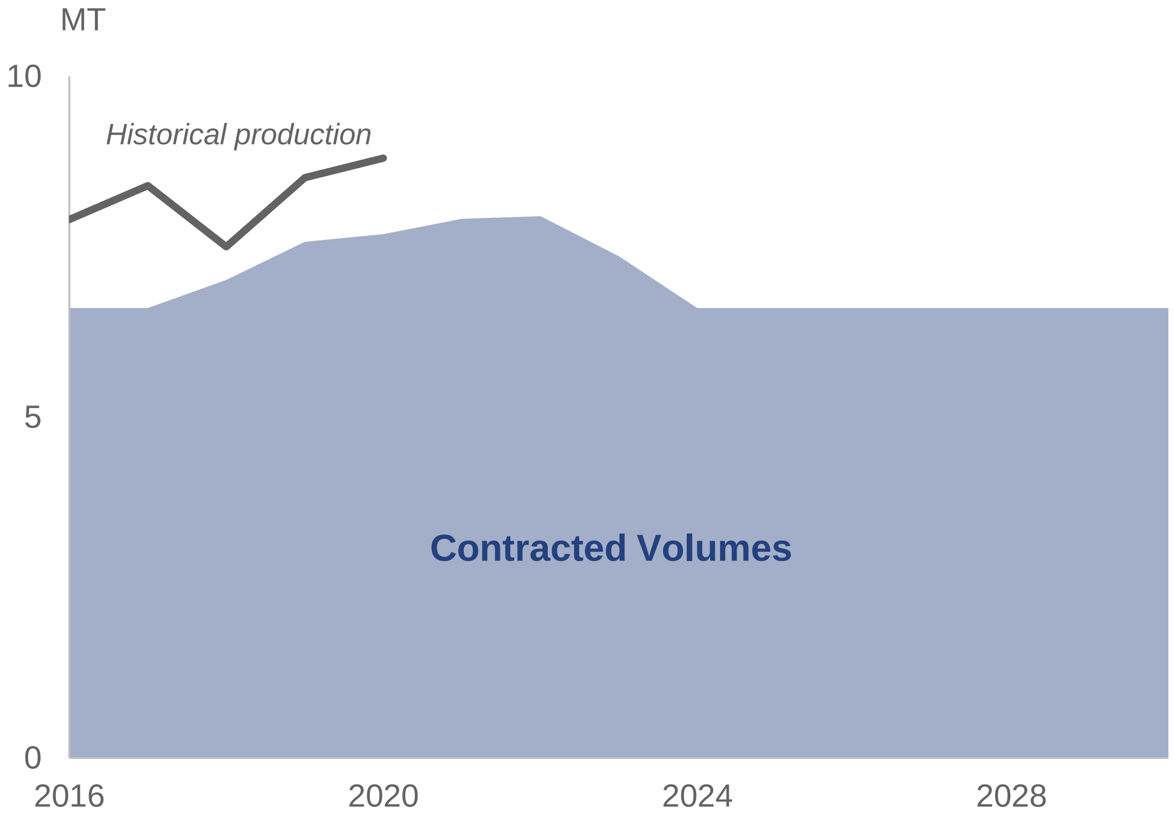
PNG LNG annual volumes



- ExxonMobil continues to deliver excellent operating performance
- Record annual production volumes, consistently above nameplate capacity
- Strong free cash flow generation even in depressed price environment
- US$322.4 million PNG LNG project debt repaid in 2020
- Condensate reinjection option approved by regulator – provides mechanism to protect LNG exports
- Scheduled maintenance delayed from 2020, planned for 2Q 2021
- Planning to ramp up Angore activities in 2021

Multiple options to optimise PNG LNG backfill

PNG LNG production

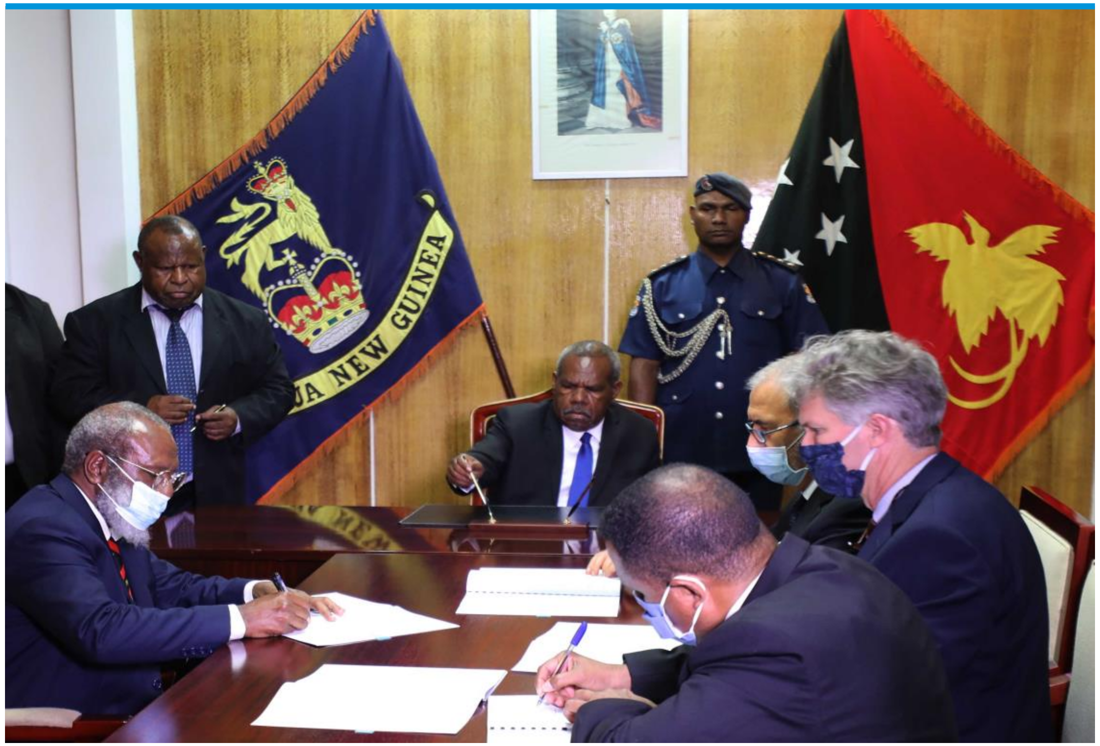


- **Field Development Plan**
  - Angore
  - Associated Gas Fields (Kutubu/Agogo/Moran)
  - Juha
- **Additional options**
  - Muruk
  - P'nyang
  - Exploration (e.g., Hides F2)
- **Sequence optimisation for value and cost of supply well advanced**
  - By 2030, only ~70% of Oil Search 2P gas reserves depleted if productions remains at maximum historical rate of 8.8 MTPA (gross)

Papua LNG achieves fiscal stability and licence extension offer

Oil Search

- **Fiscal Stability Agreement signed**
  - Gives full effect to the Papua LNG Gas Agreement
  - Demonstrates alignment and support from PNG Government for the project and the joint venture
- **PRL 15 extension offered (Elk and Antelope discoveries)**
  - 5-year licence extension offered
  - Commitment to progress pre-FEED activity
- **Joint venture and PNG Government aligned on progressing 2-train expansion**
  - Papua LNG operator (Total) targeting FEED in 2022
  - P'nyang to be developed independently

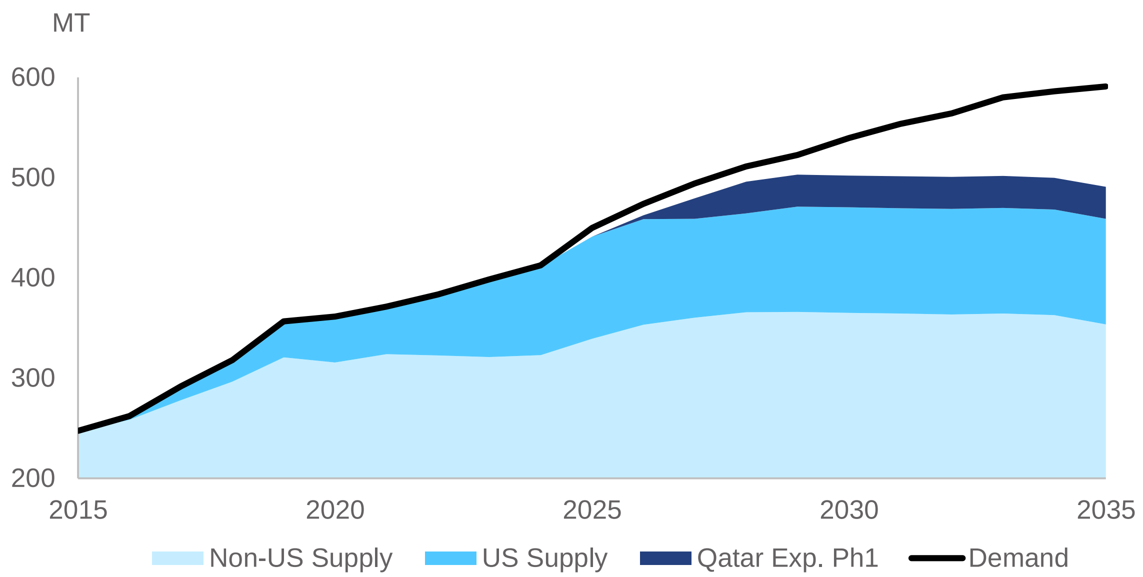


Asia Pacific demand outlook favourable for Papua LNG

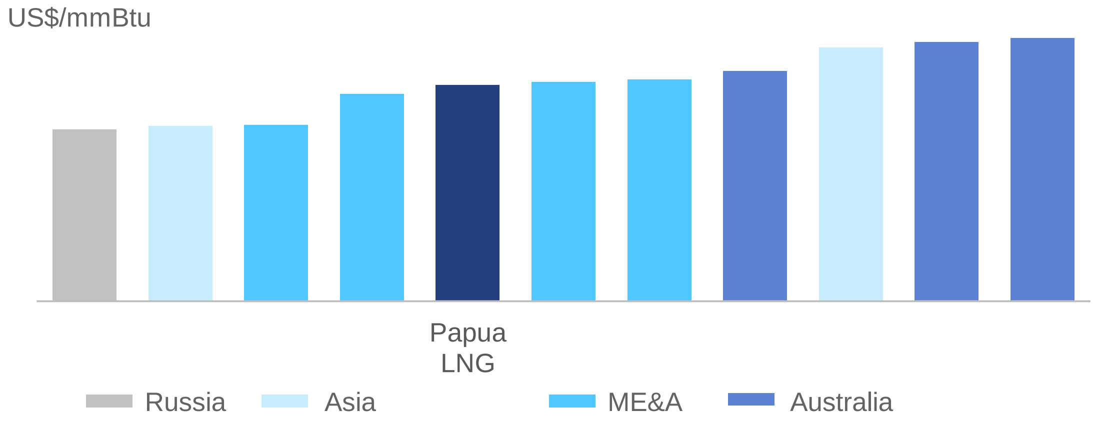
Oil Search

- **Strong demand outlook**
  - Net zero ambitions by large North Asian economies will likely drive material LNG demand growth
  - Increasing signs of global economic strengthening and commodity demand recovery
  - Liquefaction outages in the face of demand surge in 4Q20 reinforced need for regional supply
- **Papua LNG has advantaged supply**
  - Asian buyers continue to seek high heating value LNG
  - Ideally positioned with proximity to market
  - Low-cost supply and history of strong performance
- **Oil Search to contract full equity share for FID**

LNG Demand Outlook[1]



Pre-FID LNG Projects – Breakeven[2]



(1) Oil Search interpretation of IHS Markit data
(2) Breakeven LNG price including 10% WACC. Source: Woodmac Q1 2021 Pre-FID upstream project tracker

2020 Alaska BU performance

Oil Search

Year-round access

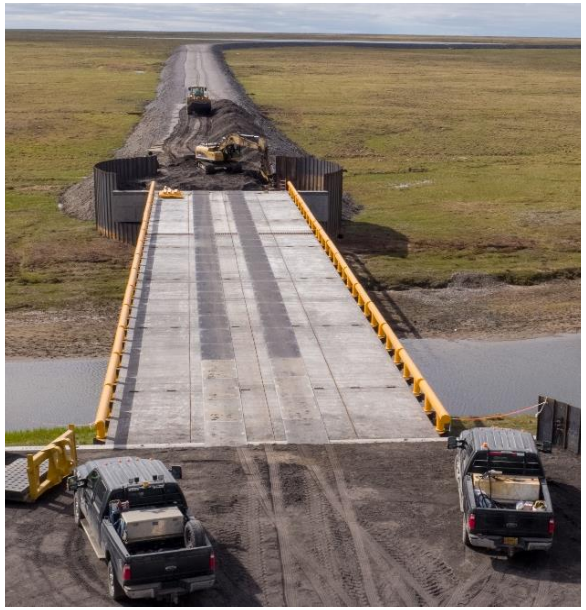
- Construction and project schedule significantly de-risked: gravel roads and pads completed for Phase 1
- Accessible 365 days, can deliver processing facility modules via road

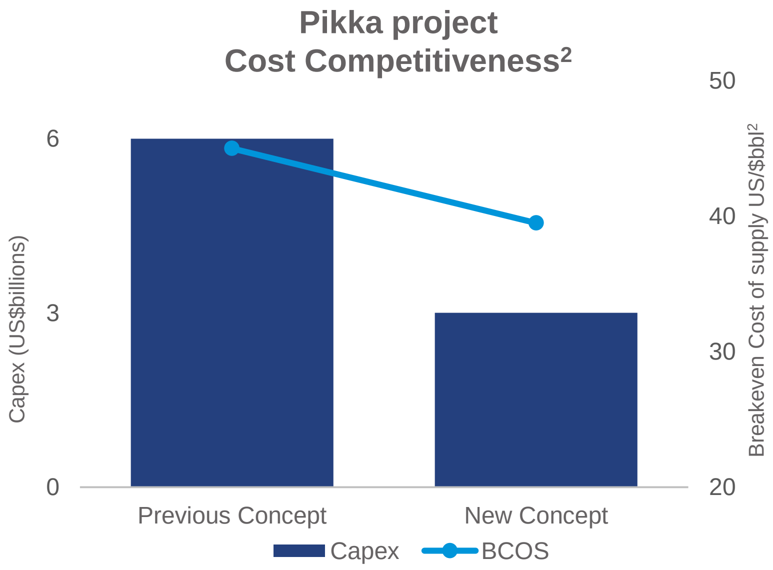
Pikka redesign

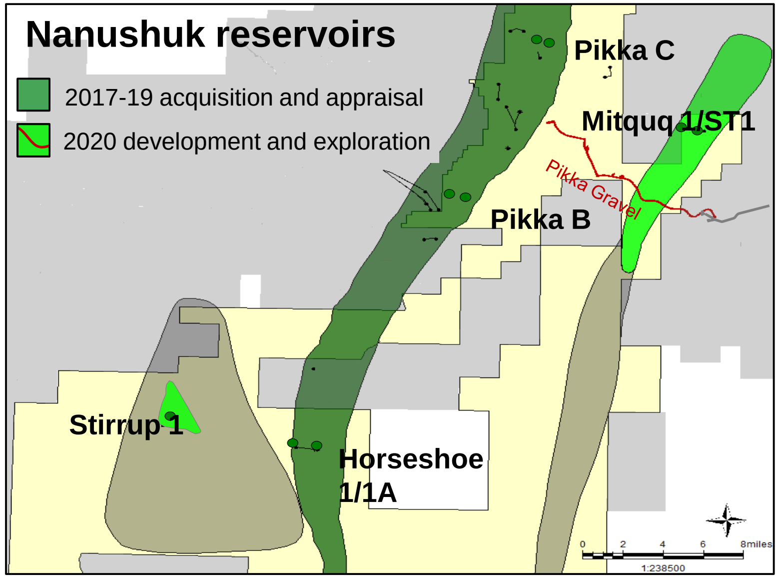
- Modular, phased and truckable, 80,000 bopd capacity from single drill site
- Phase 1 breakeven <US$40/bbl;[1] initial development capex halved, now ~US$3bn (gross)

Growth

- Mitquq and Stirrup discoveries have Pikka-scale resource potential
- 968 mmbbl 2C (gross), 33% 2C resource upgrade[3]





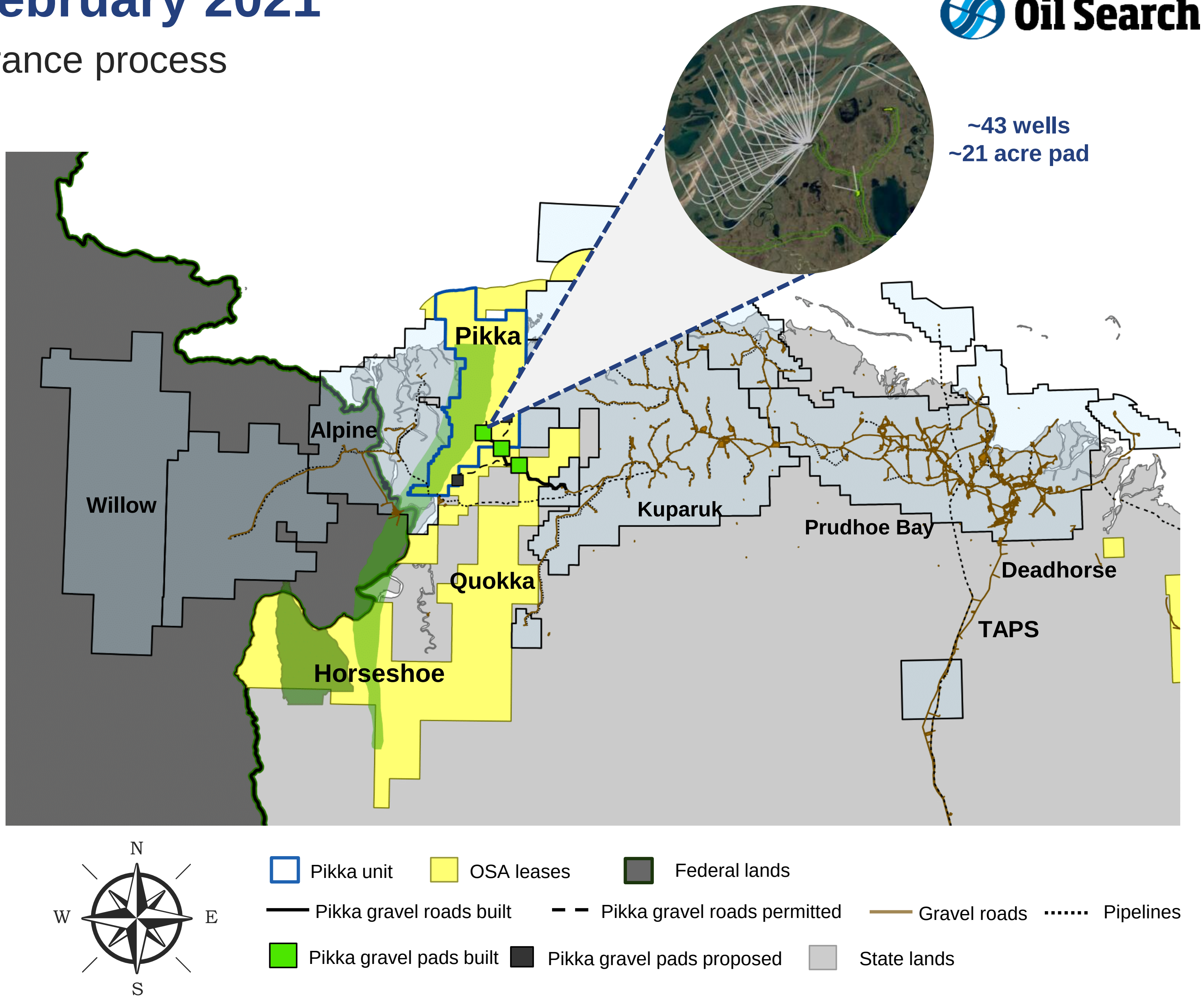


(1) Full point forward costs including 10% WACC
(2) Previous Concept (120,000 bopd) capex from 2019 Alaska Investor Field Trip, New Concept (80,000 bopd) as presented at the 2020 Strategic Review on 19 November 2020
(3) See ASX announcement from 19th November 2020 titled “Alaska Update”

Pikka project FEED entry – February 2021

Rigorous internal and external FEED assurance process

- **FEED scope includes:**
  - Processing facility and seawater treatment plant engineering
  - Tender for fabrication, materials, pipeline, drilling and construction contracts
  - Finalise scope and tender for supporting infrastructure
- **Procurement strategy designed to maximise local content and strengthen community capabilities**
- **FID targeted for 4Q 2021**
- **Phase 1 first oil of 80,000 bopd targeted by 2025**
  - Phases 2+ will be supported by Phase 1 cashflow
  - Road supported modular approach enables strong cost controls and efficiencies
  - Major close proximity expansion opportunities



Alaska organisation ready for project delivery

Track record of delivery

Stakeholder alignment

Project readiness

- Strong drilling and civils performance in terms of safety, schedule and budget
- 94% gross 2C resource upgrade since acquisition
- Seen as model for community consultation
- Finalised four year federal permitting process

- Strong alignment with working interest partner on development plans
- Continuous engagement with local communities
- Investigating infrastructure sharing opportunities with local stakeholders

- Fully staffed project management team
- Contracting strategy designed with implementation underway
- ERP[1] infrastructure implemented for project cost controls

(1) ERP – Enterprise Resource Planning

4

Building a sustainable business model

Managing Director – Dr Keiran Wulff

We share society's ambition to be net zero by 2050

We are committed to delivering low cost, high value energy to meet society's needs

Our commitments

Our approach to deliver

Aim to be a net zero company by 2050

› Target strategic relationships, cooperation with partners, customers, host governments and other stakeholders towards a **net zero by 2050 pathway**

Review in 2021 will develop the plan **to deliver our EVOLVE strategic phase**

Reduce GHG intensity by more than 30% across operated assets by 2030[1]

› **Undertake near term carbon abatement and emission reduction programs** within our existing operated assets

Progress **low cost, low GHG intensity Pikka project**

Invest in Paris aligned growth projects

› **Deliver our growth projects responsibly** and seek to align our growth portfolio with the objectives of the Paris Agreement

Make prudent investments to prepare for the energy transition

› **Advance PNG Biomass[2]**, an **expandable** cash flow generative project offsetting >3.3 million tonnes CO_2 emissions over 25-year project

(1) Base year for target: 2020
(2) Subject to regulatory approvals and FID

Tangible carbon abatement programs - PNG BIOMASS

Subject to regulatory approvals and FID, PNG Biomass is an expandable carbon abatement project aligned with community aspirations

Energy

- Up to 30MWe biomass energy
- Potential for major expansion and potential export
- Targeting FID later this year, first power to the grid in 2024

Climate

- Supports the PNG Government goals for renewable energy
- Displaces high sulphur fuels
- >3.3 million tonnes CO_2 emission abatement over 25-year project[1]

Community

- Direct employment of 500 jobs, and 400+ construction jobs
- 2,000 indirect jobs
- Community supported and gardens intercropping

Economy

- Support PNG economy with improved access to electricity
- Strong funding suport from international agencies
- ~US$160 million project cost[2]

Forestry

- 4+ million trees planted since 2010
- 20+ million new trees to be grown on 16,000 hectares of low production grassland
- Aligned with PNG Government goals on rural job creation

(1) Gold Standard
(2) To be funded 50:50 debt to equity

On track to deliver strategic priorities in 2021

01 Performance and reliability

- Ongoing Covid-19 safety and staff wellbeing
- Production reliability
- Scheduled maintenance at PNG LNG and operated oil fields
- Dedicated transformation team

02 Capital management

- Sustained cost reductions
- Preserving cash flow
- Downside protection
- Alaska divestment
- Additional options under consideration

03 Project delivery

- Papua pre-FEED activities targeting 2027 project start up
- Pikka Phase 1 FEED
- Maintaining PNG LNG production plateau

04 Sustainability

- Biomass project, subject to government approvals and FID
- Prioritised carbon abatement program

5 Appendix

Financial overview

US$ million, unless noted	2020	2019	Change (%)
Production (mmboe)	29.02	27.95	4%
Sales (mmboe)	28.39	27.79	2%
Average realised oil and condensate price (US$ / boe)	37.22	62.86	(41%)
Average realised LNG and gas price (US$ / mmBtu)	6.49	9.58	(32%)
Revenue	1,074.2	1,584.8	(32%)
Production cost	(289.2)	(348.7)	(17%)
Other operating costs	(122.1)	(157.4)	(22%)
Other income	58.1	67.2	(14%)
EBITDAX	**721.1**	**1,145.9**	-
Exploration expensed	(103.3)	(47.2)	119%
Depreciation and amortisation	(423.8)	(413.7)	2%
Impairment	(374.2)	(5.9)	-
Net finance costs	(190.4)	(231.0)	(18%)
Share of net profits from investments in joint ventures	5.1	0.6	-
(Loss) / Profit before tax	**(365.6)**	**448.7**	**(181%)**
Tax	44.9	(136.3)	(133%)
Net (loss) / profit after tax	**(320.7)**	**312.4**	**(203%)**
Other comprehensive loss	(1.0)	(2.1)	-
Total comprehensive (loss)/income	**(321.7)**	**310.3**	**(204%)**

Financial data

Investment expenditure

US$ million unless noted	2020	2019	Change (%)
Exploration and Evaluation			
PNG	57.4	159.9	(64%)
USA	145.2	539.8	(73%)
MENA	-	0.3	-
Total Exploration and Evaluation Expenditure	**202.6**	**700.0**	(71%)
Development			
PNG LNG	40.9	45.0	(9%)
Pikka Unit Development	99.6	-	-
Total Development Expenditure	**140.5**	**45.0**	212%
Production	49.8	81.0	(39%)
Property Plant and Equipment	23.1	35.8	(35%)
Biomass	9.3	8.8	6%
Total Investment Expenditure	**425.4**	**870.7**	(51%)
Exploration and Evaluation Expensed			
PNG	38.0	24.4	56%
USA	38.1	22.5	69%
MENA	-	0.3	-
Total current year expenditures expensed	**76.2**	**47.2**	**61%**
Prior year expenditures expensed	**27.2**	**-**	**-**
Total Exploration and Evaluation Expensed	**103.3**	**47.2**	**119%**

Production costs

US$ million, unless noted	2020	2019	Change (%)
Production costs	**289.2**	**348.7**	**(17%)**
Royalties and levies	5.1	15.1	(66%)
Gas purchases	7.2	22.9	(69%)
Inventory movements	(10.7)	5.3	(302%)
Other costs of production	10.3	15.5	(34%)
Total costs of production	**301.2**	**407.5**	**(26%)**

Core EBIT / NPAT reconciliation

US$ million, unless noted	2020
EBIT	**(175.2)**
Impairment	374.2
Site-restoration on impaired assets	21.6
Core EBIT	**220.5**
Net loss after tax	**(320.7)**
Impairment (post tax)	260.2
Site restoration (post tax)	21.0
Net deferred tax assets derecognised	61.5
Core NPAT	**22.0**

Core NPAT for 2020 excludes the one off impairment expense of US$374.2 million (post tax US$260.2 million), site restoration cost increases for previously impaired assets of US$21.6 million (post tax US$21.0 million), and de-recognition of net deferred tax assets of US$61.5m.

Core NPAT and core EBIT are non-IFRS financial measures that have been presented to provide a more meaningful understanding of Oil Search's financial performance and have been derived from the financial statements which have been subject to audit by the Company's auditor.

Reserves and Resources at 31 December 2020

1P Proved reserves[1,2]

	Licence / Field	Total	Developed	Undeveloped
Proved oil and condensate reserves (mmbbl)[3]	PDL 2 – Kutubu	8.3	7.0	1.4
	PDL 2 / 5 / 6 – Moran Unit	4.9	3.6	1.3
	PDL 4 – Gobe Main	0.01	0.01	-
	PDL 3 / 4 – SE Gobe[5]	-	-	-
	PDL 1 – Hides[7]	-	-	-
	PNG LNG Project[6]	34.7	23.2	11.5
	Total	**48.0**	**33.8**	**14.3**
Proved gas reserves (bcf)	PDL 3 / 4 – SE Gobe[5]	-	-	
	PDL 1 – Hides[7]	-	-	
	PNG LNG Project[4,6]	1,735.9	1,232.0	503.9
	Total	**1,735.9**	**1,232.0**	**503.9**

2P Proved and Probable reserves[1,2]

	Licence / Field	Total	Developed	Undeveloped
Proved and probable oil and condensate reserves (mmbbl)[3]	PDL 2 – Kutubu	13.7	11.0	2.7
	PDL 2 / 5 / 6 – Moran Unit	8.5	6.2	2.2
	PDL 4 – Gobe Main	0.01	0.01	-
	PDL 3 / 4 – SE Gobe[5]	0.02	0.02	-
	PDL 1 – Hides[7]	-	-	-
	PNG LNG Project[6]	38.8	25.8	13.0
	Total	**61.0**	**43.1**	18.0
Proved and probable gas reserves (bcf)	PDL 3 / 4 – SE Gobe[5]	5.4	5.4	-
	PDL 1 – Hides[7]	-	-	-
	PNG LNG Project[4,6]	1,955.0	1,356.0	599.0
	Total	**1,960.4**	**1,361.4**	**599.0**

2C Contingent resources[1,8]

	Licence / Field	End 2019	Discoveries / Extensions	End 2020
Oil and condensate resources (mmbbl)	PNG LNG Project Fields	1.8	0.3	2.1
	Other PNG[9]	57.1	(5.6)	51.5
	Alaska – Pikka Unit[10]	371.1	20.4	391.5
	Alaska – Other[10]	-	102.1	102.1
	Total	**430.0**		**547.2**

2C Contingent resources[1,8]

	Licence / Field	End 2019	Discoveries / Extensions	End 2020
Gas resources (bcf)	PNG LNG Project Fields	125.2	16.8	142.0
	Other PNG[9]	4,509.8	(695.5)	3,814.4
	Total	**4,635.1**	**(678.6)**	**3,956.4**

Note: please refer to notes on the following page.

Reserves and Resources Note

Notes to the tables

1. Numbers may not add due to rounding.
2. Kutubu and Moran oil fields proved Reserves (1P) and proved and probable (2P) Reserves are as certified by independent auditor Netherland, Sewell & Associates, Inc. (NSAI) in 2017. 1P and 2P PNG LNG Project Reserves are based on Contingent Resources estimates prepared in 2019 by independent auditor, NSAI. Gobe Main and SE Gobe 1P and 2P Reserves are based on Oil Search 2019 technical estimates. All Reserves estimations use Oil Search's corporate assumptions to calculate economic limit.
3. Crude oil, and separator and plant condensates.
4. For the PNG LNG Project, shrinkage has been applied to raw gas for the field condensate, plant liquids recovery, and fuel and flare.
5. Due to planned well work activities and the renegotiation of pricing with PNG LNG, SE Gobe is now expected to be cash flow positive on a 2P basis in the medium term. These assessments use Oil Search's 2020 technical estimates and Oil Search's current corporate economic assumptions and remain based on third party wet gas sales to the PNG LNG Project at the Gobe plant outlet at the post-sales agreement field interest of 22.34%.
6. PNG LNG Project Reserves comprise the Kutubu, Moran, Gobe Main, SE Hedinia, Hides, Angore and Juha fields. Minor volumes associated with proposed domestic gas sales have been included as part of PNG LNG reserves.
7. Hides Reserves associated with the GTE Project under existing contract. Due to the issues with the Porgera Mine through 2020 and the continued uncertainty of resumption of operations in 2021, no reserves are booked for Hides GTE. Any gas volumes that were previously to be produced from Hides GTE are now expected be produced by PNG LNG. Production volumes shown in this Reserves report are based on Oil Search's entitlement in PDL 1 (16.67%).
8. Contingent Resources are quantities of petroleum estimated to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies. There may be a chance that accumulations containing Contingent Resources will not achieve commercial maturity.
9. Other gas, oil and condensate Resources comprise the Company's other PNG fields including Elk-Antelope, SE Mananda, Juha North, P'nyang, Iehi, Cobra, Flinders, and Muruk and may also include Resources beyond the current economic limit of producing oil and gas fields. These gas Resources may include fuel, flare, and shrinkage depending on the choice of reference point.
10. Alaskan oil and condensate contingent resources comprise the Company's 51% working interest before royalties in Alaskan assets, incorporating the Nanushuk and satellite reservoirs. All 2C contingent resources are as certified in 2019 and 2020 by independent auditor, Ryder Scott.

Additional notes

- Unless otherwise stated, all petroleum reserves and resources estimates refer to Oil Search's 2020 Reserves and Resources Statement, contained in the Oil Search 2020 Annual Report, released to the ASX and PNGX on 23 February 2021. This report is also available at https://www.oilsearch.com/investors
- The evaluation date for these estimates is 31 December 2020.
- All figures presented are net to Oil Search, unless otherwise stated.
- Oil Search's Reserves and Contingent Resource estimates are prepared in accordance with the 2007 Petroleum Resources Management System (PRMS), sponsored by the Society of Petroleum Engineers (SPE). The previous plan to transition reporting to PRMS2018 in 2020 was deferred, due to the changes in the business environment through 2020. This transition is now planned to coincide with the ASX update of Chapter 5 reporting requirements.
- The following reference points are assumed:
  - Oil volumes: include both oil and condensate recovered by lease processing. The reference point is at the outlet of the relevant process facility. Volumes are adjusted to stock-tank using field standard conditions.
  - Hides GTE: the custody transfer point at the wellhead
  - PNG LNG Project: the outlet to the LNG plant
  - SE Gobe gas: the outlet to the Gobe facility
  - Fuel, flare and shrinkage upstream of the reference points have been excluded.
- Reserves and Contingent Resources are aggregated by arithmetic summation by category and therefore Proved Reserves may be a conservative estimate due to the portfolio effects of arithmetic summation.
- Reserves and Contingent Resources have been estimated using both deterministic and probabilistic methods.
- Oil Search is not aware of any new information or data that materially affects the information included in its 2020 Reserves and Resources Statement. All material assumptions and technical parameters underpinning the estimates in the 2020 Reserves and Resources Statement continue to apply and have not materially changed

Glossary

Terms	Definition
US$	United States Dollars
2C	Best estimate of contingent resources
2P	Proven and probable reserves
bbl	Barrel
Boe	Barrel of oil equivalent
Bopd	Barrels of oil per day
Cost of supply[1]	Full point forward costs including 10% WACC
EBITDAX[1]	Earnings before interest, tax, depreciation, amortisation, impairment and exploration expenses
FCF[1]	Net cash from operating cash flows less investing cash flows
FCF breakeven[1]	Annual average realised price at which cash flows from operating activities equals cashflows from investing activities excluding major development and certain other spend
FEED	Front End Engineering and Design
FID	Final Investment Decision
GHG intensity	Greenhouse Gas intensity
IRR	Internal Rate of Return
kbpd	Thousand barrels per day
mmbbl	Millions of barrels of oil
mmboe	Millions of barrels of oil equivalent
mmBtu	Millions of British thermal units
MTPA	Million tonnes per annum
Core NPAT[1]	Core NPAT excludes the impairment expense of US$374.2 million (post-tax US$260.2 million), site restoration cost increases for previously impaired assets of US$21.6 million (post-tax US$21.0 million), and the derecognition of net deferred tax assets of US$61.5 million
NPAT	Net profit after tax
tcfGE	Trillion cubic feet gas equivalent
TRIR	Total recordable incident rate
WACC	Weighted average cost of capital

[1]This is a non-IFRS financial measure that has been presented to provide a more meaningful understanding of Oil Search's financial performance and has been derived from the financial statements which have been subject to audit by the Company's auditor

Oil Search