



Focus - Deliver - Evolve



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

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2020 – a year of absolute Focus

Protecting operations, building resilience, rightsizing and preparing for growth



Corporate

- Enhanced liquidity and refinanced corporate debt
- Rightsized organisation and held a major strategic review
- Enhanced our commitment to sustainability
- Committed to capital discipline and enhancing balance sheet strength
- Declared final dividend indicating increased confidence



PNG operations

- Protected our people and operations through strict testing, quarantine and family support
- Strongest safety record of 0.78 TRIFR since taking operatorship
- Record PNG LNG production of 8.8MTPA
- Unit production cost of US\$9.97 per barrel, down US\$2.50 per barrel
- Stopped low value, long dated and non-key activities



LNG expansion

- Increasing alignment for Papua LNG two-train development
- Fiscal Stability Agreement signed and PRL 15 licence extension granted
- Targeting FEED entry in 2022 and 1st gas 2027
- P'nyang¹ discussions ongoing with joint venture and PNG Government



Pikka development

- 33% 2C resource upgrade to 968mmbbl²
- Successful civils program
- Halved development costs and lowered breakeven costs <US\$40/bbl
- Pikka Phase 1 FEED entry based on modular design targeting FID in Q4 2021³
- Joint venture equity selldown program underway
- Progressing discussions with lenders

(1) PRL3

(2) Gross, see ASX announcement from 19th November 2020 titled "Alaska Update". Oil Search is not aware of any new information or data that materially affects the information included in its 2020 Reserves and Resources Statement.

(3) Subject to market conditions

Deliver: LNG Expansion

PNG ideally located and positioned to support growing Asian demand



■ High priority within supermajor portfolios

- “And for Papua New Guinea, that's clear that considering the Mozambique LNG project situation, we'll give priority to Cameron LNG expansion and to Papua LNG project” (Total SA CFO, Apr-21)

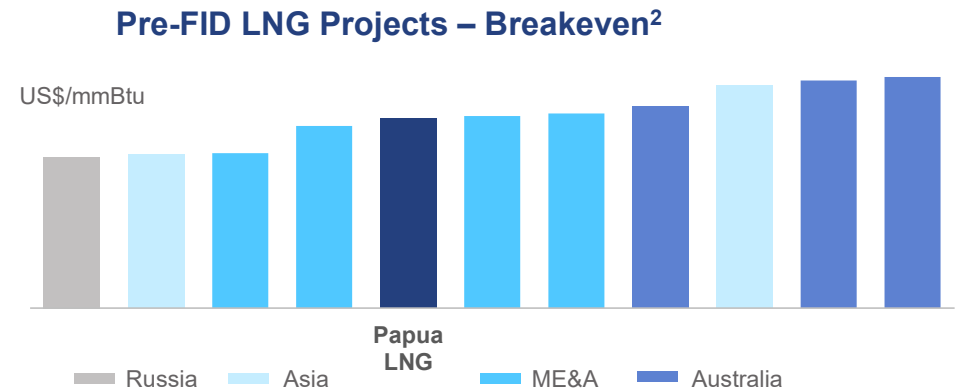
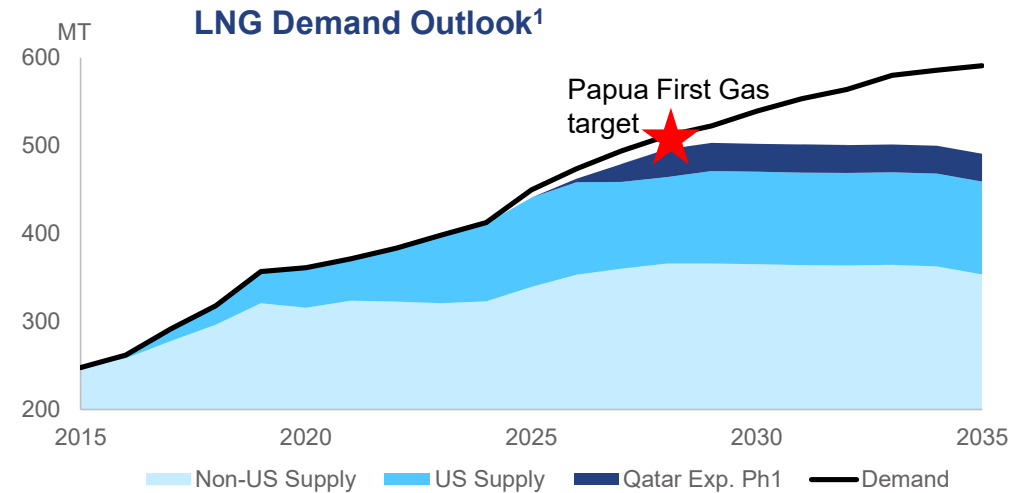
■ Strong demand outlook

- 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

- Low cost of supply and experienced LNG operator(s)
- Ideally positioned with proximity to market, away from pinch-points
- Asian buyers continue to seek high heating value LNG

■ Oil Search to contract full equity share for FID



(1) Oil Search interpretation of IHS Markit data

(2) Breakeven LNG price including 10% WACC. Source: Woodmac Q1 2021 Pre-FID upstream project tracker

DELIVER lowest breakeven Pikka Oil Development



Low breakeven, high ROR, low GHG intensity with expansion funded from production

Where We Were

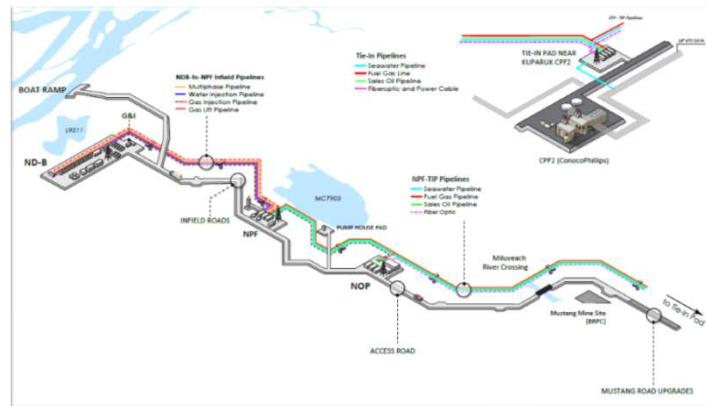
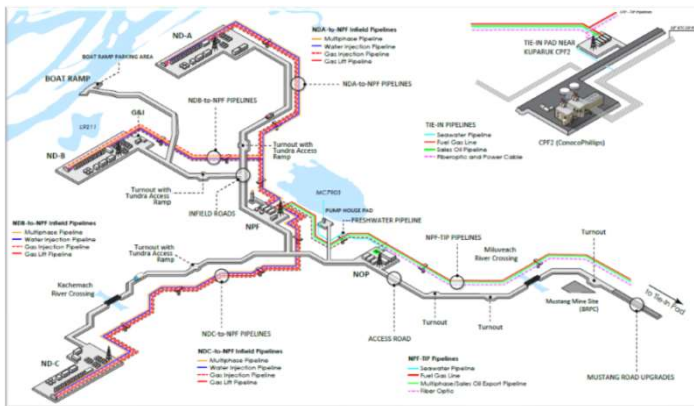
Full Field Scenario C:

- 3 drill sites, sealift NPF
- CAPEX >\$6Bn
- ~750mmbbl,
- 106 producer/injectors
- 120,000 bopd (nameplate)
- BCoS: >\$45 US\$/bbl Brent

Where We Are

Phase 1: NDB Through NPF:

- Single drill site, truckable NPF
- CAPEX ~\$3Bn
- Target 400mmbbl,(full field potential of 750mmbbl captured in Ph.2)
- Phase 1 - 43 producer/injectors
- 80,000 bopd (future add-ons via 40,000bopd modules)
- BCoS: <\$40 US\$/bbl Brent
- Control on pace of growth and investment



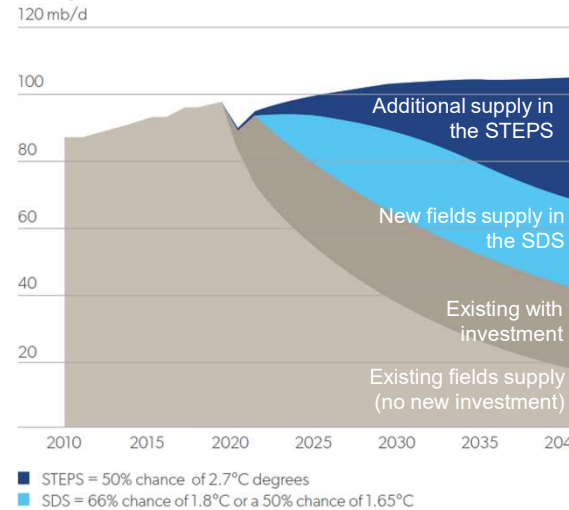
Deliver: Pikka Project in Alaska

Low GHG intensity, low cost and strong sustainability credentials

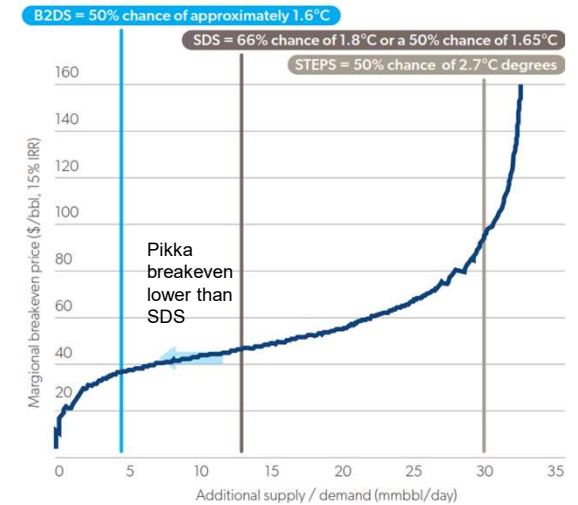


- **Global demand for oil will continue for decades**
 - Natural oil field decline rates exceed the most aggressive demand destruction scenarios
 - 20-40mmbbl/d of new oil projects are expected to be needed over next 20 years
- **Lowest cost projects will be resilient to energy transition demand uncertainty**
 - Oil Search uses independent third-party data from the IEA, Wood Mackenzie and Carbon Tracker to test if its growth projects are aligned with Paris Agreement goals
- **Pikka breakeven is well within the most aggressive demand loss scenarios**
 - Pikka project can recover project costs (including a 10% capital return) at a breakeven oil price <\$40/bbl
- **Pikka is positioned to be one of the lowest GHG intensity projects globally**

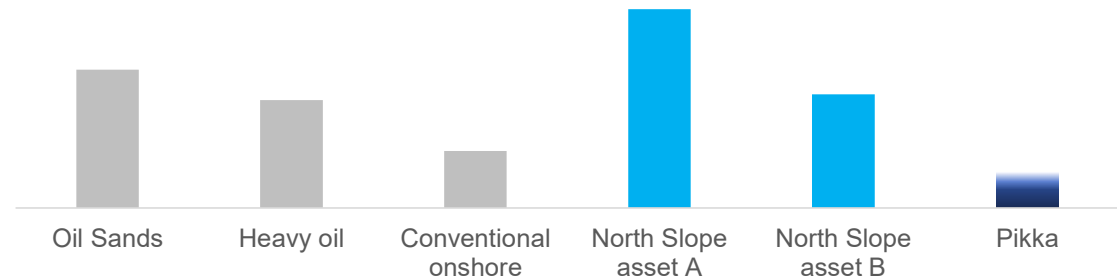
IEA global oil demand forecast¹



New oil development cost curve²



Relative GHG intensity of oil projects³



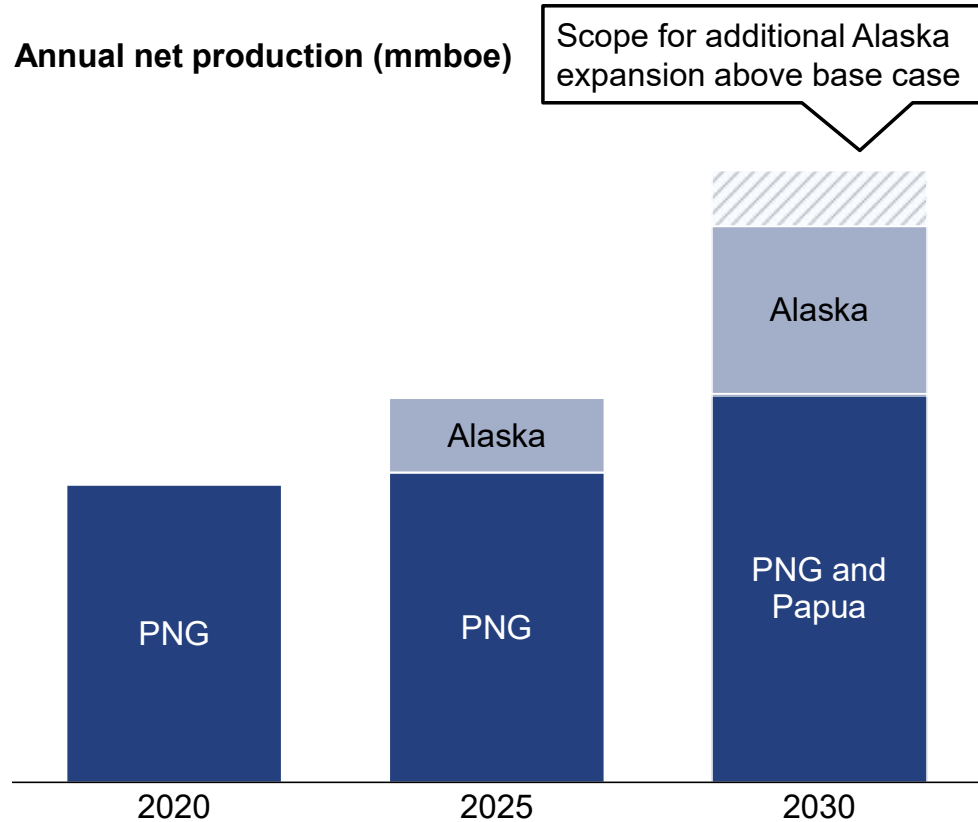
Source: (1) 2020 IEA world energy outlook, (2) Carbon Tracker (2020) Fault Lines, Company data, (3) Wood Mackenzie Benchmarking Tool (Nov-20)/ Report (2019)

Deliver: projects fit for growth

High value, low breakeven and material long term production

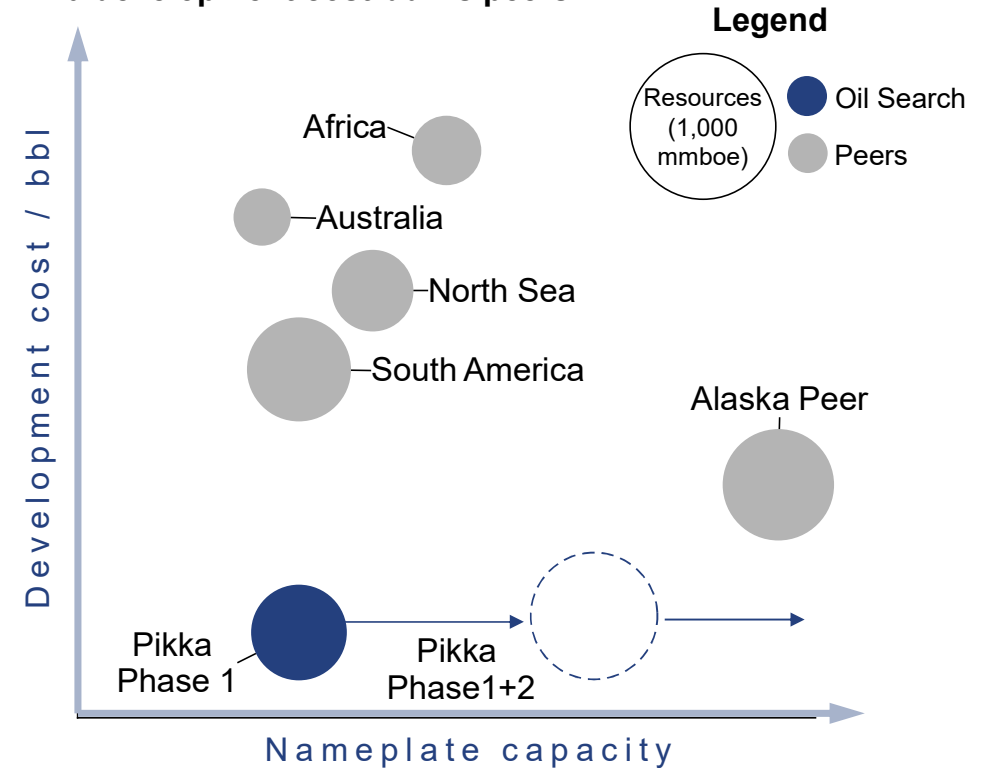


Production increase >80% by 2030



Competitive development case vs. peer projects

Pikka development cost/bbl vs peers¹



Note: Alaska Project comprises total asset base, Pikka Phase 1 and Phase 2
Source: Oil Search internal estimates; (1) Wood Mackenzie, Project FID Tracker – Q4 2020

Why Oil Search?

World class Paris aligned developments close to markets & infrastructure



World Class Assets

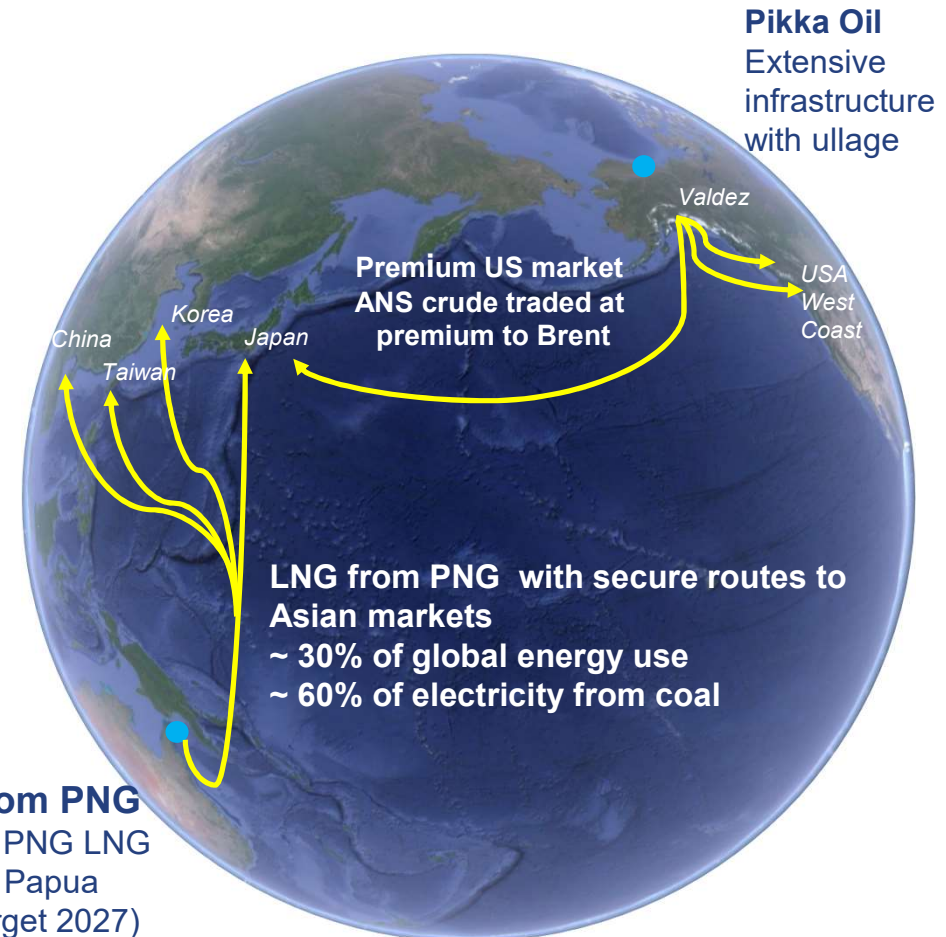
- Genuinely world class and Paris Aligned
- 30+ year high value (2P + 2C)
- LNG assets - high quality & very cost competitive
 - Proximity to market with long term demand
- Pikka Oil - low breakeven modular development
 - 80 mboe/d 1st oil 2025; 40 mboe/d modules
 - 968mmbo 2C resource

Strategy for Sustainable Growth

- 7 pillar commitment – Climate, Environment, Community, Health & Safety, People, Integrity, Economic
 - Reduce GHG intensity of operated assets 30% by 2030
 - Aim to be net zero by 2050
 - Dedicated team reviewing strategy & opportunities
- Transparent reporting and tangible targets
- All growth projects leveraging infrastructure

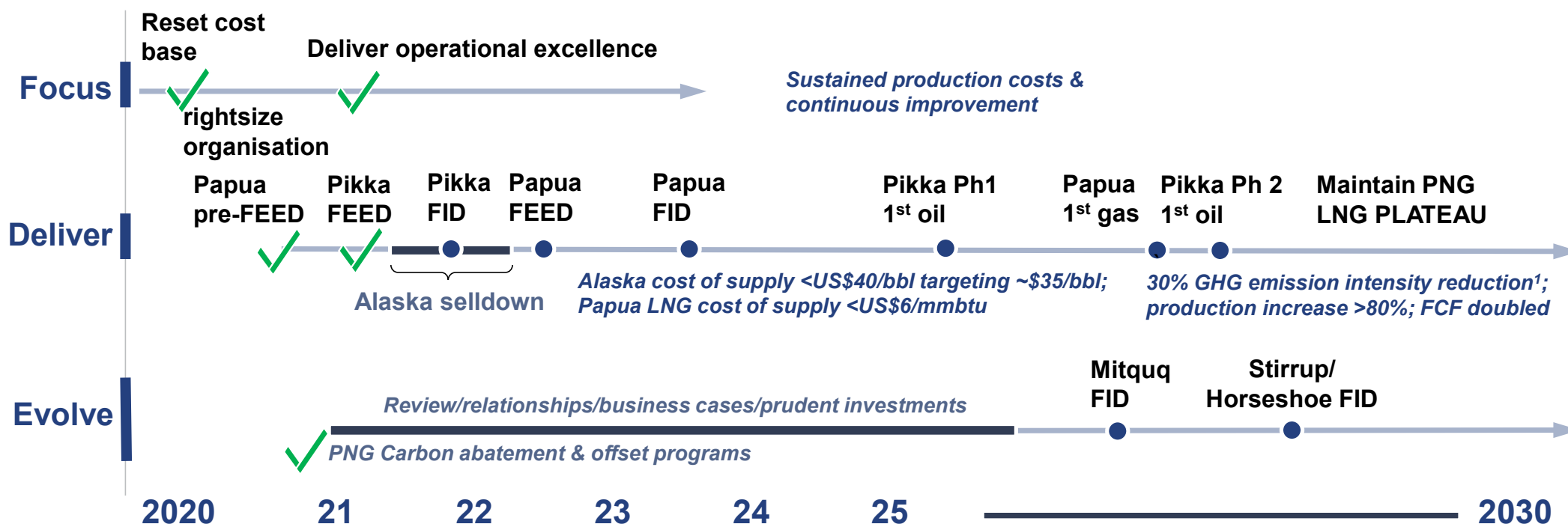
Disciplined Capital Management

- Commercializing existing resource base
- Strict portfolio prioritization, simplification & equities
- Balance sheet strengthening ahead of FIDs
- Significant deleveraging after PNG LNG debt repayment (2026) and Pikka 1st oil
- FCF > \$1.5 billion per year by 2030
- Dividend pay out 35-50% of core NPAT



Focus, Deliver, Evolve

On track to deliver on clear pathway to growth



Note: Oil Search's internal view of project development dates; (1) Overall company reduction

