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ASX Announcement

19 November 2020

ASX: OSH | PNGX: OSH | ADR: OISHY

STRATEGY UPDATE AND INVESTOR BRIEFING 2020

Oil Search has responded to a uniquely challenging backdrop in 2020 by enhancing its resilience through sustained cost improvements and a focus on commercialising growth at a highly competitive breakeven cost of supply. Today, Oil Search announces a refreshed ambition to deliver an exciting future built on a proud heritage and clarity on its strategy to meet that ambition.

At the Company's investor briefing, Managing Director, Dr Keiran Wulff, said:

"The challenges posed by the pandemic and oil price downturn, combined with global trends and societal expectations, have been the catalyst for us to review our past performance and make sustained improvements to position Oil Search for long term success.

We now have a lower cost base, are more resilient and are in a strong position to commercialise our world class resource base. Most importantly, these changes have been achieved while delivering a record safety performance and stable production, as well as enhancing employee engagement and maintaining our commitment to our communities.

Together with the structural changes in our industry as the energy transition builds pace, these challenges have highlighted our need to focus on low cost projects, measurable action on sustainability and disciplined capital management. Oil Search has a very strong oil and gas resource base and our focus is to commercialise our resources at the lowest possible cost, aligned with societal and investor expectations. We firmly believe oil and gas produced safely, responsibly and at low cost will continue to play a critical role during the transition to a renewable energy future.

Today we are outlining our renewed purpose and ambition. We will deliver low cost, low greenhouse gas (GHG) intensity, high value energy that meets society's needs with the ambition of being the preferred energy company for all stakeholders.

Our strategy to meet this ambition comprises three disciplined phases:

- We will **Focus** our business and resources on the assets that matter, driving sustained low costs and simplification of our PNG operations;
- We will **Deliver** our world class resources, starting with commercialising the Pikka development at a breakeven cost of supply of less than US$40/bbl and prioritising the delivery of Papua LNG; and
- We will **Evolve** by focusing on maximising shareholder returns and free cashflow, achieving full potential from Alaska and considering targeted complementary energy investments.

Critically, sustainability will be embedded in everything we do, building on our strong heritage of commitment to community to include new targets for operated emissions intensity, minimising our environmental footprint and ensuring our developments and operations are aligned with our commitment to be the preferred energy company for all stakeholders. We are now aiming to reduce operated GHG emissions intensity by in excess of 30% by 2030.

We have learned some hard lessons this year. We are focused on delivering near term operating cash flow and strong returns underpinned by resilient operations and disciplined capital management.

We have a clear hierarchy for allocating capital, prioritising sustaining capital and a strong, flexible balance sheet. We have stress tested our portfolio, instilled a disciplined approach to investment decisions and are well progressed in pursuing multiple options to ensure funding readiness for delivering Pikka and Papua LNG.

The quality of our portfolio and the discipline being applied will underpin the delivery of our strategy. We are excited by the future and look forward to providing regular updates on our progress against clearly stated milestones. We are committed to delivering major production growth, lower breakeven costs, lower emissions intensity and a material increase in free cash flow over the next decade."

To access the live webcast of the Investor Briefing, please follow the link that can be found at www.oilsearch.com. The webcast will commence at 09:00 AEDT.

A copy of Oil Search's Investor Briefing 2020 is attached.

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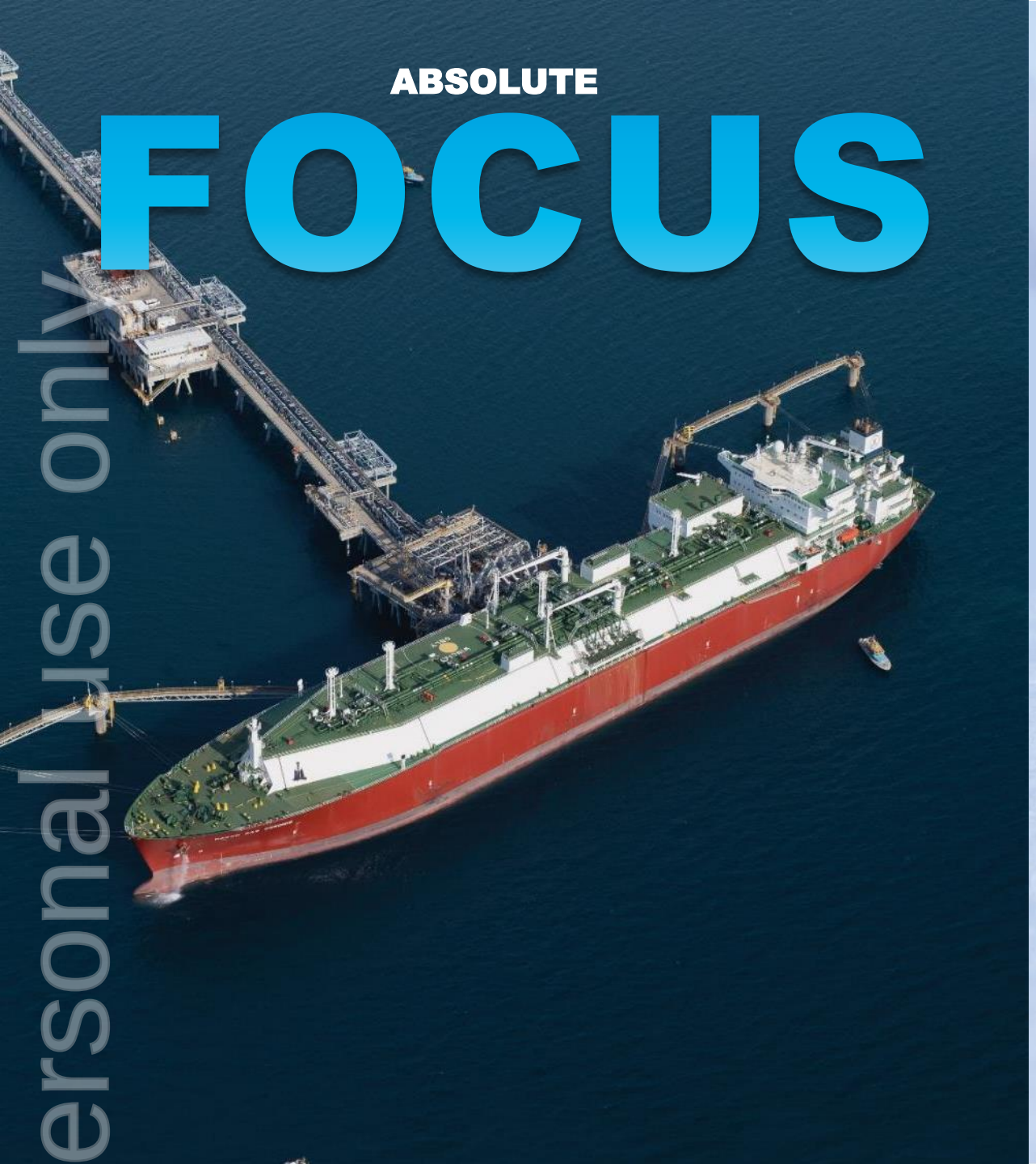
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ABSOLUTE

FOCUS





Oil Search

Investor Briefing

19 November 2020

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

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This presentation is in summary form and does not purport to be complete. It should be read in conjunction with Oil Search's periodic reporting including but not limited to its Quarterly Reports, Half Year Report, Annual Report and other ASX announcements.

This presentation contains forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of Oil Search. Actual outcomes may differ materially from those expressed in such statements, due to a variety of factors, including: oil and gas prices, the extent and duration of the impact of current market conditions including but not limited to currency fluctuations, the demand for oil, the impact of COVID-19, overall global economic and business conditions impacting our business; development and use of new technology; drilling results, field performance, the timing of well work-overs and field development, reserves depletion, progress on gas commercialisation; the actions of third parties including our competitors, partners, contractors, subcontractors, and others; regulatory and governmental issues and approvals; and other factors discussed elsewhere in this presentation, and also under the "Material business risks" section (and elsewhere) in our Annual Report.

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Preliminary

Today's speakers



Rick Lee AM
Non-Executive Chairman



Dr. Keiran Wulff
Managing Director



Bruce Dingeman
Executive Vice President, Alaska



Diego Fettweis
Executive Vice President, Commercial



Beth White
Executive Vice President, Sustainability and Technology



Stephen Gardiner
Chief Financial Officer

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Agenda

Introduction by Chairman	Rick Lee AM (Non-Executive Chairman)
Strategy Overview	Dr. Keiran Wulff (Managing Director)
Alaska	Bruce Dingeman (EVP, Alaska)
PNG	Diego Fettweis (EVP, Commercial)

10 minute break

Sustainability	Beth White (EVP, Sustainability & Technology)
Capital Management	Stephen Gardiner (CFO)
Final Remarks	Dr. Keiran Wulff (Managing Director)
Q&A	Dr. Keiran Wulff (Managing Director)

End (12:30)

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Introduction by Chairman



Rick Lee AM
Non-Executive Chairman

Strategic foundations



The **energy transition is here**, but **responsibly developed** oil and gas will continue to **play a vital role**



Society expects **measurable action on Sustainability**



Investors require **free cash flow generation and returns** underpinned by resilient operations, disciplined capital management and growth

REQUIREMENTS FOR OUR STRATEGY

Low-cost projects
resilient to price volatility

Measurable delivery
against commitments

Near term free cash flow
generation and capital discipline

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Our purpose and ambition



OUR PURPOSE

We will deliver low cost, high value energy that meets society's needs

OUR AMBITION

We will be the preferred energy company for all stakeholders

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Strategy Overview



Dr. Keiran Wulff
Managing Director

Five key global trends demand consideration in strategy



Oil demand outlook is evolving



LNG growing in prominence



Increasing sustainability focus



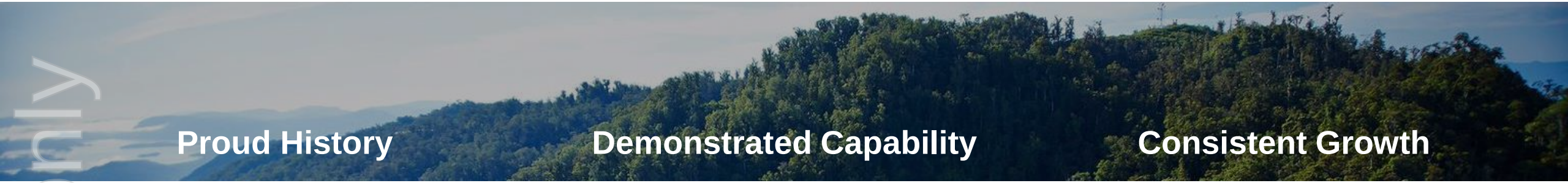
Technology an opportunity and a disruptor



Changing geopolitical context

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Oil Search has a strong track record and owns four main assets



Proud History

- Established in 1929 in PNG
- Quality resource base
- Delivered success in sustainability and community

Demonstrated Capability

- Proven capability to operate in challenging environments in PNG and Alaska
- Strong record of working with communities and stakeholders

Consistent Growth

- Consistent history of growth in phases, most recently driven by PNG LNG project (2014)
- Path to future growth is clear with opportunity to commercialise world-class assets

OUR ASSETS

PNG operated

Equity: various

Production[1]: 3 mmboe

2P: 25 mmboe

2C: 5 mmboe

PNG LNG

Equity: 29%

Production[1]: 25 mmboe

2P: 2.3 tcfGE

2C: 2.4 tcfGE

Alaska

Equity: 51%

Production: Starting 2025

2P: n/a

2C: 494 mmbbl[2]

Papua LNG

Equity: 22.8%[3]

Production: Starting 2027

2P: n/a

2C: 1.6 tcfGE

Note: Oil Search's internal view on potential start dates; (1) Production and Reserves/Resources per 2019 full year results; except Alaska which incorporates 2020 2C increases – see ASX release on 19th November 2020 for further detail. PNG LNG 2C resource includes P'nyang, Muruk, and Juha North; some non-material field resources not included; oil converted to Gas Equivalent using PNG LNG conversion factor of 5100 scfGE/bbl & gas converted to oil using same factor of 5100 scf/BOE; (2) Alaska 2C resource is net before royalties; (3) Papua LNG equity interest prior to government back-in

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In 2020 we enhanced our resilience and focused our business



Business stabilisation

- Strengthened liquidity and balance sheet
- Decisive response to COVID-19 protecting our people and assets
- Reduced 2020 capex by 40%
- Generated stable cash flow from core producing assets



Operational optimisation

- Redesigned organisation for efficiency and resilience
- Decreased production costs by US$1-2/boe, sustainably
- Continual improvement office established



Clear priorities

- Commercialise resources (2C to 2P) by lowering breakeven
- Reduce Alaska cost of supply (improved returns, halved capex)
- Focus PNG operations and simplify LNG expansion
- Embed sustainability in all decision making

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Our strategy to be the preferred energy company

1. Focus (2020-23)

- Drive sustained low costs
- Focus PNG operations and activities
- Reduce Alaska cost of supply and capex
- Optimise organisation for the future

2. Deliver (2021-25)

- Commercialise Pikka development
- Prioritise Papua LNG
- Optimise P'nyang integration approach
- Low breakeven PNG oil production add-ons

3. Evolve (2024-30)

- Shareholder returns and free cashflow
- Deliver Alaska full potential
- Consider targeted complementary energy investments
- Value accretive M&A to be assessed against growth options and capital management alternatives

Disciplined capital management is a foundational enabler

Sustainability is at the core of all decisions

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Focus on highest and fastest return on capital within our control

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Optimise cost base

US$90m

Opex savings[1] across the business

Controlling development

50%

Reduction in Alaska capex with pathway to full value

Focus on appraisal

75%

Reduction in average annual exploration capex[3]

PNG operated asset prioritisation

US$200m

Reduction in PNG exploration expense[4]

OTHER SUPPORTING ACTIONS

Continuous improvement and third party spend improvement

Reduced Alaska cost of supply[2] <US$40/bbl; targeting ~US$35/bbl

Nearfield early payout production opportunities

Five year plan for Lancos and third party support

Portfolio targeting low unit cost & resilience

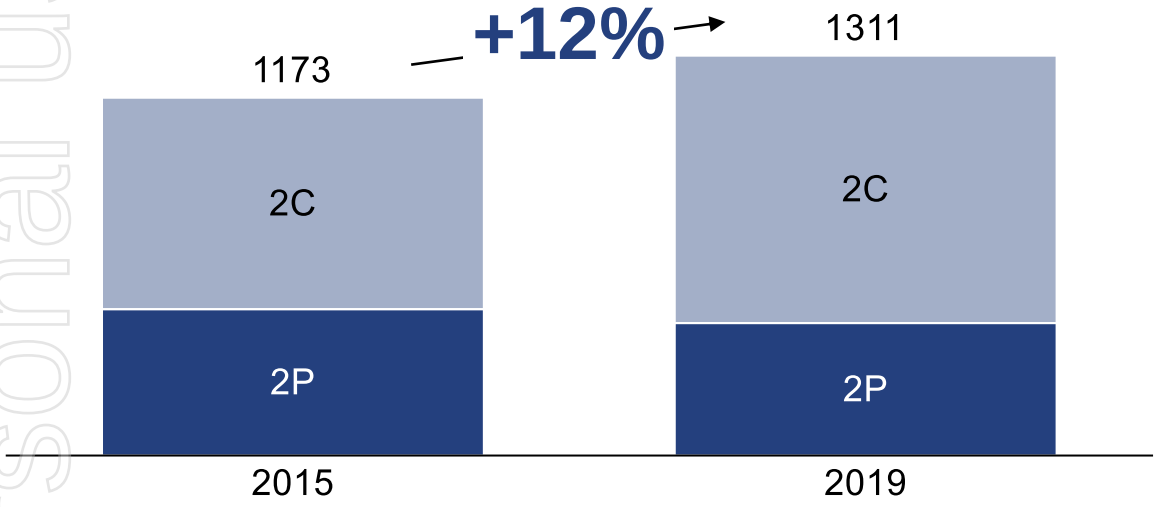
Note: (1) US$90m savings excludes one offs: restructuring and COVID-related costs, when compared with FY2020 guidance released in February 2020; (2) Cost of supply calculated as real brent price required for project investment to breakeven at 10% discount rate; (3) Reduction in average annual exploration capex based on 2017-2019 vs 2021-2023, for PNG only; (4) Reduction represents exploration capex that would have been required to retain licenses being relinquished across the lifecycle of the licences; All numbers are net to Oil Search and are estimates based on Oil Search internal estimates

We have significant growth to deliver from our world class resources



PNG: Large scale resource base with an attractive brownfield growth opportunity

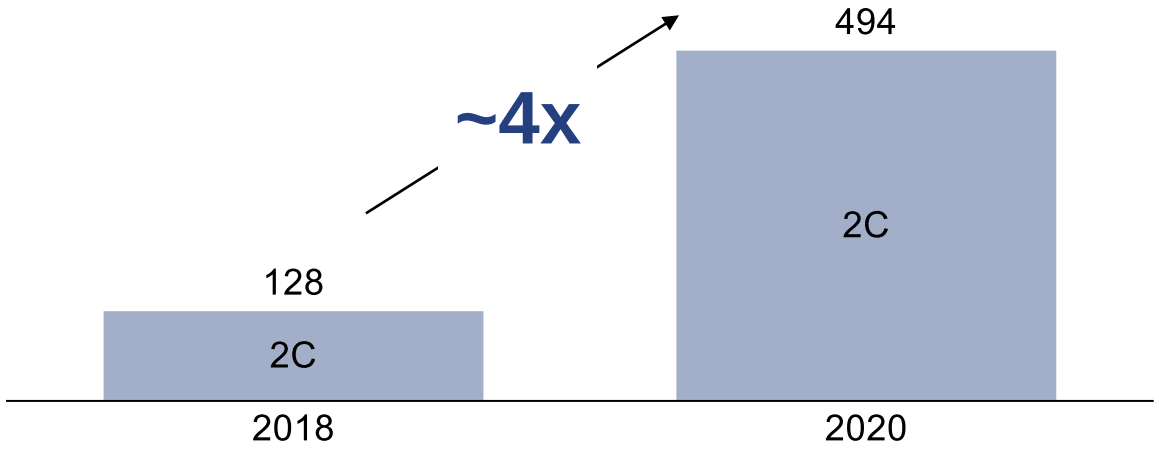
Oil Search PNG reserves and resources (mmboe)[2]





Alaska: Largest recent US onshore discovery[1] continues to grow and attract global interest

Oil Search net Alaska resources (mmbbl)[3]

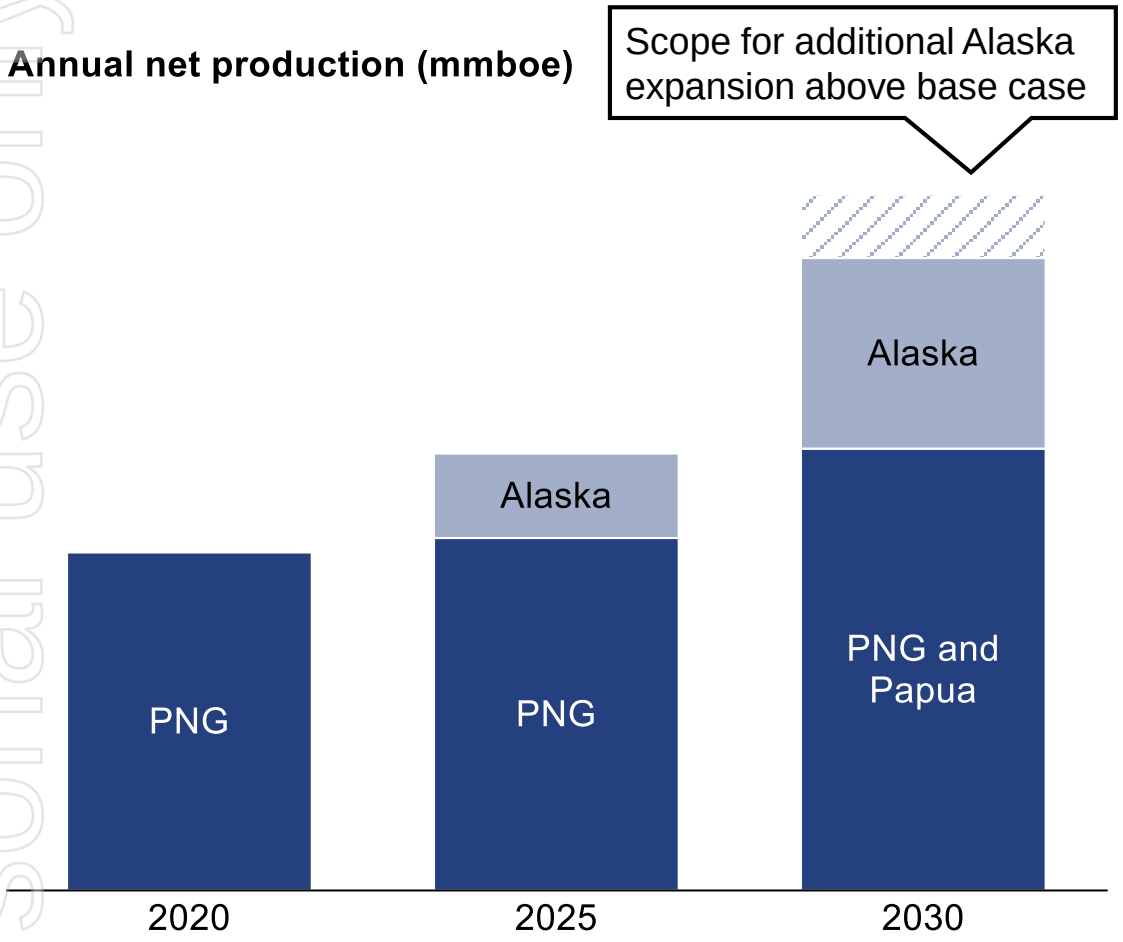


Note: (1) Source: Wood Mackenzie; (2) Reserves converted to Gas Equivalent at OSL PNG LNG conversion factor of 5100 scf/boe; Resources converted using industry standard 6000 scf/boe. Figures from annual Reserve & Resources reports; (3) Alaska resources net before royalties. See ASX release of 19th November 2020 for further detail of 2C increase

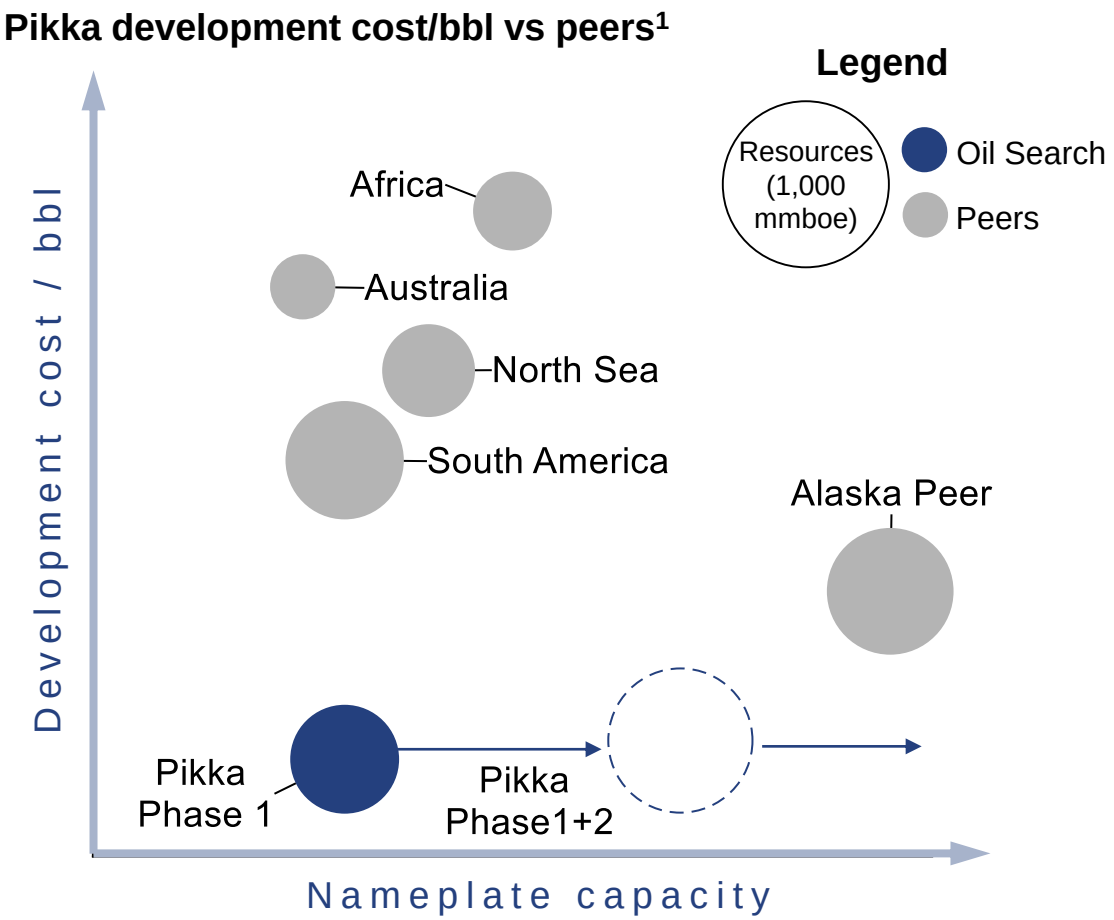
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Delivery of our growth results in high value, low breakeven and material long term production

Production increase >80% by 2030



Competitive development case vs. peer projects



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

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Building on strong sustainability foundations

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Pre-2015



Building on **strong foundations** of the **Health Foundation** and establishment of **landowner companies**

2015



Creation of the **Oil Search Foundation –** improve health services, education and women's empowerment

2016



Established **Citizen Development Programme**

2017



Established Bel isi PNG public private partnership to **combat domestic violence in PNG**

2018



Provided **>200 tonnes aid** and **2,500+ EQ casualties treated** in **PNG earthquake**

2019



Landmark Kuukpik Land Use Agreement signed in Alaska

2020



New **executive role created – Sustainability & Technology**

TODAY

New, tangible and measurable commitments on sustainability

The future of Oil Search

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	Production (mmboe p.a.)	Free cash flow (p.a.)	Free cash flow breakeven (US$/boe)	2C to 2P reserves conversion (mmboe basis)	Reduction in operated emissions intensity (unit basis)
Today	Oil / Gas **28.5** mmboe	US$100-130m	20-22	~25%	Individual asset initiatives
Targets (2028-2030)	Oil / Gas **50+** mmboe	US$1.5-2bn	17-20	~75%	>30% (whole of business, by end 2030)

- **Accountable, high performance culture**
- **Inclusive and diverse workforce**
- **Delivery on sustainability commitments**
- **Resilient balance sheet and capital discipline**

Note: Free cash flow defined as operating activities less investing activities. “Today” free cash flow is 2020 year end estimate. Production today is midpoint of Q3 guidance. Forecast methodology uses corporate assumptions and oil price assumptions as disclosed in note 13 to the 30 June 2020 half year accounts. Free cash flow breakeven is the annual average realised price at which cash flows from operating activities equals cashflows from investing activities, excluding all discretionary expenditure. All numbers are net to Oil Search, estimates only and are Oil Search’s view of potential project development dates

Milestones to track our strategy over three horizons



Focus

Sustained low costs

Optimise organisation

Deliver operational excellence

Sustained reduction of US$1-2/boe unit production costs

Deliver

Papua pre-FEED

Pikka FEED

Pikka FID

Papua FEED

Papua FID

Pikka Ph1 1st oil

Papua 1st gas

Pikka Ph 2 1st oil

Alaska selldown

Alaska cost of supply <US$40/bbl targeting ~$35/bbl; Papua LNG cost of supply <US$6/mmbtu

30% GHG emission intensity reduction[1]; production increase >80%; FCF doubled

Evolve

Mitquq FID

Stirrup/ Horseshoe FID

2020 21 22 23 24 25 2030

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

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Our strategy



01 Renewed purpose and ambition

- Deliver low cost, high value energy that meets society's needs
- We will be the preferred energy company for all stakeholders

02 Disciplined strategy delivery in three phases

- Focus our business and resources on the assets that matter
- Deliver resource commercialisation with Phase 1 of Alaska and Papua LNG
- Evolve to grow returns and monetise our deep resource base

03 Focused 2020 supports strategy

- Delivered efficiencies and improved liquidity
- Disciplined capital management
- Creating capital flexibility
- Simplification and control

04 Sustainability is part of our DNA

- Focus on protecting the health and safety of our people
- We will extend our industry leadership in community relationships into all aspects of sustainability

05 Our journey has already begun

- Building on our unique culture and world class assets
- Deliver significant, high margin production growth and commercialise our resource base

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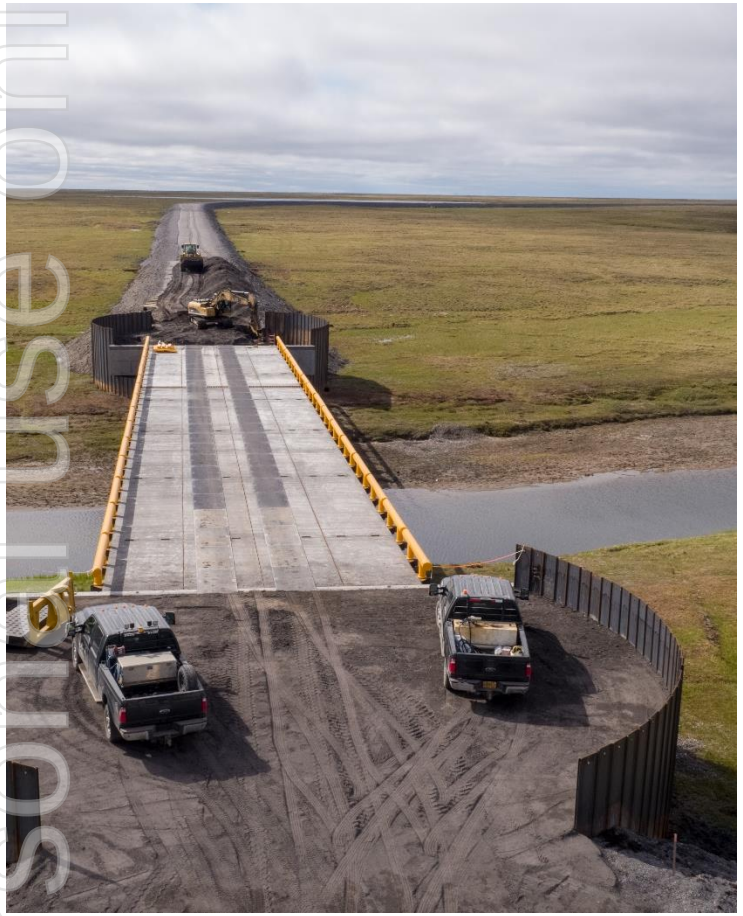
Alaska



Bruce Dingeman
Executive Vice President,
Alaska

Significant progress against critical path to 2025 first oil

Road and pad construction enables year-round access

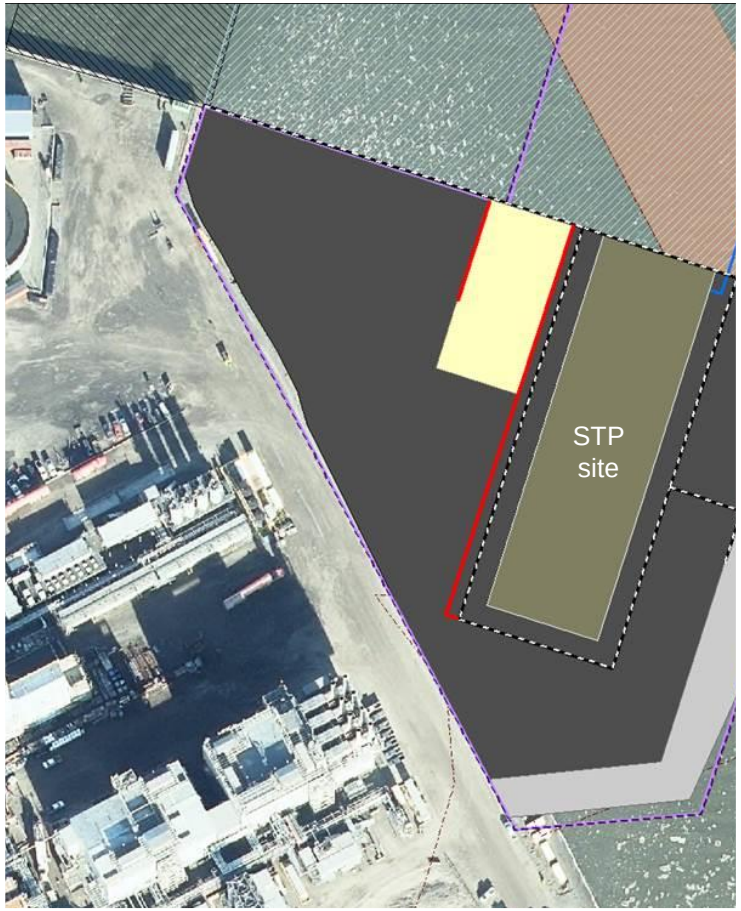


Mitquq and Stirrup discoveries, each with Pikka-scale potential





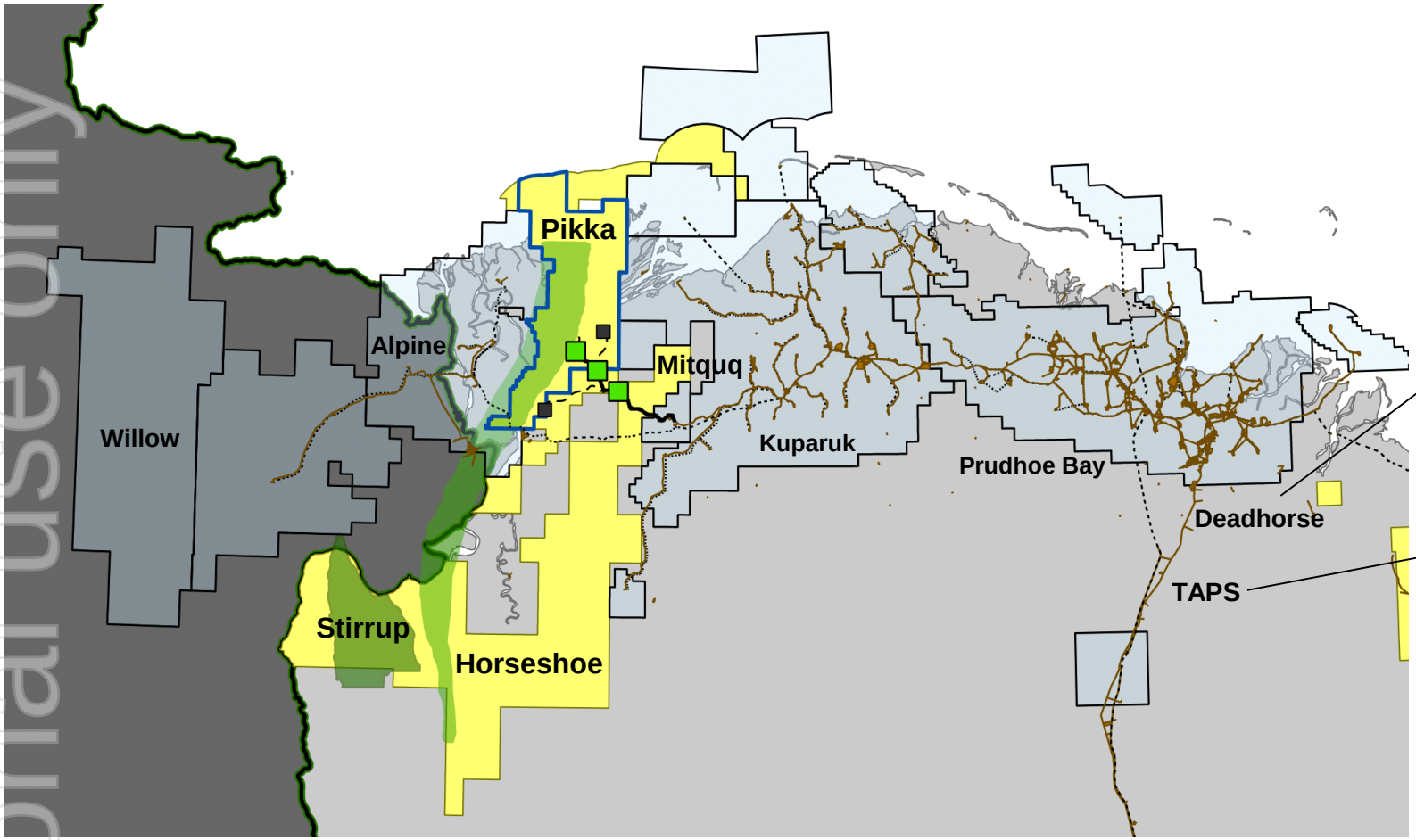
Seawater supply optimised, permit modification granted



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World class asset surrounded by infrastructure

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Key infrastructure

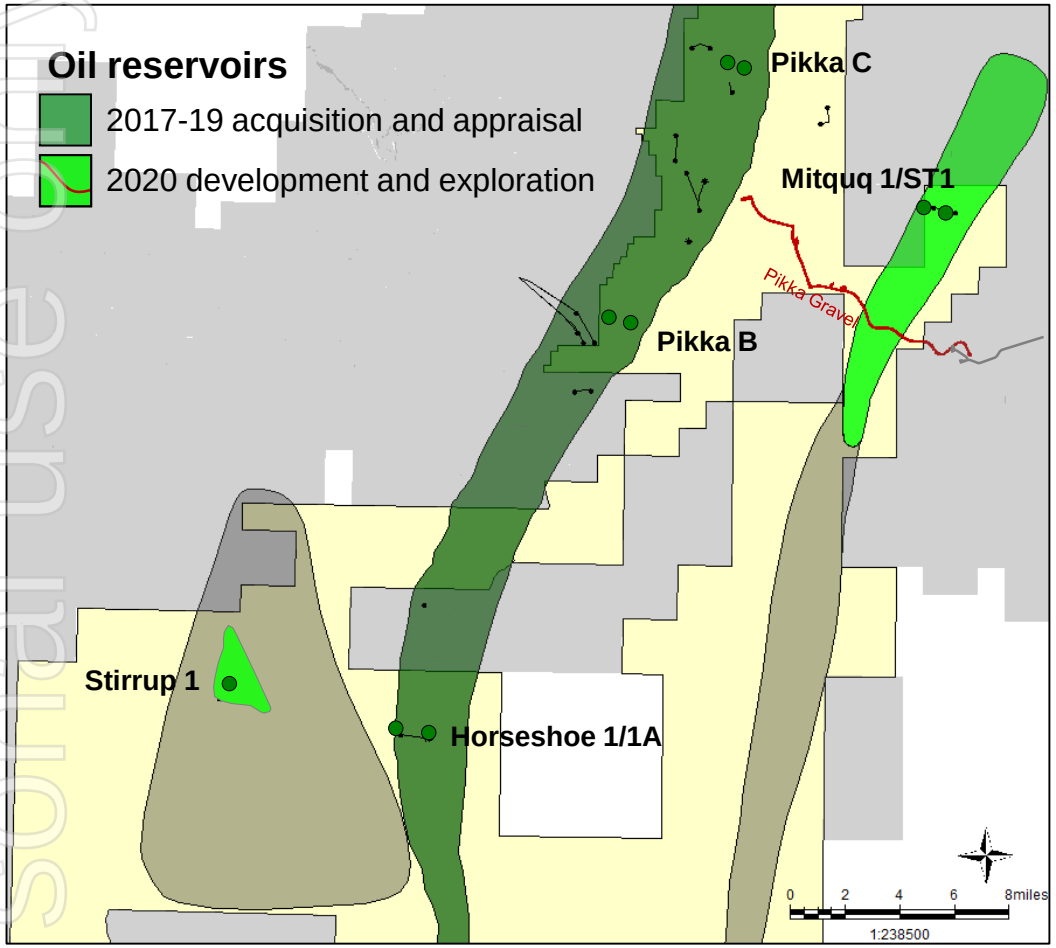




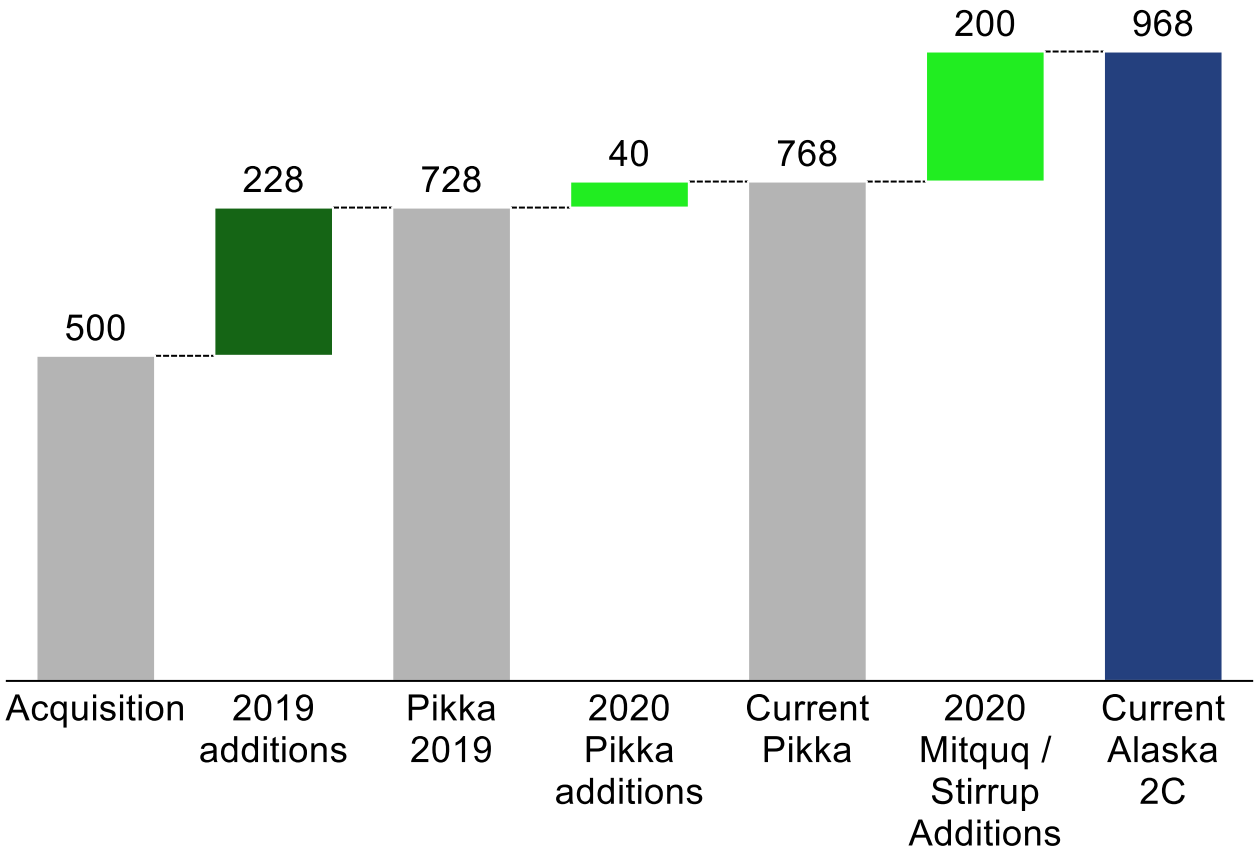


Significant growth in resources since acquisition

Current resources



2C gross resource growth[1] (mmbbl)



Note: (1) Independently certified by Ryder Scott

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Pathway to full value from phased Alaska developments

	Pikka modular development			Mitquq
	Phase 1	+	Phase 2	Backfill or Phase 3
Resource developed	350-400 mmbbl		350-400 mmbbl	TBD
Nameplate capacity	80 kbpd		+40 kbpd	+40 kbpd
Facilities capex	US$1.7 – 1.9bn		15-20% cost reduction vs. phase 1	*Development concept to be confirmed*
Drilling capex	US$1.0 – 1.2bn			
Operating costs	US$3.50 – 4.00/bbl			
Cost of Supply	<US$40/bbl		~US$35/bbl	Targeting <US$35/bbl
IRR	>20%		>20%	>25%

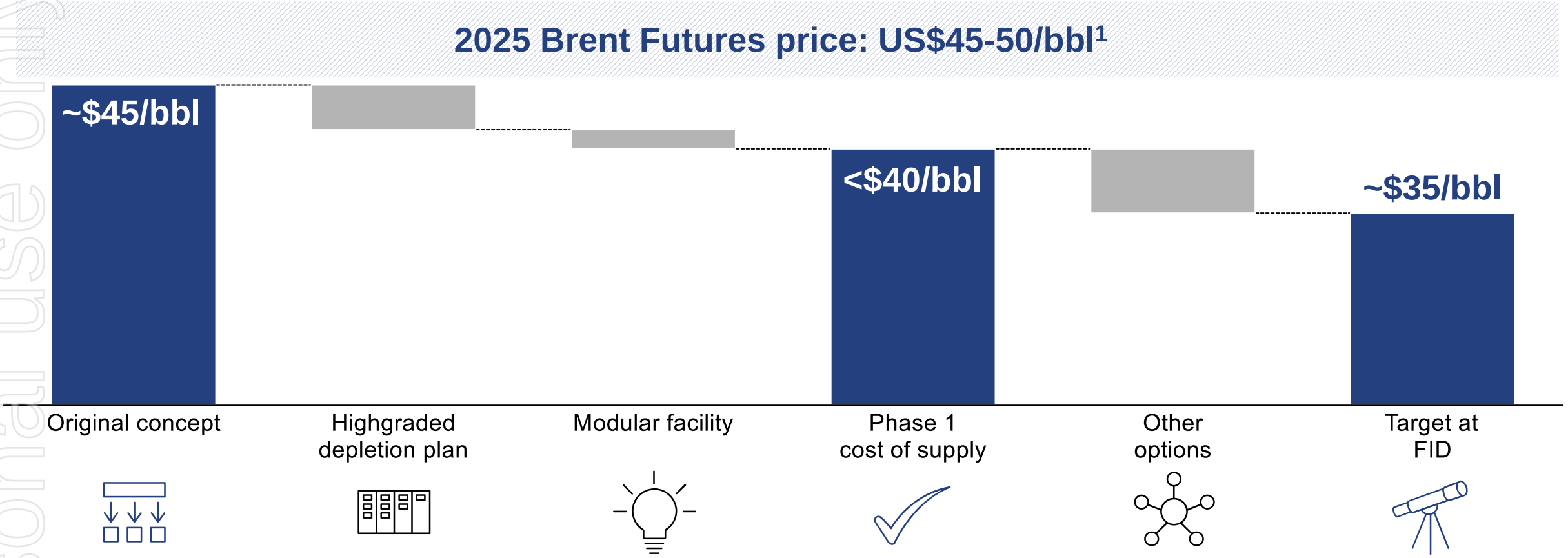
Modular concept achieves 67% of the production rate at 50% of previous cost estimates

Note: All figures cited on a gross basis. Oil Search current Pikka working interest is 51%. Cost estimates are in real 2020 terms. Facilities and drilling capex estimates include 15-25% contingency. Cost of Supply calculated as the real brent price required for project investment to breakeven at a 10% discount rate; Cost of Supply and IRR calculations assume current State of Alaska and US Federal tax rates and $7-8/bbl transportation costs to market. IRR based on price decks disclosed in note 13 to the half year financial statements ended 30 June 2020
Source: Oil Search internal estimates

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Optimised design lowers cost of supply, grows value and flexibility

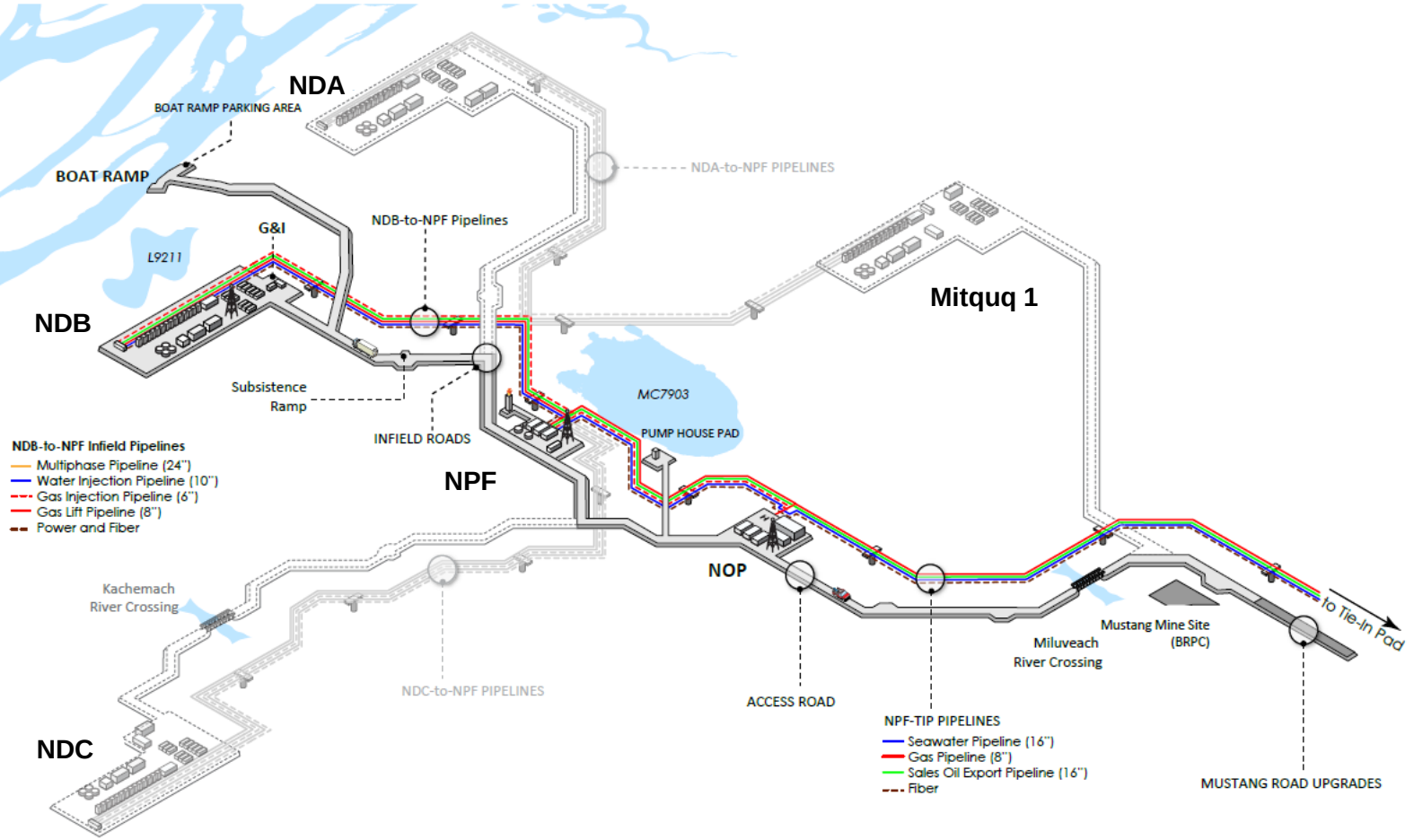
Drivers of Alaska Phase 1 Cost of Supply at 10% discount rate (US$/bbl)



Note: Cost of supply calculated as the real brent price required for project investment to breakeven at a 10% discount rate; (1) Range of Jan 2025 – Dec 2025 Brent futures contract prices as at 18 November 2020

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Phased development lowers risk, cost and drives flexibility



Development pace can be managed through price cycles

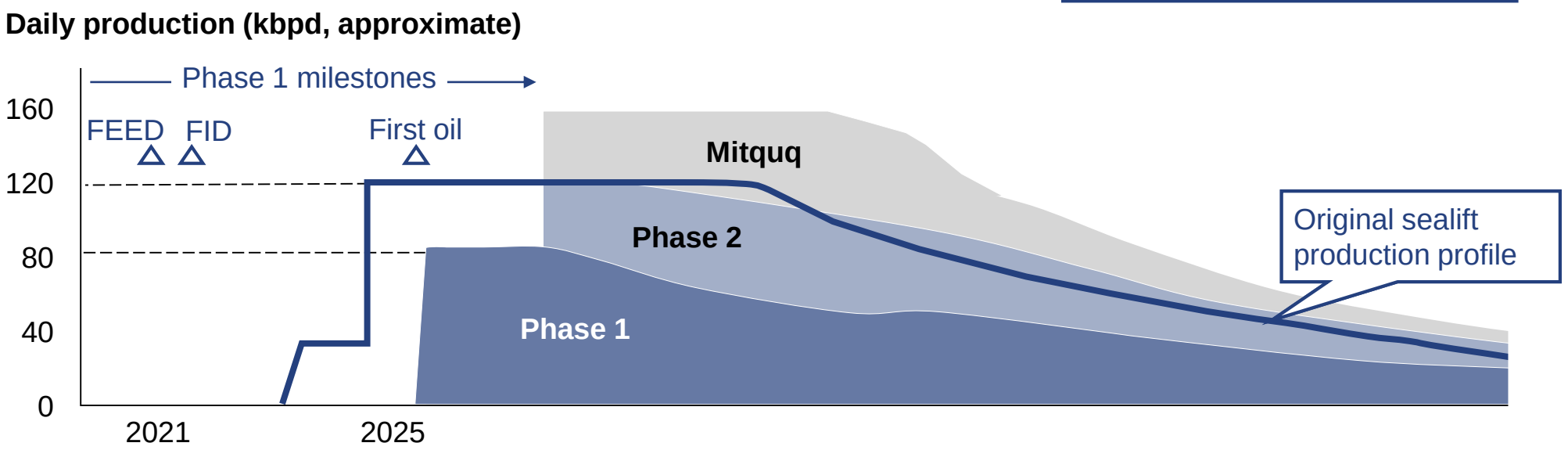
- Central road and pads ready for year-round access
- NDA and NDC are permitted for Phase 2 development
- Following appraisal and permitting, Mitquq pad can be tied back to central processing facilities with a further expansion or as backfill

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Low cost of supply delivered via use of existing infrastructure

Phased production has flexibility built in

Approximate Production Profile



Phase 1



- Pikka central facilities hub
- Pikka Phase 1

Phase 2



- Pikka Phase 2
- Current permitted scope

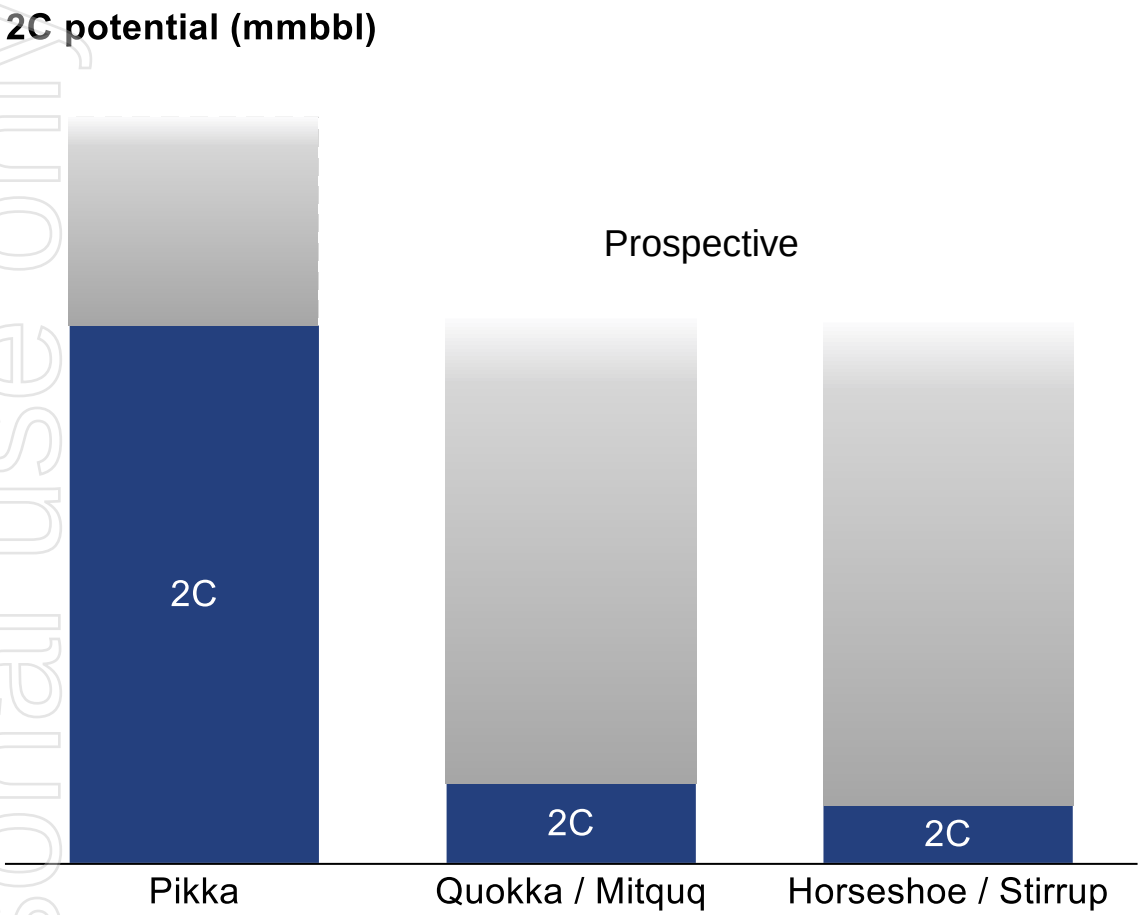
Mitquq



- Mitquq step out extension and modular expansion
- Capital efficient with increasingly low cost of supply

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Significant flexibility adds value in future developments



Future flexibility

- Pikka design optimised for efficient monetisation utilising modular expansions and tie-backs
- **Further appraisal drilling** will define **full resource potential beyond Pikka**
- **Mitquq and Stirrup** both have **Pikka-scale potential**
- **Mitquq to be commercialised** through existing infrastructure or backfill after appraisal
- Stirrup and Horseshoe, post-appraisal, of sufficient scale for a **Southern processing hub** with growth potential

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Project designed for sustainability

Development incorporates latest sustainable practices

- Pikka GHG intensity designed to be ~75% lower than the North Slope average[1]
- Proactively reduced development footprint beyond community expectations
- Electrified operations have superior GHG performance vs operations powered by generators fired from gas
- Extensive community input on road access for subsistence use and emergency response
- Support independent and transparent flora and fauna studies and benchmarking
- Opportunity creation for youth through education programs, vocational training and business development

Continuing our proud tradition of community engagement



*"Oil Search's central focus isn't just to do good business, it's to **build capacity for our people**, to **protect our lands** and it's linked to a **sustainability mindset**."*

Rex A. Rock Sr.,
President & CEO, Arctic Slope Regional Corporation



Landmark Land Use Agreement *signing with Kuukpik Corporation, October 2019*

Note: (1) Wood Mackenzie Emissions Benchmarking Tool

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Alaska



01

Design is modular and low capex

- Resilient to sustained oil prices <US$40/bbl
- Designed in close alignment with our joint venture partner

02

Highly experienced team with proven history in Alaska

- Demonstrated ability to operate responsibly
- Record drilling performance
- Control on core facilities
- Application of latest technology

03

Low emission intensity

- Facilities designed for lower GHG emission intensity
- Minimised environmental footprint

04

Desired long term ownership of 36%

- Targeting a 15% Oil Search sell-down solely or in cooperation with our joint venture partner
- Renewed market interest driven by quality and scale of conventional asset

05

Proactively working with our communities

- Committed to continuous engagement, opportunity creation and long term sustainability for our local communities

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PNG



Diego Fettweis

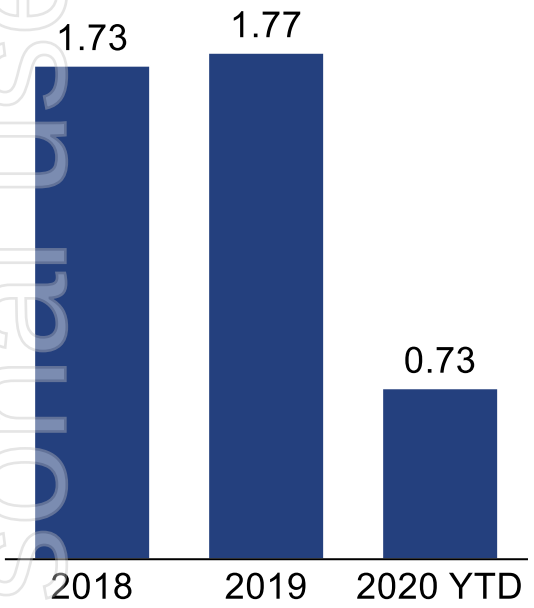
Executive Vice President, Commercial

We have been uncompromising in protecting our people and assets

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Outstanding safety performance

Operated TRIR



Early and rapid COVID response

0

COVID-19 cases at operated assets

Improving operational performance

Operated compressor uptime (YTD)



Cost reduction in operated business[1]

22%

Reduction in underlying 2020 operated production costs

Note: All numbers are net to Oil Search. Uptime refers to compressor uptime and excludes scheduled downtime; (1) Reduction for 2020 operated production cost vs. initial 2020 guidance

Our footprint in PNG is being simplified with a focus on operational performance

	Targeted outcomes	Activities
Discipline and sustained cost reduction	**40% decrease in opex by 2023[1]**	• Technology and planning driving improved tool time • Third party spend reduction • Enhancing cooperation with Lancos • Consolidate support infrastructure and logistics
Portfolio optimisation	**Maximise return on capital** **75% reduction in average annual exploration capex[2]**	• Focus on high priority, high value licenses • Release non-core acreage • Disciplined sequencing of opportunities, accounting for risk
Sustaining production	**Arrest natural decline of operated**	• Ongoing review of breakeven cost reduction programs • Infill drilling to boost productivity • Solely in-field exploration relevant to existing operations

Note: (1) Opex reduction for operated assets when compared with FY opex in 2019, based on Oil Search internal estimates. Actual opex will be subject to JV approvals (as relevant). (2) Reduction in average annual exploration capex 2017-2019 vs 2021-2023, based on Oil Search internal estimates. Actual capex will be subject to JV approvals (as relevant).

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PNG portfolio – world class assets in strategic location with options to expand

Operated assets playing a vital role in PNG LNG

- Contribute 20% of PNG LNG gas, growing into the future
- Provide cash flow
- Will be fully integrated into PNG LNG (planned by 2027)
- Support Lanco and employee capability development



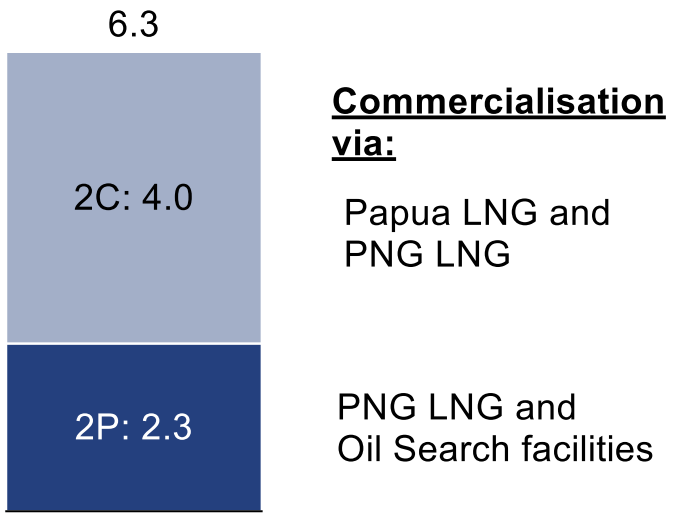
PNG LNG the cornerstone of current production

- Delivered >1.6MTPA above nameplate without additional capital
- Increased cash flow ~2026 once project loans repaid
- Multiple options to extend plateau
- PNG LNG genuinely world class – cost, product, delivery and reliability



Resource base supports expansion

Oil Search's reserves and resources associated with main gas assets (YE2019, tcfGE)



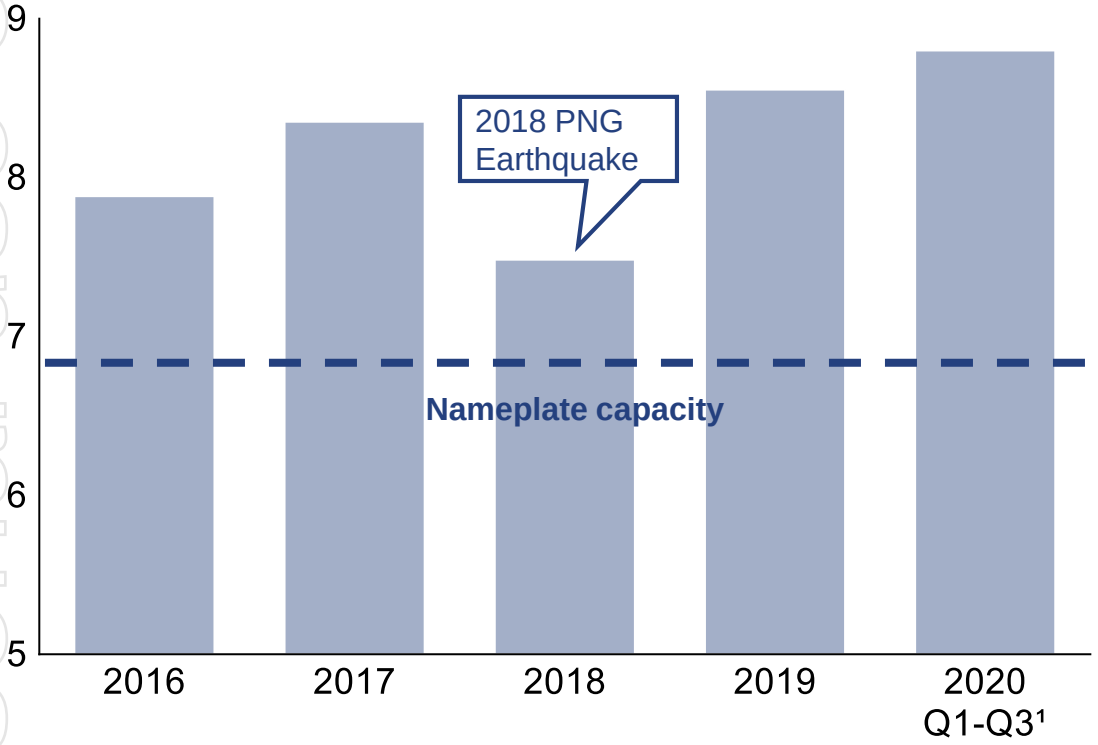


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PNG LNG – consistent out-performance

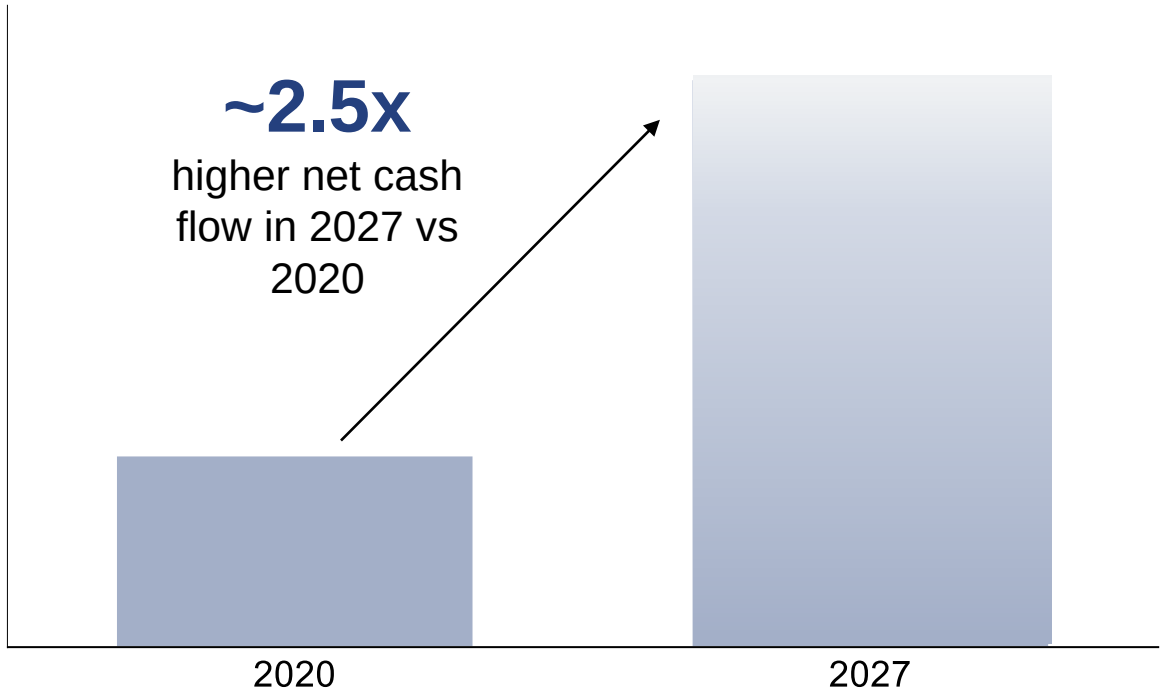
ExxonMobil continues to deliver excellent operating performance

PNG LNG annualised volumes (MTPA)



Anticipate more than doubling net cash flows from PNG LNG by 2027 as financing repaid in 2026

PNG LNG net cash flow (Oil Search estimate)



Note: Net cash flow defined as operating activities less investing and financing cash flows. Oil Search internal estimate using corporate assumptions and oil price assumptions as disclosed in note 13 to the half year financial statements ended 30 June 2020; (1) Annualised 2020 based on Q1-Q3 2020 production data

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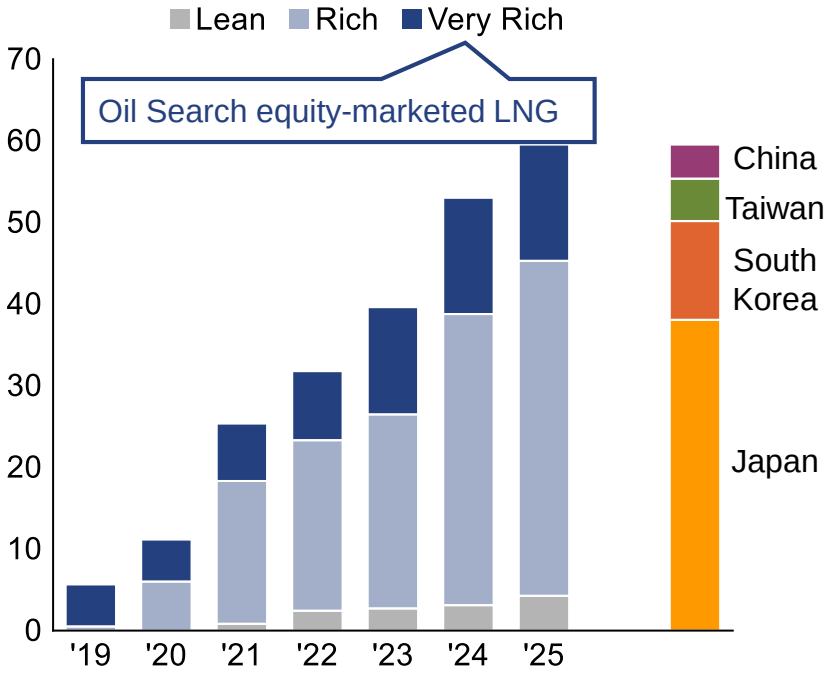
PNG uniquely positioned to fill the emerging LNG gap

Global LNG supply shortfall forecast

- Optimally placed to target supply window into Asia
- Papua LNG has competitive cost, high quality rich LNG sought after by north Asian buyers
- Favourable location is a differentiator
- LNG will remain a transition fuel of choice

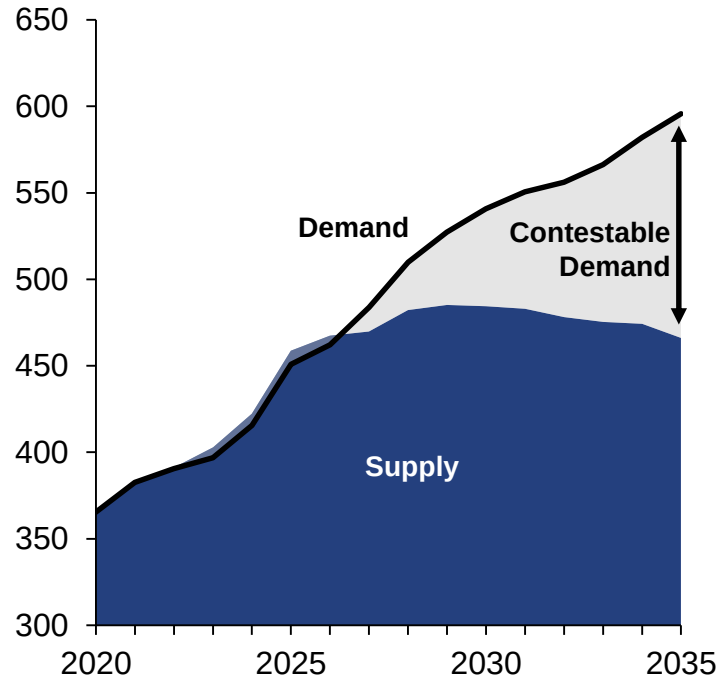
Significant volumes of Asian LNG contracts to expire

Cumulative contract expirations (MT)



Opportunity to capture share of contestable demand

LNG supply and demand (MTPA)



Note: PNG LNG / Papua LNG Heating Value: 1,120+ Btu/scf (Very Rich)
Source: Cumulative contract expiration from UBS, IHS Markit

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Strong support for Papua LNG

PNG LNG site has capacity to accommodate additional trains



- PNG Government reaffirmed strong commitment to Papua LNG
- Gas Agreement legislative amendments passed through Parliament on 11 November 2020
- Strong desire to progress discussions
- PNG Government indicated future discussions to focus on P'nyang project

Prime Minister's Statement on 11 November 2020:
*"**Papua LNG is now fully cleared**, we will now shift our attention to P'nyang …"*

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PNG



01 Uncompromising protection of people and assets

- Protected our assets and our people from COVID
- Ensured stable production and outstanding safety
- Materially and sustainably changed operating model to reduce cost

02 Strong foundation for growth

- Drive delinking of LNG expansion decisions
- Papua LNG expansion subject to market
- Lowered cost of supply from oil and LNG operations to maximise returns on capital

03 Simplification in 2020

- Rightsizing of organisation
- Simplifying the business and ensuring cost reductions are sustained
- Lowering operated emissions intensity
- Focus activity
- No near term greenfield exploration

04 PNG LNG consistently outperforms

- PNG LNG continues to outperform
- Excellent operating performance by ExxonMobil
- Debt repaid in 2026 releasing significant free cash flow

05 Equity marketing a differentiator

- Marketing of our equity LNG will be a point of differentiation
- Point to point sales, diversion rights, rich gas and proximity to growth markets

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Sustainability



Beth White

Executive Vice President,
Sustainability & Technology

Building on strong sustainability foundations

Our sustainability approach:

Oil search has a long and proven track record of partnering to deliver enduring and tangible positive impacts

Creation of the Oil Search Foundation in 2015 to promote improved health services, education, and women's empowerment and protection

Deliver measurable outcomes in partnership with our communities and host governments

Provide improved stability in our operational areas

5-year plans to be developed with our communities, which allow them to determine their own development outcomes and ensure long-term sustainable outcomes

Social Sustainability is in our DNA

Over the past 5+ years, together with our partners we have helped facilitate:

Improved health outcomes



1,000,000+ vaccinations
7,500 outreach clinics

Educational opportunities



>600 children taught to read
69 education scholarships

Positive and enduring impact



Safe delivery of ~20,000 babies
2,800 Health Workers trained

Empowering women and girls



Helped 4,000 survivors of FSV[1] to access health care, justice and accommodation

Support in time of need



Rescue shelters on North Slope.
>200 tonnes aid delivered.
126 water tanks installed

Community, Climate & Environment



Partnership to minimise environmental impacts

Note: Period 2015 to June 2020; (1) FSV: Family and Sexual Violence

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We are committed to a sustainable future as the preferred energy company for all stakeholders

Responsible delivery of low cost, low GHG intensity energy



Respecting the unique environments in which we operate



Partnering with our communities to build a sustainable future



Our commitments

Tangible

- **GHG intensity reduction in excess of 30% by 2030** for operated assets[1]
- Targeted **renewable energy and carbon offset** investments
- GHG targets linked to **executive remuneration**
- Advance **PNG Biomass Project**[2]

Transparent

- **Paris Agreement aligned** portfolio
- **No net loss of biodiversity** for new projects
- Contribute to **global biodiversity knowledge**
- Minimise our **environmental footprint**

Trusted

- **Partner to support youth** for a better future
- Work with host governments to further **sustainable development goals**
- **Role model** for good governance
- Transparent reporting

Note: (1) The base year of the target will be 2020, once completed; (2) Subject to FID

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Sustainability is embedded in all aspects of our business

DEEP DIVE ON COMMITMENTS



Climate

Responsible delivery of low cost, low GHG intensity Paris aligned projects



Environment

Respecting our unique environments



Community

Working and strengthening communities in which we operate



Health & Safety

Protecting and enhancing the health and safety of our employees, contractors and communities



People

Trusted and preferred employer and partner of choice



Integrity

Committed to doing the right thing



Economic Sustainability

Building a resilient business for our stakeholders

Commitments overseen by our Board Sustainability Committee

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Our Climate Change commitments

Our commitments



Reduce operated GHG intensity in excess of 30% by 2030[1]



Invest in Paris aligned growth projects



Make prudent investments to prepare for the energy transition

Our approach to deliver

- Lower GHG intensity through **operational excellence**
- Carbon abatement program to **reduce flaring, methane** and combustion **emissions** and use **renewables** and **batteries**
- GHG targets linked to **executive remuneration**
- Will commence **reporting equity emissions in 2021**

- Focus on **projects utilising or near existing infrastructure** e.g. Pikka, Papua LNG
- Develop **Pikka for step change GHG performance** (~75% below the North Slope average GHG emissions intensity[2])

- Make targeted investments of appropriate scale into **renewable energy and carbon offsets**
- Advance **PNG Biomass**[3], a cash flow generative project **offsetting** 160k tonnes of CO_2 annually with 20 million trees planted by 2025 (4 million already planted)

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Note: (1) The base year of the target will be 2020, once completed; (2) Wood Mackenzie Emissions Benchmarking Tool; (3) Subject to FID

Our Climate Change commitments

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Our commitment

Reduce operated GHG intensity in excess of 30% by 2030[1]

What we will do

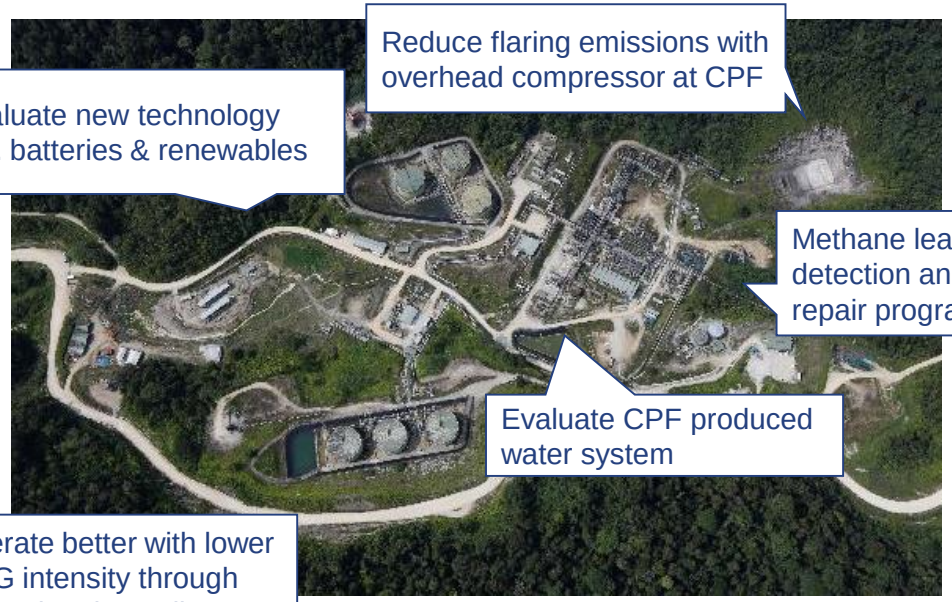
2021-24

Focus on reducing operated GHG emissions in PNG BU through operational efficiency, flaring reduction, and methane reduction[2]

2025-30

Step change reduction in operated GHG intensity with the responsible delivery of our low cost and low GHG intensity Pikka project

Our approach





PNG Biomass[3] will produce baseload renewable energy and generate 160,000 tonnes carbon offsets annually

Step change reduction in emission intensity when low cost and low GHG intensity Pikka asset begins production





Further reductions to GHG intensity and breakeven costs expected with Pikka Phase 2

Note: (1) The base year of the target will be 2020, once completed; (2) Subject to JV approval; (3) Subject to FID

Our Environment commitments

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Our commitments



Protect biodiversity



Minimise our environmental impact



Responsible approach

Our approach to deliver

- **Enhance knowledge of biodiversity by sharing studies and data** e.g. Alaska environmental field survey data
- Achieve **no net loss of biodiversity in new projects**
- **No exploration** in the **Arctic offshore** or currently inscribed **UNESCO World Heritage sites**
- Develop projects close to **existing infrastructure**
- Undertake studies and listen to communities to **enhance our environmental understanding** to better manage risk
- Expand reporting and **disclosure of environmental indicators**
- Embed **environmental value as part of decision making**

Our Community commitments

Our commitments



Support youth in our communities for a better future



Advance sustainable development



Role model good governance

Our approach to deliver

- In PNG, ~60% of the population is under the age of 25[1]
- Our priority is to partner with key stakeholders to focus on ensuring the youth of today have a brighter tomorrow
- We are committed to **improved health outcomes, gender equality, quality education and sustainable livelihoods**
- Partner with our **communities and governments** to make a **positive and enduring impact** on their sustainable development
- Our programmes will be backed by **5-year plans** that promote the **self-sustainability of our communities**
- Apply disciplined **social development and investment practices** reflective of industry and UN standards
- **Embed** governance **across all aspects of our responsible business practices**

Sources: (1) PNG National Statistical Office (NSO) population projects based on the 2011 PNG Census and UN Population Funds

Sustainability



01 Sustainability is in our DNA

- Strong history of delivered success on sustainability
- Aspire to set the standard for sustainable development
- Seven pillar model integrated across our business
- Continuous improvement culture

02 Committed to positive impact

- Responsible delivery of low cost, low GHG intensity energy
- Respecting the unique environments in which we operate
- Partner with our communities to build sustainable livelihoods
- Focus on protecting the health and safety of our people

03 Commitments are sustainable and measurable

- In excess of 30% GHG intensity reduction by 2030
- Paris aligned portfolio
- No net loss of biodiversity in new project areas
- Support youth for a better future

04 Our reporting is transparent

- Portfolio resilience testing and reporting in alignment with TCFD recommendations
- Consistently disclose our sustainability performance
- Assess and action our industry association alignment on Sustainability

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Capital management



Stephen Gardiner
Chief Financial Officer

Focus on capital management priorities sharpened in 2020



Maximise operating cash flow

- Operating costs reduced by US$90m (~20% reduction)
- Capex reduced from US$710-845m to US$390-460m
- PNG LNG maintained positive cash flow despite oil prices



Strengthening balance sheet

- US$700m equity raising to strengthen balance sheet fully allocated to existing investors
- US$300m short term loan extension negotiated and agreed
- Debt refinancing strategies for FY21 well advanced



Enhancing capital efficiency

- Alaska capex halved, improving returns and value
- Stress tested portfolio for a range of scenarios
- Instilled disciplined approach to investment decisions

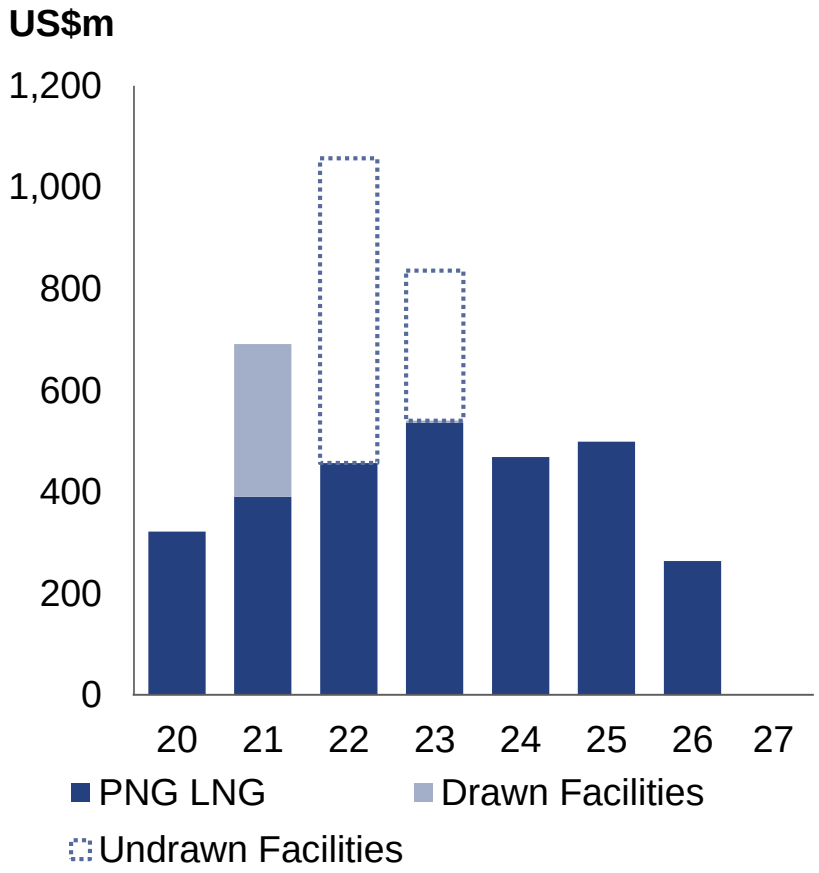
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Strengthened balance sheet underpinned by PNG LNG cash flows

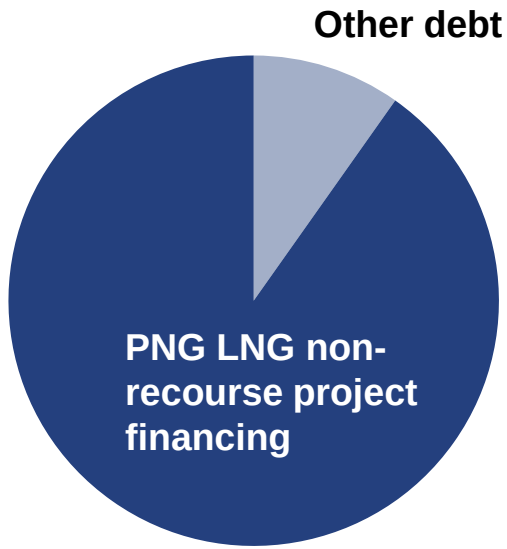
Liquidity and net debt as of 31 Oct 2020

	US$m
Cash	746
Undrawn bank facilities	896
Total Liquidity	**1,642**
Drawn bank facilities	304
PNG LNG project finance (Non-recourse)	2,804
Total debt	**3,108**
Net debt	**2,362**

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



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



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High quality producing assets with robust cash flow generation

October 2020 Full Year Guidance

	Low	High
Costs		
Unit production costs (US$/boe)	9.50	10.50
Other operating costs (US$m)	90	110
Depreciation and amortisation (US$/boe)	12.00	13.00

Production (mmboe)	**Low**	**High**
Oil Search Operated	3	4
PNG LNG Project	24.5	25.5
Total production	**27.5**	**29.5**

Investment expenditure (US$m)	**Low**	**High**
Production	45	55
Development	135	155
Exploration and evaluation	185	210
Other plant and equipment	20	30
Power	5	10
Total investment expenditure	**390**	**460**

Indicative expectations for 2021

- Higher operating expenditure and lower production in 2021 due to one off events:
  - Scheduled PNG LNG and CPF maintenance
- Sustainable cost reductions to continue, 2021 to 2023

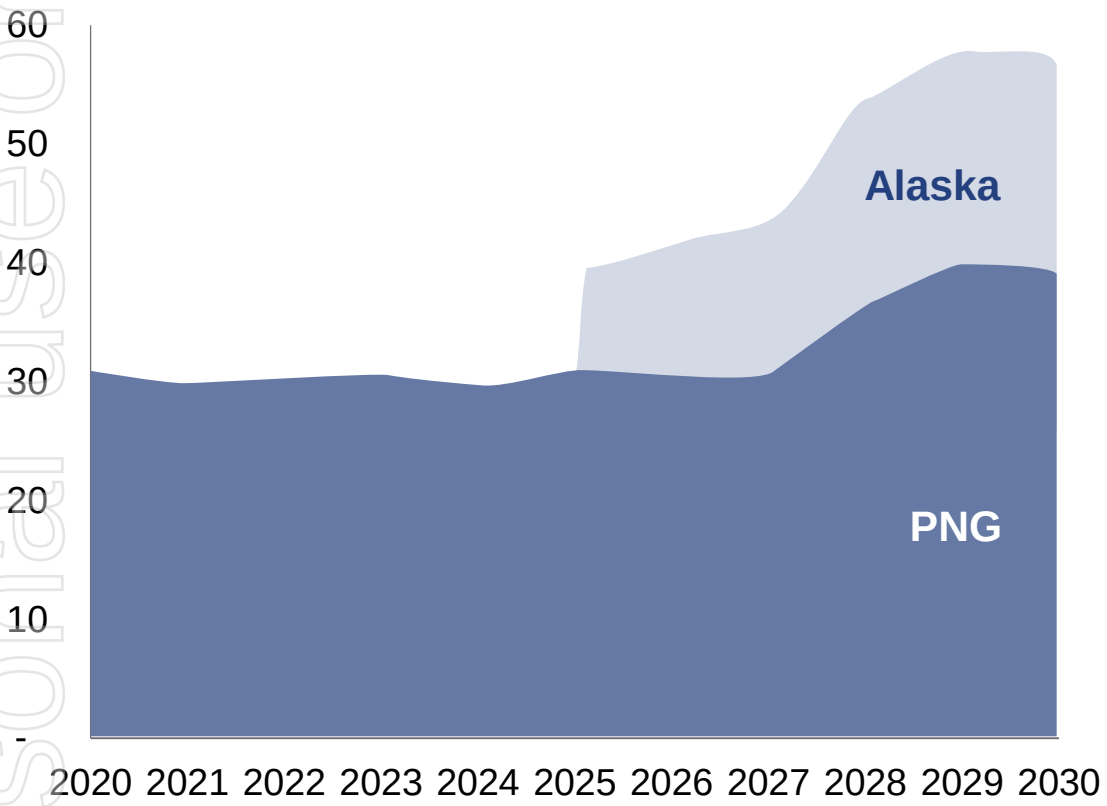
- Investment expenditure expected to be below 2020 levels
  - Focus on key value drivers that underpin strategy
  - 3 year development of Angore expected to commence in 2H2021
  - No greenfield exploration expenditure
- Progress on growth projects dependent on market conditions

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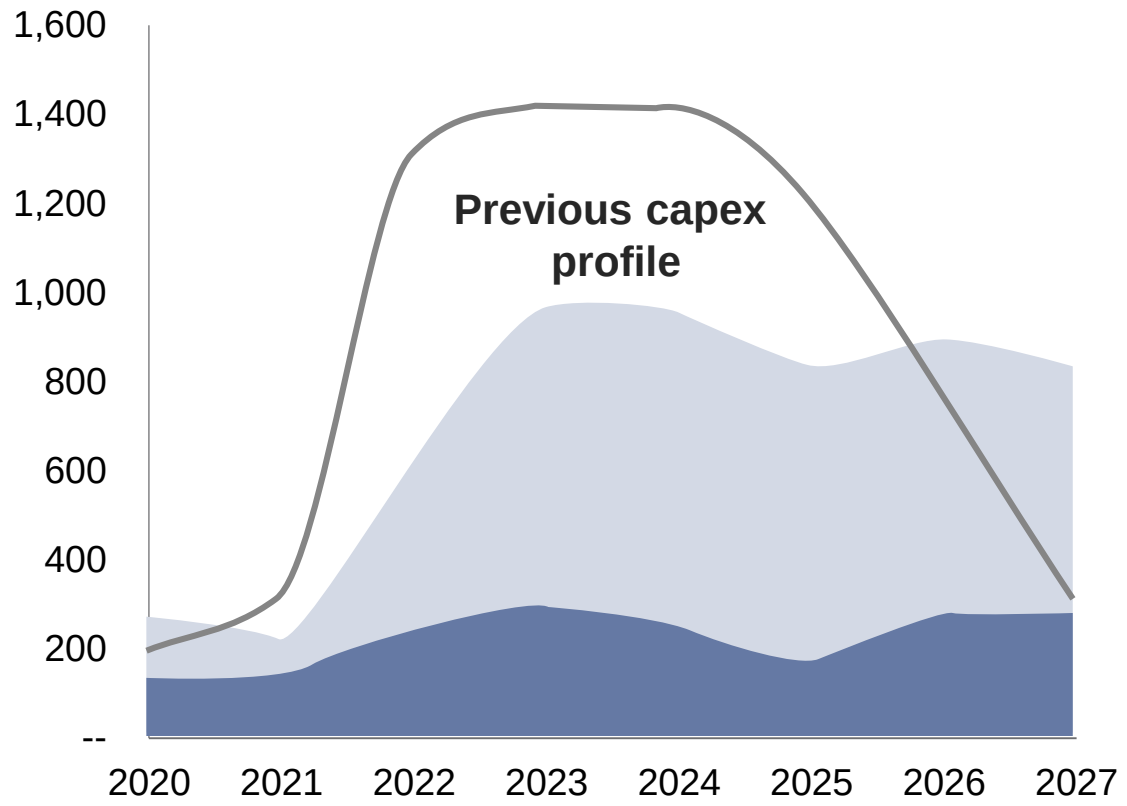
Significant production uplift with substantially reduced capex

Significant reduction in growth capital expenditure after project rephasing and redesign

Production chart (mmboe)



Indicative capex per year (US$m)



Source: Oil Search internal estimates. Sustaining capex comprises PNG LNG and operated assets. Growth capex comprises Papua and Pikka Phase 1 capex

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Funding readiness for refinancing and growth well progressed

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	Current exposure	Base case
PNG LNG	US$2.8bn to repay by mid-2026	Debt non-recourse and serviced by project cash flows
Alaska	US$0.8-0.9bn (36% share) to fund development to first oil post FID	Targeting financial readiness by FID via (i) 15% selldown, (ii) project debt and (iii) infrastructure opportunities
Papua LNG	No material expenditure prior to FEED	Likely to project finance in alignment with project partners
Corporate	Cash of US$746m Drawn facility of US$304m Undrawn committed facilities of US$896m	Repayment of US$300m in Jun-21 Refinancing plans for corporate facilities underway

We are actively pursuing multiple funding options and strategic levers

- Alaska selldown (aligned with joint venture partner)
- Corporate level finance (bank and capital markets)
- Project level finance (bank and capital markets)
- Off balance sheet funding
- Oil price hedging
- Focused expenditure control
- Optimising LNG expansions
- Control over Alaska FID timing
- Asset sales

Oil price remains a material swing factor – each $5/bbl increase contributes extra ~US$120m revenue[1]

Note: (1) Average annual revenue for 2021-2023 per Oil Search internal estimates

Disciplined approach to capital management

Capital Allocation Hierarchy

Sustaining capital

- Capex focused on safety of operations and continuity of production
- Sustaining capex funded from operating cash flows

Strong, flexible balance sheet

- Preserve strong balance sheet and access to liquidity
- Long term target gearing ~25% with clear pathway for significant deleveraging ~2025
- Consider hedging strategies to manage oil price risk

Pikka and Papua LNG delivery

- Commercialise Pikka development and Papua LNG

Dividends

- Proportional dividend policy of 35-50% of core NPAT, subject to Board discretion
- Dividend reinvestment plan can be activated to reinforce balance sheet

Acquisitions / capital returns

- Recognise capital returns are a key component of shareholder value
- Future value accretive M&A to be assessed against growth options and capital management alternatives

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Capital management



01 Lessons learned

- Disciplined focus on what can be controlled – costs, balance sheet, capital allocation
- Rigorous downside planning to ensure options are identified

02 Clear strategic priorities

- Preserving cash flow stability through production continuity and cost control
- Selling down Alaska
- Proactively managing balance sheet and identifying various funding solutions
- Implement financing for Alaska pre-FID

03 Resilient balance sheet

- Maintain balance sheet flexibility to manage capital through the commodity cycle
- Strong operating performance and cash flow

04 Disciplined capital allocation framework

- Disciplined approach to capital allocation and core growth prioritisation
- Flexible distribution policy

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Final remarks



Dr. Keiran Wulff
Managing Director

Final remarks



01 Renewed purpose and ambition

02 Disciplined strategy delivery in three phases

03 Capital discipline to commercialise our high value world class resources

04 Enhancing resilience and low breakevens across our business

05 Sustainability is part of our DNA

06 We are absolutely focused

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Our strategy is disciplined, considered and clear

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Our Purpose

We will deliver low cost, high value energy that meets society's needs

Our Ambition

We will be the preferred energy company for all stakeholders

Our Strategy

1. Focus (2020-23)

- Drive sustained low costs
- Focus PNG operations and activities
- Reduce Alaska cost of supply and capex
- Optimise organisation for the future

2. Deliver (2021-25)

- Commercialise Pikka development
- Prioritise Papua LNG
- Optimise P'nyang integration approach
- Low breakeven PNG oil production add-ons

3. Evolve (2024-30)

- Shareholder returns and free cashflow
- Deliver Alaska full potential
- Consider targeted complementary energy investments
- Value accretive M&A to be assessed against growth options and capital management alternatives

Disciplined capital management is a foundational enabler

Sustainability – at the core of all decisions

- An **uncompromised approach** to health and safety across our business
- Tangibly **reduce** our environmental footprint, **protect** biodiversity and **deliver** Scope 1 & 2 operated emissions intensity reductions in excess of 30%
- **Commit** to ensuring communities are **better off** and more **sustainable** long term as a result of our engagement

Measures of success

Safety and production	Cost of Supply	Commercialise 2C resources	Breakeven	Free cashflow	Gearing	GHG emission intensity	Biodiversity

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Questions and answers

Glossary

Acronym	Definition
$	United States Dollars
2C	Best estimate of contingent resources
2P	Proven and probable reserves
bbl	Barrel
Boe	Barrel of oil equivalent
Cost of supply	Real Brent price required for project investment to breakeven at 10% discount rate
DRP	Dividend Reinvestment Plan
FCF	Free Cash Flow is defined as cashflows from operating activities less cashflows from investing activities
FCF breakeven	Annual average realised price at which cash flows from operating activities equals cashflows from investing activities
FEED	Front End Engineering and Design
FID	Final Investment Decision
GHG intensity	Greenhouse Gas intensity of production
IRR	Internal Rate of Return
kbpd	Thousand barrels per day
Lancos	Land owner companies in Papua New Guinea
mmbbl	Millions of barrels of oil
mmboe	Millions of barrels of oil equivalent
MTPA	Million Tonnes Per Annum
tcfGE	Trillion cubic feet Gas Equivalent
TCFD	The Taskforce on Climate related Financial Disclosures
TRIR	Total Recordable Incident Rate

Preliminary Presentation

Notes to Petroleum Reserve & Resource statements

1. Unless otherwise stated, all petroleum reserves and resources estimates refer to Oil Search's 2019 Reserves and Resources Statement released to the ASX and PNGX on 25 February 2020 which is also available at www.oilsearch.com/investors/asx-releases.
2. The 2019 Reserves and Resources Statement has been updated by Oil Search's announcement released to the ASX and PNGX on 19 November 2020.
3. Oil Search is not aware of any new information or data that materially affects the information included its 2019 Reserves and Resources Statement as updated by the 19 November 2020 ASX announcement. All the material assumptions and technical parameters underpinning the estimates in the 2019 Reserves and Resources Statement as updated by the ASX announcement released on 19 November 2020 continue to apply and have not materially changed.

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