



Oil Search

Oil Search Alaska

The Alliance Forum

4 October 2018, Fairbanks

Oil Search Limited

ARBN 055 079 868



Safety Moment – PNG Seismic Acquisition



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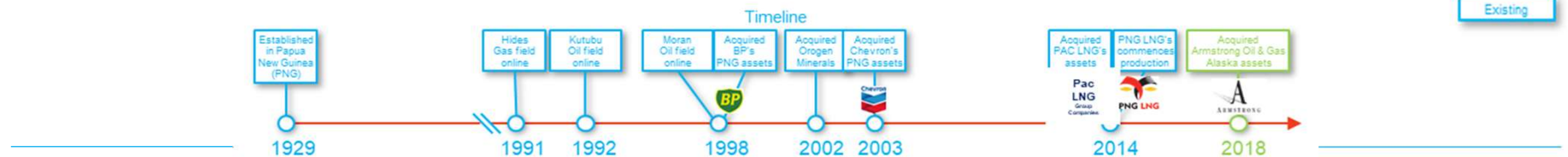


Oil Search: Today

- » Established in Papua New Guinea (PNG) in 1929
- » ~1,300 employees
- » Significant oil and gas producer with world class assets in PNG
 - We operate all PNG oil fields
 - PNG LNG
 - Papua LNG
 - P'nyang, Kimu & Barikewa gas fields
- » Oil Search has a strong balance sheet and the capacity to fund projects in both PNG and Alaska
- » Alaska investments:
 - World-class leases - Nanushuk Development - Pikka Unit
 - Exploration & New Business



Transformed from a small company to a top 30 Australian Securities Exchange-listed company



Operating Capability: Safe, Innovative, Reliable & Committed



Drilling Operations (Mananda)



Seismic Operations (Kutubu)



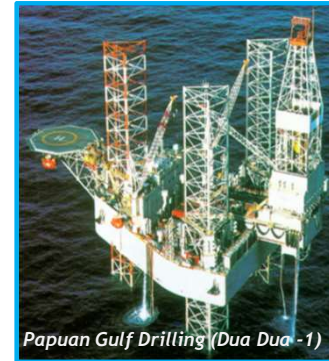
Oil Operations (Kutubu)



Oil Production - Hegigio Gorge



Seismic Operations (Gobe)



Papuan Gulf Drilling (Dua Dua - 1)

Operating Capability: Extensive International Operating Experience in Remote & Challenging Environments



Seismic Operations (Yemen)



Seismic Operations (Iraq)



Iraq Drilling (Taza 1)



Pipeline Construction (Yemen, Nabrajah)



Oil Search: Building our Team

- » Strong Alaskan & international Capability
 - Over 75 Oil Search employees & direct contractors
 - Over 335 combined years of US oil and gas experience
 - Over 240 combined years of North Slope experience
 - Extensive global and remote experience
 - Advancing key strategic alliances & relationships
- » Building a Diverse company
 - We cultivate partnerships where we operate to create local and regional opportunities
 - Promote local culture and heritage to improve all facets of our operation



Alaska 2018 Business Priorities: Building the Foundations



- » Building team, agreeing programs, setting priorities, deliverables and accountabilities
 - Building integrated and empowered team in Anchorage (currently 50 employees, expect ~100 by end 2018)
- » Aligning the Joint Venture:
 - 2018/19 work programme (appraisal and development) and budget
 - Contracting and alliancing strategies
 - Immediate and long-term exploration priorities
- » EIS optimization and long-term access agreements:
 - Ensure EIS submission supports Record of Decision in 2Q19
 - Listen to community concerns, build long-term alignment and access
- » Setting pathway for optimized cooperation with key stakeholders:
 - State, ConocoPhillips and local Native corporations



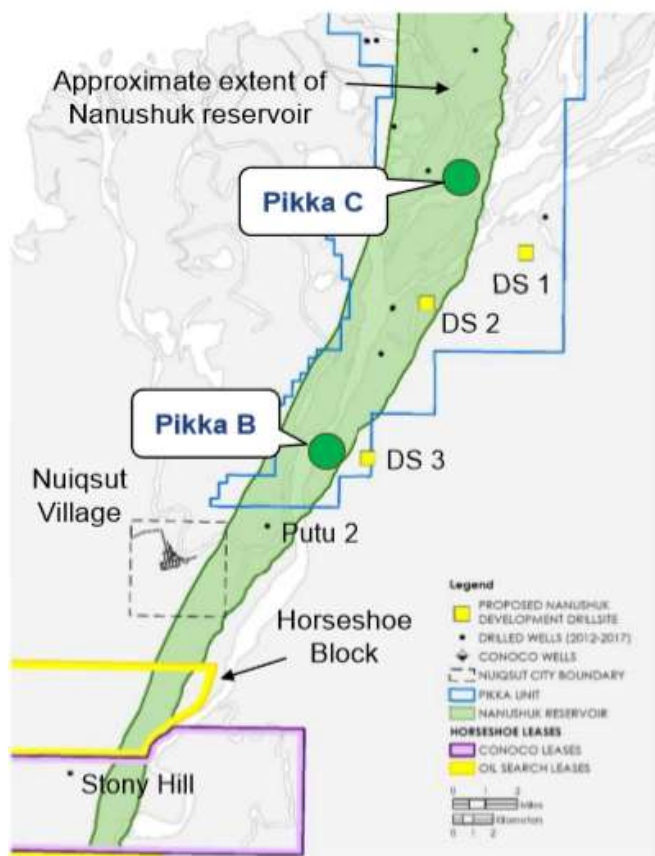


Community & Stakeholder Alignment



- » Meetings with key community organizations have commenced and will be ongoing
- » Addressing community concerns in the EIS
- » Negotiating a Land Use Agreement based on the following principles:
- » Building a thorough community engagement program to ensure alignment by:
 - Establishing an office in the village
 - Minimizing environmental footprint & interference to subsistence
 - Defining sustainable and material business opportunities for the North Slope
 - Defining other community & joint initiatives
 - Defining & agreeing direct jobs, 3rd party services & long term education support for future workers to maximize local content
 - Preserving and respecting culture

2018/19 Work Program Focused on Maturing Pikka Resource Estimates



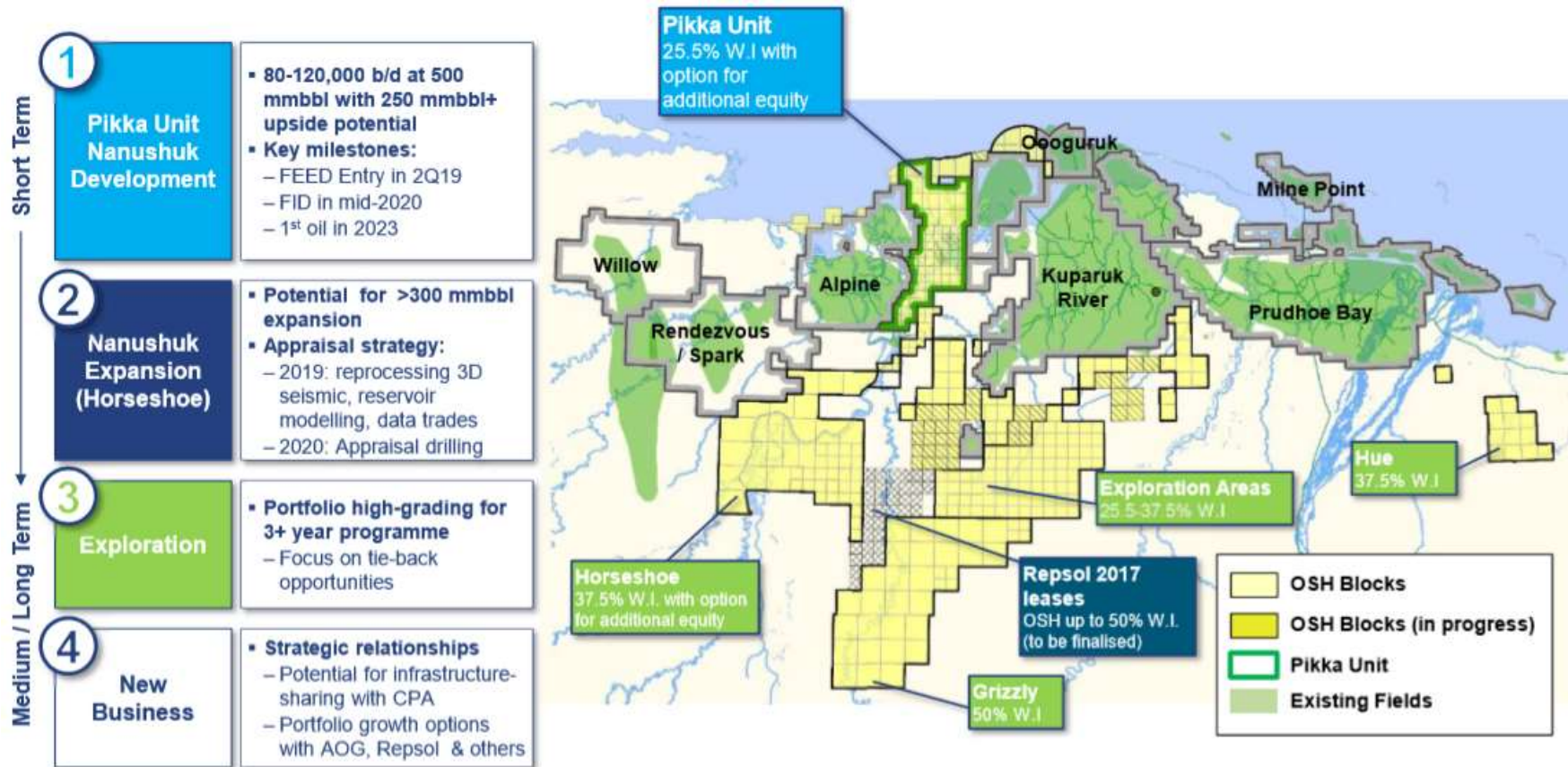
- ❖ Planning to drill two appraisal wells to constrain continuity of Nanushuk reservoir of Pikka Unit:
 - Pikka B and Pikka C locations identified, sites surveyed
- ❖ Aim to add 1C around DS 3 and constrain 2C resources in Pikka Unit
- ❖ Define volumes for FEED decision in 2Q19:
 - Recent subsurface work and results of COP's Putu 2 well indicate potential resource upside in Pikka Unit above OSH estimate of 500 mmbbl gross
 - Learnings from COP's technical advances
 - EIS optimisation and long-term access agreements with objective of Record of Decision in 2Q19
- ❖ Undertake Pre-FEED Optimisation Studies

Current OSH estimate

Reservoir	2C (mmbbl)
Nanushuk	400
Satellite Reservoirs	100
Total	500

2018/09 appraisal programme targeting moving >250mmbbl from 3C to 2C and appraising material upside, as recognised by joint venture partners

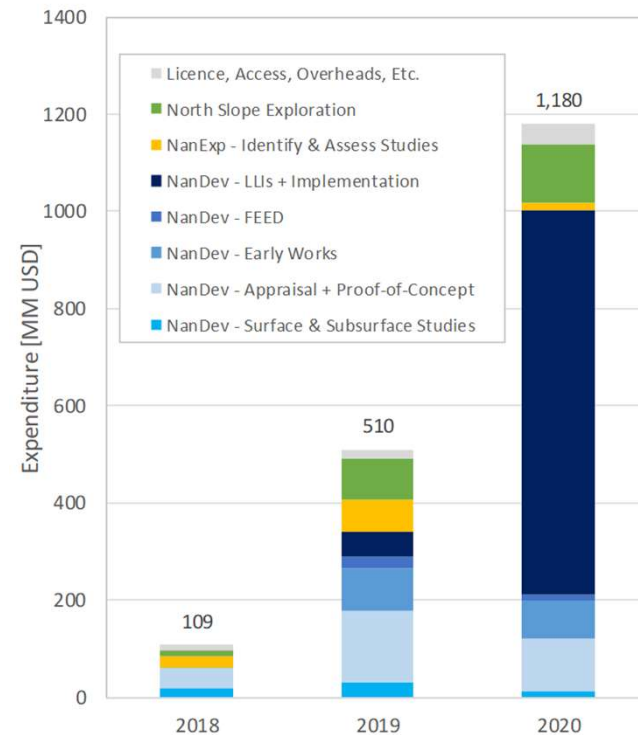
Alaska – Balanced Portfolio with Four Stages of Growth





Pikka Development

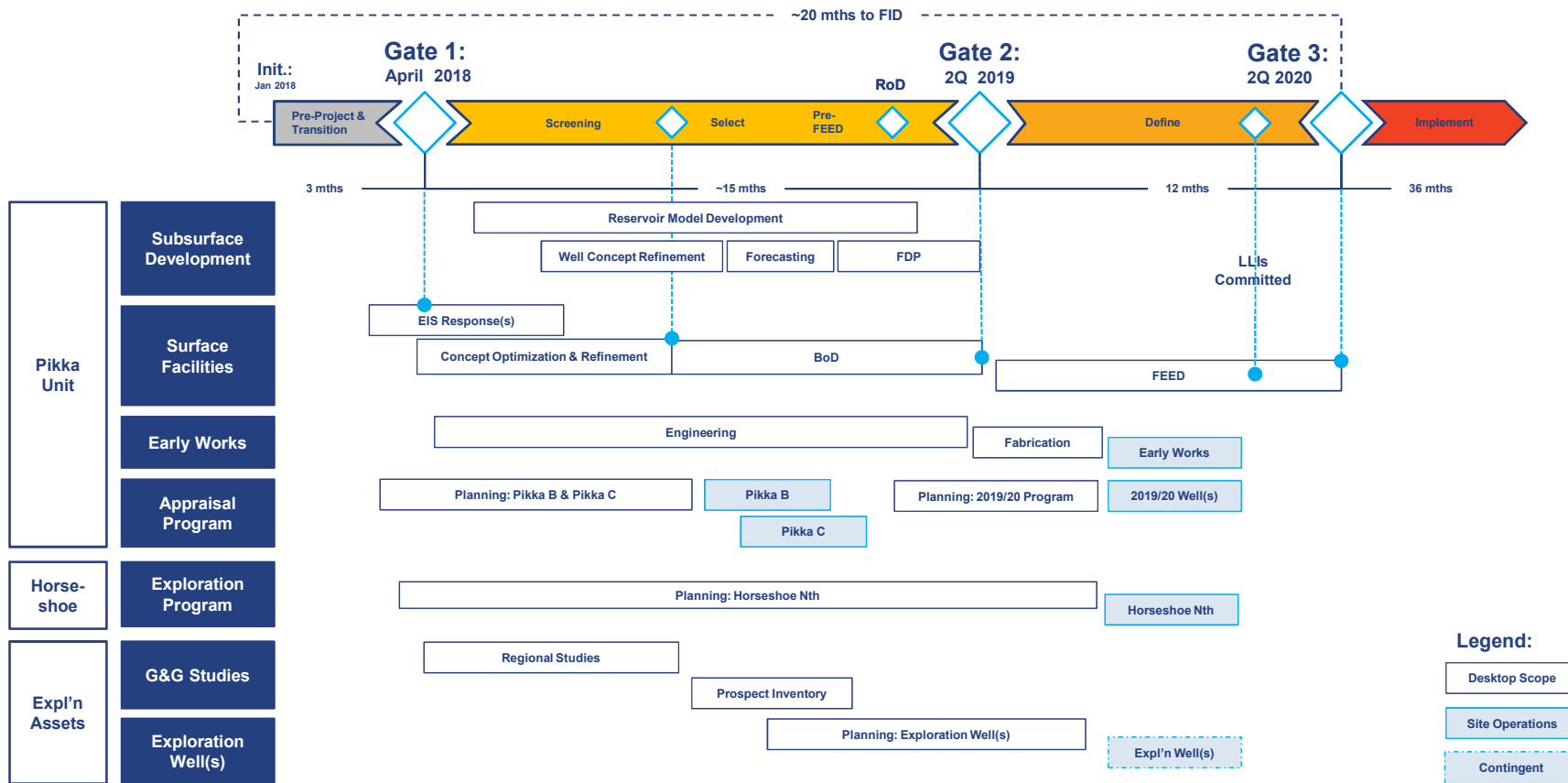
- » 1st oil scheduled 2023
 - Staffing increasing to:
 - » > 100 by Q2 2019
 - » > 200 during FEED 2019 – 2020;
 - » > 1000 during construction (2020 – 2023); and
 - » ~300 during operations (excluding contractors)
- » Major focus on Alaskan partnerships and contractors
- » Execution plans:
 - » Interested in cooperation with other operators, etc.
 - » Community investment is a priority for OSAL



Gross Expenditure Forecast (US\$M RT2017)

Draft Work in Progress | Commercial in Confidence

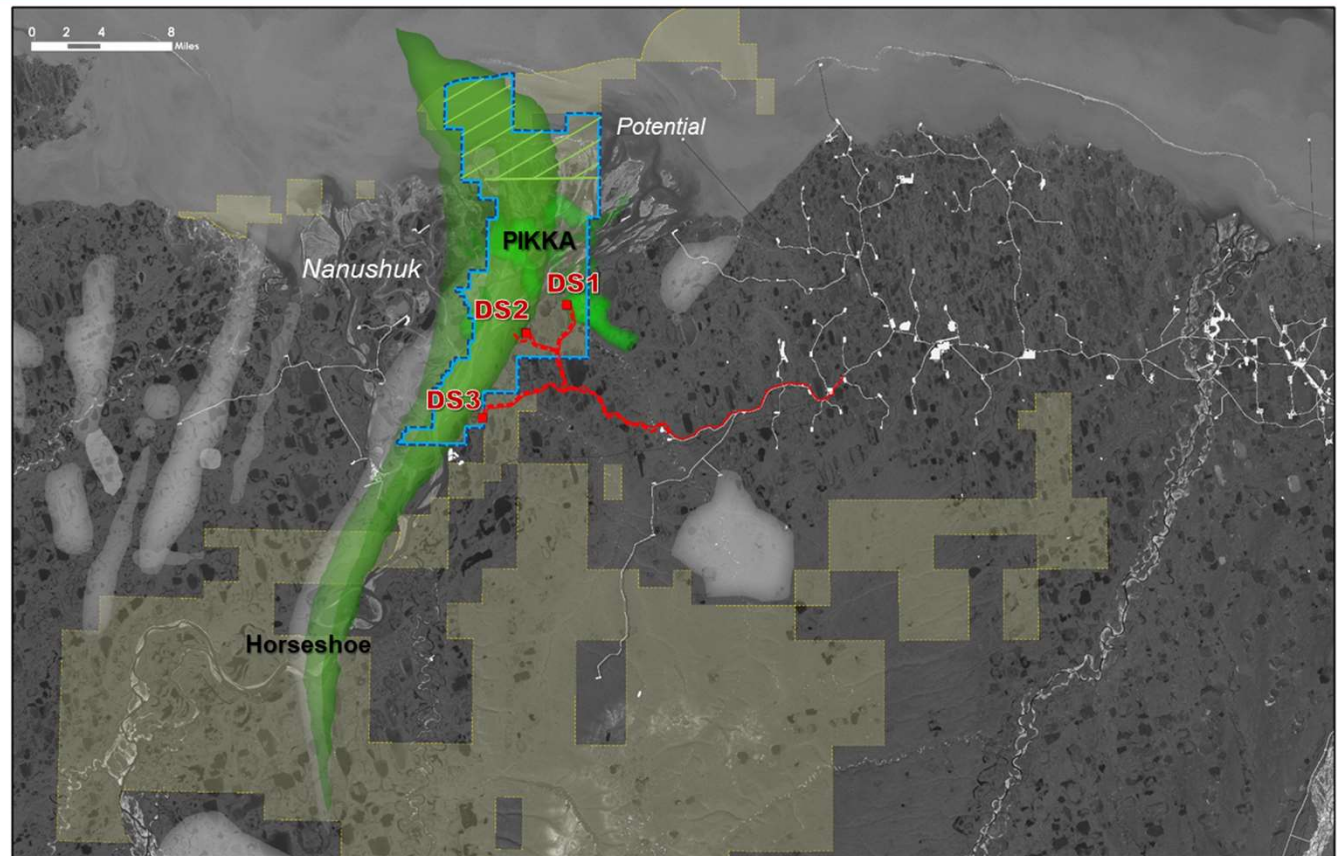
OSAL Near-term Activity Status & Forward Direction: Roadmap





Pikka Unit Development

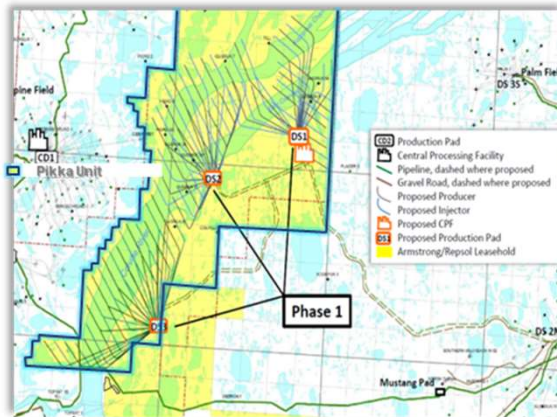
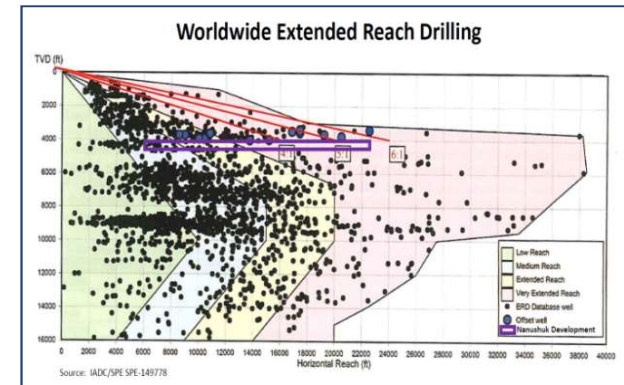
- » Pikka & the potential Horseshoe expansion support a major development east of the Colville River immediately adjacent to facilities and pipelines with ullage





Pikka Well Design

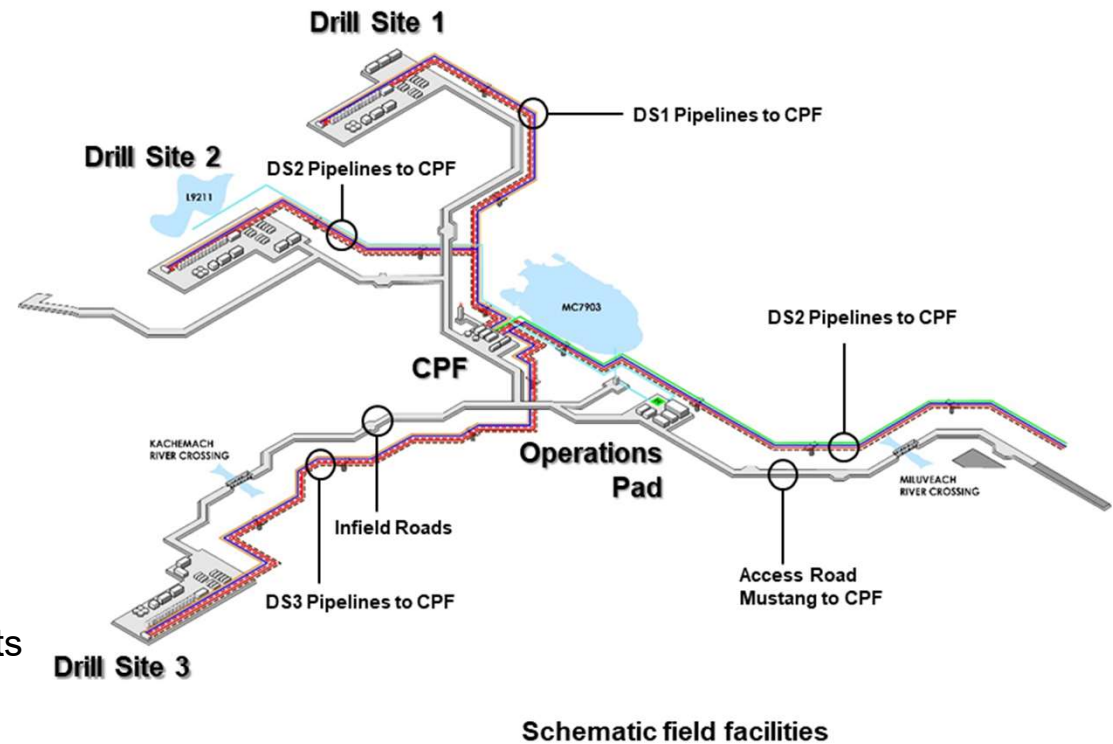
- Extended reach drilling (ERD) within industry limits
- 5000'+ horizontal section & Multi-Stage Fracs
- Optimized Fracture Placement; Zonal Isolation Between Stages
- Proven Technique & Results Adapted for Arctic Conditions
- Multi year programme using latest technology drilling rigs with economies of scale
- Local business opportunities
- Major opportunity to reduce well numbers



Pikka Development: EIS plan well advanced with USACE and anticipate RoD by 2Q 2019



- » National Environmental Policy Act (NEPA) process has been initiated by the US Army Corps of Engineers (USACE)
 - Environmental impact statement (EIS) process well underway and expected to be complete by end 3Q18
- » OSAL submitted comments on optimisation opportunities
 - Maximise cooperation with other operators, especially COP
 - Minimise footprint, capex and drilling costs
- » OSAL engaging community and identifying long term alignment projects
 - All community concerns considered in OSAL's recommended revisions to EIS





Nanushuk Project Key Quantities (Estimated)

» Civil

- ~26 miles of gravel roads
- ~70 acres of gravel pads
- ~4MM cy total gravel
- 18 miles average gravel haul distance (25 miles max)
- ~2MM sqf of armor protection
- 2,000 ea number of on pad piles
- ~4,500 ea number of pipeline VSM's

» Pipelines

- 650,000 LF of x-country pipelines
- 11 inch average diameter of pipelines
- ~2MM sqf of FBE coating
- 36 miles of x-country power / fiber optic cable

» Facilities

- 10 - 12 sealift modules / skids
- 200'Lx80'Wx80'H largest module size
- 3,900 tons heaviest module
- 18,000-20,000 tons total module weight (NPF only)
- ~300,000 sqf total module area

» Infrastructure

- 1 ea 200-man permanent camp
- 3-5 ea permanent infrastructure buildings (warehouses, shops etc.)
- 5-8 ea temporary camps

» Manpower

- ~1.2MM direct NS man-hours direct (~5.5MM total)
- ~2MM direct offsite fabrication man-hours (~3MM total)
- 1,300 – 1,600 peak NS manpower



Overall Timeline to 1st Oil

