Outline

1. OSL strategy and exploration’s role
2. 2010 Exploration drilling review
   - Wasuma
   - Korka
   - Mananda
   - CBM wells
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4. 2011 exploration focus
   - ADT2 appraisal and follow-up
   - Huria
   - Flinders
5. Summary
Oil Search’s Growth Strategy

- Optimise existing oil assets with a focus on:
  - Maintaining safety and environmental performance
  - Delivering gas supply obligations and life extension whilst adding value from reserve adds and cost management
- Support delivery of PNG LNG Project:
  - Support ExxonMobil with in country activities
  - Deliver Oil Search operated Associated Gas and PL2 life extension projects
- Grow LNG business in PNG.
  - LNG is the optimum commercialisation route
  - Pursuing a two pronged strategy:
    - PNG LNG Expansion:
    - Gulf Area LNG Opportunity:
  - Measured oil exploration.

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### Papuan Basin Chronostratigraphy

<table>
<thead>
<tr>
<th>Stages</th>
<th>Foreland</th>
<th>Daraiplateau</th>
<th>Strongly Folded Zone</th>
<th>Indurate Zone</th>
<th>Fault Propagation Zone</th>
<th>Kuroko Anticline Basement Involved</th>
</tr>
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<tbody>
<tr>
<td>Cretaceous</td>
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<tr>
<td>Triassic</td>
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</tbody>
</table>

- Mesozoic Rift/Sag passive margin
- End Cretaceous Uplift then sag
- Late Miocene to present day compression

### Early Jurassic Rift Paleogeography

- Main Source Interval
- Gas Source

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**Next slide for both pages**
Frontal Fold Belt Seismic Transect

- Reprocessing of older seismic data giving better insight into geological evolution
- Thick and thin skinned compressional structures
- Hides an inversion structure with a thick syn-rift section under the core of the structure. Possible gas source?

OSL Exploration Activity - 2010

During 2010 OSL;
- Drilled 3 wells
- Acquired 4,700+ km^2 3D
- Acquired 60+ km 2D
Regional Top Toro Depth Map

Only proven oil prone area of Foldbelt Focus for 1986+ oil exploration

Top Toro Depth Structure Map

20km
Foldbelt Digital Elevation Model

- 100’s of wells drilled along fold belt, ~half with image logs
- Dips, fractures and break-outs available for each well in 3D space
- 3D model being constructed of 4 key horizons
- Stress regime varies along strike and sometimes within wells
- Fracture patterns and stress regime never analysed
- Could be related back to present plate dynamics and earthquake patterns
- Tied to 3D geology, could constrain plate models and stress through Neogene

3D Structural Models Unlock Complexity of the Foldbelt

View looking NW. Toro is shaded by elevation
**PPL219 - Wasuma**

**Pre-drill vs Post-drill Interpretations**

**Pre-drill**
- Hangingwall trap analogous to SE Gobe
- Deeper Footwall trap (Wasuma Deep) as secondary objective

**Post-drill**
- No valid Hangingwall trap
- Footwall trap (Wasuma Deep) valid
  - Logs indicate charge to lagifu sandstone
  - ~5m net reservoir

---

**PPL260 Korka**

**Results**

- Elevated gas (including C5) on mudlog
- Resistivity separation and mudcake build-up indicative of permeability.
  - Confirmed by RDT pressure and sampling data.
- Initial Petrophysical interpretation indicated presence of hydrocarbons - not supported by pressure data, which returned an unambiguous water gradient.
- Absence of Cross fault seal SE of Korka has allowed communication and flushing between Lavani 1, Muller 1X, Egele 1X/1XST1, and Korka 1.
Near field exploration opportunity along trend with SE Mananda & Agogo oil fields
- Toro sandstone primary objective - recovered oil, gas & water when tested at Mananda 3x
- Koi-Iange sandstone secondary objective
- Reserves: 30 mmbbl
- COS: 45% Opportunity to deepen well and further constrain Mananda Forelimb lead - analogues to Agogo Forelimb
- Well drilling ahead
Mananda 5 well pad  
November 2010

Coal Bed Methane Potential in PNG?

- Oil Search has been awarded seven licenses for CBM exploration
- 17500 sq km in area
- Currently drilling 1st well of 3 well campaign
- Objective - to refine coal location, rank and thickness.
Era Bed Coal Measures Log Examples

Ketu ST-1  Eevala-1  Kiunga-1

PNG Licence size comparison

Eastern Australia Comparison
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Gulf Area LNG Opportunity

Gulf Area has relatively untested prospectivity, in a proven setting, across a range of play types:
- Pinnacle reefs
- Platform carbonates
- Early and late Pliocene turbidites

Oil Search has high graded acreage and built a broad position:
- Increased equity in Pandora (PRL01) to 24%
- Increased equity in PPL244 as a result of the swap with Talisman for PPL239
- Recently completed farm in arrangements to 4 additional licences, subject to Ministerial approval
Gulf Area Licences

PNG LNG Project Gas Resources

Non PNG LNG Gas Resources

Exploration Gas Resources

OSH Operated Licence
OSH Interest Licence
Petroleum Development Licence
Petroleum Retention Licence
Licence Application
"Farm in" Licence
Oil Field
Gas Field
Oil & Gas Field
Oil Pipeline
Proposed Gas Pipeline

Gulf Area Regional Plays
Gas in Reefs + Turbidites + Fault Blocks

<table>
<thead>
<tr>
<th>Major Basinswide Flood</th>
<th>Pliocene nested canyons sediment input to basin</th>
<th>Early Pliocene channel - levee complex</th>
<th>Late Pliocene Flinders Prospect</th>
</tr>
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<tbody>
<tr>
<td>Pleistocene</td>
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</tbody>
</table>

Note: Sequence boundary (S) and maximum flooding surface (MFS) ages from Haq (1987)
Offshore Regional Seismic Line

Flinders Prospect
PPL244

- 4 way dip closure coinciding with strong amplitude anomaly
- Interpreted as Basin Floor Fan
- Observed AvO response may be caused by gas bearing sand
- Most powerful argument for gas: Low Acoustic Impedance coinciding with structural closure
- Planned to be drilled in 2011
PPL244 Lead Examples - 2D Seismic

- Pasca Discovery
- Flinders Prospect
- Leads

PPL338 & 339

- PPL 338 and PPL 339 farm-in details:
  - Oil Search earns an initial 30% stake from Dabajodi International Energy for funding 2D seismic surveys
    - Seismic to be acquired in Q1 2011
  - If seismic is promising, Oil Search has option for additional 40% equity for part-funding a well and becomes Operator
Indicative PPL338 Reefal Lead

- Sparse coverage of 1960’s vintage seismic data
- Strong indication of reefal build-ups

PPL 276

- PPL 276 farm in details:
  - Oil Search earns an initial 30% stake from Rockwell Energy for funding a 3D seismic survey in the licence
  - 3D Seismic to be acquired in Q1 2011
  - If seismic is promising, Oil Search has option for additional 50% equity for funding a well and becomes Operator
Offshore Mesozoic Plays

Somewhere in Gulf of Papua:
- Mesozoic play potential does exist offshore PNG
- Flat-spot conformable with structure
- Needs 3D seismic to fully evaluate prior to drilling

PPL312

PPL312 farm in details:
- Oil Search earns an initial 30% stake and operatorship from Hillsborough for funding a 3D seismic survey in the licence
  - Seismic to be acquired in Q1 2011
- If seismic is promising, Oil Search has option for additional 45% equity for funding a well
6285 km² 3D seismic over all known offshore Leads plus Flinders Prospect

Gulf of Papua 3D seismic

Processed MC 3D seismic available from July 2011
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OSL Exploration Activity - 2011-12

During 2011-12 OSL will participate in;
- 7 wells
- ~2,000+ km² 3D
- 200+ km 2D
Drilled 1100m+ overturned & steeply dipping Forelimb
- Underlies Agogo field & facilities
- Producing ~1,500 stb/d
- Forelimb trend can be traced 75km from Mananda in NW to Hedinia in the SE suggesting that Toro to Koi-Iange targets may be present beneath other producing fields

3D Structural Model
Agogo Forelimb - Mananda Attic

View looking NW. Toro is shaded by elevation – red high, blue low
This section is constrained by the IAG-2 seismic line, numerous wells and surface outcrop data.
The Hedinia forelimb is constrained by the Hedinia-4X well and analogy with Agogo.
The forelimb is likely to be over 10 km long and ~1 km high.
Opportunity could be tested by deepening an existing well.
The Koi-lange sandstones, if present, beneath the Iagifu Anticline provide another attractive target for deepening of an existing well.

Testing the Koi-lange fairway at IDT-B offers the potential to unlock significant further potential within PDL2.
1 additional drill ready prospect (Agogo hanging wall) and 5 Leads with indicative cumulative recoverable reserves in the range of 50-100mmstb + 500-1000Bcf.
Huria Prospect
PRL11 / PDL8

- Near field opportunity located adjacent to Angore and Hides gas fields
- Large, broad surface anticline
- Multi tcf potential
- Initial seismic completed, additional dip line currently being acquired
- Target drilling 4Q11

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<thead>
<tr>
<th>PRL 11</th>
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<tr>
<td>Oil Search</td>
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<tr>
<td>Exxon</td>
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</tbody>
</table>
Summary

Oil Search’s ongoing exploration programme is closely linked to our strategy:

- Grow our LNG Business:
  - Derisking and testing the Gulf Area LNG Opportunity
  - Maturing reserves in the Foldbelt for PNG LNG expansion

- Adding value to our existing oil business:
  - Targeting near field exploration
    - Agogo Forelimb
    - Koi-Iange
    - Hedinia Forelimb
  - Measured oil exploration
    - Mananda 5

We remain committed to material exploration to the benefit of both OSL shareholders and PNG