

OIL SEARCH & ALASKA

FORGING A PATH FORWARD IN THE NANUSHUK

**RDC 44TH ANNUAL
MEMBERSHIP LUNCHEON
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WHO WE ARE

CELEBRATING 90 YEARS IN 2019!



» ESTABLISHED IN PAPUA NEW GUINEA (PNG) IN 1929

- ~1,300 employees
- Key operations/offices in PNG, Sydney, and Alaska
- Major participant in world class LNG projects and operator of remote oil developments



Since 1929, we have been partnering with communities, governments and industry to unlock oil and gas resources and improve lives.

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INNOVATING IN CHALLENGING ENVIRONMENTS

EXPLORATION, DRILLING, DEVELOPMENT, COMMUNITY SUPPORT



OIL SEARCH IN ALASKA

COMMITTED TO ALASKA AND A DIVERSE WORKFORCE



Oil Search



>500 years
of combined Alaska experience

>1700 years
global experience

- » Acquired operatorship in march, 2018
- » Started with 3 employees; currently more than 135
- » Working to grow our Alaska workforce

THE NANUSHUK

WHAT MAKES IT SPECIAL?

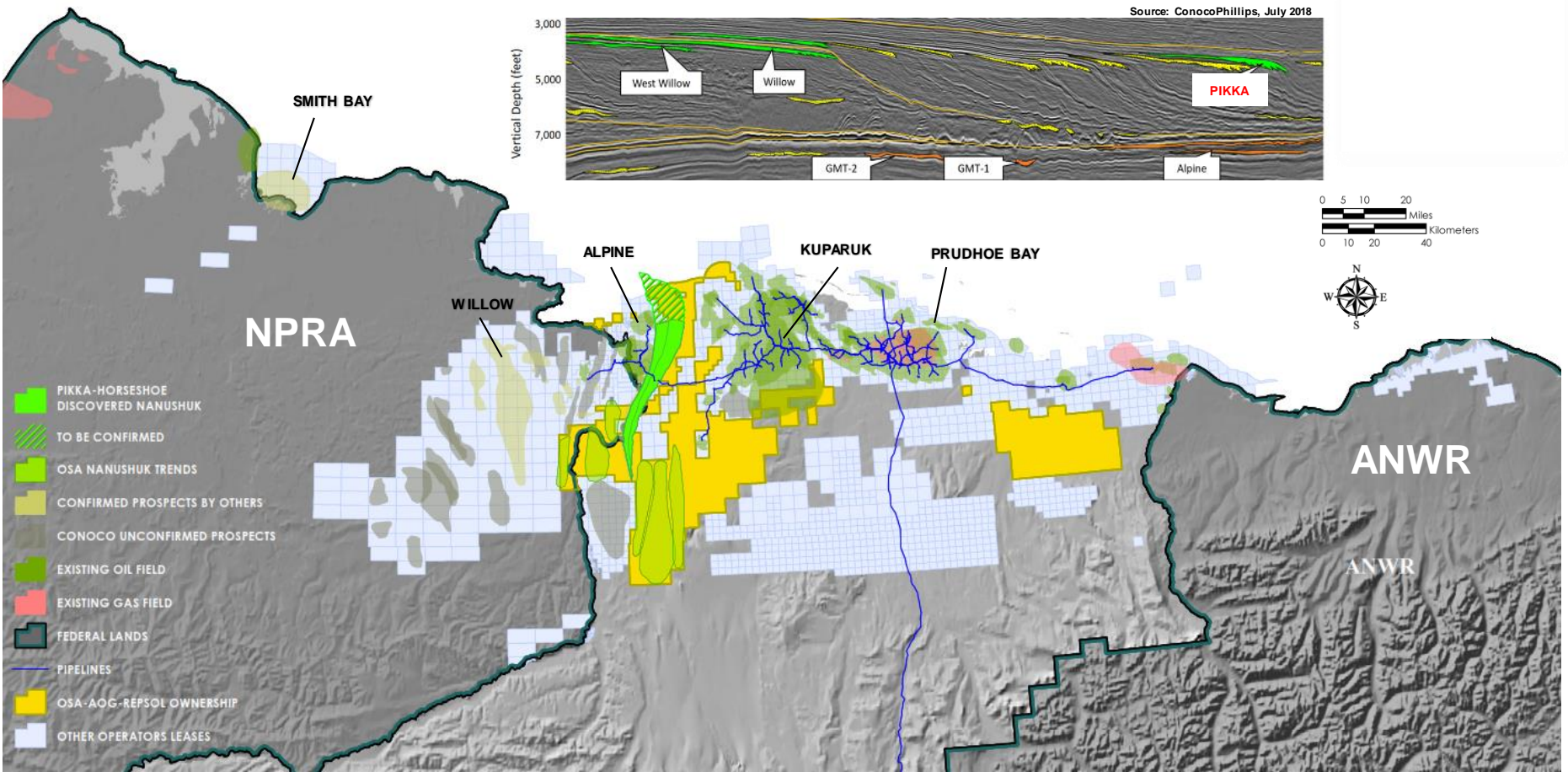


OSA LEASES - ALASKA NORTH SLOPE

PROVEN OPPORTUNITIES & SIGNIFICANT EXPLORATION POTENTIAL

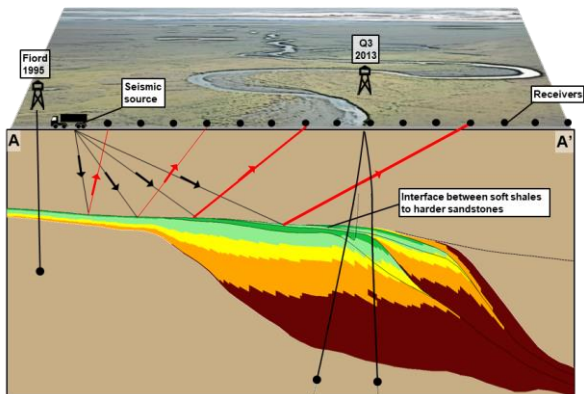


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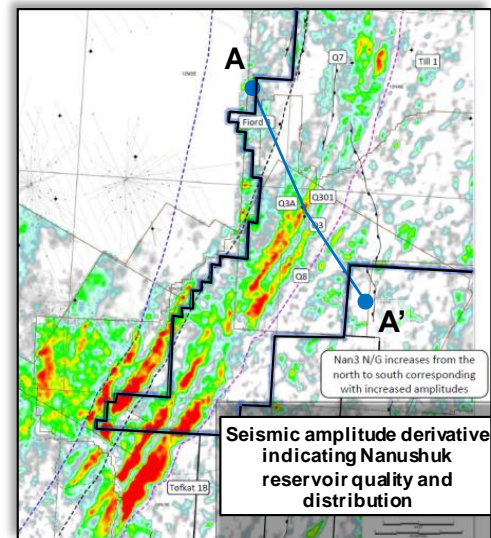
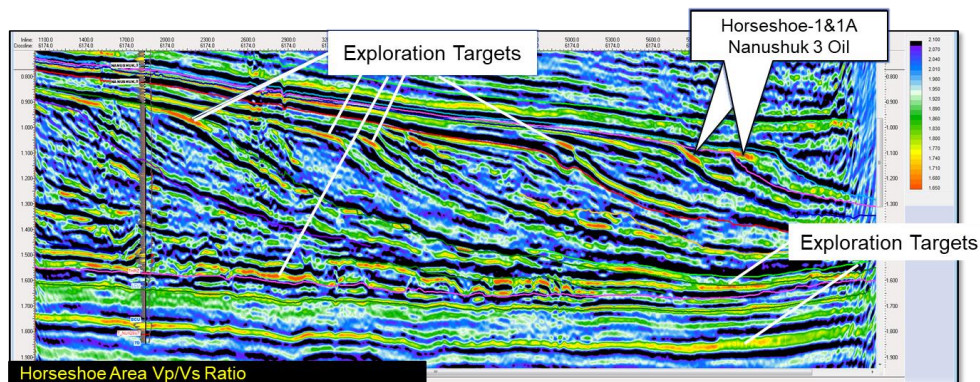


NANUSHUK 3D SEISMIC DATA

HOW WAS IT MISSED – 3D SEISMIC DELINEATES KEY ZONES



- » High quality 3D seismic
- » Advanced seismic processing
- » Reduces risk and uncertainty

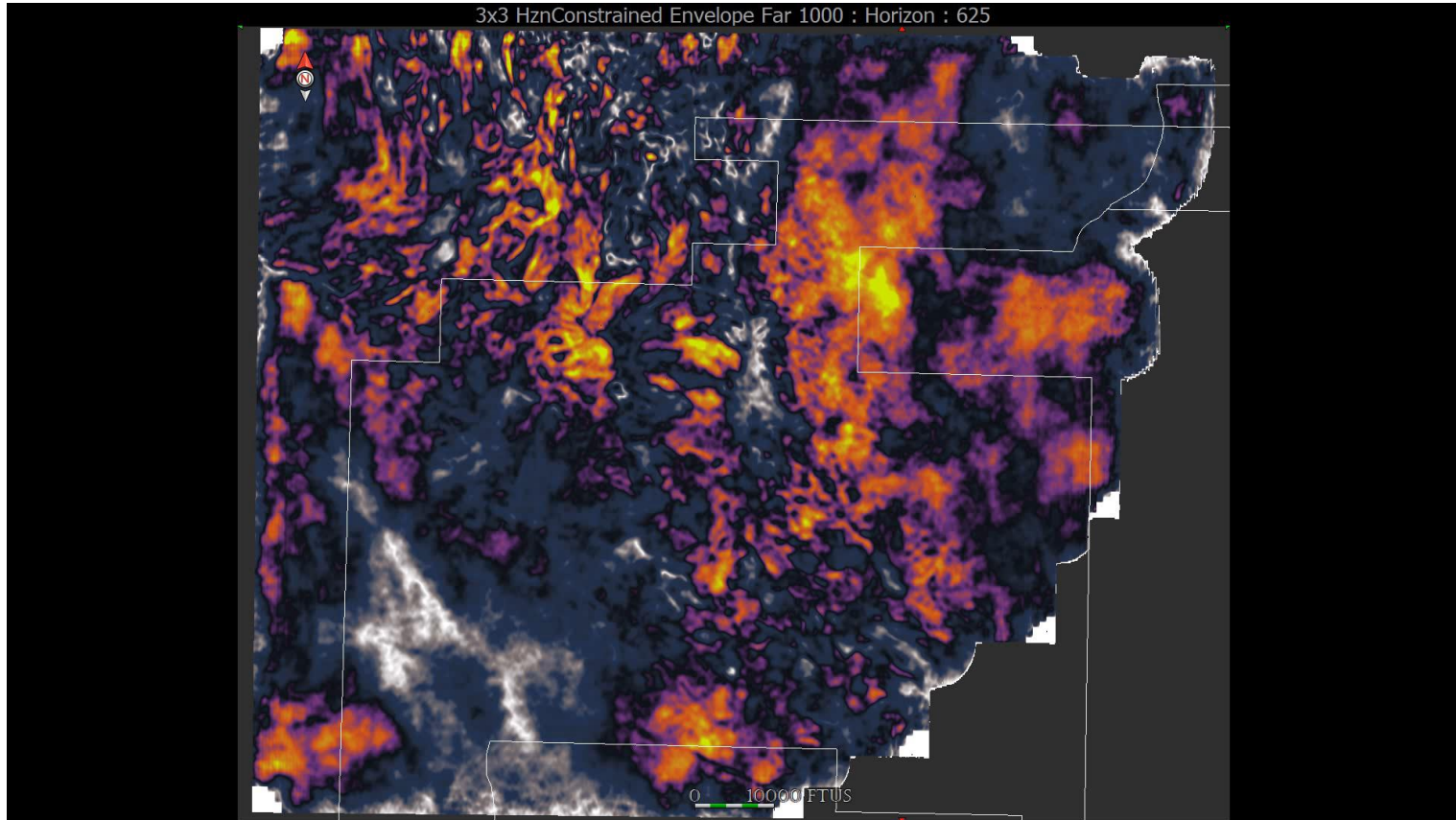


HOW THE NANUSHUK WAS FORMED?

TIME-LAPSE VIDEO MODEL



Oil Search



OIL SEARCH IN ALASKA

PROGRESS TO DATE



FOCUS ON COMMUNITY: THE OIL SEARCH WAY

LISTENING, LEARNING, UNDERSTANDING, CONSULTING & COOPERATING



- » Working closely with the community to understand their needs
- » Long-term relationships built on delivering what we say
- » Focus on subsistence & environmental preservation
- » Engaging with local businesses
 - Build collective ability to fulfill employment opportunities through local and regional hire

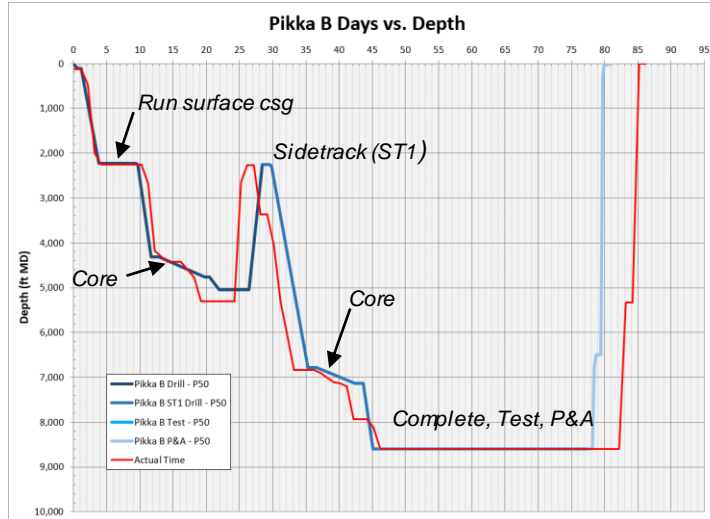
EARLIEST SPUD ON ICE IN 43 YEARS

PLANNING, TALENTED STAFF & TEAMWORK



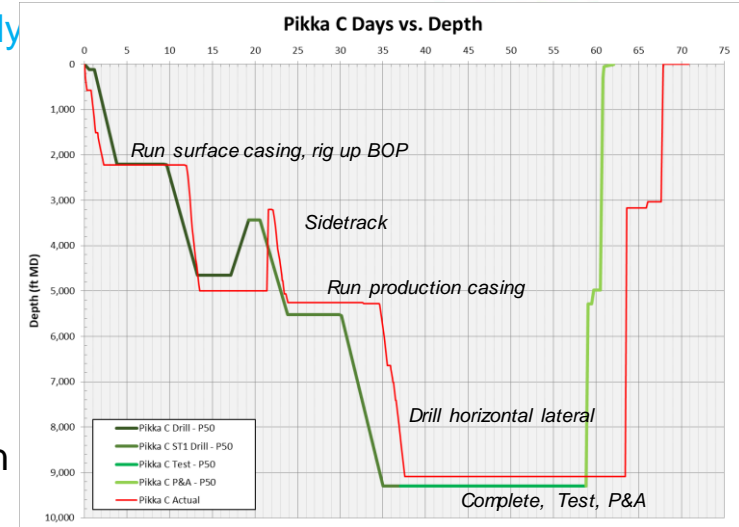
WINTER DRILLING APPRAISAL PROGRAM

SAFE, DISCIPLINED, RELIABLE DELIVERY



Both wells successfully

- » Drilled
- » Logged
- » Cored (Pikka B)
- » Sidetracked
- » Stimulated
- » Flow tested
- » Abandoned per plan
- » Under cost

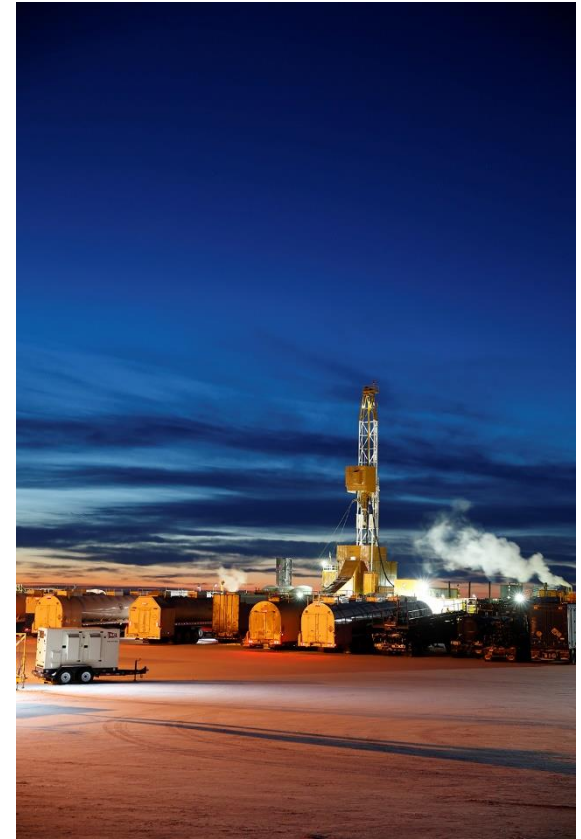


ACHIEVED ALL OBJECTIVES

SAFELY, AHEAD OF SCHEDULE, UNDER BUDGET



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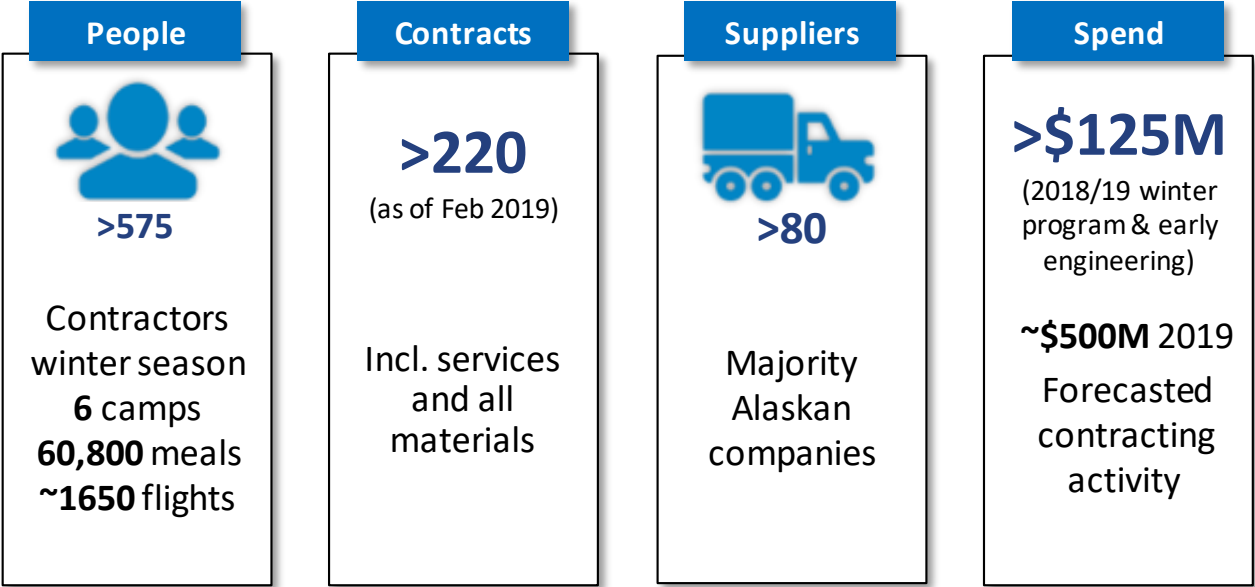


PIKKA APPRAISAL SUPPLY CHAIN

FOCUS ON OPPORTUNITIES FOR ALASKA



Setting the stage: mobilizing to the Arctic



DELIVERING A WORLD-CLASS PROJECT

FORGING A PATH IN ALASKA



RECORD OF DECISION RECEIVED IN JUNE

DEVELOPMENT CONCEPT OVERVIEW – FINAL EIS PREMISE

Civil

- » ~26 miles of gravel roads
- » ~70 acres of gravel pads

Pipelines

- » 650,000 feet of pipelines
- » 36 miles of power & fiber optic cable

Facilities

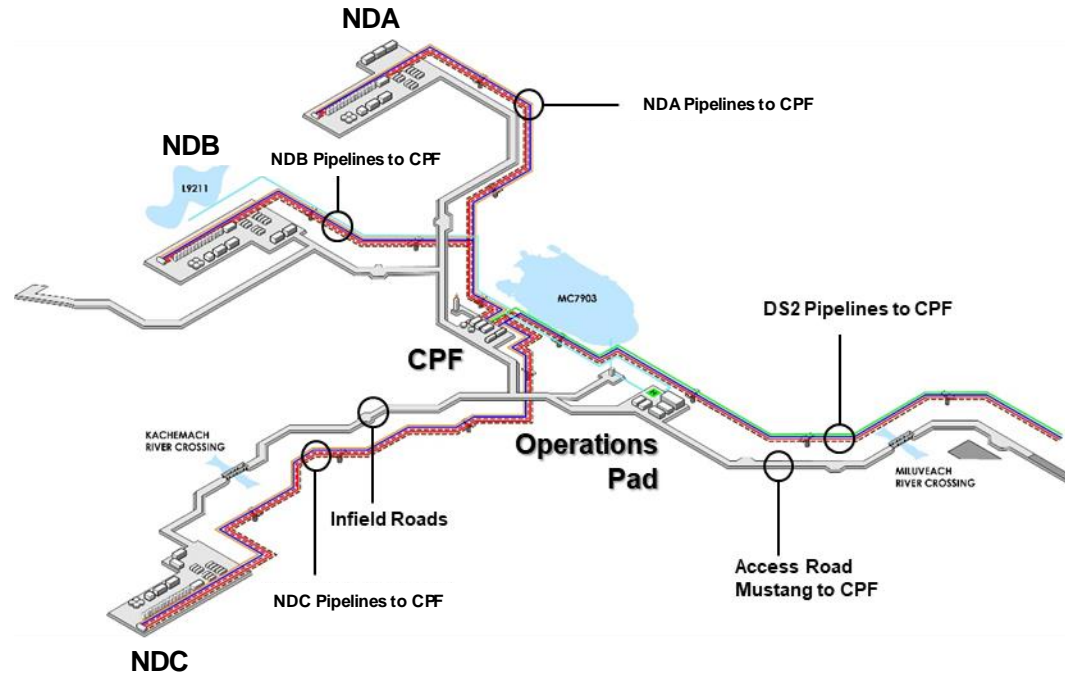
- » Up to 12 sealift modules / skids

Infrastructure

- » A 200-man camp
- » 3-5 infrastructure buildings

Manpower

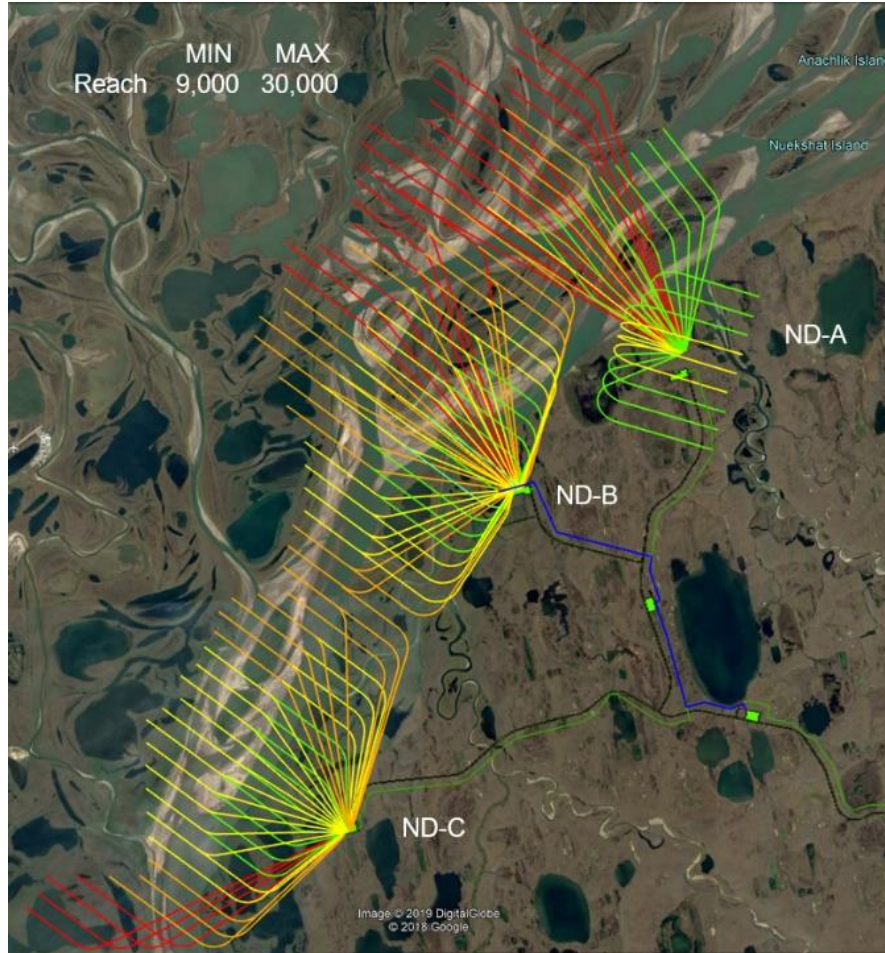
- » 1,300 – 1,600 peak construction workforce



Schematic field facilities

PLAN TO EMPLOY SMART TECHNOLOGIES

EXTENDED REACH DRILLING IS ONE KEY TO SUCCESS



Overview:

- » Minimizing surface footprint
- » Well pads moved away from river
- » Up to 120 wells from 3 pads
- » Extended reach drilling 12,000' to 31,000' MD
- » Drilling order – least to most complex to maximize learnings
- » Fit for purpose rig selection planned

INDICATIVE SCHEDULE TO 1ST OIL

EARLY WORKS PLANNED FOR 2020: CONSIDERING EARLY PRODUCTION



- | | | | |
|--------------------------|-------------------------------------|--|--|
| » Built base team | » Production timeline review | » FID | » ~120,000 bbl/d plateau & expansion opportunities |
| » Stakeholder engagement | » Appraisal well analysis | » Drilling ~50 – 60 producers/injector pairs | » Target >500 mmbbls oil recoverable |
| » EIS review | » FEED preparations | » Construction of pipelines & roads | » Horseshoe appraisal |
| » Data base compilation | » Permitting & approvals | » Facilities construction | » Community projects |
| » Reservoir modelling | » Contracting strategy | » Community projects | |
| » Development reviews | » Early works | » Potential early production | |
| » Prepare 2 rig program | » Cooperation negotiations | | |



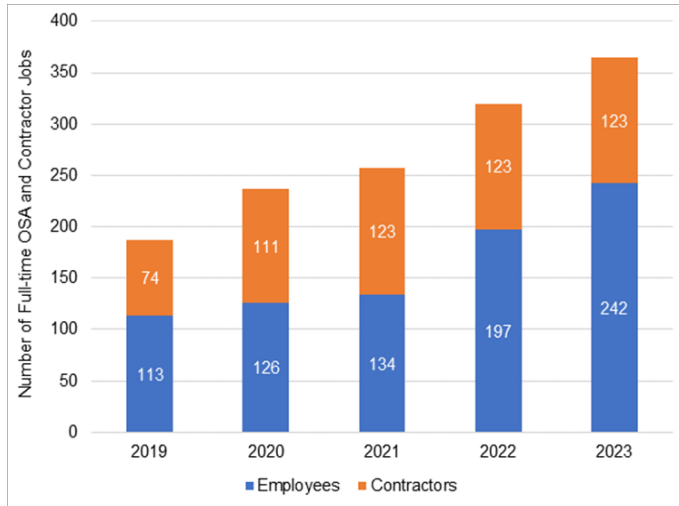
BENEFITS FROM THE PIKKA DEVELOPMENT

MAJOR CONTRIBUTOR TO ALASKA

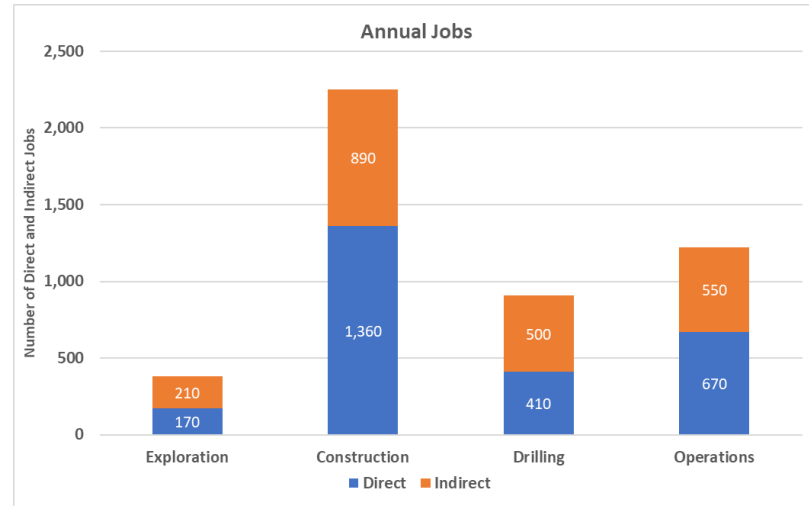


LONG TERM BENEFITS FROM NANUSHUK DEVELOPMENTS

FULL PIKKA IMPACT ON THE ALASKAN ECONOMY UNDERWAY



Near-Term Oil Search Alaska Workforce



Construction & Operations Workforce

- » Production of 120,000 bopd from Pikka alone, i.e. >20% increase in North Slope production
- » > US\$30B State royalties & taxes, >US\$8B in federal taxes , >US\$1.6B in NS Borough taxes
- » Major benefits for the local native corporations including royalties & business development

FOCUSED ON DELIVERING A WORLD-CLASS DEVELOPMENT

CREATING VALUE & OPPORTUNITY, SAFELY & RESPONSIBLY



With abundant opportunity, Oil Search is focused on building a strong business in Alaska

- » Alaska is a core priority for Oil Search
- » Socially & environmentally responsible development is fundamental
- » A world-class project & a model for cooperation is the goal
- » Delivering for all of Alaska is the commitment



Proud origins... and a very bright future in Alaska

THANK YOU!