
ASX Announcement

1 July 2016

InterOil notification of unsolicited, conditional non-binding proposal - InterOil continues to recommend transaction with Oil Search

Oil Search Limited (ASX Code: OSH, POMSoX: OSH, ADR: OISHY) (Oil Search) has been notified by InterOil Corporation (NYSE: IOC, POMSoX: IOC) (InterOil) that it has received an unsolicited, conditional non-binding proposal from another party.

Oil Search understands that the proposal is subject to due diligence and documentation.

The InterOil Board of Directors continues to unanimously recommend the Oil Search transaction to its shareholders.

The timetable for the completion of the Oil Search / InterOil transaction remains unchanged and Oil Search notes that the related Notice of Meeting and Management Information Circular have now been dispatched to InterOil shareholders.

PETER BOTTEN, CBE

Managing Director

30 June 2016

For further information please contact:

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InterOil Investors:

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Legal Notice

None of the securities anticipated to be issued pursuant to the Plan of Arrangement, pursuant to which Oil Search intends to acquire InterOil ("the Arrangement") have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued in the Arrangement are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable

exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

There can be no assurance that the Arrangement will occur. The proposed Arrangement is subject to certain approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or any such conditions will be met.

Further details regarding the terms of the transaction are set out in the Arrangement Agreement and will be provided in a management information circular which will be available under the profile of InterOil Corporation at www.sedar.com.

Forward Looking Statements

This release includes “forward-looking statements”. All statements, other than statements of historical facts, included in this release that address activities, events or developments that Oil Search expects, believe or anticipate will or may occur in the future are forward-looking statements. These include in particular information and statements relating to Oil Search’s MoU with Total and the anticipated benefits, InterOil’s agreement with Oil Search and the anticipated benefits, the combined company’s expected growth profile, the anticipated market capitalization of the combined company, the combined company becoming a leading exploration and production champion for Papua New Guinea, the success of integration of LNG Projects, the profitability of the combined company, the completion of the Arrangement resources, hydrocarbon volumes, well test results, the estimated timing of the LNG project, the timing and quantum of the certification payment, the costs and break-even prices and potential revenues of the LNG project, the estimated drilling times of the exploration or appraisal wells and estimated 2016 budgets and expenditures. These statements are based on our current beliefs as well as assumptions made by, and information currently available to Oil Search. No assurances can be given however, that these events will occur. Actual results could differ, and the difference may be material and adverse to the combined company and its shareholders. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Oil Search, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements.

Some of these factors include the risk factors discussed in InterOil’s and Oil Search’s publicly available filing, including but not limited to those in InterOil’s annual report for the year ended December 31, 2015 on Form 40-F and its Annual Information Form for the year ended December 31, 2015, and in Oil Search’s annual report for the year ended December 31, 2015, as well as the risk that Oil Search and Total do not enter into definitive agreements relating to the MoU. In particular, there is no established market for natural gas or gas condensate in Papua New Guinea and no guarantee that gas or gas condensate will ultimately be able to be extracted and sold commercially. Actual results may vary materially from the expected results expressed in forward-looking statements, including due to a range of operational, cost and revenue factors and uncertainties including oil and gas prices, changes in market demand for oil and gas, currency fluctuations, drilling results, field performance, the timing of well work-overs and field development, reserves depletion and fiscal and other government issues and approvals.

Oil Search disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws.

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