
Update on Papua LNG Project in PNG

5 August 2019

SYDNEY (ASX: OSH | ADR: OISHY | PNGX: OSH)

Please see attached a release from the PNG Government regarding the Papua Gas Agreement.

Peter Botten, Oil Search's Managing Director said:

"We are encouraged by the statement made by the Minister for Petroleum, Mr Kerenga Kua, that the PNG Cabinet (National Executive Council) has agreed, in principle, to stand behind the Papua LNG Gas Agreement, which was signed by the PNG Government and the PRL 15 Joint Venture in April 2019.

Oil Search is committed to supporting the operator of Papua LNG (Total SA) and the Government, in resolving any final questions on Papua LNG Gas Agreement, so that the P'nyang Gas Agreement can be finalised and the PRL 15 and PNG LNG Joint Ventures can proceed into the Front-End Engineering and Design phase of the integrated three train development in a timely manner.

The Papua LNG Joint Venture is also working collaboratively with the PNG Government on finalising the National Content Plan for Papua LNG. This Plan is aimed at maximising the involvement of PNG citizens and local businesses in the development and operation of the Papua LNG Project."

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MEDIA RELEASE
UPDATE ON THE PAPUA GAS AGREEMENT
Sunday 4 August 2019

The Minister for Petroleum, Mr Kerenga Kua said, “NEC met Friday 2 August and has discussed the result of the review conducted by the State Negotiating Team and has agreed in principle that state should stand behind the signed agreement in the best interest of the State.

“However, the State has reserved its rights to discuss a shortlist of matters to be discussed with the developers.

“We believe that what we have discussed and agreed to are favourable and will not affect the general economics and fiscal terms of the Papua LNG Gas Agreement, however those matters are of relevance to the State and this will be placed on the table for consideration by the joint venture partners.

“In view of the very limited agenda items identified for discussion the NEC does not believe it will take more than two weeks to conclude.

“The discussions will continue next Monday 5 August 2019,” said Mr Kua.