

ASX Announcement

Santos proposal – due diligence commences

6 August 2021

ASX: OSH | PNGX: OSH | ADR: OISHY

Oil Search Limited ("Oil Search") refers to the announcement on 2 August 2021 regarding the improved, non-binding and indicative merger proposal from Santos Limited ("Santos") under which Santos would acquire all of the shares in Oil Search for a consideration of 0.6275 new Santos shares for each Oil Search share held, via a scheme of arrangement (the "Revised Proposal").

Oil Search and Santos have now agreed confidentiality arrangements and commenced a mutual due diligence process, which is expected to take approximately 4 weeks. That mutual due diligence will be on an exclusive basis during that period.¹

As noted on 2 August 2021, subject to each party completing due diligence on the other to its satisfaction, and the entry into of a merger implementation agreement, the Oil Search board intends to unanimously recommend shareholders vote in favour of the Revised Proposal, in the absence of a superior proposal and subject to the conclusion of an independent expert that the Revised Proposal is in the best interests of Oil Search shareholders.

Next Steps

The Oil Search Board will update shareholders and the market in due course. Shareholders do not need to take any action in relation to the Revised Proposal at this stage. There is no certainty that the Revised Proposal will result in a transaction.

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This ASX announcement was authorised for release by Acting Chief Executive Officer, Peter Fredricson.

About Oil Search

Established in January 1929, Oil Search has grown into PNG's largest single investor and most active explorer, operating all the country's producing oil fields and holding an extensive appraisal and exploration portfolio. Its 29 per cent interest in the ExxonMobil-operated PNG LNG Project has transformed Oil Search into a regionally significant oil and gas producer. The Company also holds material interests in the Elk -Antelope and P'nyang gas fields and is undertaking a range of activities to support further LNG expansion in PNG. Oil Search also holds world class oil assets in Alaska's prolific North Slope. Oil Search is listed on the Australian (OSH) and PNG (OSH) security exchanges and its ADRs trade on the US Over the Counter market (OISHY). For more information, please visit oilsearch.com.

¹ During the 4 week exclusivity period, each party has agreed not to solicit any competing proposal; enter into discussions which may lead to a competing proposal ('no talk'), or grant due diligence to third parties, and to notify the other of receipt of any competing proposal. A customary fiduciary carve out applies to the no talk obligation.