



Oil Search

Successful completion of Institutional component of Entitlement Offer and Placement, raising A\$1,080 million

8 April 2020

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

Oil Search is pleased to announce the successful completion of its placement to institutional investors ("Placement") and the institutional component of its 1 for 8 accelerated pro-rata non-renounceable entitlement offer ("Institutional Entitlement Offer") of new ordinary shares in Oil Search ("New Shares"). Details of the equity raising, including the retail component of the Entitlement Offer ("Retail Entitlement Offer") (together, the "Equity Raising" or "Offer") were announced to the ASX on Tuesday, 7 April 2020.

The Placement and Institutional Entitlement Offer raised approximately A\$1,080 million (US\$650 million), excluding estimated transaction costs (subject to ongoing shareholding reconciliations), at an offer price of A\$2.10 per share ("Offer Price"). The Offer Price represents a 23.1% discount to Oil Search's last closing price and an 18.0% discount to the Theoretical Ex-Rights Price¹ ("TERP")².

The combined proceeds of the Equity Raising are expected to be up to approximately A\$1,160 million (US\$700 million), excluding estimated transaction costs.

Trading in Oil Search shares is expected to resume on the ASX and PNGX from market open today (Wednesday, 8 April 2020).

Commenting on the Capital Raising, Oil Search Managing Director, Keiran Wulff said:

"I would like to thank our shareholders for the strong support they have shown the Company during these challenging times. The Placement was substantially oversubscribed and was fully allocated to existing institutional shareholders, the majority of whom have been on the register for many years. The proceeds of the Offer, together with our initiatives to reduce costs and manage the potential impacts of COVID-19, will enable Oil Search to not only withstand a prolonged period of low oil prices but also come through the current period of uncertainty strongly, while maintaining safe and reliable operations from our oil and gas assets in PNG. Oil Search is well positioned to deliver our world class growth projects when market conditions improve."

Oil Search will also utilise the current downturn to undertake value engineering studies on its growth projects, drive breakeven costs down and ensure the Company's cost base, capital management and capability are optimised."

¹ The theoretical ex-rights price ("TERP") includes shares issued under the Placement, Institutional Entitlement Offer and Retail Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Oil Search shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. The TERP has been calculated as: (existing market capitalisation of Oil Search plus additional equity raised) / total shares on issue following the Equity Raising.

² At 3 April 2020, Oil Search's last closing price was A\$2.73 per share and the TERP is A\$2.56 per share.

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Placement and Institutional Entitlement Offer

The Institutional Entitlement Offer had a take up rate of approximately 95% by eligible institutional shareholders (excluding Mubadala, which did not take up its entitlement). The Placement and institutional shortfall was allocated exclusively to existing Oil Search shareholders.

All New Shares offered under the Placement and Institutional Entitlement Offer were issued at the same price, of A\$2.10 per share.

Approximately 514 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Friday, 17 April 2020 and be allotted and commence trading on Monday, 20 April 2020. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

In conducting the Placement, Oil Search has relied on the class waiver decision "Temporary Extra Placement Capacity" issued by ASX on 31 March 2020. This waiver lifts the limit on the number of New Shares that Oil Search can issue without obtaining prior shareholder approval, pursuant to Listing Rule 7.1, from 15% to 25%.

Retail Entitlement Offer

The Retail Entitlement Offer has now been fully underwritten and will raise approximately A\$80 million. The Retail Entitlement Offer is expected to open on Thursday, 16 April 2020 and close on Monday, 27 April 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 9 April 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around 16 April 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, Eligible retail shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement. Eligible retail shareholders may apply for up to a maximum of 200% in excess of their Entitlement, at the Offer Price ("Oversubscription Facility"), the allocation of which will be subject to availability.

PNG Retail Offer

Eligible retail shareholders with a registered address in Papua New Guinea on the Record Date of 7.00pm (Sydney time), 9 April 2020, will have the opportunity to invest in New Shares on substantially the same terms as the Entitlement Offer. Further information regarding the PNG Retail Offer, including the terms and conditions of the offer and details as to eligibility, will be outlined in the PNG Prospectus to be sent to eligible retail shareholders in PNG in mid to late April 2020.

Further information

Further information on the Offer is set out in the Investor Presentation lodged with the ASX on Tuesday, 7 April 2020.

For further information regarding the Retail Entitlement Offer, please do not hesitate to contact the Oil Search Shareholder Information Line on 1300 128 731 (within Australia) or +61 3 9415 4233 (outside Australia) at any time from 8.30am to 5.00pm (AEST) Monday to Friday during the offer period.



For more information, please contact:

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This ASX announcement was authorised for release by Oil Search's Managing Director, Keiran Wulff

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This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend",

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“should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Oil Search, statements about the oil and gas industry and the markets in which Oil Search operates and statements about the future performance of the Oil Search businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Oil Search group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Oil Search's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Oil Search's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix B of the Investor Presentation released on ASX on 7 April 2020 for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Oil Search group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the PNG and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Oil Search as at the date of this announcement.

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