



## OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

### **ACHIEVEMENT OF KEY MARKETING MILESTONE 22 June 2009**

ExxonMobil, Operator of the PNG LNG Project, has announced that the PNG LNG Project participants have reached alignment on the commercial terms for LNG offtake with three major LNG buyers in the Asian region, for a total quantity of approximately 4.3 million tonnes per annum (see attached release). This is in addition to the agreement announced previously, that key commercial terms had been agreed with another major Asian buyer for two million tonnes per annum of production capacity, which is awaiting the buyer's Government approval.

Peter Botten, Oil Search's Managing Director, said:

"This is a major achievement for the PNG LNG Project and underscores the Project's credibility for delivering gas in the 2013/2014 timeframe. It represents a further milestone for the Project, as it builds momentum towards a Final Investment Decision, planned for late 2009. It is especially pleasing, as these recent arrangements now take the total volumes of LNG offtake to the Project's full 6.3mtpa production capacity.

The marketing focus will now concentrate on completing the binding Sales and Purchase Agreements prior to the Project's Final Investment Decision in late 2009."

Peter Botten, CBE  
Managing Director  
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# Media Release

June 22, 2009

## **PNG LNG Reaches Significant Marketing Milestone**

Port Moresby, Papua New Guinea, June 22, 2009 – Esso Highlands Limited, a subsidiary of Exxon Mobil Corporation and operator of the PNG LNG Project, today announced that the Project participants have reached alignment on commercial terms with three major LNG customers in the Asia region for long-term sales of LNG totaling approximately 4.3 million tonnes per annum (MTA).

Exclusive discussions will commence with these customers to finalize binding sales and purchase agreements to establish the Project's foundation customers. A final investment decision is targeted later this year.

“We are pleased that the Project has reached the important milestone of aligning on commercial terms with these major Asian LNG customers,” said Ron Billings, Vice President, LNG, ExxonMobil Gas & Power Marketing Company, a division of Exxon Mobil Corporation. “This is a key milestone in the Project's schedule, with delivery of LNG to the market expected to commence in late 2013 or early 2014.”

A fourth potential customer is awaiting its government's approval of key commercial terms for a long-term purchase of LNG covering the remaining 2 MTA of production capacity.

The PNG LNG Project is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and LNG plant facilities. Participating interests are ExxonMobil (through various affiliates, including Esso Highlands Limited as Operator) 41.5%, Oil Search 34.0%, Santos 17.7%, Nippon Oil 5.4%, Minerals Resources Development Company 1.2%, and Eda Oil Limited 0.2%. (Participation will change when PNG State nominees join as equity participants at a later date).

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