



Oil Search

House Resources Committee

May 8, 2020

Bruce Dingeman, EVP and
President, Oil Search Alaska

Successful 2019-20 Winter Season

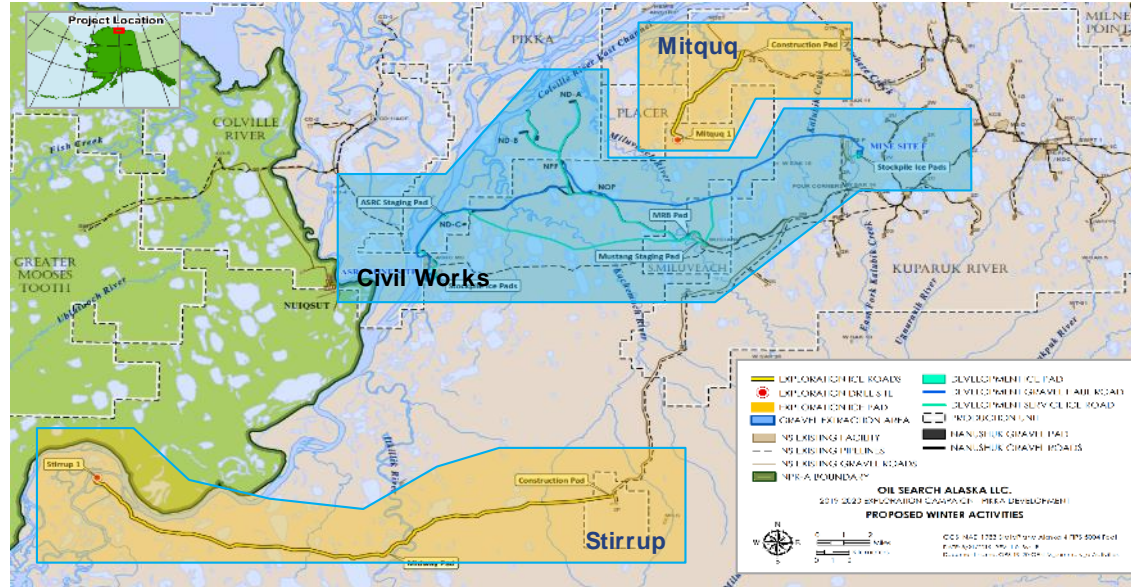
THE SAFETY AND WELLBEING OF OUR PEOPLE AND THE COMMUNITY REMAINS OUR TOP PRIORITY

Exploration Drilling

- » Completed safely and on schedule
- » Pikka East (Mitquq): Discovery at high end of expectations
- » Horseshoe (Stirrup): Tested at one of the highest rates for the Nanushuk with single stage stimulation

Civil Works (Season 1 of 2)

- » Completed key infrastructure for future development:
 - Road and bridge to ND-B + pad
 - Operations center pad (NOP)
 - Process facility pad (NPF)
 - Upgrade Mustang Road



Highlights:

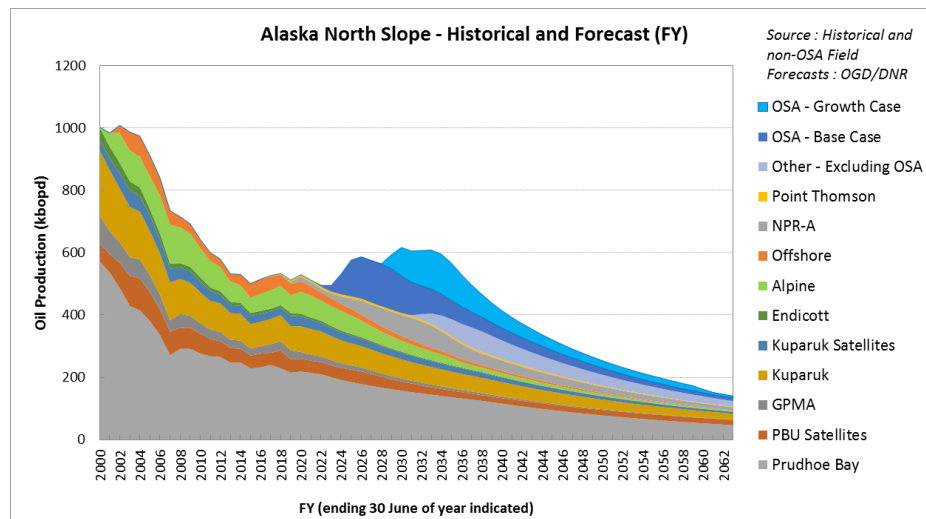
- » **1100+ personnel employed in OSA winter operations, spread across 19 camps**
- » COVID-19 medical plan approved by state: no incidence in our operations; robust back-to-office protocols in place
- » 2018 OSA had the earliest spud off ice in more than 40 years; beat our own record in 2019
- » 68 miles of ice roads and 111 acres of ice pads
- » 2.24 million cubic yards of gravel hauled— largest in over 20 years
- » 11.5 miles of gravel road and 56 acres of gravel pad

Pikka Project

In the Current Economic Environment

- » ~\$5-\$6 billion project was scheduled for final investment decision (FID) in 2020
 - Field appraisal complete
 - Key regulatory and stakeholder approvals complete
 - Organization built
 - Engineering underway
 - Primary road and other infrastructure under construction
- » Significant impact to State of Alaska
 - Jobs and labor income during project construction and ongoing production operations
 - Source of petroleum revenue
 - Multiplier effects in local communities

Project sanction now deferred



Project and subsequent growth opportunities have potential to improve Alaska's long-term state revenue stream, employment, local community revenue and production for decades

Alaska Business Plan

2020 spending materially reduced

- » Rephased the project
- » Staff reductions
- » Pay cuts
- » Suspend exploration drilling for winter 2020/2021
 - Resume in 2021/2022 at earliest

Re-phased Pikka project : final investment decision (FID)- moved out of 2020

- » Exploring opportunities to optimize the project and reduce breakeven costs
- » Suspend engineering at logical breakpoints during 2020
- » Currently planning for first oil in 2025

Alaska is a core-priority for Oil Search

- » Focused on maintaining capability to ramp-up when market conditions improve
- » Socially & environmentally responsible development is fundamental
- » Developing a world-class project and being a model for cooperation are key goals

