



## OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)  
ARBN – 055 079 868

### **IPIC Exchangeable Bond Agreement 16 March 2009**

Please see attached a release issued last week by International Petroleum Investment Corporation (IPIC) on the completion of its Exchangeable Bond transaction with the PNG Government.

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## **IPIC secures strategic investment in Oil Search Limited**

IPIC is pleased to announce that it has completed the purchase of a five year A\$1.68 billion (US\$1.1 billion) exchangeable bond issued by the Government of Papua New Guinea (“PNG”) through its nominee, a subsidiary of the Independent Public Business Corporation (“IPBC”). Upon conversion of the bond, IPIC will acquire PNG’s entire 17.6% equity stake in Oil Search Limited (OSH:AU) (“Oil Search”) which is ASX listed, thus becoming the largest shareholder in Oil Search.

This strategic investment will ensure IPIC’s participation in an LNG mega-project, the PNG LNG project, operated by Exxonmobil, in which Oil Search has around a 30% stake. This LNG project is anticipated to be transformational for the PNG economy, and a major driver of the Asia Pacific energy market of the future.

### **IPIC’s Managing Director, HE Khadem Al Qubaisi, said:**

“IPIC is particularly proud to have executed this transaction, succeeding where a number of oil majors tried and failed. This is only the second acquisition in which IPIC has used a convertible instrument, and we envisage wider use of such mechanisms in future IPIC investments. We are excited about working with Oil Search, which IPIC considers to be a dynamic and innovative partner; we are very pleased to be participating in the PNG LNG project, which promises to deliver 30 years of clean energy supply to the growing Asia Pacific market; and we are happy to have forged constructive links with the PNG government, which we hope will provide a platform for further Abu Dhabi investments in PNG.

I am pleased to acknowledge the constructive roles played by the Hon. Arthur Somare, PNG Minister for Public Enterprises and Development; Mr. Glenn Blake CBE, Managing Director of IPBC; and Mr. Peter Botten CBE, the Managing Director of Oil Search, in helping this landmark deal become reality”.



### **About IPIC**

IPIC is wholly owned by the Government of the Emirate of Abu Dhabi. Its mandate is to invest in the hydrocarbon sector outside the Emirate of Abu Dhabi. IPIC looks to earn a commercial rate of return on its investments and is a long term equity investor. IPIC has become one of the leading companies in the field of petroleum and energy investment since its inception in 1984. It plays an active role in the development of petrochemical sector in Abu Dhabi through facilitating joint ventures, which benefit from the technology and Operating resources of companies in IPIC's portfolio and Abu Dhabi's feedstock advantages. IPIC holds equity stakes in Borealis & OMV in Austria and Germany (1998 & 1994, respectively), Aabar in Abu Dhabi (2008), Hyundai Oilbank in South Korea (1999), Gulf Energy Maritime in Dubai (2004), CEPESA in Spain (1988), Oman Polypropylene in the Sultanate of Oman (2006), PARCO Refinery in Pakistan (1995), SUMED Company in Egypt (1995), Energia De Portugal in Portugal (2008), COSMO Oil in Japan (2007), MAN Ferrostaal in Germany (2008) and Oil Search in Australia (2008). Its estimated net worth is more than US\$14 billion.

[www.ipic.ae](http://www.ipic.ae)

### **About Papua New Guinea LNG**

The Papua New Guinea LNG Project is operated by Esso Highlands Limited, a subsidiary of Exxonmobil Corporation, on behalf of the joint-venturers which include Oil Search, Santos, Nippon Oil, and Mineral Resources Development Company (MRDC) and Eda Oil.

The Project is currently undertaking front end engineering design and securing LNG sales and project financing. It is also consulting with the government and community on plans to address social and environmental impacts.

The preliminary schedule indicates a final investment decision in late 2009 with a target of first LNG cargo in 2013-2014. Once fully constructed, the Project lifetime or production phase is expected to be around 30 years.

[www.pnglng.com](http://www.pnglng.com)