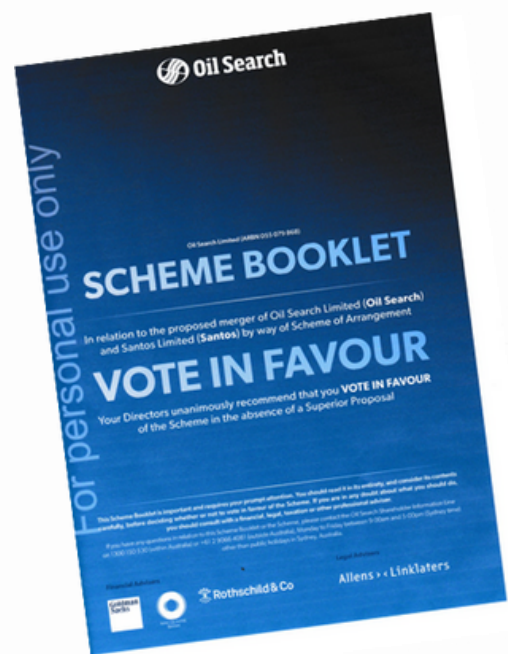


2 DECEMBER 2021:

Oil Search-Santos SCHEME OF ARRANGEMENT

Critical Dates for Oil Search Investors





Find your copy here:
www.jmpmarkets.com/stoosh



Critical dates for OSH shareholders are approaching

SCHEME TIMETABLE

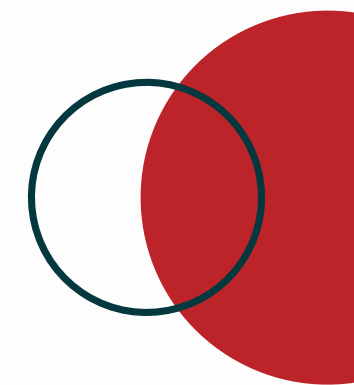
Event	Date
Date of Scheme Booklet	Thursday, 11 November 2021
First Court Date	Thursday, 11 November 2021
Scheme Meeting Proxy Forms	Sunday, 5 December 2021
Scheme Meeting Record Date	Sunday, 5 December 2021
Scheme Meeting Date	Tuesday, 7 December 2021
If Scheme is Approved by Oil Search Limited shareholders at the Scheme Meeting:	
Second Court Date	Thursday, 9 December 2021
Effective Date	Friday, 10 December 2021
If the Scheme is Approved by the Court and becomes effective:	
New Santos shares commence trading on the ASX on a deferred settlement basis	Monday, 13 December 2021
Opt-in Notice date for Unmarketable Parcels	Monday, 13 December 2021
Record Date	Tuesday, 14 December 2021
Implementation Date	Friday, 17 December 2021
New Santos shares commence trading on the ASX on an ordinary settlement basis	Monday, 20 December 2021
Expected Date of despatch of holding statements for New Santos Shares	Monday, 20 December 2021

 **JMP** | SECURITIES

TALK TO US

Nathan Chang:
nathan.chang@jmpmarkets.com
 +675 7167 3223

Salaniet Matthew:
salaniet.matthew@jmpmarkets.com
 +675 313 7996



WHAT IS THE SCHEME?



SCRIP CONSIDERATION

Oil Search shareholders will receive **0.6275** Santos shares for every Oil Search share they own.

NO CASH PAYMENT

Oil Search shareholders will NOT receive any cash payment for their shares.

SANTOS INTENDS TO LIST ON PNGX

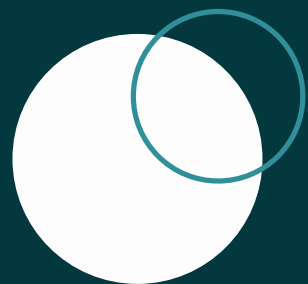
At the time of the transaction, PNG shareholders will not be able to trade their STO shares on PNGX.

38.5%

OWNERSHIP INTEREST OF  **Oil Search**
SHAREHOLDERS IN THE MERGED
ENTITY

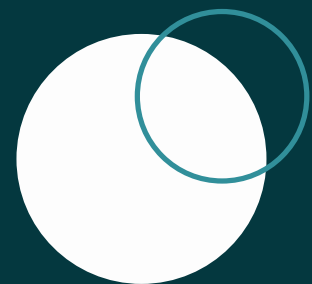
61.5%

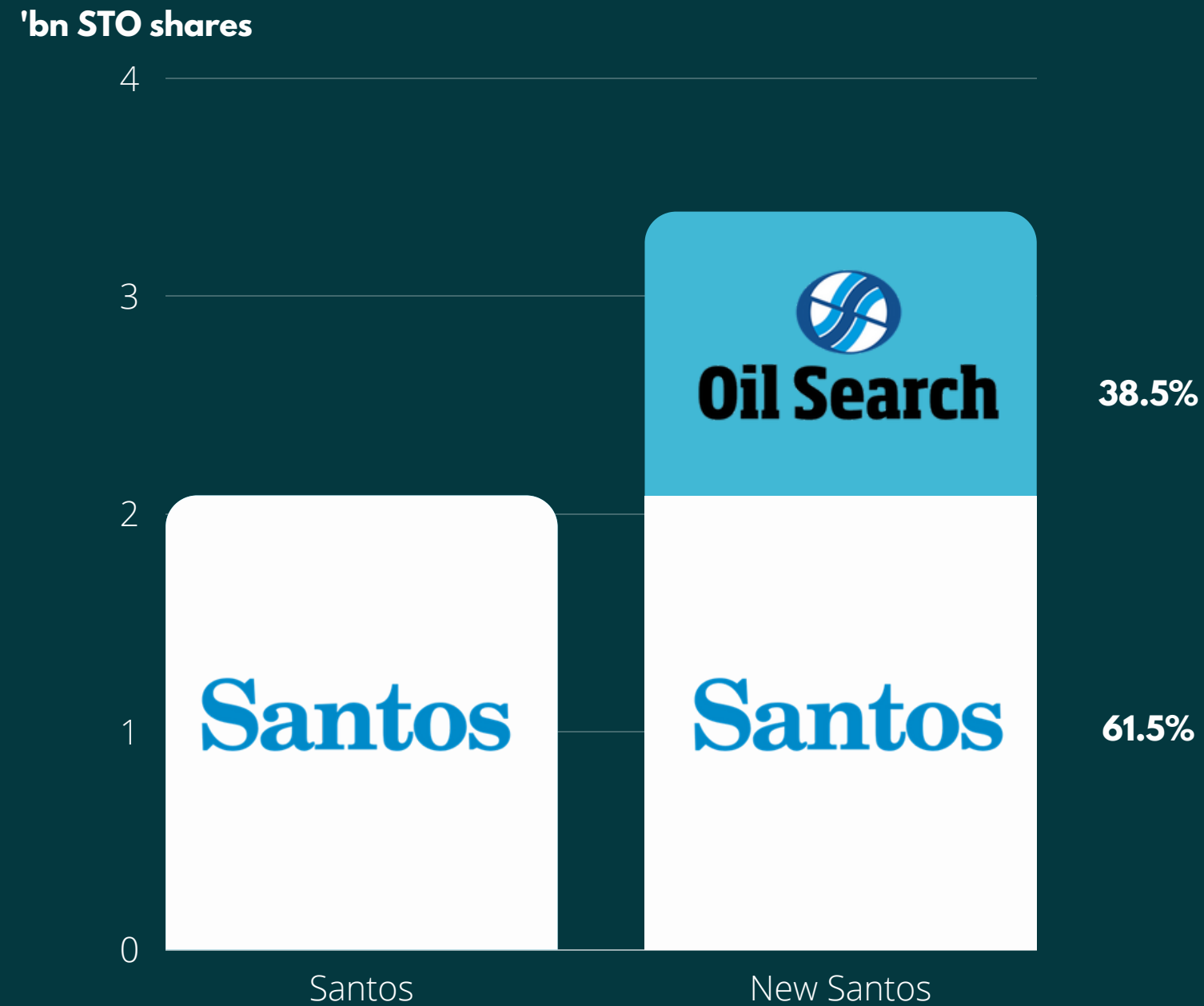
OWNERSHIP INTEREST OF **Santos**
SHAREHOLDERS IN THE MERGED
ENTITY



US\$17 BN

ESTIMATED MARKET VALUE OF THE
MERGED COMPANY



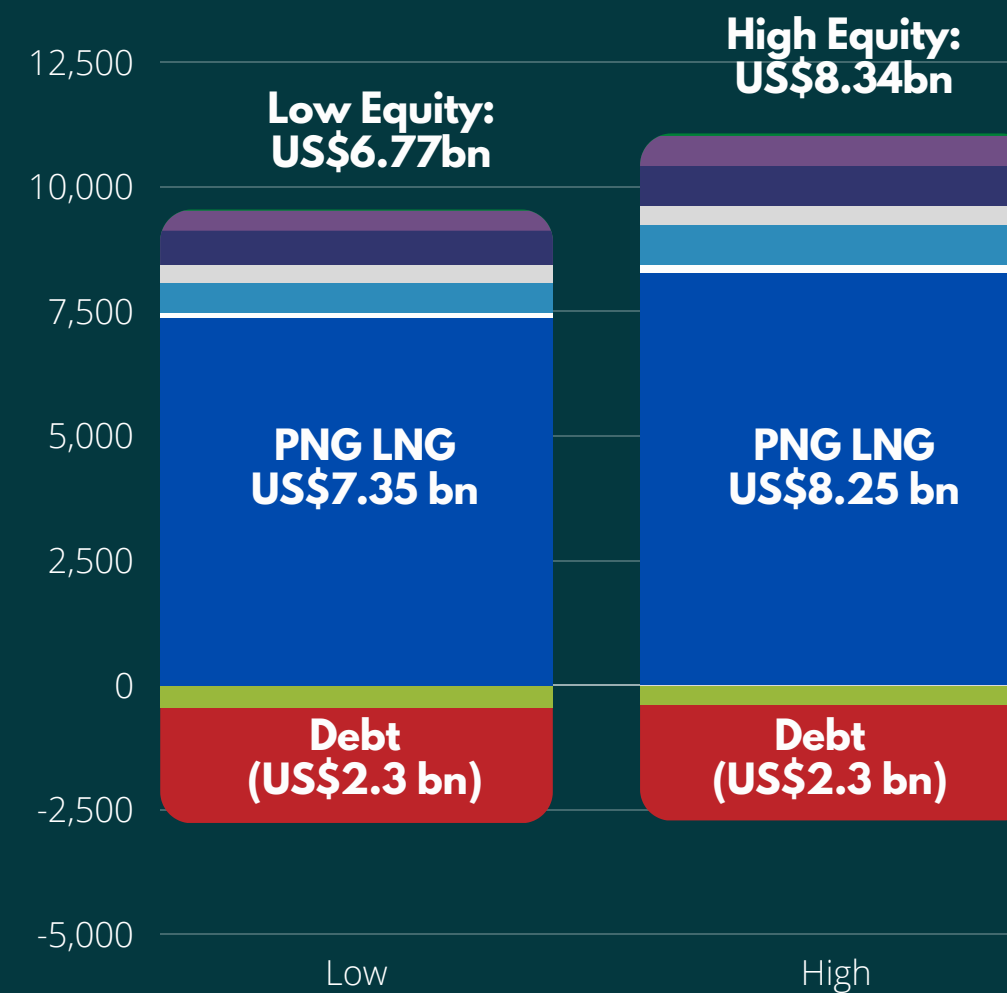


Santos will issue 1.3bn shares to Oil Search shareholders as consideration for acquiring Oil Search!

How was Oil Search valued?

LOW ASSET VALUES

	US\$bn.
PNG LNG	7.35
P'nyang & Muruk	0.10
Papua	0.60
Operated Oil & Gas	0.35
Alaskan Assets	0.70
PNG Exploration Assets	0.40
Other Assets & Liabilities	0.03
Corporate Overheads	(0.45)
Enterprise Value	9.08
Net Borrowings	(2.31)
Equity Value	6.77



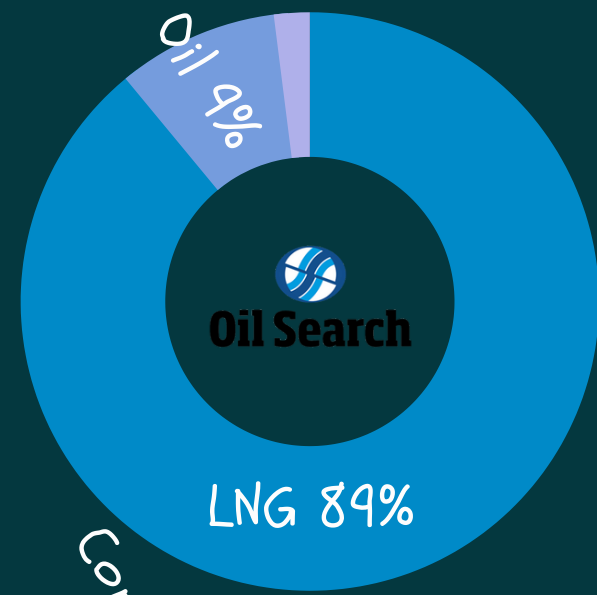
HIGH ASSET VALUES

	US\$bn.
PNG LNG	8.25
P'nyang & Muruk	0.15
Papua	0.80
Operated Oil & Gas	0.40
Alaskan Assets	0.90
PNG Exploration Assets	0.60
Other Assets & Liabilities	0.05
Corporate Overheads	(0.40)
Enterprise Value	10.65
Net Borrowings	(2.31)
Equity Value	8.34

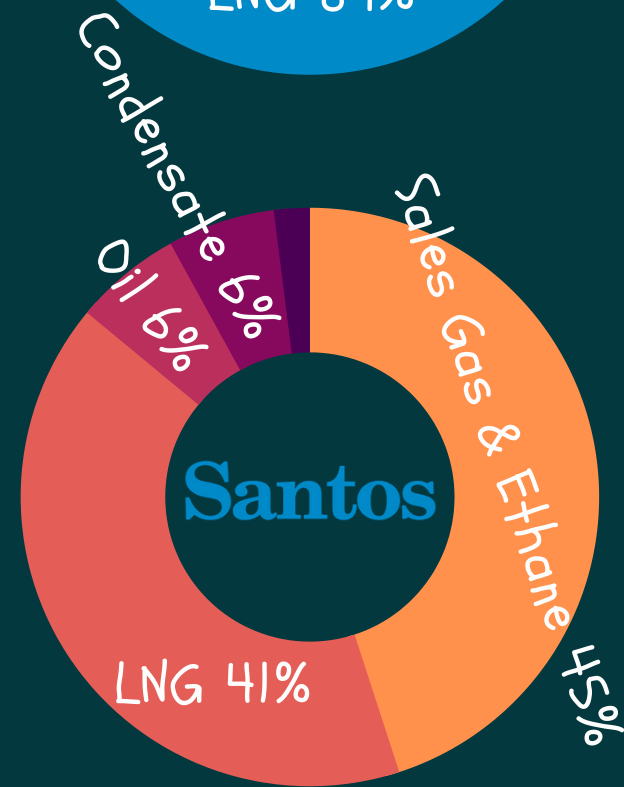
Merged Group at a Glance

FY 2020 PRODUCTION

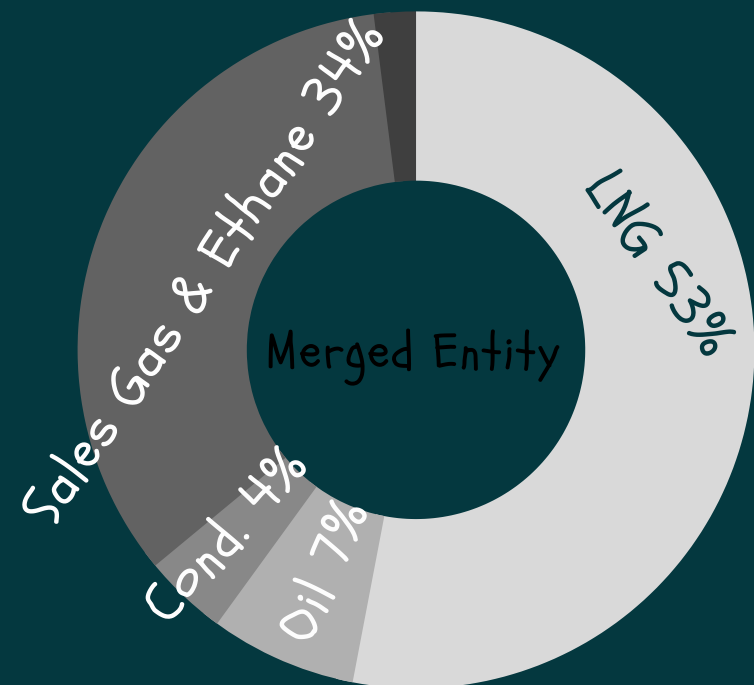
**29
mmboe**



**89
mmboe**

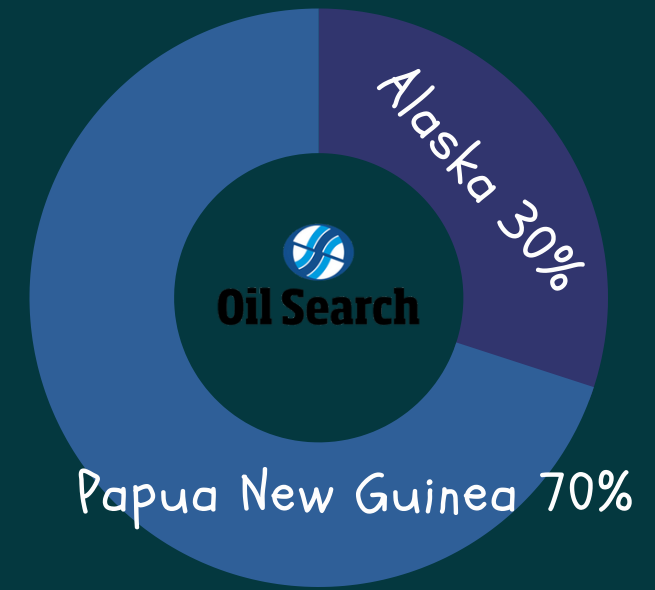


**118
mmboe**

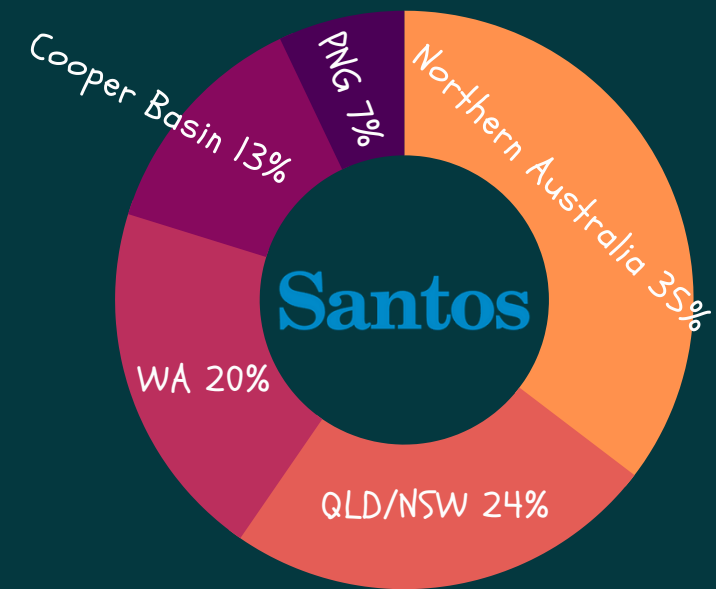


RESERVES & RESOURCES
(2P + 2C)

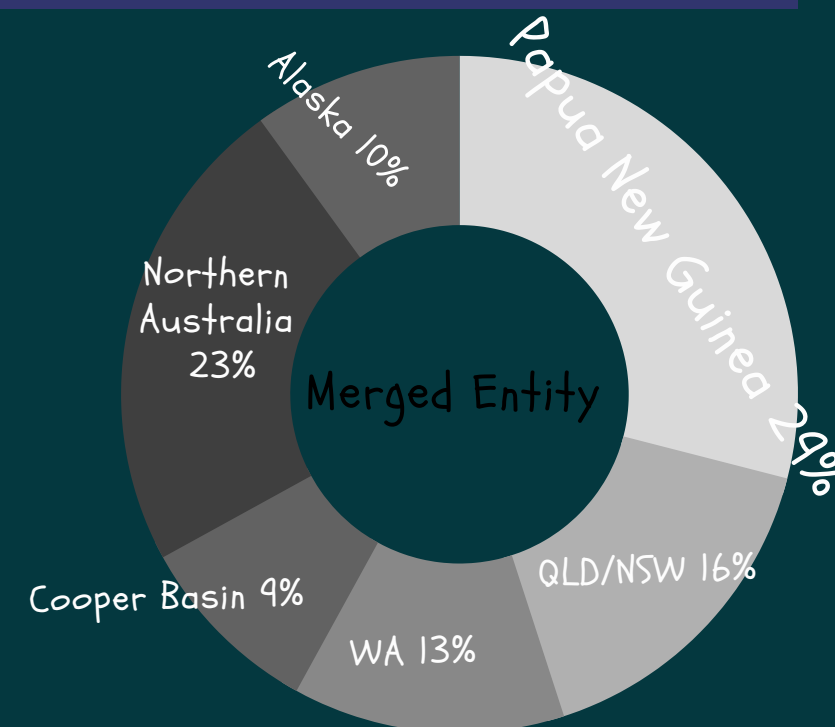
**1,652
mmboe**



**3,215
mmboe**



**4,867
mmboe**



What did the Independent Expert say?

GRANT SAMUEL

The Australian investment bank Grant Samuel was engaged by Oil Search to prepare the Independent Expert's Report.

COMPELLING LOGIC

"The commercial and strategic logic of the merger is compelling."

OSH UNDERVALUED

OSH valued at
US\$6.77bn - 8.34bn
(43.3 - 43.7%)

STO valued at
US\$8.72bn - 10.90bn
(56.3 - 56.7%)

BUT:

"Grant Samuel's view is that Oil Search shareholders will be better off if the Merger proceeds than if it does not."

Reasons to vote


YES





- ✔ The merger brings together two highly complimentary businesses and creates an oil and gas company of significant size with a portfolio of geographically and product diversified long-life and low-cost assets.
- ✔ The Merged Group is expected to have greater relevance to the equity market with the size and liquidity to attract a wider pool of investors.
- ✔ The Scheme is expected to unlock material pre-tax synergies. Santos estimates these synergies to be between US\$90 and US\$115 million per annum (excluding integration and other one-off costs) after full integration.
- ✔ The implied value of the Scheme Consideration represents a premium to the trading prices of Oil Search shares prior to the announcement of the Scheme.
- ✔ The Merged Group will have both Scale and a strong funding platform. Oil Search faces funding constraints on a standalone basis.
- ✔ The Merged Group is expected to benefit from increased opportunities for optimisation of the combined portfolio through alignment of joint venture interests across PNG projects.
- ✔ The Merged Group will benefit from the combined experience of both the Oil Search and Santos management teams and boards.
- ✔ The Merged Group will be formed from strong ESG foundations and is expected to build on each of Oil Search's and Santos' ESG programs and initiatives.


Reasons to vote


NO


-  You may wish to confine your investment and exposure to a business with Oil Search's specific characteristics on a stand-alone basis.

-  You may take the view that the merger ratio implied by the Scheme Consideration does not reflect the underlying value of Oil Search's contribution to the Merged Group.

-  You may be concerned with the risks associated with the integration of Oil Search's and Santos' businesses.

-  The future value of the New Santos is not certain.

-  The tax consequences of the Scheme for you may not suit your financial position.

-  You may consider that there is a potential for a Superior Proposal to be made in the foreseeable future.

What now?

Oil Search shareholders must lodge proxy forms by Sunday, 5 December 2021.

The Scheme Meeting will be held at 10:00 am on Tuesday, 7 December 2021

The Scheme Meeting is VIRTUAL.

Contact JMP Securities if you need assistance:

TALK TO US:

Nathan Chang:

nathan.chang@jmpmarkets.com

+675 7167 3223

Salaniet Matthew:

salaniet.matthew@jmpmarkets.com

+675 313 7996

Contact us on +675 313 7996 or info@jmpmarkets.com to access PNG financial markets



Level 1,
Harbourside West, Stanley Esplanade
PO Box 2064 Port Moresby National
Capital District, Papua New Guinea

www.jmpmarkets.com

Contact JMP Securities Limited

Lars Mortensen
Head of Research

JMP Knowledge Lab
Ph: +675 7200 2233

lars.mortensen@jmpmarkets.com

Chris Hagan
Head of Fixed Interest & Superannuation

JMP Securities Limited
Mobile (PNG): +675 72319913
Mobile (Int): +61 414529814

chris.hagan@jmpmarkets.com

Nathan Chang
Head of Equity Capital Markets

JMP Securities Limited
Ph: +675 7167 3223

nathan.chang@jmpmarkets.com