

Oil Search Signs Gas Sales Agreement With Barrick

Oil Search has announced that it has signed a new gas sales agreement with Barrick (Niugini) Ltd. Under the agreement, Oil search will supply up to 56 Bcf of natural gas and associated liquids to Barrick.

The announcement was made on 3 September and the gas will be used in the Hides Power Station, operated by Barrick, which generates electricity used in the Porgera Gold Mine. This represents an extension of the previous long term gas sales agreement. The term of the agreement is the earlier of December 2021 or when the maximum sales volume has been reached.

A back-to-back agreement has been signed with the PDL 1 Joint Venture, to allow up to 150 Bcf to be sold to Barrick, of which 94 Bcf has already been supplied under the previous long term gas sales agreement.

Peter Botten, Managing Director of Oil Search said: "We have been supplying gas to the Porgera JV's Hides Power station consistently and reliably since 1992. An extension of the Porgera mine life has led to a requirement for an ongoing supply of energy until at least 2021. Under the new gas sales agreement, pricing terms have been amended to reflect the prevailing market price for gas in PNG and the increased cost to Oil Search of acquiring this gas from the other



Oil search inks gas deal with Barrick.

PDL 1 Joint Venture partners. We look forward to continuing our long term supply arrangements with Barrick." ■