



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 14 October 2010

WELL NAME: Al Meashar-2, Block 7, Yemen

Oil Search reports that the Al Meashar-2 well in Block 7, Yemen commenced drilling on 9 October. As at 06:00 Yemen time on 13 October (-8 hrs AEST), the well was at a depth of 257 metres and cementing 20" casing.

Al Meashar-2 is an appraisal well of the Al Meashar-1 oil discovery made earlier in the year. Al Meashar-1, which discovered oil in the fractured basement, flowed oil on test but due to formation damage, a stabilised flow rate was not established.

The appraisal well will be drilled from the existing Al Meashar-1 well pad using Managed Pressure Drilling to minimise damage from drilling fluids in the reservoir. The planned total measured depth of the well is approximately 3,740 metres and is expected to take approximately 90 days to drill.

The participants in Block 7 are:

Oil Search (ROY) Ltd	34%, Operator.
Kuwait Foreign Petroleum Exploration Co. (Aden) Ltd	21.25%
ARC Energy Holdings Ltd*	21.25%
Mitsui Exploration & Production Middle East B.V	8.5%
Yemen General Corporation for Oil and Gas	15%
Total	100%

* A wholly owned subsidiary of AWE Limited

PETER BOTTEN, CBE
Managing Director

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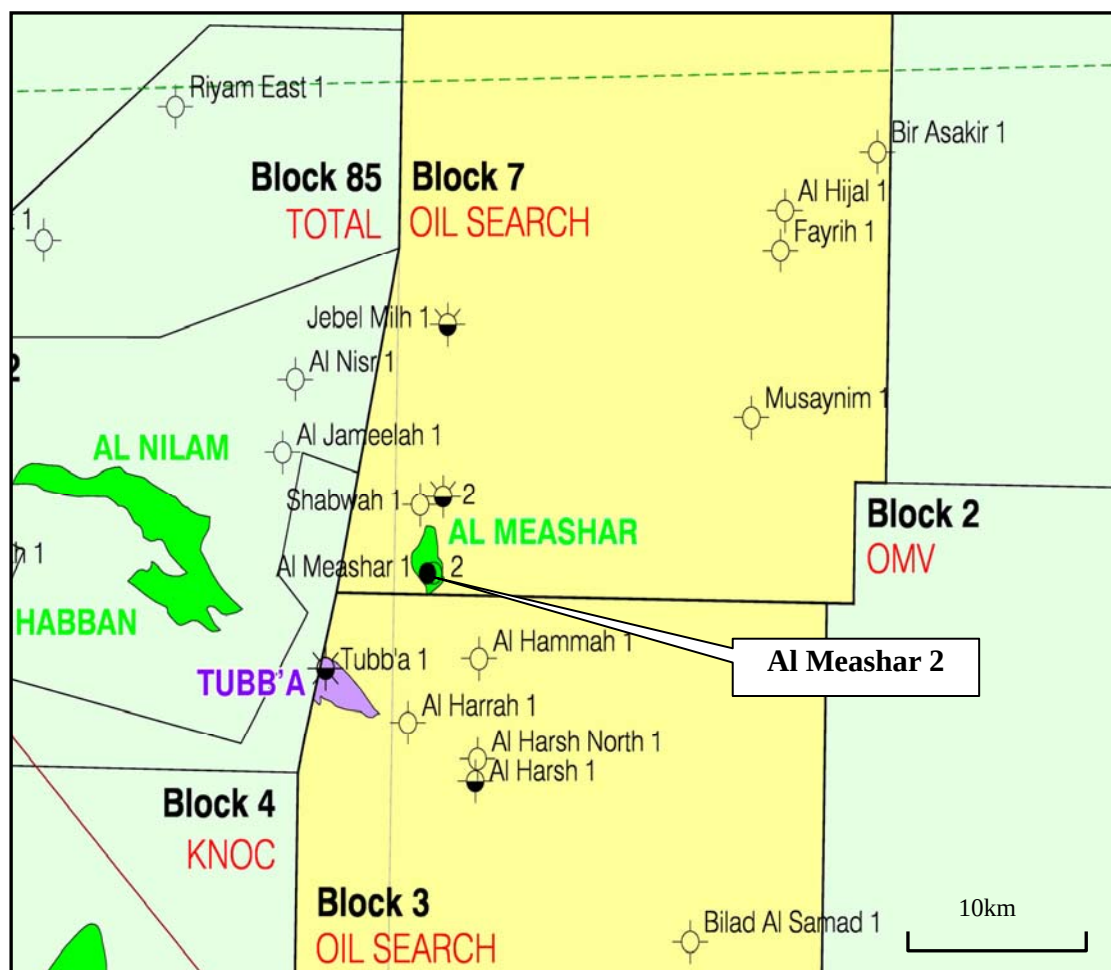
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