



OIL SEARCH LIMITED

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

DRILLING REPORT – 23 December 2010

WELL NAME: Mananda 5, PNG

Oil Search reports that as at 0600 hrs PNG time (-1 hr AEST) on 23 December, Mananda 5 was at a depth of 2,035 metres and preparing to drill ahead in a 8-1/2" hole. During the week the 9-5/8" casing was run and cemented in place.

Mananda 5 is located in PPL 219, approximately 18 kilometres north west of the SE Mananda oil field. Following the discovery of hydrocarbons within the Toro sandstone, the well is being deepened to evaluate the lagifu and Koi-lange sandstones and constrain an underlying footwall target. The revised planned total depth is approximately 3,900 metres.

The participants in Mananda 5 are:

Oil Search (PNG) Limited	71.25%
Nippon Oil Exploration (Niugini) Limited	20.00%
Merlin Petroleum Company	8.75%
Total	100 %

AUSTRALIAN REGISTERED OFFICE

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DRILLING REPORT – 23 December 2010

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

Oil Search reports that as at 06:00 Yemen time on 22 December (-8 hrs AEST), the Al Meashar-2 well in Block 7, Yemen was at a depth of 3,460 metres and drilling ahead in a 6" hole. Oil shows have been encountered over the interval of 3,200 to 3,460 metres within the basement sequence. Progress for the week was 290 metres

Al Meashar-2 is an appraisal well of the Al Meashar-1 oil discovery made in early 2010. The well is being 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.

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

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