



OIL SEARCH LIMITED

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

DRILLING REPORT – 30 December 2010

WELL NAME: Mananda 5, PNG

Oil Search reports that as at 0600 hrs PNG time (-1 hr AEST) on 30 December, Mananda 5 was at a depth of 2087 metres and preparing to drill ahead in 8 ½" hole. A number of cement plugs were set during the week to cure a zone of lost circulation in the 8 ½" open hole. Drilling progress for the week was 52 metres.

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 total depth of the well is dependent upon the results of the evaluation of the lagifu and Koi-lange sandstones.

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 – 30 December 2010

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

Oil Search reports that as at 06:00 Yemen time on 29 December (-8 hrs AEST), the Al Meashar-2 well in Block 7, Yemen, had reached a total measured depth of 3,750 metres and was preparing to run a drill stem test. During the week wireline logging was completed over the basement section which contained oil shows over the interval 3,200 to 3,750 metres. 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

PETER BOTTEN, CBE
Managing Director

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