



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 7 July 2011

WELL NAME: IDT 25, PNG

Oil Search reports that as at 0600 hrs PNG time on 7 July, IDT 25, a development/exploration well located in the PDL 2 Kutubu field, was at a depth of 3,738 metres and preparations were underway to suspend the well.

During the week, the well was drilled to a total depth of 3,738 metres and wireline logs were run over the lower section of the exploration target, the Koi Iange. While there were indications of hydrocarbons, due to poor hole conditions, the results of the logs were inconclusive.

The forward plan is to suspend IDT 25 and to undertake a number of drill stem tests over the Koi Iange interval, where hydrocarbon indications have been encountered. The well will then be completed as a producer from the primary Toro reservoir development objective.

IDT 25 will be tested and completed using a Hydraulic Workover Unit which is anticipated to be on-site in October. Rig 104 will be released shortly and moved to Hedinia 10, a near-field exploration target within PDL 2.

The participants in IDT 25 are:

Oil Search (PNG) Limited	60.05%
Ampolex (PNG Petroleum), Inc.	11.61%
Merlin Pacific Oil Company Limited	2.91%
Merlin Petroleum Company	18.69%
Petroleum Resources Kutubu Limited	6.75%
Total	100%

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