



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 21 July 2011

WELL NAME: Hedinia 10, PNG

Oil Search reports that Rig 104 commenced drilling the Hedinia 10 well in PNG on 16 July 2011. As at 0600 PNG time on 21 July, Hedinia 10 was at a depth of 905 metres and undertaking operations to free an interval of stuck pipe before drilling ahead in a 17-1/2" hole.

Hedinia 10 is a near-field exploration well located within PDL 2. The well is targeting a footwall prospect underneath the producing Hedinia oil field, analogous with the ADT 2 ST3 oil discovery which was made underneath the Agogo oil field in late 2009. The planned total depth of the well is approximately 3,000 metres and the well is expected to take approximately 40 days to drill.

The participants in Hedinia 10 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 %

AUSTRALIAN REGISTERED OFFICE

Level 27 Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia.

GPO Box 2442, Sydney NSW 2001 Australia.

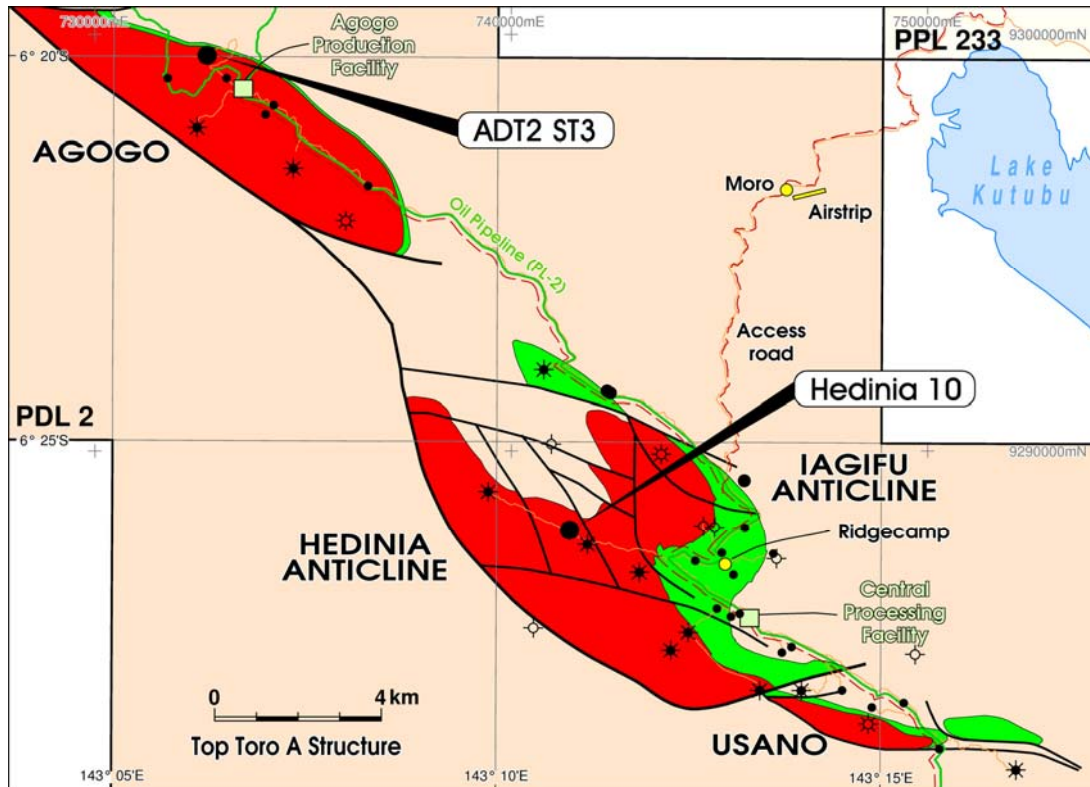
Telephone: (61) 2 8207 8400 Facsimile: (61) 2 8207 8500



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868



PETER BOTTEN, CBE
Managing Director

For further information please contact:
Ann Diamant
Investor Relations Manager

Tel: +61 (0)2 8207 8440
Mob: + 61 (0)407 483 128

AUSTRALIAN REGISTERED OFFICE

Level 27 Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia.
GPO Box 2442, Sydney NSW 2001 Australia.
Telephone: (61) 2 8207 8400 Facsimile: (61) 2 8207 8500