



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 1 September 2011

WELL NAME: Hedinia 10 ST1, PNG

Oil Search reports that as at 0600 PNG time on 1 September preparations were underway to kick off a sidetrack from the Hedinia 10 ST1 well. During the week the 8 ½" pilot hole was drilled to 3,848 metres and wire line logs were acquired over the open hole.

The 8 ½" pilot hole crossed the main Hedinia thrust fault as prognosed and then intersected the Ieru Formation in the footwall. Data acquired in the footwall confirms the development of a forelimb structure analogous to that which underlies the Agogo oil field. The Hedinia 10 ST2 well is designed to target the Toro and Digimu reservoir interval in the footwall forelimb.

The participants in Hedinia 10 ST1 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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