



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 8 September 2011

WELL NAME: Hedinia 10 ST2, PNG

Oil Search reports that as at 0600 PNG time on 8 September, the Hedinia 10 ST2 well was at a depth of 3,430 metres and drilling ahead in a 8 ½" hole.

Following confirmation of the forelimb structure in the Hedinia 10 ST1 well, a sidetrack, Hedinia 10 ST2, was kicked off at a depth of 2,453 metres. Drilling progress for the week was 977 metres.

The primary target in the Hedinia 10 ST2 well, the Toro reservoir, has been successfully identified. Lost returns have been encountered at the top of the Toro and these losses are currently being treated prior to drilling ahead.

The participants in Hedinia 10 ST2 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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