



OIL SEARCH LIMITED

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

DRILLING REPORT – 1 March 2012

WELL NAME: P'nyang South 1, PNG

Oil Search reports that as at 06:00 hrs PNG time on 1 March, the P'nyang South 1 well was at a depth of 1,991 metres and preparations were underway to run a 7" liner. Drilling progress for the week was 203 metres.

During the week, an 8-½" hole was drilled through the Toro, Digimu and P'nyang sands and a 53 metre core cut in the Toro sand. A formation evaluation programme was completed over the 8-½" hole section and the presence of gas is indicated in the Toro, Digimu and P'nyang sands.

The preliminary interpretation of logs and pressure data to date indicates the well has intersected a 184 metre gas gross gas zone, over the Toro to the base of the P'nyang sand.

The forward plan is to deepen the well and evaluate the underlying Koi-lange sandstone.

P'nyang South 1 is located four kilometres south-west of the P'nyang 1x gas discovery and approximately 90 kilometres north-west of the Juha gas field.

The participants in P'nyang South 1 are:

Oil Search Limited *	38.5%
ExxonMobil affiliates	49.0%
JX Nippon	12.5%
Total	100%

* Oil Search is drilling the P'nyang South well under contract with the Operator, Esso PNG P'nyang Limited.

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