



OIL SEARCH LIMITED

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

PURCHASE OF INTEREST IN PPL 277

7 MARCH 2012

Oil Search is pleased to report that it has acquired a 50% interest in PPL 277 from Kingsbury Limited, a wholly owned subsidiary of New Guinea Energy (NGE). The consideration for the purchase comprises a cash payment of US\$7.5 million. The transaction is subject to a number of conditions precedent, including Ministerial approval and licence specific conditions.

Subject to further conditions, NGE may be entitled to an additional US\$10 million from Oil Search if a Petroleum Development Licence (PDL) is granted and a royalty if commercial production occurs.

Esso PNG Exploration Limited, an ExxonMobil affiliate, has agreed with NGE to acquire the remaining 50% interest in the licence.

Commenting on the transaction, Peter Botten, Oil Search's Managing Director said:

"PPL 277 is located in the PNG Highlands and adjoins several licences in which Oil Search holds interests. These include the PDL 8 licence, which contains the Angore PNG LNG Project gas field and PRL 11, which contains the Trapia prospect, due to be drilled following the P'nyang South well.

Based on the regional study that was undertaken as part of the 2010 Strategic Review, we believe the licence is prospective for gas and in an optimal location for future developments."

A U S T R A L I A N R E G I S T E R E D O F F I C E

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

