



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 19 April 2012

WELL NAME: P'nyang South 1 ST1, PNG

Oil Search reports that as at 06:00 hrs PNG time on 19 April, the P'nyang South 1 ST1 well was at a depth of 2,944 metres and undertaking a formation evaluation programme over the Toro sandstone. Drilling progress for the week was 456 metres.

During the week, P'nyang South 1 ST1 drilled through the primary reservoir objective, the Toro sandstone. The top Toro sandstone was intersected downdip, 1.1 kilometres south of the original P'nyang South 1 well. The preliminary interpretation of electric logs and pressure data indicates P'nyang South 1 ST1 has successfully drilled through the gas:water contact, as planned. Based on the preliminary interpretation of data collected in both P'nyang South 1 and P'nyang South 1 ST1, the gas zone is interpreted to extend approximately 200 metres deeper than the lowest known gas in P'nyang South 1, indicating an increase in the total gas column to approximately 380 metres.

Seismic interpretation and structural mapping suggests additional up-dip potential above P'nyang South 1 and indicates a potential vertical gas column in the P'nyang South field of over 650 metres.

On the completion of the formation evaluation programme, the P'nyang South 1 ST1 well will be plugged back and Rig 103 released.

P'nyang South 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 ST1 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.

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



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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

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