



OIL SEARCH LIMITED

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

TEMPORARY SUSPENSION OF LOADING AT KUMUL MARINE TERMINAL

26 July 2012

Oil Search reports that a minor incident has been experienced at the Kumul Marine Terminal during the current tanker loading.

A small number of oil droplets were observed on the sea surface adjacent to the Terminal during loading operations. As a precautionary measure, loading was immediately suspended and the loading line depressurised. The oil sheen dissipated rapidly. It is believed that the amount of oil released was minimal, currently estimated as less than one barrel.

Investigations are underway to determine the source of the oil. Personnel and equipment have been mobilised to the Terminal to inspect the loading line and, if necessary, undertake any required repairs. However, these operations have been delayed due to unfavourable weather conditions, which are prevalent at this time of year.

Oil Search is currently mobilising a diving support vessel capable of operating in the prevailing weather conditions, together with all required support equipment, to the site. This new equipment is expected to be at the Terminal on or around 6 August.

The impact on production activities has, to date, been minimal. However, storage facilities are approaching full capacity. If the weather does not improve to allow the Company to undertake the required inspections and implement any required repairs using the equipment already on-site, production will be curtailed progressively over the next week.

Oil Search will keep the market informed as progress is made.

The Department of Petroleum and Energy and other relevant authorities in Papua New Guinea have been notified.

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