



OIL SEARCH LIMITED

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

UPDATE ON SUSPENSION OF LOADING AT THE KUMUL MARINE TERMINAL

3 August 2012

Further to the announcement on 26 July of the suspension of loading operations at the Kumul Marine Terminal due to a small release of oil, Oil Search reports that weather conditions have remained unchanged and the Company has been unable to undertake an inspection of the Kumul loading line. As a result, loading operations remain suspended.

Due to poor weather en-route, the transfer to site of the diving support vessel and support equipment able to operate in the prevailing conditions has been delayed. The vessel is now anticipated to be on-site on or around 9 August. An inspection and any required repairs to the loading line are expected to take place shortly afterwards.

Over the past week, it has been necessary for the Company to curtail production due to lack of storage capacity. Current gross production is approximately 5,000 bopd and it is anticipated to remain at that level until loading operations resume. During this period of reduced production, the opportunity will be taken to undertake some maintenance work on the fields and facilities, originally planned for later in the year.

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

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