OIL SEARCH LIMITED

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

COMPLETION OF SALE OF INTEREST IN BLOCK 3, YEMEN
31 December 2012

Oil Search is pleased to report that it has completed the sale of its 40% interest in Block 3 (Gardan) in Yemen to Total S.A. of France, for a consideration of US$44 million. As a part of this transaction, Total will assume Operatorship of Block 3.

Based on the current book value, an after tax profit from this sale of approximately US$28 million will be included in the 2012 full year results.

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

"The completion of the sale of Oil Search's interest in Block 3, Yemen is in line with our strategy to optimise our international acreage portfolio in the Middle East and North Africa, with a focus on licences with material upside. Drilling is currently underway on a large prospect in Kurdistan, with encouraging preliminary indications, and a high potential well in Tunisia is due to commence drilling in early 2013.

Oil Search's remaining asset in Yemen is its 34% interest and Operatorship of Block 7 (Al Barqa), which contains the Al Meashar oil field, discovered in 2010. The Company is planning to acquire a 2D seismic programme over prospective areas of the Block in 2013, subject to a stable and safe operating environment prevailing in this area."

Peter Botten, CBE
Managing Director
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