
Muruk Drilling Update

(ASX:OSH | ADR: OISHY | POMSoX: OSH)

15 May 2017

Since the last drilling update at the end of April, the Muruk 1ST3 well, to the south-west of the Muruk 1 gas discovery, was successfully drilled through the Toro reservoir objective. Well logs and pressure data have confirmed that the entire Toro reservoir section is gas saturated. The Toro sandstone interval at Muruk 1ST3 is similar to the high quality reservoir in the Hides field.

After cementing the 7" liner at 3,921 metres, Muruk 1ST3 penetrated the top Toro at 3,968 metres and was drilled to a depth of 4,025 metres. Two cores were cut and the well was then deepened to 4,130 metres, to enable a full suite of logs and pressure data to be acquired. No gas:water contact was penetrated.

The data acquired from logging, cores and pressure samples is now being evaluated. Subject to Joint Venture approval, production tests will be undertaken to assess the deliverability and potential flow rates from the Toro. After completion of the final evaluation and testing programme, the well will be plugged and abandoned, as planned.

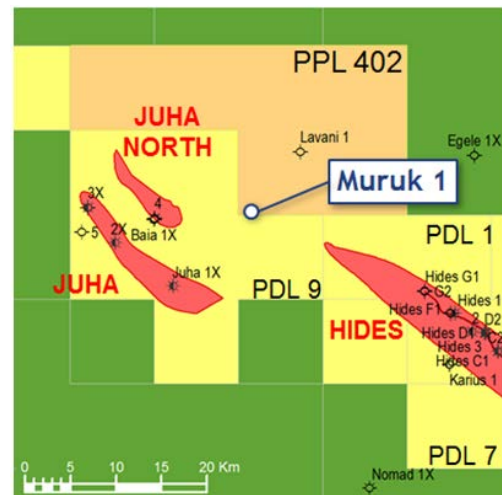
The Muruk drilling programme has successfully discovered a potentially significant new gas field, 21 kilometres north-west of the Hides facilities and immediately north of the Juha gas field. The data from the Muruk drilling programme, which included three sidetracks, will be evaluated to assist in designing a potential appraisal programme in 2018.

Well Name Muruk 1ST3

Location PPL 402, Highlands, PNG,
(north-west of the Hides Gas field)

**Objective/
Targets** Early Cretaceous sandstone of the Toro
Formation

Operator Oil Search (PNG) Ltd



Participants¹	
Oil Search (PNG) Ltd*	37.5%
Eso PNG Wren Ltd	42.5%
Barracuda Ltd (Santos Limited)	<u>20.0%</u>
Total	100.0%

¹ Gross interests pre-Government and landowner back-in, rounded to one decimal place (Santos's interest subject to regulatory approval).

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