



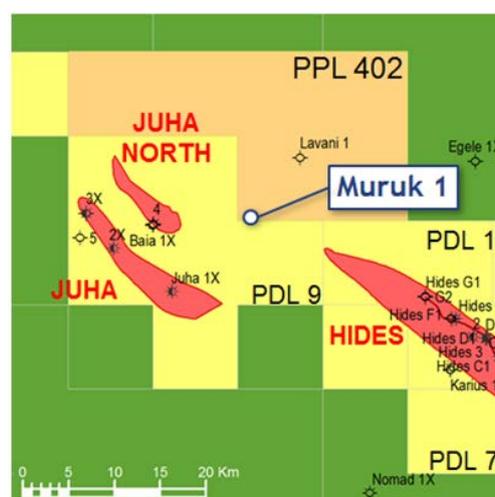
Oil Search

Exploration and Appraisal Drilling Update – May 2017

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

1 June 2017

Well Name	Muruk 1ST3
Well Type	Exploration
Location	PPL 402, Highlands, PNG, (north-west of the Hides Gas field)
Spud Date	2 November 2016
Rig	Rig 104
Objective/ Targets	Early Cretaceous sandstone of the Toro Formation
Status	During the month, 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 confirmed that the entire Toro reservoir section is gas saturated.



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 a total depth of 4,251 metres, to enable a full suite of logs and pressure data to be acquired. This data is now being evaluated. No gas:water contact was penetrated.

A production test on the Toro is currently underway, to assess reservoir productivity and recover hydrocarbon samples. Testing operations are expected to take approximately a week. After completion of the final evaluation and testing programme, the well will be plugged and abandoned, as planned.

Operator Oil Search (PNG) Ltd

Participants ¹	Oil Search (PNG) Ltd	37.5%
	Esso 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' interest subject to regulatory approval).

PETER BOTTEN, CBE

Managing Director

For further information please contact:

Ann Diamant

General Manager, Investor Relations and Communications

Tel: +612 8207 8440

Mob: +61 407 483 128