
Muruk 1ST3 Production test successfully completed

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

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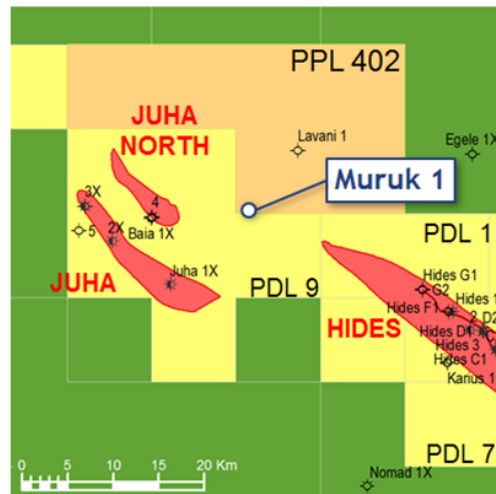
Since the last drilling update, a production test has been successfully completed at the Muruk 1ST3 well, to the south-west of the Muruk 1 gas discovery.

The production test was undertaken to assess reservoir productivity and recover hydrocarbon samples over the gas saturated Toro Sandstone interval, from 3,968 metres to 4,065 metres. Whilst the test was constrained by tubing limitations and downhole issues, which limited it to a number of short flow and build-up periods over an eight day period, the results confirmed a very good quality reservoir with a high deliverability consistent with the Toro reservoirs in the Central Fold Belt. Due to the tubing limitations, the well produced gas at a maximum equipment-constrained rate of 16 million standard cubic feet per day (mmscf/day) on a 32/64" choke. Multiple hydrocarbon samples have been collected for further analysis.

Having completed all evaluation operations, the well will now be plugged and abandoned, with down-hole pressure gauges in place to monitor the response of potential future appraisal activity.

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 and further de-risks the gas prospectivity along the Hides to P'nyang trend.

The data from the Muruk well and three sidetracks will be evaluated to assess the potential gas resource. Follow-up well site preparations are being scheduled for late 2017 ahead of a potential appraisal programme in 2018.



| Participants¹ | |
|---------------------------------|---------------|
| Oil Search (PNG) Ltd (operator) | 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).

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