



## OIL SEARCH LIMITED

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

### DRILLING REPORT – 27 May 2010

#### WELL NAME: Korka-1, PNG

Oil Search reports that as at 06:00 PNG time on 27 May, Korka 1 was at a depth of 3,181 metres and preparing to run a 7" liner. Progress for the week was 574 metres.

During the week, 8 ½" hole was drilled through the Ieru Formation and into the upper section of the Toro sandstone. Elevated gas readings were observed within the Toro sandstone and the preliminary interpretation of log data indicates the presence of hydrocarbons. The Giero Member of the Ieru Formation, the secondary objective, lacked reservoir quality sands.

The forward plan is to set 7" liner at the top of the Toro section, drill a 6" hole to a total depth of approximately 3,300 metres and then undertake an evaluation programme, including formation pressure measurements, of the Toro sandstone interval. This work will confirm the presence and type of any hydrocarbons present in the formation.

Upon grant of approval and registration of licence transfers, the participating interests in Korka 1 will be:

Oil Search (PNG) Limited	50.00%, Operator
Eaglewood Energy (BVI) Limited	30.00%
Nippon Oil Exploration (Niugini) Limited	20.00%
<b>Total</b>	<b>100%</b>

#### AUSTRALIAN REGISTERED OFFICE

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### DRILLING REPORT – 27 May 2010

**WELL NAME: Jebel Al Milh-1, Block 7, Yemen**

Oil Search reports that as at 06:00 Yemen time (-7 hrs AEST) on 26 May, the Jebel Al Milh-1 well was at a depth of 1,326 metres and drilling ahead in 17-1/2" hole. Progress for the week was 817 metres.

Jebel Al Milh-1 is located 16 kilometres north-northeast of the Al Meashar-1 well, which recently discovered oil in the basement. The primary target is fractured Pre-Cambrian basement and the structure is well defined on 3D and 2D seismic. The well is expected to drill to a depth of approximately 3,700 metres.

The participants in Block 7 are:

Oil Search (ROY) Ltd	34%, Operator
Kuwait Foreign Petroleum Exploration Co. (Aden) Ltd	21.25%
ARC Energy Holdings Ltd*	21.25%
Mitsui E&P Middle East B.V.	8.5%
Yemen General Corporation for Oil and Gas	15%
Total	100%

\* A wholly owned subsidiary of AWE Limited

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