



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 24 June 2010

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

Oil Search reports that as at 06:00 Yemen time (-7 hrs AEST) on 23 June, the Jebel Al Milh-1 well was at a depth of 2,496 metres and preparing to pump a cement plug, to cure losses of drilling fluid into the formation. Progress for the week was 146 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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