



OIL SEARCH LIMITED

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

DRILLING REPORT – 5 July 2007

WELL NAME: Juha 4ST1

Oil Search reports that as at 0600 on 5 July 2007, the Juha 4ST1 well was at a depth of 2,742 metres MD and running in hole to drill ahead to the casing point above the Toro Formation. Progress for the week was 291 metres.

Juha 4ST1 is located 35 kilometres north-west of the Hides gas field. Three wells were drilled on the Juha structure in the early 1980s, and proved the presence of a condensate-rich gas accumulation. Juha 4 is designed to test a separate segment on the structure to the east of the existing wells. It follows on from the Juha 5 well which was drilled in the same segment as the earlier wells.

Juha 4 is targeting the Toro reservoir at a depth of around 2,240 metres subsea, 3,200 metres measured depth (MD). The planned total depth of the well is 3,340 metres MD.

The participants in Juha 4 are:

Oil Search Limited*	31.5%
ExxonMobil	56.0%
Merlin Petroleum	12.5%
Total	100%

* While ExxonMobil is operator of PRL 2, Oil Search is operating the Juha wells.

AUSTRALIAN REGISTERED OFFICE

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DRILLING REPORT – 5 July 2007

WELL NAME: AI Magrabah-1

Oil Search reports that as at 0600 Yemen time (+2 hrs GMT) on 4 July 2007, the AI Magrabah-1 well was at a total depth of 3,556 metres.

During the week the testing program was commenced and the first test, DST#1, of the Lower Nayfa section is currently in progress.

AI Magrabah-1 is located in Block 35, onshore Yemen, approximately 55 kilometres north east of the Nabrajah field. The primary target is the Qishn Clastics with secondary targets in the fractured/karstified Saar and Nayfa formations, Kuhlan sandstone/Weathered Basement, and fractured metamorphic basement.

The participants in Block 35 are:

Oil Search	32.5% (operator)*
Virgin Resources	37.5%
ARC Energy	15.0%
MND	10.0%
The Yemen Company	5.0%
Total	100%

* Working interest. The Yemen Company is carried by the other JV participants. Oil Search's paying interest is 34.2%

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DRILLING REPORT – 5 July 2007

WELL NAME: Rana-1

Oil Search reports that as at 0600 hrs Egypt time (+2 hrs GMT) on 4 July 2007, the Rana-1 well was at a depth of 3,692 metres and preparing to drill ahead in an 8-1/2" hole after a bit change. Progress for the week was 292 metres with hydrocarbon shows reported in the Bahariya and Kharita formations.

Rana-1 is located in the East Ras Qattara concession, Western Desert, Egypt, approximately 12 kilometres south-east of the recently drilled Ghard-1 discovery. Rana-1 is Oil Search's third well in an extended drilling programme in the East Ras Qattara block in 2007.

The objectives of the Rana-1 well are reservoirs in the Cretaceous Abu Roash, Bahariya and Kharita Formations, with a prognosed total depth of 3,711 metres. Production storage facilities are located in nearby adjacent concessions.

The participants in the Rana-1 well are:

Sipetrol International S.A.	50.5%, operator
Oil Search (Egypt) Limited	49.5%
Total	100%

PETER BOTTEN
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