



OIL SEARCH LIMITED

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

DRILLING REPORT – 25 June 2007

WELL NAME: Kutubu 2

Oil Search reports that over the weekend, wireline logs were run across the Toro reservoir section of the Kutubu 2 well. The logs confirmed that the reservoir is water wet and that the gas shows recorded while drilling are residual.

Due to these results and the instability of the Kutubu 2 hole, it has been decided to plug and abandon the well. The rig will now be mobilised to the Arakubi 1A exploration well site, where drilling is expected to commence in early August.

The participants in Kutubu 2 are:

Oil Search (PNG) Limited	72.52%, operator
Ampolex (Highlands) Ltd*	18.73%
Merlin Petroleum Company	8.75%
Total	100%

* Ampolex holds its interests in PPL 219 in trust for Oil Search (PNG) Ltd.

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