



OIL SEARCH LIMITED

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

SALE OF INTEREST IN BLOCK 3, YEMEN 5 March 2012

Oil Search is pleased to report that it has signed a Sales and Purchase Agreement to sell its 40% interest in Block 3 (Gardan) in Yemen to Total S.A. of France, for a consideration of US\$44 million. As a part of this transaction, Total will assume Operatorship of Block 3.

The completion of the transaction is subject to approvals from the Yemen Government. Oil Search expects to report a book profit on completion of this sale.

Commenting on the transaction, Peter Botten, Oil Search's Managing Director said:

"Oil Search continues to optimise its international acreage portfolio in the Middle East and North Africa (MENA). We are pleased to have sold Block 3 to Total, which has had a strong presence in Yemen since 1987 and has interests in the country's two oil basins as well as in the Yemen LNG project.

Following the completion of the sale of Block 3, Oil Search's remaining asset in Yemen will comprise its 34% interest and Operatorship of Block 7 (Al Barqa), which contains the Al Meashar oil field, discovered in 2010. The Company is currently planning a 2D seismic programme over prospective areas of the Block, which will be acquired in 2012, subject to the political and security situation.

Oil Search remains focused on exploration licences with material upside potential in the MENA area and looks forward to drilling high impact exploration wells in Kurdistan and Tunisia during 2012."

Peter Botten, CBE
Managing Director
OIL SEARCH LIMITED

For further information, please contact:
Ann Diamant
Investor Relations Manager

Tel: +61 (0)2 8207 8440
Mob: +61 (0) 407 483 128

AUSTRALIAN REGISTERED OFFICE

Level 27 Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia.
GPO Box 2442, Sydney NSW 2001 Australia.
Telephone: (61) 2 8207 8400 Facsimile: (61) 2 8207 8500