



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

DRILLING REPORT – 15 July 2010

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

Oil Search reports that as at 06:00 Yemen time (-7 hrs AEST) on 14 July, the Jebel Al Milh-1 well was at a depth of 2,870 metres and drilling ahead in 12¹/₄" hole in the Lam Member of the Madbi Formation. Elevated gas and oil shows have continued to be observed while drilling through this section. Progress for the week was 123 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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