

Exploration and Appraisal Drilling Update – June 2017

(ASX:OSH | ADR: OISHY | POMSoX: OSH)

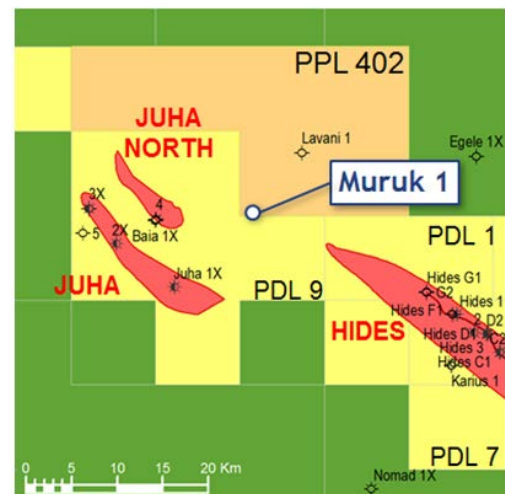
6 July 2017

Well Name	Muruk 1ST3
Well Type	Exploration
Location	PPL 402, Highlands, PNG, (north-west of the Hides Gas field)
Spud Date	2 November 2016
Rig	Rig 104
Objective/ Targets	Early Cretaceous sandstone of the Toro Formation
Status	As announced to the market on 14 June, during the month a production test over the Toro Sandstone interval from 3,968 metres to 4,065 metres was successfully completed at the Muruk 1ST3 well.

The well flowed gas at an equipment-constrained rate of 16 million standard cubic feet per day on a 32/64" choke. The results confirmed a good quality reservoir with high deliverability, consistent with the Toro reservoirs in the Central Fold Belt. The well was plugged and abandoned, as planned.

Rig 104 is being kept at the Muruk 1 location, with well site preparations for an appraisal well targeted to commence in late 2017, for drilling in early 2018. The joint venture partners are also presently finalising locations for a seismic programme, to be acquired over Muruk and adjacent exploration targets.

This is the final drilling update for Muruk 1.



Operator Oil Search (PNG) Ltd

Participants¹	Oil Search (PNG) Ltd*	37.5%
	Esso PNG Wren Ltd	42.5%
	Barracuda Ltd (Santos Limited)	<u>20.0%</u>
	Total	100.0%

¹ Gross interests pre-Government and landowner back-in, rounded to one decimal place (Santos's interest subject to regulatory approval).

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