

Exploration and Appraisal Drilling Update – December 2017

(ASX: OSH | ADR: OISHY | POMS0X: OSH)

4 January 2018

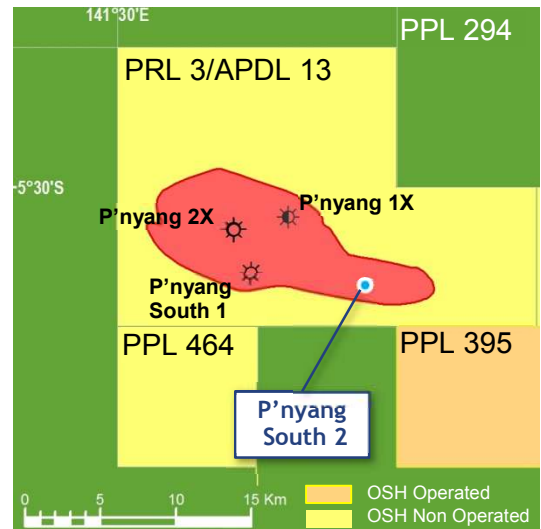
Well Name	P'nyang South 2 / P'nyang South 2 ST1
Well Type	Appraisal
Location	PRL 3/APDL 13, North-West Highlands, PNG,
Spud Date	22 October 2017
Rig	Rig 103
Objective/ Targets	Toro, Digimu and Emuk Sandstones

The objective of P'nyang South 2 is to migrate 2C (proven and probable) gas resource volumes to the 1C (proven) category as well as appraise 2C resource upside potential identified in the south-eastern part of the field.

Status During the month, 9-5/8" casing was set at 1,981 metres. The well was cored and then drilled in an 8-1/2" hole through the objective Toro, Digimu and Emuk formations to a total depth of 2,275 metres.

Cores were cut through the Toro A and C units and pressure data was acquired. The Toro and Digimu Formation sands are interpreted to be hydrocarbon (gas) saturated with good reservoir quality. This is in line with Oil Search's pre-drill prognosis and has confirmed the presence of gas in this part of the field.

At the end of December, data acquisition and evaluation over the target sands continued. The forward plan is to set 7" liner prior to drilling ahead to gather additional structural information. The revised total depth for P'nyang South 2 ST1 is approximately 2,725 metres.



Operator Oil Search (on behalf of ExxonMobil)

Participants¹	Affiliates of Oil Search	38.5%
	Affiliates of ExxonMobil	49.0%
	Merlin Petroleum Company (an affiliate of JX Nippon)	12.5%
	Total	100.0%

¹ Gross interests pre-Government and landowner back-in, rounded to one decimal place.

All depths quoted are MDRT (measured depth from rotary table)

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