



OIL SEARCH LIMITED

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

30 August 2007

THE AUSTRALIAN SECURITIES EXCHANGE
(SYDNEY) LIMITED
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Attention: Company Announcements Officer

Dear Sir/Madam

Re: Oil Search Limited

Drilling Report (Arakubi 1A, Rana-1, Thoub-1, Reeb-1). 30 August 2007

Please find attached.

Yours sincerely

MICHAEL SULLIVAN
General Counsel/Group Secretary

Encl.

AUSTRALIAN REGISTERED OFFICE

Level 27 Angel Place, 123 Pitt Street, Sydney NSW 2000 Australia.
GPO Box 2442, Sydney NSW 2001 Australia.
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DRILLING REPORT – 30 August 2007

WELL NAME: Arakubi 1A, PNG

Oil Search reports that the Arakubi 1A exploration well is now completing rigging up operations and scheduled to commence drilling shortly.

Arakubi 1A is located in PDL 2, and is five kilometres east of the Kutubu oil field. The well is a re-drill of Arakubi 1, which commenced drilling in mid-2006 but was suspended due to rig problems. Arakubi 1A is being drilled from the same well pad as the previous well, but in a new hole.

The well is targeting the Toro Sandstone in a seismically-defined hanging wall structure. The planned total depth of the well is 2,945 metres.

The participants in Arakubi 1A are:

Oil Search Limited	60.0%
ExxonMobil	14.5%
AGL	11.9%
Merlin Petroleum	6.8%
Petroleum Resources (Kutubu)	6.8%
Total	100%

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DRILLING REPORT – 30 August 2007

WELL NAME: Rana-1, Egypt

Oil Search reports that over the week, testing operations in the Rana-1 well took place and the well was suspended as a future producer.

A test of the three combined Bahariya pay intervals resulted in oil to surface. Due to mechanical issues with the casing, further testing and stimulation was deferred and the well suspended. The forward plan is to bring in a work-over rig to repair casing and ensure wellbore integrity prior to a re-test of the upper three zones. The well will then be completed as a producer.

The drill rig is currently being mobilised to the fourth well in the East Ras Qattara exploration programme, Raheek-1, which is located approximately six kilometres south of Rana-1. The Raheek prospect will test a horst block and target the Bahariya and Kharita formations that were found to be oil bearing in Rana-1.

The participants in the Rana-1 and Raheek-1 wells are:

Sipetrol International S.A.	50.5%, operator
Oil Search (Egypt) Limited	49.5%
Total	100%

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DRILLING REPORT – 30 August 2007

WELL NAME: Thoub-1, Yemen

Oil Search reports that as at 0600 hrs Yemen time (+2 hrs GMT) on 29 August, the Thoub-1 well in Block 43 in Yemen was at a depth of 2,628 metres and drilling ahead in a 12-1/4" hole. Progress for the week was 346 metres.

Thoub-1 is located approximately 8 kilometres east of the Nabrajah field. The well is targeting a tilted fault block at the primary Qishn Clastics objectives and four-way dip closure at the secondary targets in the fractured/karstified Saar and Nayfa formations.

The prognosed total depth of the well is 3,300 metres.

The participants in Block 43 are:

DNO ASA	56.67%, operator
Oil Search (Yemen) Limited	28.33%
The Yemen Company	15%, carried
Total	100%

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DRILLING REPORT – 30 August 2007

WELL NAME: Reeb-1, Yemen

Oil Search reports that as at 0600 hrs Yemen time (+2 hrs GMT) on 29 August, the Reeb-1 well was at a depth of 2,716 metres and drilling ahead in a 12-1/4" hole. Progress for the week was 633 metres.

During the week, the well drilled through the primary Qishn clastics target, with no hydrocarbon shows. However, strong gas shows were observed while drilling through the top of the secondary Nayfa objective. These shows will be evaluated further during the logging programme.

Reeb-1 is located approximately 35 kilometres east of the Al Magrabah-1 well. The primary target is the Qishn Clastics with secondary targets in the fractured/karstified Saar and Nayfa formations, Kuhlun sandstone and weathered/fractured metamorphic basement.

The prognosed total depth of the well is approximately 3,200 metres.

The participants in Block 35 are:

Oil Search	32.5% (operator)*
Virgin Resources	37.5%
ARC Energy	15.0%
MND	10.0%
The Yemen Company	5.0%
Total	100%

* Working interest. The Yemen Company is carried by the other JV participants. Oil Search's paying interest is 34.2%

PETER BOTTEN
Managing Director

For further information please contact:

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