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# Completion of drilling at P'nyang South 2 ST1

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

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The P'nyang South 2 ST1 well, located in PRL 3 in the North-West Highlands of Papua New Guinea, reached a total depth of 2,725 metres<sup>1</sup> on 7 January 2018. As previously reported, the well, which is being operated by Oil Search on behalf of the PRL 3 joint venture, has encountered gas in good-quality Toro and Digimu sands, while the Emuk sands appear to be largely water-bearing.

Peter Botten, Oil Search's Managing Director said:

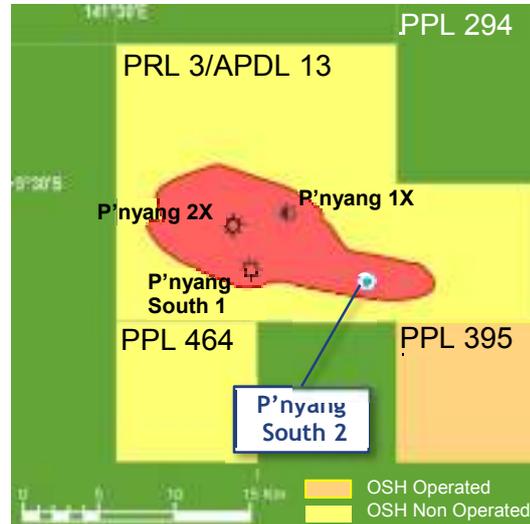
*"We are pleased with the P'nyang South 2 ST1 results, which confirm the extension of the P'nyang field to the south-east. The PRL 3 joint venture is evaluating the well results, including the implications for 1C and 2C gas resource volumes in the field. Oil Search is confident that the well's primary objective, to migrate 2C contingent gas resource to 1C contingent resource in this area, to support marketing and financing activities for LNG expansion, will be met."*

A recertification of the field's gas resources by an independent expert is underway and is expected to be completed in the second quarter of 2018. The joint venture is also working with the Department of Petroleum to progress the offer of a Petroleum Development Licence (APDL 13) over P'nyang, currently subject to an application. In addition, work is continuing on selecting the optimal development concept for the field.

The well is presently being plugged and abandoned, as planned.

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<sup>1</sup> MDRT – measured depth from rotary table



<b>Participants<sup>1</sup></b>	
Oil Search affiliates	38.5%
ExxonMobil affiliates	49.0%
NOEX (an affiliate of JX Nippon)	<u>12.5%</u>
Total	100.0%

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

**PETER BOTTEN, CBE**

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