



OIL SEARCH LIMITED

(Incorporated in Papua New Guinea)

ARBN – 055 079 868

26 July 2005

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

Attention: Company Announcements Officer

Dear Sir/Madam

Re: Oil Search Limited

Oil Search Awarded Three New Blocks in Yemen

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.
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OIL SEARCH AWARDED THREE NEW BLOCKS IN YEMEN 26 July 2005

Oil Search, on behalf of its partners Kufpec (Aden) Limited, Voyager Energy Limited and Adelphi Energy Limited, is pleased to announce it has been awarded, two blocks, Blocks 7 and 74, in the recent 2005 International Bid Round in the Republic of Yemen.

Oil Search is also awaiting final ratification of a Production Sharing Agreement over Block 3, awarded to Oil Search and partner Petoil (Petoil Petroleum & Petroleum Products International Exploration & Production Inc.) through direct negotiations with the Yemeni Government.

Block 7 and Block 3 are both located in the eastern sector of the prolific onshore Shabwah Basin (see Map 2). Oil production from the Shabwah Basin is currently approximately 120,000 bopd, primarily from Blocks 18 and 20.

The Block 7 minimum work programme for the committed three year exploration period requires Oil Search and its partners to reprocess 1,000 kilometres of existing seismic, acquire 250 kilometres of new 2D seismic and drill four exploration wells. The committed exploration period for Block 3 is 30 months during which time Oil Search and its partners are required to acquire 300 kilometres of 2D seismic and drill one exploration well.

Block 74 is located within the Masila Basin (see Map 3) which is currently producing approximately 250,000 bopd mainly from Block 14. The block is approximately 25 kilometres south of Block 43 where the Nabrajah oil field was discovered in 2004.

The Block 74 minimum work programme for the committed three year exploration period requires Oil Search and its partners to reprocess 500 kilometres of existing seismic, acquire 250 kilometres of new 2D seismic and drill three exploration wells.

Exploration work in Blocks 7 and 74 is expected to commence towards the end of 2005, following the finalisation of the respective Production Sharing Agreements and ratification by the Yemeni Government.

A U S T R A L I A N R E G I S T E R E D O F F I C E

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Oil Search will operate all three blocks. Working interests in each block are as follows:

Block 3 Working Interests

Oil Search (Yemen) Limited	60%, operator
Petoil	35%
The Yemen Company	5%, carried
Total	100%

Block 7 Working Interests

Oil Search (Yemen) Limited	34%, operator
Kufpec (Aden) Limited	21.25%
Voyager Energy Limited	21.25%
Adelphi Energy Limited	8.5%
The Yemen Company	15%, carried
Total	100%

Block 74 Working Interests

Oil Search (Yemen) Limited	34%, operator
Kufpec (Aden) Limited	21.25%
Voyager Energy Limited	21.25%
Adelphi Energy Limited	8.5%
The Yemen Company	15%, carried
Total	100%

Commenting on the award, Oil Search's Managing Director, Mr Peter Botten said:

“We are delighted to have been able to secure these blocks in Yemen, which are all in highly prospective areas and have good access to existing infrastructure in the event of a discovery. Together with our existing blocks, Oil Search now has built a material acreage position in Yemen with an operating presence in the country's two key oil producing basins. We regard Yemen as highly prospective and are planning an active exploration programme in the country over the next three years”.

PETER BOTTEN
Managing Director



OIL SEARCH LIMITED

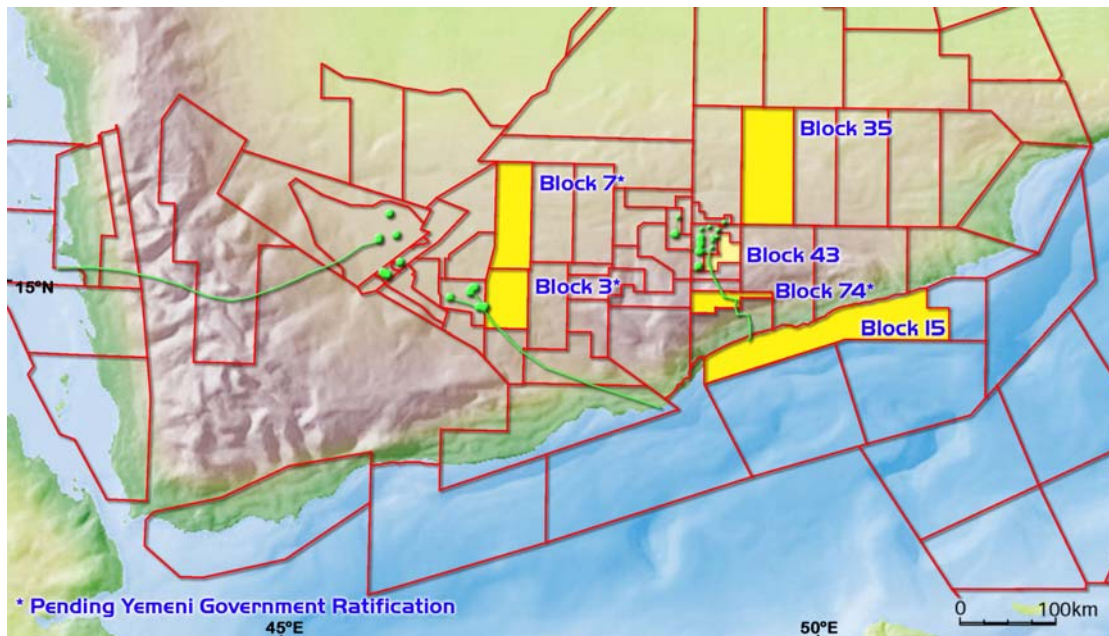
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For further information, please contact:

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Map 1 Oil Search's Yemen Acreage Position



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Map 2 Block 7 and Block 3, Yemen



Map 3 Block 74, Yemen

