

FUNCTION AND AUTHORITY

The primary role of the Reserves Committee (**Committee**) is to review oil and gas reserve and resource estimates and advise the Board of Directors (**Board**) concerning these estimates for reporting purposes.

The Reserves Committee operates principally in a review and/or advisory capacity except where decision making authority is specifically delegated by the Board.

The Reserves Committee will have the right to obtain independent reserve engineering consultants to assist the Company in its review of its oil and gas reserves (with due regard to costs). Prior approval from the Chairman and Managing Director is required for either of the above, which approval may not be unreasonably withheld.

RESPONSIBILITIES

The Committee shall oversee the Company's:

- annual and any quarterly review of its oil and gas reserves;
- procedures for evaluating and reporting its oil and gas producing activities; and
- compliance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management System (PRMS), and any applicable statutory requirement relating to the preparation and disclosure of information with respect to its oil and gas reserves.

The Committee's functions and procedures should remain flexible to address changing circumstances most effectively. To implement the Committee's purpose and policy, the Committee shall be charged with the following functions and processes:

- preparing, maintaining and reconciling estimates of Tap's reserves and resources together with supporting documentation, in compliance with the ASX Listing Rules and other relevant statutory requirements;
- training and demonstrating the competency of all employees involved in petroleum resource estimation, management and reporting to be compliant with ASX Listing Rules and other relevant statutory requirements;
- to consider and review with management any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's oil and gas reserves;
- to review with management, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's oil and gas reserves if, in the judgment of the Committee, such review is necessary or appropriate;
- to review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval;
- to conduct an annual evaluation of the performance of the Committee;
- to perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing; and
- to report to the Board such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

MEMBERSHIP

The Committee shall consist of at least three members of the Board, majority of whom shall be independent, non-executive directors. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Chairman of the Committee shall be appointed by the Board.

MEETINGS

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each member of the Board promptly after each meeting. The Chairman of the Committee shall report to the Board from time to time, or whenever so requested by the Board.

Approved by the Board of Tap Oil Limited.



Douglas Bailey
Chairman
for and on behalf of the Board of Directors

24 April 2012
Date