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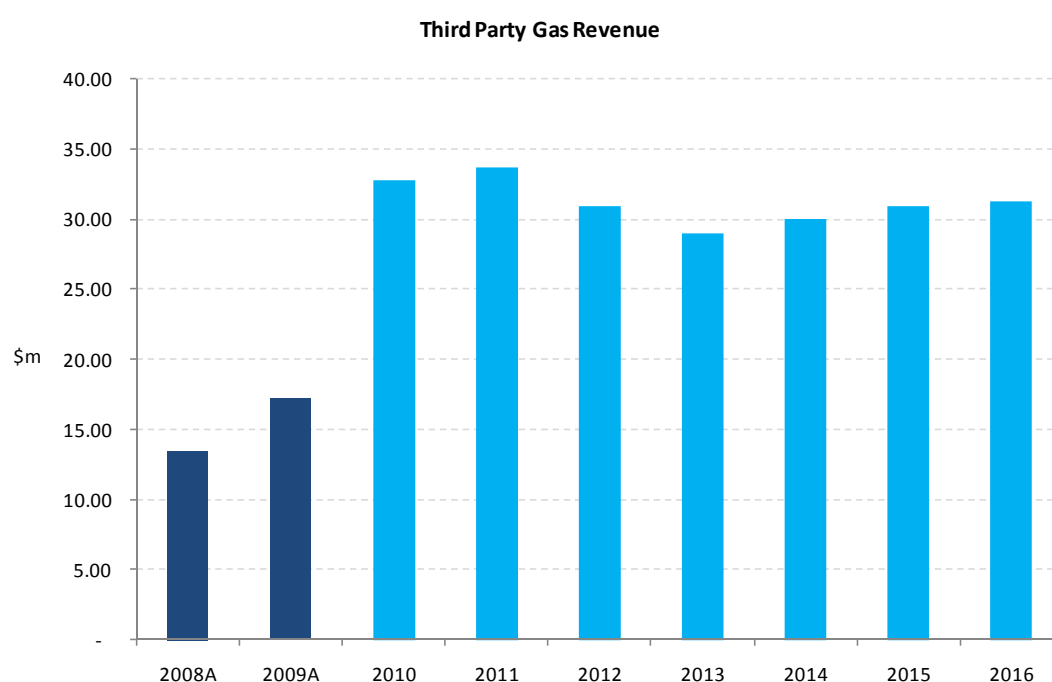
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INCREASE IN VALUE OF TAP'S THIRD PARTY GAS BUSINESS

Tap is pleased to announce a substantial increase to its previous guidance on the Net Present Value (NPV) of its third party gas business from \$59 million to \$75 million (post-tax, 10% discount rate) as at 31 December 2009.

Over the past 12 months, Tap has been pursuing a number of initiatives to enhance the value of its highly profitable third party gas business. Tap has now concluded a series of transactions involving the restructure of its third party gas arrangements and additional sales, resulting in a substantial increase in value.

Following the restructure, Tap is expected to generate total revenues of approximately \$220 million between 2010 and the end of 2016. Forecast third party gas revenues are expected to grow sharply to approximately \$33 million in 2010 and be sustained at around \$30 million per year throughout the remaining term, generating substantial cash flow.



Mr Peter Stickland, Tap's Managing Director / CEO commented:

"Over the past year our Commercial team has been able to restructure our existing contracts and on-sell Tap's remaining third party gas. Collectively these initiatives have increased the value of the contracts from \$59 million to \$75 million.

Tap's highly profitable long term third party gas contracts are a core part of our business and underpin Tap's investment in its highly attractive portfolio of exploration activities.

Tap continues to pursue ways of optimising performance across all of its activities to generate value for shareholders."

Background

In 2005, Tap secured an option over approximately 33 PJ (31 Bcf) of gas from the John Brookes field offshore Western Australia at then current market prices. The option was exercised in 2007 and Tap on-sells the gas to a number of WA gas customers under long term contracts. The gas is purchased at a fixed 2005 price and sold at fixed prices approximately three times higher. Both buy and sell prices are denominated in Australian dollars and subject to CPI escalation. Around 27 PJ (~25 Bcf) currently remains to be delivered over the period to December 2016. With the changes announced today this gas is now fully contracted and provides substantial stable, long-term cash flow.

Whilst the third party gas stream is fully contracted and derived from proven reserves, the gas field is not owned by Tap and thus Tap is unable to book the gas volumes as reserves.

Tap's restructuring of its third party gas sales arrangements commenced in 2009 and, as previously advised, some 2009 revenues were deferred as a consequence in order to capture additional value over the 2010-13 period.

Previously, Tap offered guidance to the market on the NPV of its third party gas business of \$59 million (post-tax, 10% discount rate) as at 31 December 2009. However, as a result of the additional sales and restructuring initiatives, the value of Tap's third party gas business has increased by \$16 million to \$75 million.

Enquiries to:

Peter Stickland (Managing Director / CEO)
Telephone: +61 8 9485 1000
Email: info@tapoil.com.au
Website: www.tapoil.com.au
