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TAP RELINQUISHES SC-41, OFFSHORE PHILIPPINES

Tap Oil Ltd (ASX Code: TAP) advises that it has relinquished an exploration block, SC-41, located in the Sulu Sea in the southern Philippines.

The next phase of the service contract would have included a work program commitment to drill an exploratory well by May 2011. It was concluded that a well was not appropriate at this time and thus Tap elected to relinquish the Service Contract.

Tap's CEO Peter Stickland said Tap seeks to manage its exploration investments in a rigorous and disciplined manner.

"In 2009 Tap identified two projects, the Zola prospect in WA-290-P and SC-41, where a farmout was necessary before Tap would commit to drilling," Mr Stickland said.

"In the second quarter Tap farmed out the Zola gas prospect, which has enabled the acceleration of the drilling of this well," he said.

"In SC-41, Tap was not able to secure an appropriate farmout due in part to the tight time frame of the work program."

"Consequently, Tap has made the decision to relinquish SC-41 prior to incurring the well commitment."

"Tap views the area as having some prospectivity and may pursue exploration here in the future with an appropriate work program to address the technical risks."

Tap is continuing its extensive exploration program including near term drilling in Brunei and Australia's Carnarvon and Bass Basins.

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