

21 October 2010

Tap Oil Limited
ABN 89 068 572 341
Level 1, 47 Colin Street
West Perth WA 6005
Australia
T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au
www.tapoil.com.au

The Company Announcements Platform
Australian Securities Exchange
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

RETAIL ENTITLEMENT OFFER DOCUMENT

Tap Oil Limited (ASX Code: TAP) is pleased to advise that the Retail Entitlement Offer announced on 14 October 2010 will today be mailed to eligible retail shareholders.

Please refer to the following attachments:

- a copy of the Retail Entitlement Offer Document;
- an addendum to the Retail Entitlement Offer Document; and
- a sample notification that will be mailed to ineligible retail (foreign) shareholders.

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

Media Enquiries to: Shane Murphy
FD Third Person
Telephone: +61 420 945 291
Email: shane.murphy@fdthirdperson.com.au



TAP OIL LIMITED
ABN 89 068 572 341

RETAIL ENTITLEMENT OFFER

For a non-renounceable pro-rata entitlement issue of one (1) new share in the Company (**New Share**) for every two (2) existing shares in the Company (**Shares**) held by Shareholders at an Issue Price of \$0.81 per New Share to raise up to approximately \$69 million (**Entitlement Offer**).

The Retail Entitlement Offer opens on 21 October 2010
and closes at 5.00pm (WST) on 8 November 2010.

Valid acceptances must be received before that time.

Applications for New Shares by Eligible Retail Shareholders can only be made by using or following the instructions on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Retail Shareholders' Entitlement to participate in the Retail Entitlement Offer.

Please read the instructions in this Offer Document and on
the accompanying Entitlement and Acceptance Form.

**Sole Lead Manager, Sole Underwriter
and Sole Bookrunner:**
UBS AG, Australia Branch

**NOT FOR DISTRIBUTION OR RELEASE IN
THE UNITED STATES OR TO US PERSONS**

IMPORTANT NOTICE

This Offer Document is not a prospectus or other regulated document under Australian law or under any other law. It is for information purposes only. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Retail Entitlement Offer.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.



	PAGE
1. Key Details of the Offer	4
2. Action Required by Eligible Retail Shareholders	9
3. Tax Considerations	11
4. Important Information For Shareholders	12
Glossary	14
Annexure A – ASX Equity Raising Announcement	16
Annexure B – Institutional Offer Completion Announcement	20
Annexure C – Investor Presentation	24
Eligible Retail Shareholder Declarations	51
Corporate Directory	52

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

21 October 2010

Dear Shareholder

On behalf of the Board of Tap Oil Limited (**Company**), I am pleased to invite you to participate in the retail component of a one (1) for two (2) non-renounceable pro-rata entitlement offer (**Retail Entitlement Offer**) of Company shares (**New Shares**) at an Issue Price of \$0.81 per New Share. This means that you will have the opportunity to purchase 1 New Share of this price for every 2 Tap Oil Shares you owned at 7.00pm (AEDT) on 19 October 2010 (**Record Date**). If you subscribe for your maximum Entitlement, you may also subscribe for additional New Shares that are not subscribed for by other Shareholders under the Retail Entitlement Offer (**Shortfall Shares**).

On 14 October 2010, the Company announced its intention to undertake an equity raising of up to approximately \$82 million via an institutional placement and an accelerated non-renounceable entitlement offer. The raising comprises a \$13 million institutional placement (**Placement**) and a \$69 million one (1) for two (2) non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to all Eligible Shareholders (see Annexure A to this Offer Document). The Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) totalling approximately \$50 million are fully underwritten.

The proceeds of the raising are to facilitate the acquisition of 75% of the issued capital of Northern Gulf Petroleum Pte Ltd (**Northern Gulf**) and exploration, appraisal and pre-FID engineering costs leading to an FID decision in early 2012. Northern Gulf holds a 40% interest in three petroleum concessions in the Gulf of Thailand. The petroleum concessions include the Manora oil field (estimated at 24 mmbbls¹) which was discovered in late 2009 and is actively being appraised. It is expected to reach a development decision in early 2012.

UBS AG, Australia Branch (**UBS**) is the Sole Lead Manager, Sole Underwriter and Sole Bookrunner to the Entitlement Offer. UBS committed to underwrite the Placement and Institutional Entitlement Offer.

The Institutional Entitlement Offer was conducted by way of a bookbuild on 14 and 15 October 2010 and raised approximately \$50 million (see Annexure B to this Offer Document). An additional amount up to approximately \$32 million may be raised through the Retail Entitlement Offer.

The \$0.81 Issue Price represents a 13.8% discount to the closing price of the Company's Shares on 13 October 2010 (the last trading day before the equity raising was announced) and a 9.7% discount to the theoretical ex-rights price. The Issue Price of \$0.81 per New Share for the Retail Entitlement Offer is the same price as the Issue Price in the Institutional Entitlement Offer.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up all or any part of their Entitlement will not receive any payment or value in respect of those Entitlements not taken up and their equity interest in the Company will be diluted.

You will find enclosed in this Offer Document the following important information:

- Key Dates for the Entitlement Offer.
- Instructions on "How to Apply" setting out how to accept all, or part of, or New Shares in excess of, your Entitlement under the Retail Entitlement Offer.
- An ASX announcement and Investor Presentation in relation to the Entitlement Offer made on 14 October 2010.
- A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided.

In particular, your attention is drawn to the Investor Presentation which the Company released to ASX on 14 October 2010 (see Annexure C to this Offer Document) which contains additional information that is or may be relevant to a Shareholder's decision whether to take up their Entitlement. For further information on the Company you can also visit the Company's website at www.tapoil.com.au

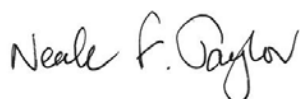
¹ Best estimate for 100%, as independently reviewed and accepted as reasonable by RISC

It is important to note that the Retail Entitlement Offer closes at 5.00pm (WST) on 8 November 2010 (the **Closing Date**). To participate in the Retail Entitlement Offer, you need to ensure that your completed Entitlement and Acceptance Form and payment is received by the Company OR you have paid your Application Monies via BPAY® pursuant to the instructions set out on the Entitlement and Acceptance Form before the Closing Date, otherwise your Entitlement under this Retail Entitlement Offer will lapse. Please refer to the instructions in the "Action Required by Eligible Retail Shareholders" section that are included in this Offer Document for further information.

If you have any questions in respect of the Retail Entitlement Offer, please call the Shareholder Information Line on 1300 610 456 (within Australia) or on +61 3 9938 4360 (from outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period or, alternatively, consult your stockbroker, accountant or other professional adviser.

On behalf of the Board of the Company, I invite you to consider this investment opportunity and look forward to your continuing support of the Company.

Yours sincerely



Neale Taylor
Chairman
Tap Oil Limited

Person compiling information about hydrocarbons: Pursuant to the requirements of the Listing Rules, the reported hydrocarbon estimates contained in this document are based on information compiled by the Company's Exploration Manager, Mr Joe Scibiorski B.Sc (Hons) M.Sc (Petroleum Geology), DIC. Mr Scibiorski is a full-time employee of the Company and has more than 25 years relevant experience in the petroleum industry. Mr Scibiorski has consented to the inclusion of this information in the context in which it appears.

IMPORTANT INFORMATION

This letter, the Offer Document and the documents accompanying the Offer Document do not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this letter, the Offer Document nor any documents accompanying the Offer Document shall form the basis of any contract or commitment. In particular, this letter, the Offer Document and the documents accompanying the Offer Document do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "US Securities Act")) ("US Person"). None of this letter, the accompanying Offer Document nor any documents accompanying the Offer Document may be distributed in the United States or to persons who are, or are acting for the account or benefit of, US Persons. The New Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a US Person. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, a US Person except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares may only be offered and sold outside the United States to persons that are not US Persons and are not acting for the account or benefit of US Persons.

1. Key Details of the Offer

1.1 Equity Raising

The Company proposes to undertake an equity raising of up to approximately \$82 million via an institutional placement and an accelerated non-renounceable entitlement offer. The raising comprises a \$13 million institutional placement (**Placement**) and a \$69 million one (1) for two (2) non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to all Eligible Shareholders (see Annexure A to this Offer Document). The Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) totalling approximately \$50 million are fully underwritten.

The equity raising is being undertaken by the Company to assist with the acquisition of 75% of the shares of Northern Gulf Petroleum Pte Ltd. Northern Gulf has a 40% interest in three petroleum concessions located in the Gulf of Thailand. In addition to the acquisition, the funds raised will be used to both appraise and commercialise the Manora discovery as well as explore other areas within the concessions that include some promising new near field exploration opportunities.

1.2 The Entitlement Offer

The Company is making a non-renounceable pro-rata entitlement offer of New Shares at an Issue Price of \$0.81 per New Share on the basis of one (1) New Share for every two (2) Shares held on the Record Date. The Entitlement Offer comprises two components – being the Institutional Entitlement Offer and the Retail Entitlement Offer. This Offer Document contains information on the Retail Entitlement Offer.

As at the date of this Offer Document, the Company has on issue approximately 169.9 million Shares and approximately 5.9 million unlisted options. The Company expects that up to approximately 84.9 million New Shares will be issued under the Entitlement Offer. In addition, approximately 16.8 million Shares were issued to Institutional Investors under the Placement.

Where the determination of the Entitlement of any Eligible Retail Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

New Shares will be issued on a fully paid basis and will rank equally with Shares. The rights and liabilities attaching to the New Shares are set out in the Company's constitution available at asx.com.au and www.tapoil.com.au

1.3 Institutional Entitlement Offer

On 14 and 15 October 2010, the Company successfully conducted the Institutional Entitlement Offer to raise approximately \$37 million from the issue of approximately 44.9 million New Shares at an Issue Price of \$0.81 per New Share.

The Institutional Entitlement Offer is fully underwritten by UBS AG, Australia Branch (**UBS**) and New Shares are expected to commence trading under the Institutional Entitlement Offer on 29 October 2010.

1.4 Retail Entitlement Offer

The Company intends to raise up to approximately \$32 million through the Retail Entitlement Offer.

The Retail Entitlement Offer will not be underwritten.

The Entitlement of Eligible Retail Shareholders to participate in the Retail Entitlement Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement.

Shareholders who subscribe for their maximum Entitlement will also have the opportunity to subscribe for additional New Shares that are not subscribed for by other Shareholders under the Retail Entitlement Offer. Please refer to Section 2.2 for further details on how to apply for Shortfall Shares.

1.5 Indicative Timetable for the Entitlement Offer*

Event	Date*
Institutional Entitlement Offer	14-15 October 2010
Record Date (date for determining Entitlements of Eligible Retail Shareholders to participate in the Retail Entitlement Offer)	19 October 2010
Opening Date (date when the Retail Entitlement Offer opens)	21 October 2010
Closing Date (final date for applications and payment to be received for the Retail Entitlement Offer)	8 November 2010
Retail shortfall notification date (announcement of results of Retail Entitlement Offer)	11 November 2010
Settlement date (payment and applications confirmed for New Shares issued under the Retail Entitlement Offer)	12 November 2010
Allotment date (New Shares allotted under the Retail Entitlement Offer)	15 November 2010
Trade date (New Shares issued under the Retail Entitlement Offer commence trading)	16 November 2010
Dispatch date (holding statements in relation to New Shares issued under the Retail Entitlement Offer dispatched)	16 November 2010

* The timetable is subject to change. Subject to the Listing Rules, the Directors reserve the right to withdraw or vary the timetable for the Entitlement Offer without notice. In particular, the Directors reserve the right to extend the Closing Date for the Retail Entitlement Offer to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

1.6 Underwriting

The Placement and Institutional Entitlement Offer are fully underwritten by UBS AG, Australia Branch (**UBS**).

The Retail Entitlement Offer will not be underwritten.

1.7 Overseas Eligible Shareholders and Prohibited Foreign Holders

The Offer Document has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Retail Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Retail Entitlement Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand, other than certain Shareholders to whom the Company has determined it can extend the Retail Entitlement Offer. The distribution of this Offer Document and/or the Entitlement and Acceptance Form outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Document and/or the Entitlement and Acceptance Form you should observe any such restrictions and should seek your own advice on those restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

If a Shareholder has a registered address outside Australia or New Zealand, and is not otherwise a Shareholder to whom the Company has determined it can extend the Retail Entitlement Offer, that Shareholder (**Prohibited Foreign Holder**) will not be able to participate in the Entitlement Offer. The Company will instead allot the New Shares that Prohibited Foreign Holder would otherwise be entitled to a nominee appointed by the Company who will sell those securities and pay the net proceeds received (if any), after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Prohibited Foreign Holder.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2002 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Retail Entitlement Offer (Thursday, 21 October 2010) no longer holds Shares is not eligible to participate in this Retail Entitlement Offer.

Thailand

This Offer Document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Offer Document and any other documents and material in connection with the offer, sale or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any members of the public in Thailand.

United States

This Offer Document and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any US Person. Neither this Offer Document nor the Entitlement and Acceptance Form may be distributed, in whole or part in or into the United States or to any person that is, or is acting for the account or benefit of a US Person.

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a US Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a US Person, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The New Shares may only be offered and sold outside the United States to persons that are not US Persons and are not acting for the account or benefit of US Persons.

1.8 ASX Waivers

In order to conduct the equity raising, the Company has sought certain waivers from the Listing Rules. ASX has granted the Company waivers from Listing Rules 3.20, 7.40, 7.1 and 10.11 subject to a number of conditions including that:

- (a) all Shareholders are offered their pro-rata Shares of the Institutional Entitlement Offer unless Listing Rule 7.7.1 would permit the Shareholder to be excluded from the Entitlement Offer and the Retail Entitlement Offer;
- (b) New Shares are offered under the Institutional Entitlement Offer and Retail Entitlement Offer at the same price and same ratio; and
- (c) related parties do not participate beyond their pro-rata Shares other than under bona fide underwriting arrangements that are disclosed to the market. There is no such underwriting agreement in this instance.

The waivers also allow the Company to ignore, for the purposes of determining Entitlements, transactions occurring after the announcement of the trading halt in Shares (other than registrations of ITS (Integrated Trading System) transactions which were effected before the announcement (post ex-date transactions). Such transactions are to be ignored in determining holders and registered holders, and holdings and registered holdings, of Existing Shares as at the Record Date, and reference to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired Shares in a post ex-date transaction you will not receive an Entitlement in respect of those Shares.

1.9 Risk factors

Investors should note that an investment in the Company involves risk. Prospective investors should refer to announcements made by the Company to ASX. This information is available from the ASX website asx.com.au - the Company's code is TAP - and the Company's website www.tapoil.com.au.

Prospective investors should review the announcements made by the Company to fully appreciate the position of the Company and the manner in which the Company operates before making a decision regarding the Retail Entitlement Offer.

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company. Some specific risks are set out in the "Key risks" and "Key risks expanded" sections of the Investor Presentation. Investors should note that the New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

1.10 Privacy Act

As a Shareholder, the Company and the Registry have already collected certain personal information from you. If you apply for New Shares, the Company and the Registry may update that personal information and collect additional personal information. The Company and the Registry collect, hold and use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to the Company's or Registry's agents, contractors or third party service providers to whom they outsource services, including persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Registry or as otherwise authorised under the Privacy Act 1988 (Cth).

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

1.11 Enquiries concerning the Entitlement and Acceptance Form or the Offer Document

This Offer Document and the accompanying Entitlement and Acceptance Form are important and require your immediate attention. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser without delay.

If you have any questions in respect of the Entitlement Offer, Offer Document or Entitlement and Acceptance Form, please call the Shareholder Information Line on 1300 610 456 (within Australia) or on +61 3 9938 4360 (from outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period.

1.12 Governing Law

This Offer Document, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

2. Action Required by Eligible Retail Shareholders

2.1 How to accept the Retail Entitlement Offer

You may accept all, part, or none of your Entitlement under this Retail Entitlement Offer. If you wish to accept all or part of your Entitlement, you may submit your Application for New Shares by completing the accompanying Entitlement and Acceptance Form or by following the personalised BPAY® instructions provided on the Entitlement and Acceptance Form.

You must make payment for the appropriate Application Monies (at \$0.81 per New Share subscribed) as provided in Sections 2.3 or 2.4 below.

The Company reserves the right to reject any Entitlement and Acceptance Form which is not correctly completed or any payment which is submitted by a person whom they believe may be an ineligible Applicant, or to waive or correct any errors made by an Applicant in completing an Entitlement and Acceptance Form.

2.2 How to apply for Shortfall Shares

If you wish to accept your Entitlement in full and apply for Shortfall Shares, you may apply by either completing the Entitlement and Acceptance Form and filling in the number of Shortfall Shares you wish to apply for in the space provided, or by following the personalised BPAY® instructions provided on the Entitlement and Application Form.

You must make payment for the appropriate Application Monies as provided in Sections 2.3 or 2.4 below.

The offer of the Shortfall Shares is a separate offer pursuant to this Offer Document. Any New Shares offered pursuant to the Shortfall Offer shall be offered at the Issue Price, being the same price as the Retail Entitlement Offer.

Shortfall Shares will only be issued if the Retail Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The Directors reserve the right to, in their absolute discretion, reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application Monies received but not applied toward subscription for Shortfall Shares will be refunded as soon as practicable. No interest shall be paid on application monies held and returned. The Company reserves the right, in its absolute discretion, not to issue Shortfall Shares where to do so would result in a breach of the Corporations Act or the Listing Rules.

The Directors of the Company reserve the right, in their absolute discretion, to issue any Shortfall Shares at the Issue Price within 3 months after the Closing Date.

2.3 Payment by cheque

Please complete the Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your Entitlement you wish to subscribe for. Entitlement and Acceptance Forms must be accompanied by payment in full of \$0.81 per New Share or Shortfall Share subscribed for.

Payments must be made by 5.00pm (WST) on 8 November 2010 and must be in Australian currency and by a cheque or bank draft drawn on and payable at any Australian bank.

Cheques should be made payable to *Tap Oil Limited – Retail Entitlement Offer Account* and crossed “Not Negotiable”. All amounts must be in cleared funds. Cash payments will not be accepted and receipts for payments will not be provided.

Completed Entitlement and Acceptance Forms can be mailed to the Company’s Registry or delivered in person. The following addresses should be used for mailing and hand delivery of applications:

By Post:

Computershare
Locked Bag 2508
PERTH WA 6001

By Delivery:

Computershare
Level 2, 45 St Georges Terrace
PERTH WA 6000

Applicants are not required to sign the Entitlement and Acceptance Form. Entitlement and Acceptance Forms and Application Monies must be received by the Registry no later than 5.00pm (WST) on the Closing Date.

2. Action Required by Eligible Retail Shareholders

2.4 Payment by BPAY®

If you are paying for your New Shares or Shortfall Shares by BPAY®, you should refer to your personalised instructions on your Entitlement and Acceptance Form. You **DO NOT** need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form and the representations outlined below in Section 2.5 “Implications of making an Application”, including the Eligible Retail Shareholder declarations set out at page 51.

Make sure you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **DO NOT** use the same CRN for more than one of your shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. Please note that the maximum payment that can be received by BPAY® is \$1 million. It is your responsibility to ensure that funds submitted through BPAY® are received by **3.00pm (WST) on the Closing Date**.

2.5 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares or Shortfall Shares via BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you make the Eligible Retail Shareholder declarations at page 51 of this Offer Document; and
- (c) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

2.6 If you do not wish to accept the Retail Entitlement Offer

If you do not wish to accept your Entitlement or any part of your Entitlement (or you are precluded from doing so due to the jurisdiction of your registered address), you do not need to take any action. The number of Shares you hold and the rights attaching to those Shares will remain unchanged and the rights attaching to those Shares will remain unchanged and the New Shares representing your Entitlement will form part of the Shortfall Offer.

2.7 Entitlements not transferable

Rights under the Retail Entitlement Offer are not transferable to another person. Entitlements can only be accepted by the offeree and on the official Entitlement and Acceptance Form which accompanies this Offer Document. If you decide not to accept all or part of your Entitlement to New Shares or fail to do so by the Closing Date, your rights will lapse.

Set out below are the general Australian income tax implications in respect of the Retail Entitlement Offer for Australian resident individual Shareholders that hold their Shares on capital account. It does not apply to Shareholders that hold their Shares on revenue account or as trading stock, nor does it apply to non-resident Shareholders.

This summary has been prepared for general circulation and does not take into account the objectives, tax position, financial situation or needs of any investor. Accordingly, any investor should, before acting on this material, seek independent professional tax advice.

This summary is based on the income tax legislation and established interpretations as at the date of this Offer Document.

3.1 Taxation of Entitlement Offer

(a) **Offer in respect of Entitlements**

The offer in respect of the Entitlements should not give rise to any income tax implications for Shareholders.

(b) **Acceptance of Entitlements**

The acceptance by Eligible Shareholders of their Entitlements to acquire New Shares under the Retail Entitlement Offer should not result in any capital gain or capital loss being recognised for CGT purposes. Further, Shareholders should not derive assessable income from the acceptance of the Entitlement.

(c) **Expiration or Lapse of Entitlements**

If a Shareholder does not accept their Entitlements to acquire New Shares under the Retail Entitlement Offer, and instead allows those rights to lapse or expire, there should not be any CGT implications for the Shareholder.

(d) **Holding and Disposing of New Shares**

New Shares acquired under the Retail Entitlement Offer, will be treated in the same way as Existing Shares when determining the tax consequences arising from holding or disposing of those securities. In particular, any disposal of New Shares will constitute a CGT Event for CGT purposes and may result in a capital gain or a capital loss.

3.2 GST

The offer in respect of Entitlements and the issue of New Shares is not subject to GST.

4. Important Information For Shareholders

This Offer Document is issued by Tap Oil Limited (ABN 89 068 572 341) (**Company**). This Offer Document and the Entitlement and Acceptance Form are important and require your immediate attention. You should read these documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

In particular, you should consider the risk factors outlined in the “Key risks” and “Key risks expanded” sections of the Investor Presentation. You should also consider the tax implications outlined in Section 3 of this Offer Document. The potential tax effects of the Retail Entitlement Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser before deciding whether or not to participate in the Retail Entitlement Offer.

Neither this Offer Document nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act. Accordingly, these documents do not contain all of the information which a prospective investor may require to make an investment decision. They do not and are not required to contain all of the information which would otherwise be required to be disclosed in a prospectus prepared in accordance with the requirements of the Corporations Act. They are not required to be, and will not be, lodged with ASIC.

This Offer Document should be read in conjunction with the Company’s other periodic and continuous disclosure announcements to the Australian Securities Exchange (**ASX**) available at asx.com.au

Statements in this Offer Document are made only as of the date of this Offer Document unless otherwise stated and the information in this Offer Document remains subject to change without notice. The Company does not give any undertaking or representation that information in this Offer Document will be updated, except to the minimum extent required by law.

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Document.

This Offer Document and the Investor Presentation contain forward looking statements, including indications of, and guidance on, future earnings and financial position and performance of the Company. Forward looking statements include those containing such words as “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” or similar expressions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control, and which may cause actual results to differ materially from those expressed in the statements contained in this Offer Document. There can be no assurance that actual outcomes will not differ materially from these statements. Specific risks and factors that could cause the Company’s performance to differ materially from those described in the forward-looking statements can be found below in the risk factors outlined in the “Key risks” and “Key risks expanded” sections of the Investor Presentation. You should not place undue reliance on these forward-looking statements having regard to the fact that the outcome may not be achieved. These forward-looking statements are based on information available to the Company as of the date of this Offer Document. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to update these forward-looking statements. To the maximum extent permitted by law, the Company and its officers, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

None of the parties referred to in the Corporate Directory of this Offer Document (other than the Company) has made or authorised the making of any statement that is included in this Offer Document or any statement on which a statement in this Offer Document is based.

To the maximum extent permitted by law, each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Document other than references to its name or a statement or report included in this Offer Document with the consent of that party as specified above.

Please see the Investor Presentation (included in this Offer Document as Annexure C) for other important notices, disclaimers and acknowledgements.

Please see page 51 of this Offer Document for important Eligible Retail Shareholder declarations in relation to the Retail Entitlement Offer.

AEDT means Australian Eastern Daylight Time.

Applicant refers to a person who submits an application for New Shares under the Retail Entitlement Offer or an application for Shortfall Shares under the Shortfall Offer.

Application Monies means monies received from Applicants in respect of their applications.

ASX means ASX Limited (ACN 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange.

CGT means capital gains tax.

Closing Date means 5.00pm (WST) on the Closing Date set out in the Timetable in Section 1.5.

Company means Tap Oil Limited (ABN 89 068 572 341).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Eligible Institutional Shareholder means an Institutional Shareholder to whom Listing Rule 7.7.1(a) does not apply and who has successfully received an offer under the Institutional Entitlement Offer.

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) has a registered address in Australia or New Zealand, or is a Shareholder to whom the Company has determined it can extend the Retail Entitlement Offer;
- (b) is not in the United States and is not a US Person and is not acting for the account or benefit of a US Person;
- (c) is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; and
- (d) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Notwithstanding the above, the Company and the Sole Lead Manager may agree to extend the Retail Entitlement Offer to certain Institutional Shareholders who did not participate in the Institutional Entitlement Offer or to other retail shareholders (subject to compliance with applicable laws).

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Entitlement means the entitlement to subscribe for one (1) New Share for every two (2) Shares held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document upon which an Application can be made.

Entitlement Offer means the non-renounceable pro-rata offer of New Shares at an Issue Price of \$0.81 per New Share on the basis of one (1) New Share for every two (2) Shares held on the Record Date. The Entitlement Offer comprises two components - being the Institutional Entitlement Offer and the Retail Entitlement Offer.

GST means Australian goods and services tax.

Ineligible Institutional Shareholder means an Institutional Shareholder:

- (a) who has, or the person for whom it holds Shares has, a registered address outside Australia and New Zealand and any other jurisdictions as the Company and the Sole Lead Manager agree;
- (b) to whom Listing Rule 7.7.1(a) applies;
- (c) who in the absence of ASX Listing Rule 7.7.1(a) would have been an Eligible Institutional Shareholder; and
- (d) that the Sole Lead Manager determines will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.

Institutional Entitlement Offer means the offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer as described in Section 1.3.

Institutional Investor means a person:

- (a) in Australia, who is an “exempt investor” as defined in section 9A(5) of the Corporations Act as inserted by ASIC Class Order 08/35; or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which the Company is willing to comply with such requirements).

Institutional Shareholder means an Institutional Investor who is a Shareholder.

Investor Presentation means the investor presentation attached as Annexure C to this Offer Document.

Issue Price means \$0.81 per New Share.

Listing Rules means the Listing Rules of the ASX, as amended or replaced from time to time and as waived in respect of the Company by the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer Document, and **New Shares** has a corresponding meaning.

Offer Document means this Offer Document dated 21 October 2010.

Opening Date means the Opening Date set out in the timetable in Section 1.5.

Placement means the placement to Institutional Investors conducted in conjunction with the Institutional Entitlement Offer.

Record Date means the Record Date set out in the timetable in Section 1.5.

Registry means Computershare Investor Services Pty Limited.

Retail Entitlement Offer means the offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer as described in Section 1.4.

Retail Entitlement Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company before the Record Date.

Shareholder means a holder of Shares.

Shortfall Offer means the separate offer for the Shortfall Shares pursuant to this Offer Document.

Shortfall Shares means those additional New Shares that are not subscribed for by certain Shareholders pursuant to their Entitlements under the Retail Entitlement Offer (if any).

Sole Bookrunner means UBS.

Sole Lead Manager means UBS.

Sole Underwriter means UBS.

UBS means UBS AG, Australia Branch.

US Persons has the meaning given in Rule 902(k) of Regulation S under the US Securities Act.

US Securities Act means the US Securities Act of 1933.

WST means Australian Western Standard Time.



Tap Oil Limited
ABN 89 068 572 341

Level 1, 47 Colin Street
West Perth WA 6005
Australia

T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

14 October 2010

The Company Announcements Platform
Australian Securities Exchange
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

ACQUISITION OF 75% OF NORTHERN GULF PETROLEUM PTE LTD (OIL FIELD AND EXPLORATION ASSETS IN GULF OF THAILAND) AND EQUITY RAISING

- Northern Gulf holds a 40% interest in the undeveloped Manora Oil Field – estimated at 24 million barrels (mmbbl) of oil for 100%¹
- Northern Gulf also holds a 40% interest in the Rossukon oil discovery and over 200 mmbbls of cumulative unrisks exploration potential
- Immediate exploration and appraisal program with up to 8 wells in the next 15 months
- Potential to triple Tap Oil's reserves within 12 months
- A\$13m institutional placement and A\$69m accelerated non-renounceable 1 for 2 entitlement offer

Tap Oil Limited ("Tap") (ASX: TAP) today announced the acquisition of 75% of the issued capital of Northern Gulf Petroleum Pte Ltd ("Northern Gulf") and a capital raising of up to approximately A\$82 million. The proceeds of the raising are to facilitate the acquisition and exploration, appraisal and pre-FID engineering costs leading to an FID decision in early 2012. Northern Gulf holds a 40% interest in three petroleum concessions in the Gulf of Thailand.

Acquisition

The petroleum concessions include the Manora oil field (estimated at 24 mmbbls¹) which was discovered in late 2009 and is actively being appraised. It is expected to reach a development decision in early 2012.

Experienced international operator and operator of the nearby Jasmine field, Pearl Energy, is operator of all of the acquired licences and holds the remaining 60% interest in the petroleum licences.

¹ Best estimate for 100%, as independently reviewed and accepted as reasonable by RISC

Consideration for the acquisition includes:

- an upfront cash payment of US\$25.0m (A\$25.4m²); and
- US\$12.5m (A\$12.7m²) in Tap ordinary shares issued by way of placement to the owner of Northern Gulf priced at A\$0.95 which is the 10 day volume weighted average price (VWAP) prior to 13 October 2010. These shares are subject to an escrow period of 2 years.

Subsequent payments from Tap to Northern Gulf are contingent on achieving milestones at the Manora project.

Peter Stickland, Tap's Managing Director and CEO said that the acquisition of two oil discoveries and a large exploration acreage position is an excellent fit with Tap's existing portfolio and strategy.

"The Manora oil field is an exciting recent discovery that will be further appraised in 2011 with a final investment decision anticipated in early 2012," Mr Stickland said.

"The concessions acquired also include the single well Rossukon oil discovery that, alongside the Manora discovery in late 2009, highlights the significant exploration upside in this 31,000km² exploration area," he said.

Tap currently sees over 200 mmbbls of cumulative unrisks follow up potential.

Placement and Entitlement Offer

Tap intends to undertake an equity raising of up to approximately A\$82 million via an institutional placement and an accelerated non-renounceable entitlement offer.

The equity raising will be used to provide funding for the acquisition and subsequent exploration, appraisal and pre-development studies in the acquired assets. Any additional funds will be used for general working capital purposes and to support Tap's existing exploration program.

The raising comprises a A\$13 million institutional placement ("Placement") and a A\$69 million 1 for 2 non-renounceable pro-rata entitlement offer ("Entitlement Offer") to all eligible shareholders.

The Placement and the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") totalling A\$50 million are fully underwritten.

Under the Entitlement Offer, eligible shareholders are invited to participate on a pro-rata basis to their existing holdings by subscribing for 1 new Tap share ("New Share") for every 2 Tap shares owned, at a price of A\$0.81 per share ("Entitlement"). An offer document setting out the terms of the Entitlement Offer has been lodged with the ASX today. Eligible shareholders will be sent a copy of the offer document and application form on 21 October 2010.

The offer price of A\$0.81 represents a discount of 13.8% to Tap's closing price on 13 October 2010 and a discount of 9.7% to the theoretical ex-rights price. All New Shares will rank equally with existing shares from allotment.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to

² AUDUSD at 0.984.



receive Entitlements will not receive any value in respect of Entitlements they would have received had they been eligible.

Tap's largest institutional shareholder M&G Investment Management has committed to take up its entitlement in full.

UBS AG, Australia Branch (UBS) is the Sole Lead Manager, Sole Underwriter and Sole Bookrunner to the Placement and Institutional Entitlement Offer and has entered into an underwriting agreement with Tap in relation to approximately A\$50 million of shares.

Indicative timetable

Event	Date
Institutional Entitlement Offer Opens	Thursday, 14 October 2010
Institutional Entitlement Offer Closes	11.00am Sydney time, Friday, 15 October 2010
Ordinary Shares Recommence Trading	Monday, 18 October 2010
Record Date to Determine Entitlements	7.00pm Sydney time, Tuesday, 19 October 2010
Retail Entitlement Offer Opens	Thursday, 21 October 2010
Institutional Settlement Date	Thursday, 28 October 2010
Institutional Trading Date	Friday, 29 October 2010
Retail Entitlement Offer Closes	Monday, 8 November 2010
Retail Entitlement Offer Settlement Date	Friday, 12 November 2010
Retail Allotment Date	Monday, 15 November 2010
Retail Trading Date	Tuesday, 16 November 2010

The timetable is subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to withdraw or vary the timetable for the Offer without notice. In particular, the Directors reserve the right to extend the Closing Date for the Retail Entitlement Offer to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

For further information, please visit our website www.tapoil.com.au or contact:

Peter Stickland
Managing Director/CEO
Tel: +618 9485 1000
Email: info@tapoil.com.au

Media: Shane Murphy
FD Third Person
Tel: +61 420 945 291
Email: shane.murphy@fdthirdperson.com.au

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to or for the account of benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, (the "U.S. Securities Act")("U.S. Person")). Securities may not be offered or sold in the United States or to or for the account of benefit of, U.S. Persons unless the securities have been registered under the U.S. Securities Act or an exemption from registration is available.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to U.S. Persons.

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Tap and certain plans and objectives of the management of Tap. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Tap, which may cause the actual results or performance of Tap to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this announcement. There can be no assurance that actual outcomes will not differ materially from these statements.

Person compiling information about hydrocarbons: Pursuant to the requirements of the ASX Listing Rules the reported recoverable hydrocarbon estimates contained in this presentation are based on information compiled by the Company's Exploration Manager, Mr Joe Scibiorski B.Sc (Hons) M.Sc (Petroleum Geology), DIC. Mr Scibiorski is a full-time employee of the company and has more than 25 years relevant experience in the petroleum industry.

No representation or warranty is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the Information), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the Information or any part of it. The Information includes information derived from third party sources that has not been independently verified.

To the full extent permitted by law, Tap disclaims any obligation or undertaking to release any updates or revisions to the Information to reflect any change in expectations or assumptions.

Nothing contained in the Information constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the Information and any action taken on the basis of the Information.



Tap Oil Limited
ABN 89 068 572 341

Level 1, 47 Colin Street
West Perth WA 6005
Australia

T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

15 October 2010

The Company Announcements Platform
Australian Securities Exchange
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

STRONG INSTITUTIONAL SUPPORT FOR TAP OIL'S EQUITY RAISING

Tap Oil Limited ("Tap") (ASX: TAP) today announced the successful completion of the A\$37 million institutional component of its accelerated pro-rata 1 for 2 entitlement offer and the A\$13 million placement.

The proceeds of the equity raising are to facilitate the acquisition of 75% of the issued capital in Northern Gulf Petroleum Pte Ltd ("Northern Gulf") and exploration, appraisal and pre-FID engineering costs leading to an FID decision in early 2012.

The Institutional Entitlement Offer and Placement received strong support from both shareholders and new institutional investors.

Tap's Managing Director and CEO, Peter Stickland said: "We appreciate the strong support from our long term shareholders for this offer. The result of the equity raising shows the confidence that both shareholders and new investors have in Tap's growth strategy and their endorsement of the acquisition of 75% of the issued capital in Northern Gulf."

Due to the timeframes associated with the transaction, the vendor of the shares in Northern Gulf will be eligible to participate in the retail component of the entitlement offer.

Shares in Tap will resume normal trading on Monday 18 October 2010.

Commencement of the Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the 1 for 2 Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer may raise up to A\$32 million. The Retail Entitlement Offer will open on Thursday, 21 October 2010 and close at 5.00pm (Perth time) on Monday, 8 November 2010.

Eligible Retail Shareholders can choose to take up their Entitlement in whole, in part, or not at all. Shareholders who take up their whole Entitlement will also have the opportunity to subscribe for additional new Tap shares in excess of their Entitlement that are not subscribed for by other shareholders under the Retail Entitlement Offer. A copy of the Offer Document and a personalised Entitlement and Acceptance Form will be mailed to Eligible Retail Shareholders by



Thursday, 21 October 2010. Offers of new Tap shares under the Retail Entitlement Offer to Eligible Retail Shareholders will be made in, or accompanied by, a copy of the Offer Document. In deciding whether to take up the offer of new Tap shares, Eligible Retail Shareholders should read the Offer Document carefully (including assessing the risk factors outlined in the investor presentation, appended to the Offer Document). Any Eligible Retail Shareholders who wish to acquire new Tap shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form.

Indicative Retail Entitlement Offer timetable

Event	Date
Record Date to Determine Entitlements	7.00pm Sydney time, Tuesday, 19 October 2010
Retail Entitlement Offer Opens	Thursday, 21 October 2010
Retail Entitlement Offer Closes	5.00pm Perth time, Monday, 8 November 2010
Retail Entitlement Offer Settlement Date	Friday, 12 November 2010
Retail Allotment Date	Monday, 15 November 2010
Retail Trading Date	Tuesday, 16 November 2010
Holding Statement Dispatch Date	Tuesday, 16 November 2010

The timetable is subject to change. Subject to the ASX Listing Rules and the Underwriting Agreement, the Directors reserve the right to withdraw or vary the timetable for the Retail Entitlement Offer without notice. In particular, the Directors reserve the right to extend the Closing Date for the Retail Entitlement Offer to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of new securities is subject to confirmation from the ASX.

Shareholder enquiries

Retail shareholders who have any queries regarding the Entitlement Offer or who do not receive a Offer Document by Thursday, 28 October 2010 are encouraged to contact the Shareholder Information Line on 1300 610 456 from within Australia or on +61 3 9938 4360 from outside Australia, between 8.30am and 5.00pm (Sydney time). Full details of the Entitlement Offer are set out in the Offer Document.

For further information, please visit our website www.tapoil.com.au or contact:

Peter Stickland
Managing Director and CEO
Tel: +618 9485 1000
Email: info@tapoil.com.au

Media: Shane Murphy
Tel: +61 420 945 291
Email: shane.murphy@fdthirdperson.com.au

This announcement is not an offer or an invitation to acquire Tap securities. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, (the "U.S. Securities Act") ("U.S. Person")) or any other jurisdiction in which such an offer would be illegal. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities have been registered under the U.S. Securities Act or an exemption from registration is available.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to U.S. Persons.

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Tap and certain plans and objectives of the management of Tap. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'could', 'will', 'forecast', 'likely', 'target', 'plan' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Tap, which may cause the actual results or performance of Tap to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this announcement. You are



cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these statements.

No representation or warranty is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the information), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the Information or any part of it. The information includes information derived from third party sources that has not been independently verified.

To the full extent permitted by law (including the ASX Listing Rules), Tap disclaims any obligation or undertaking to release any updates or revisions to the information contained in this announcement to reflect any change in expectations or assumptions.

Nothing contained in the information constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

This page has been left blank intentionally

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS



Acquisition of 75% of Northern Gulf Petroleum Pte Ltd and Equity Raising

14 October 2010

www.tapoil.com.au

This presentation contains some references to forward looking assumptions, representations, estimates, budgets, and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap Oil Limited that its expectations, estimates, budgets and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.



NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Disclaimers



Certain statements contained in this presentation, including information as to the future financial or operating performance of Tap Oil Limited and its projects, are forward-looking statements. Such forward-looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Tap Oil Limited, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and
- may include, among other things, statements regarding targets, estimates and assumptions in respect of production and prices, operating costs and results, capital expenditures, reserves and resources and anticipated flow rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Tap Oil Limited disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "potential", "opportunity" and similar expressions identify forward-looking statements.

All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No representation or warranty is or will be made by any person (including Tap Oil and its officers, directors, employees, advisers and agents) in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the **Information**), or the accuracy, likelihood of achievement or reasonableness of any projections, prospects or returns contained in, or implied by, the **Information** or any part of it. The **Information** includes information derived from third party sources that has not necessarily been independently verified.

Subject to any obligations under applicable laws, regulations or securities exchange listing rules, Tap Oil disclaims any obligation or undertaking to release any updates or revisions to the **Information** to reflect any change in expectations or assumptions.

Nothing contained in the **Information** constitutes investment, legal, tax or other advice. The **Information** does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of the **Information** should make its own assessment and take independent professional advice in relation to the **Information** and any action taken on the basis of the **Information**.

Person compiling information about hydrocarbons

Pursuant to the requirements of the ASX Listing Rules, the information in relation to hydrocarbons reserves and resources in this presentation has been compiled by Tap Oil's Exploration Manager, Mr Joe Scibiorski B.Sc (Hons) M.Sc (Petroleum Geology), DIC. Mr Scibiorski is a full-time employee of the company and has more than 25 years relevant experience in the petroleum industry. Mr Scibiorski has consented in writing to the inclusion of the information relating to hydrocarbon reserves and resources in the form and context in which it appears.

DMS 138666

2

Important notices



This presentation is not an offer or an invitation to acquire Tap Oil shares. In particular, this release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' as defined in Regulation S under the US Securities Act of 1933 (Securities Act) (US Person)). The Tap Oil shares to be offered and sold in the equity raising referred to herein have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US Person without being so registered or pursuant to an exemption from registration.

Investors should note that this presentation contains pro-forma financial information. In preparing the pro-forma financial information, certain adjustments were made to the historical financial information of Tap Oil that it considers appropriate to reflect the transactions described herein. The pro-forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves in accordance with the definitions set forth in the applicable SEC rules. This presentation uses certain terms, including "resources", "contingent resources", "cumulative unrisks potential", "recoverable oil potential" and "gross recoverable", that the SEC's guidelines would strictly prohibit us from including in filings with the SEC. The commercial recoverability of the stated quantities of non-reserve hydrocarbons has not been demonstrated, and you should not assume that they will be able to recover all or any of such quantities economically, or at all. References to "potential" are based on limited data; and there can be no assurances that such quantities will be discovered.

DMS 138666

3

Agenda



Executive summary

- 1** Acquisition of 75% of Northern Gulf Petroleum Pte Ltd
- 2** Equity raising overview
- 3** Tap Oil update

Additional material

DMS 138666

4

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Strategic South East Asian acquisition...**Acquisition of 75% of the issued capital of Northern Gulf Petroleum Pte Ltd (NGP)**

- NGP holds a 40% ownership in three concessions in north and central Gulf of Thailand (G3/48, G1/48, G6/48)
- Manora oil discovery (drilled late 2009) with substantial resource of 24 mmbbl (100%) discovered and appraised to date¹
 - Opportunity to triple Tap Oil's reserves within 12 months
- Rossukon single well oil discovery (drilled 2009)
- Significant near field exploration opportunities with considerable upside potential
 - Previously untested and underexplored basins
- Partnership with an experienced operator in Pearl Energy
 - Considerable regional presence and local operating experience with Jasmine field development
- Majority of consideration is success based, limiting downside risk
 - Upfront consideration consists of US\$25m cash and placement of US\$12.5m Tap Oil shares to be issued at a price of A\$0.95/share giving the vendor a pro forma shareholding in Tap Oil of 7.9% prior to equity raising
 - Further staged payments as project reaches key milestones, including up to US\$37.5m depending upon identified 2P reserves

Notes:

¹ Best estimate as independently reviewed and accepted as reasonable by RISC

DMS 138666

5

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

...equity raising to fund project to FID**Equity raising**

- Equity raising for a firm underwritten A\$50 million
 - A\$13 million underwritten institutional placement
 - Accelerated non-renounceable pro-rata 1-for-2 entitlement offer, with the institutional component underwritten of A\$37 million
 - Maximum raising of A\$82 million if 100% take-up of non-underwritten retail component
- Issue price of A\$0.81/share which represents a discount of 9.7% to the theoretical ex-rights price and a discount of 13.8% to Tap's closing price of \$0.94 on 13 October 2010
- Tap Oil's largest institutional shareholder, M&G Investment Management has committed to take up its entitlement in full
- Vendor maintains exposure in the project and is taking Tap Oil shares as partial consideration
 - Vendor will be issued 13.4 million Tap Oil shares (subject to a 24 month escrow period)
 - Vendor will be entitled to participate under the institutional tranche of the entitlement offer
 - Vendor also maintains a 25% interest in Northern Gulf Petroleum Pte Ltd

Application of Funds

- Proceeds are to facilitate acquisition of 75% of Northern Gulf Petroleum Pte Ltd and exploration, appraisal and pre-FID engineering costs leading to an FID decision in early 2012, totaling A\$62m
 - US\$25 million Purchase consideration
 - US\$36 million Investment to Final Investment Decision
- Partially funded from Tap's existing cash

DMS 138666

6



Acquisition of 75% of Northern Gulf Petroleum Pte Ltd

www.tapoil.com.au

This presentation contains some references to forward looking assumptions, representations, estimates, budgets, and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap Oil Limited that its expectations, estimates, budgets and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

Acquisition investment highlights



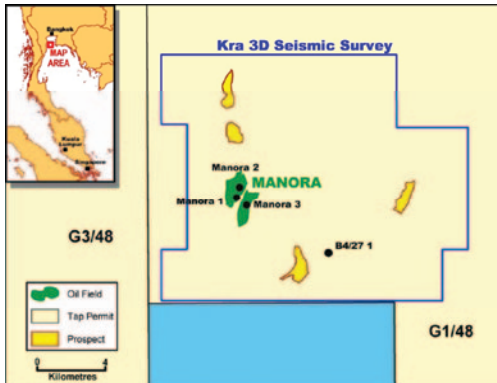
- Tap has acquired 75% of the shares in NGP which holds a 40% working interest in G1/48, G3/48 and G6/48 (the Concessions)
 - Tap Oil has control of NGP
 - Ability to revisit holding structure in the future as required
- Partnership with experienced operator Pearl Energy
- Located in a prolific oil and gas province
- Manora-1 discovery (late 2009): opens a new oil play in the northern Gulf in underexplored fairway
 - Estimated 24 mmbbl resource (100%) discovered to date¹
 - 3 well tests undertaken in Manora-1 with cumulative flow rates > 9,000 bopd
 - Targeting further appraisal in 2010 & 2011, FID in early 2012 and first production early 2014
- Rossukon-1 discovery (2009):
 - 9.5m net oil pay, tested 890 bopd from single zone
 - 3D seismic planned in 2011 with appraisal to follow
- Significant exploration potential across 31,000 sq km
 - > 200 mmbbl of cumulative unrisks potential
 - Active exploration/appraisal program – up to 8 wells in 2010/11

Notes:

- 1 Best estimate as independently reviewed and accepted as reasonable by RISC
 2 Not part of this transaction and included for comparable purposes only

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Manora oil field: a highly attractive opportunity



Concession Partners

Pearl Energy (Operator)
Northern Gulf Petroleum
(Tap 75% owner of Northern Gulf Petroleum)

Participating Interest (Post transaction)

60%

40%

- Discovered in late 2009 (Manora-1) and successfully appraised in 2010 (Manora-2 & 3)
- Substantial resource of 24 mmbbl (100%) discovered to date¹
 - Located in shallow water (~50m)
 - Shallow target depths (1600m to 2200m)
- Excellent reservoirs (Manora-1 cumulative flow rates > 9,000 bopd)
- Q4 2010 & 2011 anticipated activity
 - Further appraisal drilling
 - Engineering Studies
 - Net costs for Q4 2010 of US\$7.6 - \$10.2m
- Final Investment Decision expected early 2012
- First production potentially early 2014
- Low development cost environment
 - (e.g. Jasmine & Bualuang)
- Substantial exploration potential in adjacent areas
 - Potential for tieback projects

Notes:

¹ Best estimate as independently reviewed and accepted as reasonable by RISC

DMS 138666

9

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Comparable field development at Jasmine¹



Jasmine Oil Field Facilities¹

- Also operated by Pearl Energy
 - Proven Gulf of Thailand development expertise
- Similar characteristics as Manora
 - Shallow water depth
 - Well head platform and Floating Storage and Offloading (FSO) vessel
- Construction/installation completed within 12 months
 - First production 2005 one month ahead of schedule with production in July 2009 up to 19,500 bopd
- Ultimate recoverable 2P oil of 28 mmbbl & gas of 28 bcf
 - Pearl Energy has been able to achieve a 30% increase in 2P ultimate recoverable volumes since assuming operatorship and commencing production

Note:

¹ Jasmine is not part of this acquisition, but is included for development comparison purposes only

DMS 138666

10

Acquisition consideration overview



- Combination of upfront and ongoing payments designed to limit downside risk
- Upfront payment of US\$37.5m comprising of US\$25m cash and issue of US\$12.5m of Tap Oil shares priced at \$0.95/share (10 day VWAP up to 12 October market close)
- Tap Oil pays the vendor's 25% share of project costs to first production, capped at US\$20m, 50% of which is to be reimbursed from production
- Manora Final Investment Decision and success payments will depend on identified 2P reserves and total between US\$0 and US\$37.5m
 - Final Investment Decision Bonus between \$0 and US\$18.75m. Bonus on sliding scale based on Manora development size (0 below 10mmbbl, increasing at \$0.75/bbl capped at \$18.75m at 35mmbbl)
 - 2P Reserves Bonus payable up to 4 years after first production. Sliding scale based on Manora development size at the time (0 below 10mmbbl, increasing at \$1.50/bbl capped at US\$37.5m at 35mmbbl) less any Final Investment Decision Bonus already paid
- An earn out fee of 2% on revenue generated by the Concessions³

Oil at Manora (mmbbl)	0	10	24	35	50
Oil net to Tap (30%) (mmbbl)	--	3.00	7.20	10.50	15.00
Upfront payments (US\$m)	37.50	37.50	37.50	37.50	37.50
Milestone payment at FID (US\$m) ¹	--	--	10.50	18.75	18.75
Production Bonus (US\$m) ¹	--	--	10.50	18.75	18.75
Total consideration^{1,2} (US\$m)	37.50	37.50	58.50	75.00	75.00
Implied transaction multiple US\$/bbl (net)	na	12.50	8.13	7.14	5.00

Notes:

1 Prior to taking into account any effect of time value discounting

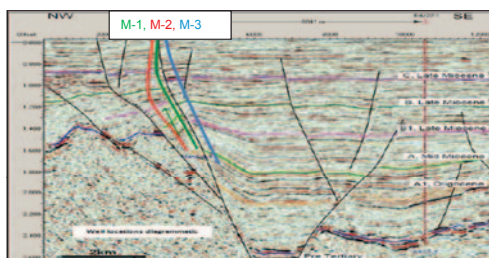
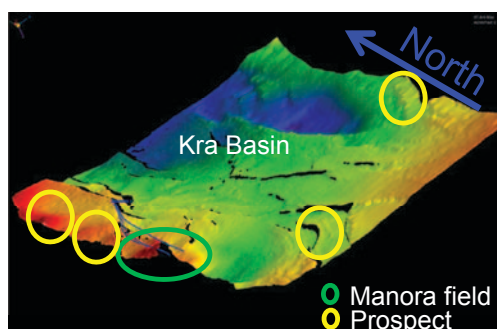
2 Does not take into account cash carry of vendor's costs; earn out fees or appraisal & development costs

3 Provided the oil price remains above US\$50/bbl

DMS 138666

11

Manora – excellent nearfield exploration potential



Seismic profile through Manora demonstrating multiple objectives

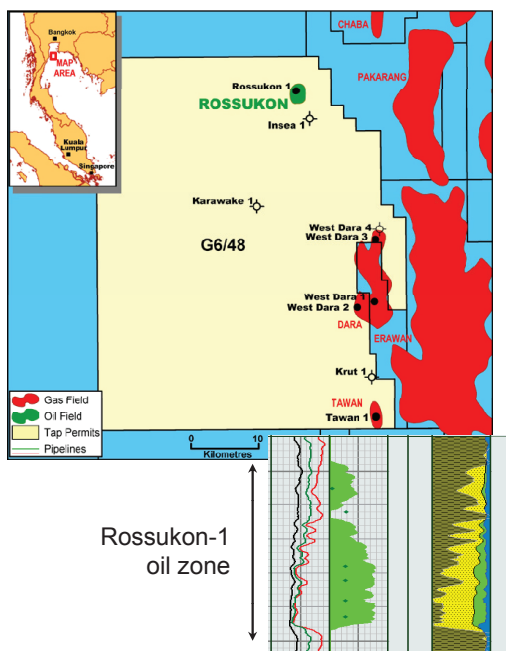
- Manora field located on western flank of Kra basin
- Relatively new and under explored area
- Four moderate risk near field prospects identified to date
 - Same basin / oil source
 - Same reservoirs
 - Same structural style
 - 3D seismic supported
- Additional objective horizons also under evaluation
 - expected to yield further targets
- Current near field prospects have potential to more than double size of Manora
- Multiple well campaign anticipated in 2011

DMS 138666

12

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Rossukon-1 oil discovery



- Rossukon-1 (2009) drilled a large broad closure over a basement high
- Encountered 9.5m oil bearing sandstone interval
- Tested 890 bopd from single zone
- Volumes not clear due to uncertain sandstone reservoir distribution
- 3D seismic acquisition planned in 2011
- Appraisal drilling subject to results of 3D seismic survey
- Shallow water depth (~60m)
- Shallow target depth (~1,200m)

Concession Partners

Pearl Energy (Operator)
Northern Gulf Petroleum
(Tap 75% owner of Northern Gulf)

Participating Interest (Post transaction)

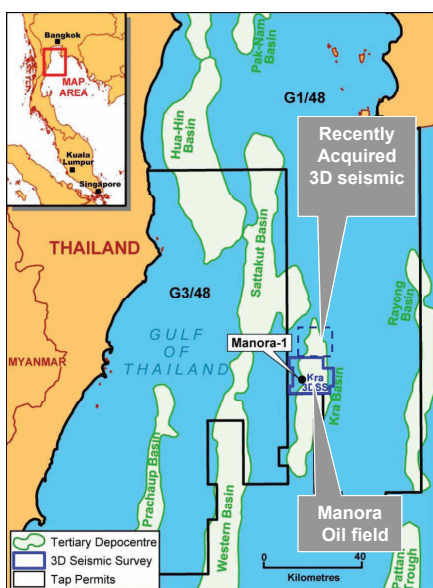
60%
40%

DMS 138666

13

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Robust additional exploration opportunities



- Manora discovery highlights the oil potential within the Tertiary basins of the Gulf of Thailand
- These basins previously untested and under explored
- 17 exploration features identified to date
- Active exploration program
- Q4 2010:
 - 2D seismic acquisition across Western and Sattakut Basins
- 2011:
 - 3D seismic acquisition in the Western and Sattakut Basins
 - Up to 6 wells
- Excellent potential for further value adding oil discoveries
- Greater than 200 mmbbl of cumulative unrisks potential

Large, moderate risk exploration portfolio in low cost environment

DMS 138666

14

Summary of Thailand assets forward program



Project	Q4 2010	2011	Q1 2012
Manora oil field (incl. Near field expl.)	1 x well firm 1 x well contingent	4 x wells Engineering Studies	<u>Final Investment Decision</u>
Rossukon oil discovery		260 km ² 3D seismic	
Exploration	1,450 km 2D seismic	400 to 1,200 km ² 3D seismic 2 x wells (1 firm, 1 contingent)	

Up to US\$36 million total project costs net to Tap Oil to final investment decision

DMS 138666

15

Excellent fit with Tap Oil's strategy and portfolio



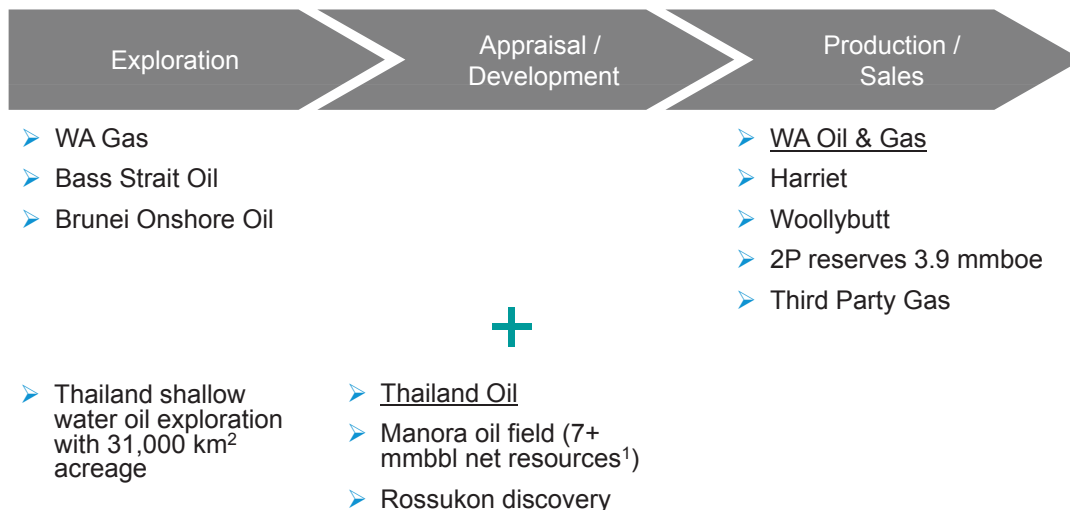
Asset Quality/ Location	<ul style="list-style-type: none"> ➤ Rare opportunity to secure a substantial position in an emerging oil province <ul style="list-style-type: none"> ➤ Recent discoveries highlight significant oil potential ➤ Within Tap Oil's existing South East Asia focus area 	✓
Impact on Reserves	<ul style="list-style-type: none"> ➤ Potential to triple Tap Oil's reserves within 12 months <ul style="list-style-type: none"> ➤ Manora appraisal already well advanced ➤ Rossukon appraisal in 2011 	✓
Impact on Production	<ul style="list-style-type: none"> ➤ Potential for substantial production growth within 3 years <ul style="list-style-type: none"> ➤ Well established development environment and experienced operator 	✓
Impact on Exploration Growth	<ul style="list-style-type: none"> ➤ More than doubles Tap Oil's exploration portfolio in low cost environment <ul style="list-style-type: none"> ➤ > 200 mmbbl of cumulative unrisks potential across 31,000 km² of acreage ➤ Expect to double Tap Oil's drilling activity in 2011 	✓

DMS 138666

16

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Transform Tap Oil's existing portfolio



Notes:

¹ Tap Oil's net share based on its net working interest rather than its net entitlement under the Production Sharing Agreement and Manora best resource estimate as independently reviewed and accepted as reasonable by RISC

Acquisition adds significant appraisal opportunities and more than doubles the exploration portfolio

DMS 138666

17

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS



Equity raising overview

www.tapoil.com.au

This presentation contains some references to forward looking assumptions, representations, estimates, budgets, and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap Oil Limited that its expectations, estimates, budgets and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

18

Equity raising overview



Overview	<ul style="list-style-type: none"> ➤ Equity raising for a minimum of A\$50 million and up to A\$82 million via <ul style="list-style-type: none"> ➤ A\$13 million underwritten institutional placement ➤ Up to A\$69 million accelerated non-renounceable pro-rata 1-for-2 entitlement offer, with the underwritten institutional component of A\$37 million
Offer price	<ul style="list-style-type: none"> ➤ A\$0.81/share <ul style="list-style-type: none"> ➤ 9.7% discount to TERP ➤ 13.8% discount to Tap's closing price of \$0.94 on 13 October 2010
Key dates and timing	<ul style="list-style-type: none"> ➤ Record date: 7:00pm AEDST, 19 October 2010 ➤ Institutional offer open: 14 October 2010 to 11:00am AEDST, 15 October 2010 ➤ Retail offer open: 21 October 2010 to 5:00pm AWST, 8 November 2010
Shareholder participation	<ul style="list-style-type: none"> ➤ Tap Oil's largest institutional shareholder, M&G Investment Management has committed to take up its entitlement in full ➤ The Vendor will be entitled to participate under the institutional tranche of the entitlement offer

DMS 138666

19

Acquisition sources and uses of proceeds



Sources ¹	A\$m	Uses ¹	A\$m
Proceeds from underwritten equity raising ²	48.0	Acquisition of 75% of the shares in Northern Gulf Petroleum ³	25.4
Funded from existing cash	14.0	Appraisal of Manora field 2010 and 2011	27.2
		Gulf of Thailand exploration	9.4
Total sources	62.0	Total uses of funds	62.0

- Forecast expenditure represents position to December 2011 on acquired assets
- Sources and uses table does not include additional payments to vendor upon FID as set out on page 11
- Impact of acquisition on Tap Oil balance sheet set out in Additional materials

Notes:

1 US\$ denominated expenditure converted at USD/AUD = 0.9843

2 After expenses of the offer and excludes any proceeds from non-underwritten portion of entitlement offer; to the extent that additional proceeds are raised, the portion of the acquisition funded from existing cash reserves will be reduced

3 Excluding issue of shares to vendor

DMS 138666

20

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Equity raising timetable



Institutional Entitlement Offer opens	➤ Thursday 14 October 2010
Institutional Entitlement Offer closes	➤ 11:00am AEDST, Friday 15 October 2010
Shares recommence trading on ASX	➤ Monday 18 October 2010
Record date to determine retail entitlements	➤ 7:00pm AEDST, Tuesday 19 October 2010
Retail Entitlement Offer opens	➤ Thursday 21 October 2010
Settlement of Institutional Entitlement Offer	➤ Thursday 28 October 2010
Trading commences in new shares issued under Institutional Entitlement Offer	➤ Friday 29 October 2010
Retail Entitlement Offer closes	➤ 5:00pm AWST, Monday 8 November 2010
Settlement of Retail Entitlement Offer	➤ Friday 12 November 2010
Trading commences in new shares issued under Institutional Entitlement Offer	➤ Tuesday 16 November 2010

Dates and times are indicative only and subject to change

Notes:

¹ Times refer to Australian Eastern Daylight Savings Time (AEDST) unless otherwise noted

DMS 138666

21

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Key risks



- There are various risks associated with investing in Tap Oil, and many of these risks are outside the control of Tap Oil. Please refer to the expanded key risks section located in the Additional material for more detail. Key risk factors identified include:
 - Exploration success
 - Operating risks
 - Reserve and resource estimates
 - Production estimates
 - Joint venture and regulatory approvals and procedures
 - Commodity price volatility and exchange rate risks
 - Environmental
 - Title and regulatory risks
 - Current and pending litigation risks
 - Sovereign risks
 - Contractual risk
 - Funding risk
 - Economic risk
 - Market conditions
 - Dividend and taxation risks
 - Additional requirements for capital
 - Reliance on key personnel
 - Investment speculative

DMS 138666

22



Tap Oil Update

www.tapoil.com.au

This presentation contains some references to forward looking assumptions, representations, estimates, budgets, and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap Oil Limited that its expectations, estimates, budgets and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.

23

Tap Oil strategy



To be a successful E&P company, growing in scale and value by building a diverse asset base and having a well funded, quality growth portfolio in a select number of focus areas

Production & sales

- Two producing assets (Harriet & Woollybutt) yielding ~0.91 mmboe/yr
- Ongoing Third Party gas sales of A\$32m p.a.¹
- EBITDAX of A\$42m for 12 months to June 2010

Balance sheet

- Cash of A\$70m (as at 30 September 2010) and no debt

Growth - exploration

- Quality, diversified international portfolio of moderate risk exploration opportunities spanning onshore / offshore and oil / gas
- 2-4 wells and an exploration spend of ~A\$30m per year

Growth – business development

- Acquire value adding assets which can contribute to production within 2 years

Notes:
1. Estimated revenue for 2011 calendar year

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Oil and Gas Producing Assets



Harriet Joint Venture

Tap 12.22%



- Producing since 1986
- Spread of multiple fields and wells with track record of reserves replenishment
- HJV average production rates for the September quarter
 - Gas ~ 76 mmscf/d
 - Oil ~ 4,300 bopd
- HJV discoveries are characterised by rapid conversion of exploration to development
- Bambra-10 development well planned for 2011
- Large scale seismic reprocessing commenced to select targets for 2011 exploration drilling

Woollybutt Joint Venture

Tap 15%

- Production averaged 5,600 bopd in September quarter
- Field commenced in May 2003 with recovery initially estimated to be 25 mmbbl over 5 years (from 2 wells)
- Woollybutt South development added in July 2008
- Expected ultimate recovery now 37.5 mmbbl and production continuing to ~2013

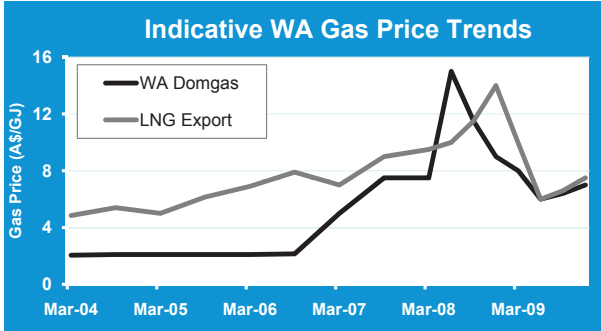
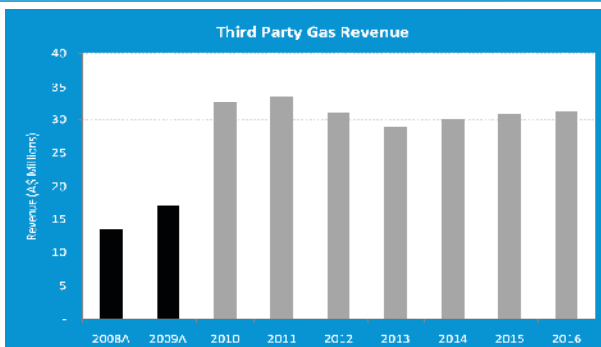


DMS 138666

25

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Contracted Third Party Gas



- Tap Oil secured ~31 Bcf of gas in 2005 from the John Brookes JV (JB JV) at 2005 prices
- Contracted Third Party Gas volumes do not form part of Tap Oil's reportable reserves
- Tap Oil's JB JV sales contracts commenced in September 2007 at domestic market rates substantially higher than Tap Oil's purchase cost
- Recently signed additional contracts and restructured existing contracts to substantially increase value
- Selling price and profit locked-in – CPI linked and all in AUD
- **The forward value of these contracts to Tap Oil, post-tax and discounted at a rate of 10%, is now A\$71m (as at 1 Jul 2010)**

DMS 138666

26

Impact of Exploration Success



Tap Permit	Well/ Prospect	Risk	Tap Share of Unrisked Resource Potential	Multiple of Existing 2P Reserves
WA-290-P	Zola	Low-moderate	20-200 Bcf	70 – 700%
T/47P	Craigow Tolpuddle	Moderate Moderate	2-31 mmbbl 7-37 mmbbl	50-650% 150-750%
Brunei	Belait	Low-moderate	3-25 mmbbl	75-625%
WA-351-P	10+ leads	Low-moderate	0.5-0.75 Tcf	1700-2600%
WA-191-P	Finucane South	Low-moderate	~0.5 mmboe	10%
HJV	Up to 4 wells	Low-moderate	10 mmboe	200%
Ghana - Accra	Well #1	Moderate	>36 mmbbl	>750%

Potential for ten fold increase in reserves from above program

DMS 138666

27

Near Term Indicative Drilling Activity



Project	2010		2011			2012
	Q4	Q1	Q2	Q3	Q4	Q1
Australia Carnarvon Basin	Zola-1 WA-290-P (10%) Proven Gas Trend	Bambra-10 HJV (12%) Development Well	HJV (12%) 1-4 Exploration Wells			WA-351P (25%) LNG scale gas
Australia Bass Basin	Craigow-1 T/47P (75%) Oil Exploration		Finucane South-1 WA-191P (8.2%) Oil Exploration			
Brunei	Markisa-1 Block M (39%) Oil Exploration	1+ wells Block M (39%) Oil Exploration				
Ghana					1 well Accra (36%) Oil Exploration	
Gulf of Thailand	1-2 wells G1/48 (30%) Appraisal/Nr Field Exploration	4-6 wells G1/48 & G3/48 (30%) Appraisal/Exploration		1+ wells G1/48 , G3/48 or G6/48 (30%) Appraisal/Exploration		

Thailand prospects potentially double Tap Oil's upcoming drilling program

DMS 138666

28

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

Additional Material



- A. Board and management
- B. Thailand background information
- C. Impact of acquisition on balance sheet
- D. Exploration program
- E. Key risks
- F. International offer restrictions

DMS 138666

29

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

A. Board & management strength



Tap Oil operates with a strong independent board & experienced management team focused on building a growing, sustainable oil company



Neale Taylor
Chairman (Non Executive)
 Neale Taylor has over 40 yrs technical, operating and commercial experience in oil and gas exploration and production, planning and evaluation, acquisition and joint venture management with Esso, Nexus Energy, Cambrian Oil & Gas and Xtract Oil (oil shale).



Doug Bailey
Non Executive Director
 Doug Bailey is an accountant with over 30 yrs experience in the resources industry. He is a former CEO and MD of Ashton Mining Ltd and a former CFO of Woodside. He is experienced in all commercial aspects of resource company financing, project development, acquisitions and admin.



Peter Lane
Non Executive Director
 Peter Lane is a petroleum geologist with some 40 yrs experience in oil exploration in Australia, Canada and Papua New Guinea. He has managed a number of successful exploration and production companies and conducted his own consulting business for the past 20 yrs.



Michael Sandy
Non Executive Director
 Mike Sandy is a geologist with over 30 yrs experience in the resources industry; with the past 24 yrs focused on oil and gas. He has worked for various oil and gas companies, including senior executive roles with Oil Search and Novus Petroleum during the last 15 yrs.



Peter Stickland
MD / CEO
 Peter Stickland has over 20 yrs global experience in oil and gas exploration. Peter had a successful career with BHP Billiton before joining Tap in 2005. He has an excellent track record of finding oil and gas and identifying quality prospective acreage.

Peter gave notice to the Board in May 2010 that due to family reasons he did not intend to renew his Employment Agreement and a 12 month notice period was agreed to enable the Company to replace Peter with minimum disruption to business activities. Peter will remain in his current position until 28 May 2011. If a suitable replacement can be found before then an expedited handover may be arranged. The Board is undertaking a thorough process to recruit a replacement CEO.

Management Team

Chief Financial Officer

David Rich *B.Com, CA, Grad.Dip.CSP, ACIS*

Engineering & Development Manager

Blaine Ulmer *B.Sc (Canada)*

Commercial Manager

Damon Neaves *LLB, B.Com, A.Fin.S.I.A*

New Ventures Manager

Bob Cassie *B.Sc.(Hons), MAAPG*

Exploration Manager

Joe Scibiorski *B.Sc.(Hons), M.Sc., D.I.C*

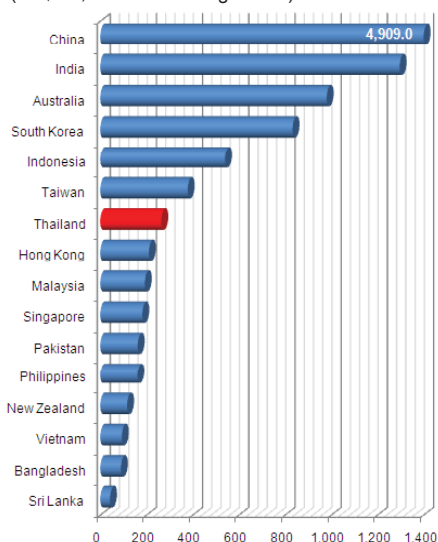
DMS 138666

30

B. Thailand economic overview



2009 Gross domestic product ¹
(US\$ bn; market exchange rates)



Notes:

1. The Economist – Country Forecast Aug 2010
2. EFIC Australia Country report July 2009
3. World Bank June 2010
4. US State Dept 2010

- One of Asia's success stories
 - Diversified into export focused manufacturing, tourism and services while maintaining strong agricultural export sector²
- 2nd largest economy in SE Asia
- Economy driven by external demand
 - Impact of political turmoil minimal³
- Promotes open markets and foreign investment ⁴
- Investment grade sovereign risk ranking²
 - Manageable public debt, strong reserves, sound banking and corporate sector provide cushion against volatility³
- The Economist "business environment ranking" improves to 38/82 over next 5 years (was 43/82)

DMS 138666

31

B. Thailand oil and gas business environment



Notes:

1. IHS GEPS Reports, Far East – Thailand Annual Synopsis 2009, published June 2010

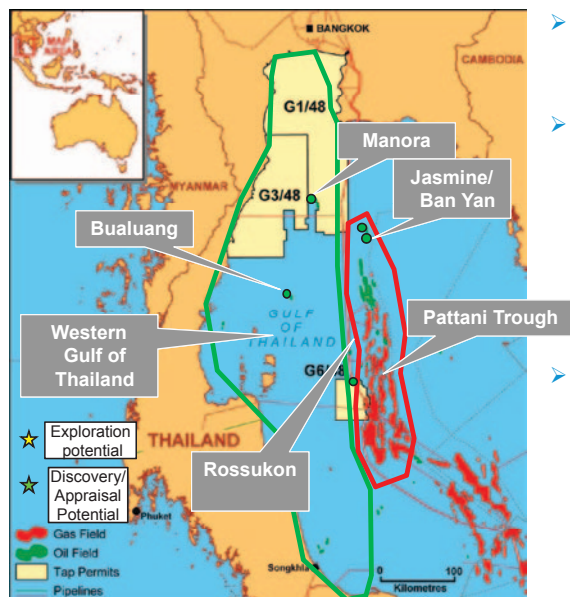
- Major producer of oil and gas in S.E. Asia
- Remaining (country) Reserves¹
 - Gas 18.8 Tcf
 - Oil 574 mmbbl
 - Condensate 466 mmbbl
- Current Thai Production¹
 - Gas 2,540 mmscf/d
 - Oil/Condensate 156,000 bopd
- Established Regulatory and Fiscal Regime (Thai III) introduced in 1989 and stable
 - "The concessionary terms are currently very favourable compared to other countries in the SE Asia region" ¹
- Fiscal Terms include
 - Sliding scale royalty linked to production
 - "Special Remuneratory Benefit" linked to amount of drilling
 - Income Tax Rate 50%
 - Contractor Take 15-20%
 - Many international players presently operating

DMS 138666

32

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

B. Offshore Gulf of Thailand potential



- Pattani Trough focus for past 35 years
 - Major Tertiary Basin, deep and gas prone
 - Major Gas province with production from 1981
- Western Gulf of Thailand Emerging Oil Province, first discovery 1987 and first production 1988
 - Oil prone shallower Tertiary basins
 - Sporadic past exploration
 - Flagged by recent discoveries at
 - Bualuang (discovered 1993, first prod 2008) 28 mmbbl reserves
 - Manora (discovered 2009) 24 mmbbl¹ (100%)
- Exploration in Western Gulf is at an early stage, presenting a rare opportunity for participating in significant exploration potential at moderate risk

Notes:

1 Best estimate of resource as independently reviewed and accepted as reasonable by RISC

DMS 138666

33

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

C. Pro Forma Consolidated Statement of Financial Position as at 30 June 2010



Basis of preparation

- The reviewed Consolidated Statement of Financial Position as at 30 June 2010 and the Pro Forma Consolidated Statement of Financial Position as at 30 June 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by Tap Oil Ltd. The significant accounting policies adopted in the preparation of the financial information are consistent with Tap Oil Ltd's 30 June 2010 reviewed financial report.
- The Pro Forma Consolidated Statement of Financial Position as at 30 June 2010 has been appropriately adjusted for significant transactions post 30 June 2010, as if the transactions had occurred at 30 June 2010.
- The Pro Forma Consolidated Statement of Financial Position as at 30 June 2010 has been prepared assuming all underwritten shares offered to institutional investors are issued, 50% of the shares offered to retail investors are taken up and issued and the successful completion of the purchase of 75% of the shares in Northern Gulf Petroleum Pte Ltd. The share proceeds from institutional and retail investors are disclosed net of share issue costs. The share purchase is accounted for as an asset purchase and not a business combination based on AASB3(2008).
- The Pro Forma Consolidated Statement of Financial Position has been prepared to provide investors with information on the pro forma assets and liabilities of Tap Oil Ltd. The historical and pro forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by Accounting Standards and Interpretations applicable to annual financial statements.
- The Tap Oil Ltd financial report for the half-year ended 30 June 2010 has been prepared in accordance with the recognition and measurement principles of Accounting Standards and Interpretations.
- The financial information is presented in Australian dollars, the presentation currency of Tap Oil Ltd, and is prepared on an accrual basis. Cost is based on the fair values of the consideration given in exchange for assets.
- Reference can be made to page 16 of the Investor Presentation for more detail on the future planned exploration spend in relation to the exploration permits currently owned by Northern Gulf Petroleum Pte Ltd.

DMS 138666

34

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

C. Pro Forma Consolidated Statement of Financial Position as at 30 June 2010



\$'000	Tap Oil Ltd 30 June 2010 Reviewed ⁽¹⁾	Pro forma adjustments ⁽²⁾	Sub-total 30 June 2010 ⁽³⁾	Institutional Equity raising ⁽⁴⁾	Retail Equity raising ⁽⁵⁾	NGP asset purchase ⁽⁶⁾	30 June 2010 pro forma balance sheet
Assets							
Cash and cash equivalents	66,289	9,802	76,091	47,752	15,830	(25,587)	114,086
Property, plant & equipment	106,539		106,539				106,539
Deferred exploration expenditure	100,497		100,497			38,286	138,783
Other assets	26,426		26,426				26,426
Total assets	299,751	9,802	309,553	47,752	15,830	12,699	385,834
Liabilities							
Trade and other payables	19,320		19,320				19,320
Other payables	74,410		74,410				74,410
Other financial liabilities	-	9,802	9,802				9,802
Total liabilities	93,730	9,802	103,532	-	-	-	103,532
Net Assets	206,021	-	206,021	47,752	15,830	12,699	282,302
Equity							
Issued capital	89,758		89,758	47,752	15,830	12,699	166,039
Other reserves	4,481		4,481				4,481
Retained Earnings	111,782		111,782				111,782
Total equity	206,021	-	206,021	47,752	15,830	12,699	282,302

Notes: See following page

DMS 138666

35

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

C. Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2010



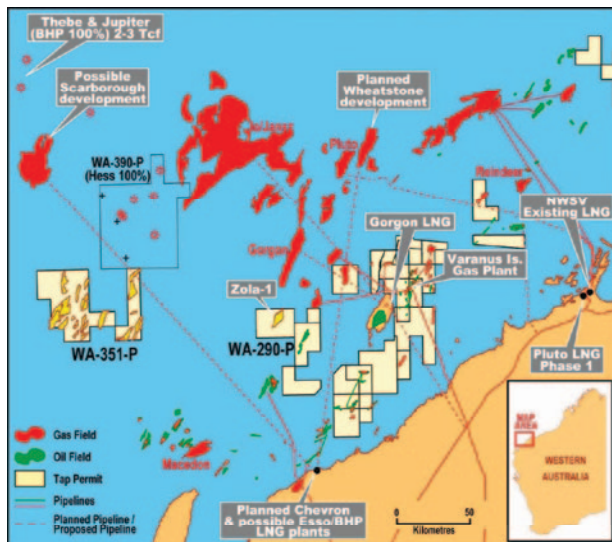
- Information has been extracted from the 30 June 2010 financial report of Tap Oil Limited, which was lodged with the ASX on 27 August 2010. Deloitte Touche Tohmatsu reviewed the financial report for the half-year ended 30 June 2010 and an unqualified review conclusion was issued, dated 26 August 2010.
- Outlines the impact of significant transactions after 30 June 2010 as if the transactions had occurred at 30 June 2010. During July 2010, Tap increased its stake in the T/47P exploration permit from 40% to 75%. This came via a transaction whereby Tap assumed the 35% working interest of Singapore Petroleum Company (SPC) in return for being compensated for the increased share of the Joint Venture's drilling obligations. The compensation received from SPC in exchange for Tap assuming SPC's working interest in T/47P was recognised as a liability and will be offset against future exploration expenditure incurred on the T/47P exploration permit. The 35% working interest was obtained through the purchase of SPC Bass Pty Ltd, which owned the 35% interest in the T/47P permit. The purchase of SPC Bass Pty Ltd for \$1 is not treated as a business combination for accounting purposes, but is recognised as an asset purchase. The purchase of SPC Bass Pty Ltd was appropriately disclosed as a subsequent event in the 30 June 2010 half-year financial report of Tap Oil Limited.
- The Pro Forma Consolidated Statement of Financial Position as at 30 June 2010 after incorporating the effect of significant transactions post 30 June 2010, but prior to the share issue and the purchase of 75% of the shares in Northern Gulf Petroleum Pte Ltd.
- Represents the fully underwritten issue of new shares to institutional investors based on the accelerated non-renounceable share rights issue under the Offer; raising A\$49.965 million less transaction costs amounting to A\$2.213 million which have been recognised as a reduction of the net proceeds received in equity.
- Represents the issue of new shares to retail investors based on the accelerated non-renounceable share rights issue under the Offer. The retail portion of the Offer is not underwritten and an uptake of 50% of the share rights have been assumed; raising A\$16.225 million less transaction costs amounting to A\$395,000 which have been recognised as a reduction of the net proceeds received in equity.
- Represents the purchase of 75% of the shares in Northern Gulf Petroleum Pte Ltd, which is accounted for as an asset purchase and not a business combination based on AASB3. The purchase consideration consists of an upfront cash payment of US\$25 million (A\$25.399 million) and the issue of US\$12.5 million (A\$12.699 million) in Tap Oil Ltd shares. The foreign exchange rate used to account for the asset purchase in the Pro Forma Consolidated Statement of Financial Position is A\$0.9843: US\$1; which represents the FX rate on the ANZ Morning Note of 12 October 2010. Transaction costs of \$188,000 have been included as part of the purchase consideration, which is captured as part of the capitalised deferred exploration expenditure.

DMS 138666

36

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

D. Western Australia Gas Exploration: Multiple Moderate Risk Exploration Opportunities



WA-290-P (Tap 10%): Zola Prospect

- Large: 0.2-2.0 Tcf (gross)
- Moderate risk: Proven Triassic play type, south of Gorgon field
- Drilling November 2010
- Tap partially carried on drilling cost A\$45-60m (gross)
- Multiple development options

WA-351-P (Tap 25%)

- Success-case permit potential of 2-3 Tcf (gross) in a proven province
- 10+ leads defined on 3D seismic
- Probability of success boosted to over 50% for a number of targets
- Potential drilling in 2011
- Right address to benefit from emerging LNG infrastructure

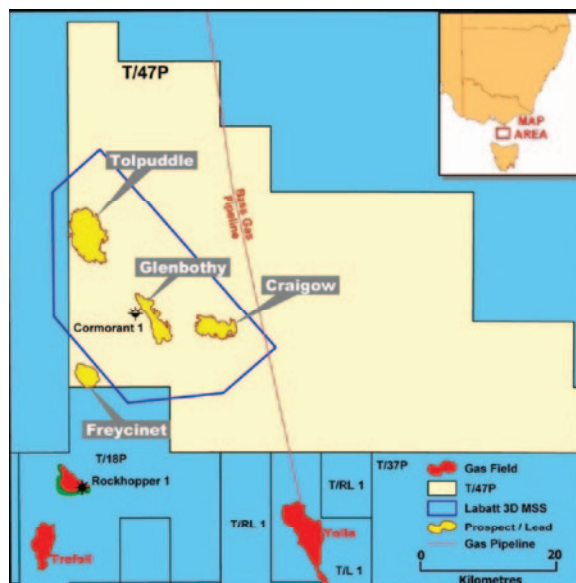
Tap well positioned for expanding domestic gas and LNG markets

DMS 138666

37

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

D. Bass Basin T/47P: Craigow-1 Exciting Oil Potential (Tap 75%, Operator)



- 3-42 mmbbl recoverable oil potential
- Simple structure defined on modern 3D seismic
- Shallow target depth (~1,500m) improves chance of good reservoir quality
- Along trend from oil recovery at Cormorant-1
- Total potential 100+ mmbbl
- Kan Tan IV rig contracted and scheduled to drill in January 2011
- Tap acquired SPC's interest (35%) and received funds in lieu of assumed forward commitments
- Expected well cost ~A\$15m (net)

Permit Partners	Participating Interest
Tap (Shelfal) Pty Ltd	75% (Operator)
Tap Bass Pty Ltd	
Jubilant Energy Pty Ltd	25%

DMS 138666

38

D. Ghana Offshore Accra Contract Area (Tap 36%, Operator)



- Prospectivity analogous to recent discoveries in emerging new West African oil province
- Two leads identified to date,
 - conventional water depths,
 - >100 mmbbl potential in each lead
- 2010 program: 3D seismic reprocessing and acquisition of new seismic
- Drilling in 2011/12
- Predictable operating environment with access to seismic vessel, drilling rigs and services

DMS 138666

39

D. Brunei Block M (Tap 39%, Operator)



- Prolific oil and gas province
- Belait field 8 to 64 mmboe (gross recoverable)
- Initial 2 well program in 2010
 - Mawar-1 encountered gas and oil
 - Markisa-1 encountered oil
 - Post well evaluation underway
 - Further drilling in 2011
- Plus significant exploration potential deeper, along trend from known oil
- New seismic shoot underway
- Potential for rapid development in success case:
 - Onshore
 - Close to refinery & LNG terminal

Block Partners	Participating Interest
Tap Energy (Borneo) Pty Ltd	39% (Operator)
Triton Hydrocarbons Pty Ltd (Kulczyk Oil Ventures)	36%
China Sino Oil	21%
Jana Petroleum	4%

DMS 138666

40

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

E. Key risks



There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Exploration success

Potential investors should understand that oil exploration and development are high-risk undertakings. Furthermore, the Company's future oil and gas production is highly dependent on replenishing proved reserves through successful exploration and development.

There can be no assurance that exploration of the Company's permits will result in the discovery of an economic oil reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Operating risks

The operations of the Company may be affected by various factors, including failure to locate or identify oil reserves, failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Furthermore, the Company's costs are at risk given the particularly competitive nature of the oil and gas industry. As global supply of oil and gas resources decreases, potential opportunities become more expensive to bid for whilst the increased demand for ships and drilling equipment is resulting in increased capital and operating costs.

The Company's assets are susceptible to damage from natural disasters, including, but not limited to, earthquakes, hurricanes or volcanic activity.

DMS 138666

41

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

E. Key risks



Reserve and resource estimates

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and drilling plans which may, in turn, adversely affect the Company's operations.

Production estimates

Actual future production may vary materially from targets and projections of future production for a variety of reasons. There is greater risk that actual production will vary from estimates of production made for properties under exploration or not yet in production or from operations that are to be expanded.

Joint venture and regulatory approvals and procedures

The transaction may require approvals to be obtained by governmental authorities, joint venture partners or other third parties and compliance with legislative or contractual procedures. The change in ownership of Northern Gulf Pte Ltd may require notification to, or approval of, the Ministry of Energy, Republic of Thailand. As the outcome of any required approvals or processes is not yet known, there is a risk that these processes may delay or frustrate the transaction or certain aspects of the transaction. The failure to obtain or comply with any required approval or process may prejudice the Company's rights and interests and/or give rise to a claim.

In addition, the Joint Operating Agreements in relation to the Concessions contain requirements, including pre-emptive rights procedures, for the transfer of a participating interest in the Concessions. It is the view of the Company that the pre-emptive rights procedures in the Joint Operating Agreements are not triggered by the acquisition of shares by the Company in Northern Gulf Pte Ltd because the right of pre-emption is stated to only apply to a transfer of a participating interest in the Concessions to a non-affiliated holder of the Concessions (and not a transfer of the shares in a holder of participating interest in the Concessions). However, there is a risk that the counterparties to the Joint Operating Agreement will take a different view and may seek to frustrate the acquisition by the Company of a 75% shareholding in Northern Gulf Pte Ltd. While the Company believes that it has strong grounds to oppose any such action and also considers that such an outcome is unlikely, should a dispute arise with the counterparties to the Joint Operating Agreements, it could have a materially adverse effect on the Company's operations.

DMS 138666

42

E. Key risks



Commodity price volatility and exchange rate risks

If the Company achieves success leading to oil production, the revenue it will derive through the sale of oil exposes the potential income of the Company to oil price and exchange rate risks. Oil prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, the Company is exposed to fluctuations in the value of the Australian dollar value of foreign currency denominated revenues and expenses. International prices of oil and therefore sales are predominantly denominated in United States dollars, whilst operating and capital expenditures are largely denominated in the local currency. As the Company reports in Australian dollars, its results can be significantly affected by exchange rate fluctuations, with a stronger Australian dollar having a negative impact on reported revenues.

Environmental risks

The operations and proposed activities of the Company are subject to the laws and regulations in various countries. As with most exploration projects and oil operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or well development proceeds. Local government authorities may enact restrictive legislation to prevent and/or deter actions causing or likely to cause environmental damage. It is the Company's intention to work with local authorities and conduct its activities to the highest standard of environmental obligation.

Title risks

Interests in permits are governed by the granting of licences or leases by the appropriate government authorities. Each permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in a permit if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Regulatory risks

The Company is exposed to any changes in the regulatory conditions under in its various countries of operation. Such regulatory changes can include, for instance, changes in: taxation laws and policies; accounting laws, policies, standards and practices; environmental laws and regulations that may impact upon the operations and processes of Tap Oil; and employment laws and regulations, including laws and regulations relating to occupational health and safety.

Current and Pending Litigation

The Company may incur costs in making payments to settle litigation claims which may not be adequately covered by insurance or at all. Such payment may have an adverse impact on the Company's profitability and/or financial position. In common with other enterprises in the oil and gas industry, the Company is currently the subject of a number of existing and potential litigation claims including the gas contract dispute with Burrup Fertilisers as disclosed to investors on 15 June 2010 and other disputes arising out of the Varanus Island incident.

DMS 138666

43

E. Key risks



Sovereign risk

The Company's projects in foreign jurisdictions are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign countries that affect foreign ownership, exploration, development or activities of companies involved in oil exploration and production, may affect the viability and profitability of the Company.

Contractual risks

The Company is party to various contracts, including farm in agreements and joint operating agreements. The ability of the Company to achieve its objectives will depend on the performance by the parties to these contracts of their obligations. If any or all of these parties defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

The success of many of the Company's projects depends on the commitment and capital capacity of its joint venture partners.

In addition, there is a risk that the Company may, in the future, have general contract or other disputes with its contractual counterparties and other third parties and that this may have an adverse impact on the Company's growth prospects, operating results and financial performance.

Funding risks

The Company has a broad portfolio of exploration interests, which will require capital expenditure at a point in time in the future, which cannot be predicted with significant accuracy today. Furthermore, the Company is involved in many projects as a non-operator and as such does not have control over the planned capital expenditure pipeline. There is a risk both that the Company will be committed to funding that it has not anticipated, and that it will not be able to secure additional finance on economically acceptable terms, or at all. The inability for the Company to meet its obligations as and when they are due could result in reducing its exposure by way of forced reduction in acreage or asset sales and/or farm outs on less than ideal terms.

DMS 138666

44

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

E. Key risks



Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism, hostilities, or other force majeure events.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and oil exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings, operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

DMS 138666

45

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

E. Key risks



Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the equity raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

DMS 138666

46

F. International offer restrictions



This document does not constitute an offer of securities in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

European Economic Area - Belgium, Germany and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- (a) to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;*
- (b) to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) and (iii) an annual net turnover of more than €50,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);*
- (c) to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or*
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.*

DMS 138666

47

F. International offer restrictions (continued)



France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

DMS 138666

48

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

F. International offer restrictions (continued)**Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than:

- to "professional investors" (as defined in the SFO); or
- in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(i) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

DMS 138666

49

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

F. International offer restrictions (continued)**Italy**

The offering of the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to the New Shares may be distributed in Italy and such securities may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998 ("Decree No. 58"), other than:

- to Italian qualified investors, as defined in Article 100 of Decree no.58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999 ("Regulation no. 11971") as amended ("Qualified Investors"); and
- in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971 as amended.
- Any offer, sale or delivery of the New Shares or distribution of any offer document relating to the New Shares in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:
- made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 and any other applicable laws; and
- in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws.

Any subsequent distribution of the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971 as amended, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such New Shares being declared null and void and in the liability of the entity transferring the New Shares for any damages suffered by the investors.

Japan

The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

DMS 138666

50

F. International offer restrictions (continued)



New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand).

The New Shares in the entitlement offer are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

Other than in the entitlement offer, New Shares may be offered and sold in New Zealand only to:

- *persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or*
- *persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.*

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except:

- (a) *to "professional investors" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);*
- (b) *any natural person who is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;*
- (c) *to fewer than 100 natural or legal persons (other than "professional investors", as defined in clauses (a) and (b) above); or*
- (d) *in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by the Company or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.*

DMS 138666

51

F. International offer restrictions (continued)



Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

DMS 138666

52

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

F. International offer restrictions (continued)**Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

Thailand

This document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other documents and material in connection with the offer, sale or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any members of the public in Thailand.

DMS 138666

53

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS

F. International offer restrictions (continued)**United Kingdom**

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA). This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of s.21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated, and will only be communicated, in the United Kingdom in circumstances in which s.21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document may not be released or distributed in the United States or to, or for the account or benefit of, any 'U.S. person' (as defined in Regulation S under the U.S. Securities Act of 1933 (Securities Act) (**U.S. Person**)). This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. Person. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

DMS 138666

54

IMPORTANT:

If you make an application – you will be taken to make the following declarations to the Company

- you agree to be bound by the terms of the Retail Entitlement Offer and the constitution of the Company;
- you authorise the Company to register you as the holder of the New Shares allotted to you;
- you declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- you declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- you acknowledge that once the Company receives the Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your acceptance;
- you agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Issue Price per New Share;
- you agree to be issued the number of New Shares that you apply for;
- you authorise the Company, the Sole Lead Manager, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contract details set out in the Entitlement and Acceptance Form;
- you declare that you are an Eligible Retail Shareholder as defined in the Glossary in this Offer Document;
- you acknowledge that the information contained in this Offer Document and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- you represent and warrant that the law of any other place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares;
- you acknowledge the statement of risks in the Investor Presentation and that investments in the Company are subject to investment risk;
- you acknowledge that none of the Company or the Sole Lead Manager or any of their respective directors, officers, employees, agents, consultants, their advisers, guarantees the performance of the Company, or the repayment of capital;
- you represent and warrant (for the benefit of the Company, the Sole Lead Manager and their respective affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and are otherwise eligible to participate in the Retail Entitlement Offer;
- you acknowledge and agree that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, in the United States or to, or for the account or benefit of, any US Person, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States;
- you represent, warrant and agree that you are not in the United States and are not a US Person and are not acting for the account or benefit of a US Person;
- you agree not to send this Offer Document, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a US Person;
- you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is in the United States or is, or is acting for the account or benefit of, a US Person;
- you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Shares on the Record Date; and
- you agree that the New Shares may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of the Company that has been or may be established until 40 days following the completion of the equity raising.

Directors

Dr Neale Taylor (Non-Executive Chairman)
Mr Peter Stickland (Managing Director)
Mr Douglas Bailey (Non-Executive Director)
Mr Peter Lane (Non-Executive Director)
Mr Michael Sandy (Non-Executive Director)

Company Secretary

Mr Damon Neaves

Registered Office

Level 1, 47 Colin Street
WEST PERTH WA 6005
Telephone: +61 8 9485 1000
Facsimile: +61 8 9485 1060

Auditors

Deloitte Touche Tohmatsu
Level 14
240 St Georges Terrace
PERTH WA 6000

Sole Lead Manager, Sole Underwriter and Sole Bookrunner

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
SYDNEY NSW 2000

Registry

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
PERTH WA 6000
Telephone: +61 8 9938 4360
1300 610 456

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000





Level 1, 47 Colin Street, West Perth WA 6005

P +61 8 9485 1000

E info@tapoil.com.au

F +61 8 9485 1060

W www.tapoil.com.au



Tap Oil Limited
ABN 89 068 572 341

Level 1, 47 Colin Street
West Perth WA 6005
Australia

T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au

www.tapoil.com.au

21 October 2010

ADDENDUM TO RETAIL ENTITLEMENT OFFER DOCUMENT

Reference is made to Section 1.7 of the Retail Entitlement Offer Document released to ASX today (**Offer Document**) and, in particular, the paragraph regarding “Prohibited Foreign Holders”, being those holders of shares who are not eligible to participate in the Retail Entitlement Offer by reason of the jurisdiction of their registered address. It was noted therein that the Company would allot the New Shares to which a Prohibited Foreign Holder would otherwise be entitled under the Retail Entitlement Offer, to a nominee appointed by the Company who will sell those securities and pay the net proceeds (if any), after deducting any applicable brokerage, stamp duty and other taxes and charges to the Prohibited Foreign Holder.

The appointment of a nominee is a procedure under Section 615 of the Corporations Act that ensures the availability of the exemption in Item 10 of Section 611 of the Corporations Act (Rights issues). It is relevant in circumstances where an acquisition of a relevant interest in shares in connection with a rights issue may result in a party (including an underwriter) contravening Section 606(1) of the Corporations Act.

The Company wishes to advise that it has considered all of the circumstances of the Entitlement Offer and has determined that the circumstances do not require or warrant the Company complying with the nominee procedure under Section 615 of the Corporations Act.

Accordingly, the Company will not be allotting the New Shares to which a Prohibited Foreign Holder would otherwise be entitled to a nominee for sale.

Prohibited Foreign Holders will not be entitled to participate in the Retail Entitlement Offer. Prohibited Foreign Holders will be notified of this fact by letter.

Except where the context otherwise requires, defined terms in this Addendum have the same meaning as set out in the Glossary of the Offer Document.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Stickland".

PETER STICKLAND
MANAGING DIRECTOR/CEO

21 October 2010

Tap Oil Limited
ABN 89 068 572 341
Level 1, 47 Colin Street
West Perth WA 6005
Australia
T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au
www.tapoil.com.au

Dear Shareholder

TAP OIL LIMITED

ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On 14 October 2010, Tap Oil Limited ("**Tap Oil**") announced that it was conducting an accelerated non-renounceable pro-rata entitlement offer to eligible shareholders to subscribe for 1 new Tap Oil ordinary share ("**New Share**") for every 2 existing Tap Oil ordinary shares ("**Shares**") held as at 7.00pm (AEST) on Tuesday, 19 October 2010, ("**Entitlement**") at an issue price of A\$0.81 per New Share ("**Offer Price**") to raise approximately A\$69 million (the "**Entitlement Offer**"). The Entitlement Offer and an institutional placement of Tap Oil shares to be conducted in conjunction with the Entitlement Offer constitute the "**Offer**".

The proceeds of the Offer will be used to facilitate the acquisition of 75% of the issued capital of Northern Gulf Petroleum Pte Ltd ("**Northern Gulf**") and exploration, appraisal and pre-FID engineering costs leading to an FID decision in early 2012. In addition, funds may also be used for general working capital purposes and to support Tap Oil's existing exploration program. Northern Gulf holds a 40% interest in 3 petroleum concessions in the Gulf of Thailand.

DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and a retail component ("**Retail Entitlement Offer**"). The Retail Entitlement Offer is only open to shareholders ("**Eligible Retail Shareholders**") who:

- (a) were registered as Tap Oil shareholders as at 7.00pm (AEST) on Tuesday, 19 October 2010;
- (b) have registered addresses in Australia or New Zealand;
- (c) are not in the United States and are neither "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933) ("**U.S. Persons**") nor acting for the account or benefit of U.S. Persons;
- (d) did not receive an offer to participate or were otherwise ineligible to participate under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

RESTRICTIONS ON ELIGIBILITY

Retail shareholders who are not Eligible Retail Shareholders are ineligible to take up Entitlements to subscribe for New Shares under the Retail Entitlement Offer (**"Ineligible Retail Shareholders"**).

The restrictions upon eligibility are because of legal limitations in some countries (including the United States), the relatively small number of shareholders in those countries, the relatively small number of shares they hold and the potential cost of complying with the regulatory requirements in those countries.

Tap Oil has determined, pursuant to ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to shareholders in all countries outside of Australia and New Zealand in connection with the Retail Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with Australian regulatory requirements, Tap Oil wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

This notice is to inform you about the Retail Entitlement Offer. It is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in respect of the Retail Entitlement Offer, please call the Shareholder Information Line on 1300 610 456 (within Australia) or on +61 3 9938 4360 (from outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period or, alternatively, consult your stockbroker, accountant or other professional adviser.

On behalf of the Board and management of Tap Oil, thank you for your continued interest in Tap Oil.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Damon Neaves', with a stylized, flowing script.

DAMON NEAVES COMPANY SECRETARY

UNITED STATES LAW: This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, (the "Securities Act") ("U.S. Person") or to any person acting for the account or benefit of a U.S. Person. The New Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or to persons who are U.S. Persons or are acting for the account or benefit of U.S. Persons except pursuant to a transaction exempt from, or not subject to, the registration requirements of the Securities Act or such other securities laws.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter or any material relating to the Entitlement Offer to any of your clients (or any other person) in any country other than Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.

The provision of this notice is not, and should not be considered as, financial product advice. The information in this notice is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your broker, lawyer, accountant, financial adviser or other professional adviser.