

23 February 2011

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ZOLA-1 WELL DRILLING UPDATE

Tap Oil Limited (ASX Code: TAP) provides the following update on the Zola-1 exploration well, offshore Carnarvon Basin, Western Australia.

Location / Proposed Depth

The Zola-1 well is located in permit WA-290-P, immediately south of the giant Gorgon gas field in the Carnarvon Basin, Western Australia. The well is being drilled in 285 metres of water.

Progress

During the period from 06:00 hours WST on 17 February 2011 to 06:00 hours WST on 23 February 2011, the well was drilled ahead in 216mm (8½") hole to a depth of 4,374 metres in the Mungaroo Formation. Limited wireline logs (MDT formation pressure and sampling) were then run across the upper Mungaroo target due to the approaching cyclone. These logs supported the previously reported interpretation (from mud log and LWD data) of a gas column in sandstones at the top of the Mungaroo Formation.

The well is currently suspended down hole and the rig has been secured and de-manned for an approaching cyclone.

A full suite of wireline logs is planned to be run when the well is at total depth in order to determine the extent and thickness of the gas pay in the well.

Forward Plan

Forward operations for when the rig is re-manned and operations recommence will be to drill ahead through the upper Mungaroo Formation and through the second target zone to final well TD as planned.

Background

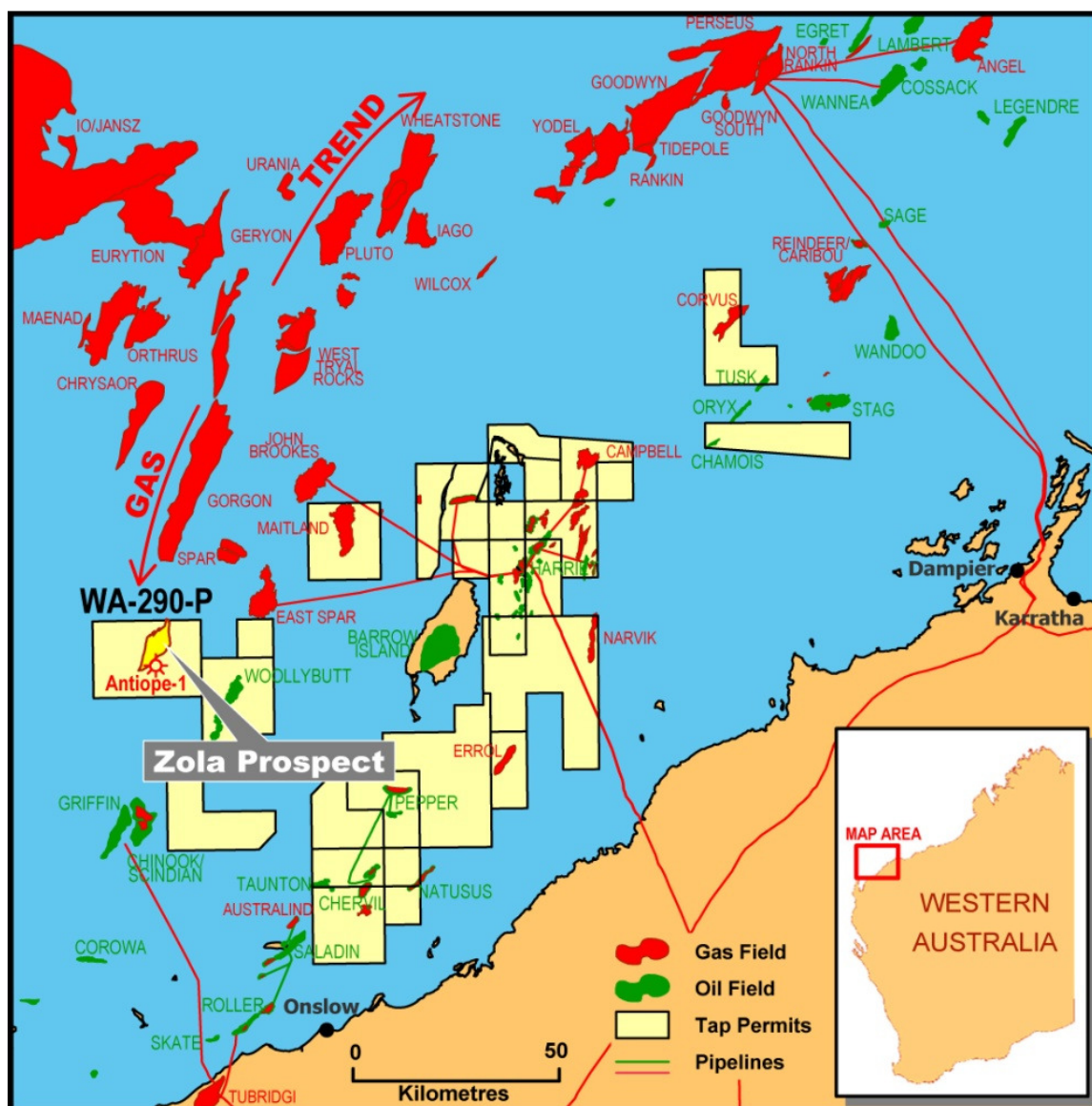
The Zola prospect is a very large Triassic tilted fault block on trend with the giant Gorgon gas field. One of the largest undrilled structural features in the Carnarvon Basin, Zola is covered by high quality newly reprocessed 3D seismic data and is considered a moderate risk prospect. Zola is estimated by Tap to contain mean recoverable gas volumes of 1.0 trillion cubic feet with upside potential for 2.0 trillion cubic feet. The well is testing the gas potential of several top and intra Mungaroo Formation sands – the primary reservoir at Gorgon. In addition it is possible that some Jurassic reservoirs may be developed flanking the main Triassic structure.

Previous drilling in WA-290-P focused on the shallower Jurassic and Cretaceous interval, resulting in the Antiope gas discovery in 2000 and the minor Lauda oil discovery in 2005.

Located close to existing and developing gas infrastructure, Zola would have multiple potential development options should it be a discovery. Any development at Zola could also encompass the overlying Antiope gas discovery (estimated at ~120 Bcf).

WA-290-P Joint Venture Participants

Tap (Shelfal) Pty Ltd	10.00%
Apache Northwest Pty Ltd (Operator)	30.25%
Santos Offshore Pty Ltd	24.75%
OMV Australia Pty Ltd	20.00%
Nippon Oil Exploration (Dampier) Pty Ltd	15.00%



Zola-1 Location Map

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