

28 March 2011

The Company Announcements Platform
Australian Securities Exchange
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SYDNEY NSW 2000

ALCOA PROCEEDINGS

Tap and its fellow joint venture participants in the Harriet Joint Venture (HJV), in which Tap has a 12.2% interest, have been served with proceedings in the Supreme Court of Western Australia, commenced by Alcoa of Australia Ltd (Alcoa) in relation to the disruption to gas deliveries from facilities on Varanus Island caused by an incident on 3 June 2008. At the relevant time, Alcoa purchased gas under a gas sale agreement with the joint venture participants in the HJV (Harriet GSA) and also under a separate gas sale agreement with another supplier for gas supplied from Varanus Island to which Tap is not a party.

Alcoa's claim seeks damages and other relief against the participants in the HJV, Apache Energy Limited (as operator of the Varanus Island facility) and the other supplier based on breach of contract, statutory duties and duty of care.

Contract claims

Alcoa claims that the HJV participants and the other supplier breached terms of their respective gas sales agreements by failing to deliver contract quantities of gas during the period of disruption.

The Harriet GSA contains express provisions limiting the liability of the HJV participants, including force majeure and liquidated damages.

At the time of the incident, Tap claimed force majeure under the Harriet GSA in relation to the disruption of gas deliveries. Under the terms of the GSA, a party who is unable to perform its obligations due to force majeure will be deemed not to be in breach and have no liability for a failure to perform its obligations.

Alcoa's claim seeks liquidated damages against the HJV of \$564,971 and quantifies Tap's net share as \$69,056.

In the alternative, the claim seeks to declare the liquidated damages provisions in the Harriet GSA invalid on the basis that it was not a reasonable, good faith or genuine pre-

estimate of the loss which Alcoa would or was likely to suffer in the event that gas deliveries were interrupted for an extended period.

Tap will enforce the liquidated damages provisions in the Harriet GSA in accordance with the terms agreed with Alcoa.

In the event liquidated damages are held to be invalid, Alcoa makes a claim for general damages of approximately \$158 million against both the participants in the HJV and the other supplier. The statement of claim does not identify the portion of that sum for which it is alleged the HJV participants are liable, as compared to the alleged liability of the other supplier. Whilst it is not possible to identify the extent to which Alcoa asserts Tap is liable for general damages as a minority participant in the HJV, it is some fraction of the aggregate amount claimed. We anticipate releasing further information in this regard as it becomes known.

Statutory duties and duty of care claims

In parallel with the contract claims referred to above, Alcoa also alleges that Apache Energy (as operator of the Varanus Island facility) and the HJV participants (as licensees of the pipeline transporting gas from Varanus Island to the mainland) breached statutory and common law duties of care.

Alcoa makes an alternative claim against those entities for the same amount of general damages as referred to above in relation to the contract claim, but the statement of claim does not identify the portion of that sum for which it is alleged that Tap is said to be liable. Again, as Tap is a minority participant in the HJV it is likely to be some fraction of the aggregate amount claimed. We anticipate releasing further information in this regard as it becomes known.

Tap intends to vigorously defend the claims made by Alcoa.

Tap also maintains third party liability insurance and Tap has notified its insurers of a potential claim in relation to this matter.

Harriet Joint Venture Participants

Tap (Harriet) Pty Ltd	12.2229%
Apache Northwest Pty Ltd	68.5%
Kufpec Australia Pty Ltd	19.2771%

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