

**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](mailto:info@tapoil.com.au)[www.tapoil.com.au](http://www.tapoil.com.au)

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The Company Announcements Platform  
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**SYDNEY NSW 2000**

## MAWAR-1 UPDATE - BRUNEI BLOCK M

Tap Oil Limited (ASX Code: TAP) is pleased to advise that the MB Century Rig 104 is now on the Mawar-1 location in Block M, Brunei Darussalam. The rig is in the process of setting up and will then be tested before drilling can commence. It is estimated that the rig will be ready to commence drilling around 19 July 2010.

A blessing ceremony was held on Wednesday 7 July 2010 at Mawar-1 attended by the guest of honour, Yang Mulia Awang Azren bin Taib, Acting Chief Executive Officer of Brunei National Petroleum Corporation (PetroleumBRUNEI) and other representatives of PetroleumBRUNEI and the other participants in Block M.



Tap's Country Manager, Mr Chris Swarbrick, addresses the Mawar-1 Well Blessing Ceremony

Mawar-1 will be the first well to be drilled in an initial two well exploration program in Block M, where Tap is the operator of the block. Details of the second well in the program, Markisa-1, will be released as they are finalised.

Mawar-1 is the first well to be drilled in Block M since 1988 and is the first well drilled by the Block M Joint venture for PetroleumBRUNEI.

The Mawar prospect was identified as being prospective for oil during interpretation work on the 3D seismic data acquired by the joint venture in 2009.

The prospect is a fault compartment identified within the Belait Anticline and pre-drill mapping indicates a prospect size up to nine million barrels of oil.

Given the drilling history within the Belait trend, the Mawar-1 well is considered to be low-to-moderate risk. The well is 30 kms south of the giant Seria oil field, which includes an oil refinery and terminal and the Brunei liquefied natural gas (LNG) facility.

Mawar-1 is being drilled as a deviated exploration well to test multiple sandstone objectives within the Mid-Late Miocene Belait formation. The well is designed to a total depth of about 1300m below the drill floor.

The well is expected to take approximately 28 days to drill and evaluate on a trouble free basis. In the case of a discovery, the well is likely to be suspended pending testing by another rig designed for that purpose.



MB Century Rig 104 being assembled at the Mawar-1 location

### **Background**

Block M is being explored under a Petroleum Sharing Agreement signed with Brunei National Petroleum Company (PetroleumBRUNEI) in August 2006.

Block M covers an area of approximately 3,011 km<sup>2</sup> (see attached map) in the Baram Delta Basin and is the largest onshore permit in Brunei. The Block contains the Belait anticlinal trend along which hydrocarbon seeps occur and oil and gas have been encountered in previous drilling.

The Belait trend is characterised as having recoverable hydrocarbons in the range of eight to 64 million barrels of oil. Block M is regarded as under-explored having not seen a concerted exploration effort using modern exploration methods for over 20 years.

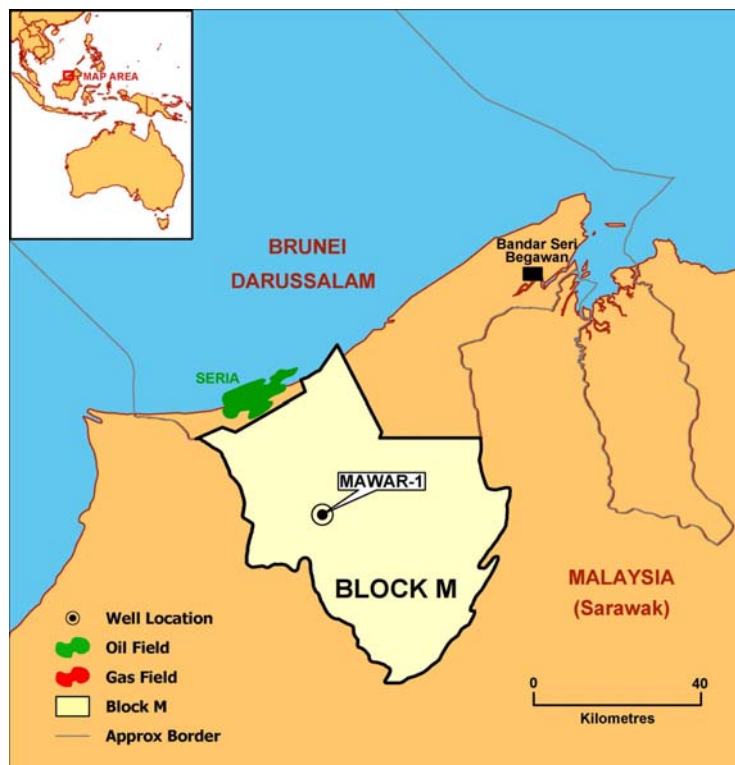
Tap became the Operator of the Block M Joint Venture in April 2008 and acquired both 2D and 3D seismic data in 2009. The Joint Venture is planning to drill at least two wells on the prospective Belait anticlinal trend in 2010.



Mawar-1 Well Blessing Ceremony

#### Participants in Block M are:

<b>Tap Energy (Borneo) Pty Ltd</b>	<b>39%</b> (Operator)
Kulczyk Oil Ventures Inc.	36%
China Sino Oil Co. Ltd	21%
Jana Corporation Sdn Bhd	4%



Mawar-1 Location Map

#### Enquiries to:

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