

30 July 2010

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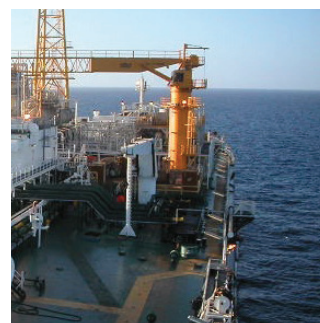
The Company Announcements Platform
Australian Securities Exchange
Exchange Centre
20 Bond Street
SYDNEY NSW 2000

JUNE 2010 QUARTERLY REPORT

Herewith is Tap Oil Limited's Quarterly Report for the quarter ended 30 June 2010.

Copies of these documents are available at the ASX and can be viewed on the Company's website www.tapoil.com.au under the heading "Investor Centre".

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Highlights

- Full quarter performance from all three cash generating assets
- 49% increase in production and 55% increase in revenue
- Tap's cash position grew to A\$66 million at 30 June 2010 with no debt
- Mawar-1, the first of two wells in Brunei Block M, to commence shortly
- Zola-1 to be drilled in August after Apache farmed in to WA-290-P



Tap has had all three cash generating assets performing for the whole quarter.

Managing Director's Summary

"For the first time in several years, all three cash generating assets were performing for the whole quarter. This gives us the financial strength to fully fund our near-term drilling program.

During the quarter significant progress was made on several of our exploration blocks. Seismic operations have commenced in Rangkas and Brunei and planning is underway in Ghana.

We are very pleased that the drilling of Zola will commence as early as August and we expect to commence the Mawar-1 well in Brunei shortly. Drilling in Bass Strait (T/47P) is anticipated for the fourth quarter with two more prospects upgraded and Craigow (3-42 mmbbls) now being the preferred first prospect to be drilled. We see all these as being highly prospective drilling targets.

Our third party gas business continued to be a strong cash generator although revenue was deferred for accounting purposes as some customers banked their gas under take-or-pay provisions due to operational constraints.

Woollybutt has provided a full quarter of production at an average rate of 7,200 barrels/day. Tap has recognised a downward adjustment to its remaining reserves at Woollybutt of 0.33 million barrels as the productivity of the wells is currently less than was anticipated. This is being investigated and the reserves may be recovered if the productivity can be redressed.

Overall we are very optimistic about the near-term outlook for Tap with several very attractive, high-impact wells and all cash generating assets performing soundly."

Mr Peter Stickland
Managing Director / CEO.

For further information regarding Tap Oil Limited please contact **Peter Stickland** (Managing Director / CEO)
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Revenue and Production

Revenue for the quarter was \$20.2 million. Tap achieved an average of \$83 per barrel for its liquids. The company has no commodity hedging in place.

Revenue
for the quarter
was up 55%
to \$20.2m

Sales Revenues	March '10 Qtr	June '10 Qtr	Qtly % Change	Comment
Liquids – net (\$000)	5,362	11,454	114%	2 liftings at HJV and 1st lifting of year at Woollybutt.
HJV Gas – net (\$000)	1,638	1,517	-7%	
Third Party Gas – net (\$000)	5,305	6,875	30%	Take-or-pay invoicing has deferred revenues.
Tolling – net (\$000)	767	400	-48%	Third party liquids lifted through HJV and gas processing and transport fees.
Total Oil & Gas Revenue (\$000)	13,072	20,246	55%	
Average realised oil price A\$/bbl	83	83	-%	

Production Volumes – Tap Share	March '10 Qtr	June '10 Qtr	Qtly % Change	Comment
Liquids – Harriet JV (bbls)	53,027	50,844	-4%	
Liquids – Woollybutt (bbls)	21,039	98,265	367%	Resumed production 7 March 2010.
Total Liquids (bbls) – net	74,066	149,109	101%	
Total Daily (bopd) – net ave.	823	1,639	99%	
Gas ¹ - Harriet JV (TJ) – net	887	1,067	19%	
Total Gas ¹ (TJ/D) – net	10	12	19%	
Total production – boe	206,632	308,177	49%	
Liquids inventory – bbls	52,079	61,462	18%	

¹Production of sales gas (i.e. after losses, fuel and flaring).

bbls	Barrels of oil	TJ	Terajoules (1012 joules); 1000 Gigajoules
Boe	Barrels of oil equivalent	TJ/d	Terajoules per day
Bopd	Barrels per day (oil and condensate)	mmstb	Million stock tank barrels



HJV facilities on Varanus Island

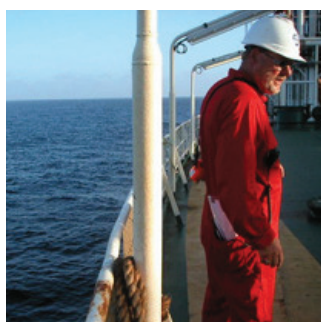
Harriet Joint Venture Fields

Tap 12.2229%, Apache Operator

The Harriet Joint Venture produces gas and liquids (oil and condensate) from many different fields within the joint venture area. Each field may have several wells and the operator manages the production from the many different oil and gas wells in accordance with processing plant capacities to achieve the optimal commercial outcome over the life of the assets.

During the quarter liquid production rates at the Harriet Joint Venture averaged 4,571 bopd gross with production slightly down on the previous quarter but better than anticipated. Gas production was 19% higher than the previous quarter at approximately 96 TJ per day (gross).

The Bambra field is the best producing oil field in the joint venture. The Operator expects to drill an additional Bambra development well in the fourth quarter.



Deck of the Four Rainbow FPSO

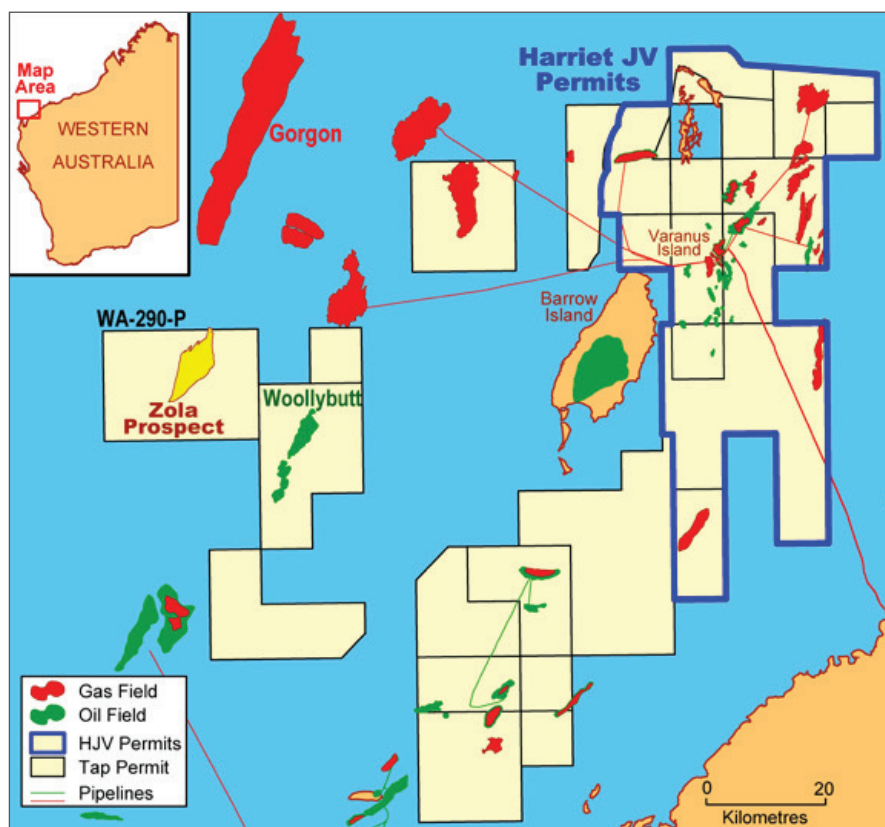
Woollybutt Field

Tap 15%, ENI Operator

Woollybutt is an oil field in the Carnarvon basin, Western Australia. Oil is produced from the field by a floating storage, production and offtake vessel (FPSO) named Four Rainbow.

This is the first full quarter of production since the FPSO recommenced operations on 7 March 2010 having undergone a planned life extension work program. The field came back on line at approximately 8,000 barrels a day (gross) and production has since declined naturally, averaging 7,200 barrels a day for the quarter.

In the period since production has resumed the productivity of the wells has been less than previously measured or forecast. The reduced rates are not yet fully understood nor has any remedial action yet been taken. However Tap has taken the prudent decision to recognise a net reserves reduction of 0.33 million barrels at Woollybutt to 0.77 million barrels at 30 June 2010. Options are being investigated to improve well performance which could recover these reserves.



Tap's multiple exploration and production interests in the "inner" Carnarvon Basin, Western Australia



Revenue from third party gas sales is expected to reach \$30 million for the full 2010 year.

Third Party Gas Contracts

Tap 100%

In 2005, Tap secured an option over approximately 33 PJ (31 Bcf) of gas from the John Brookes field offshore Western Australia at then current market prices. The option was exercised in 2007 and Tap on-sells the gas to a number of WA gas customers under long term contracts. The gas is purchased at a fixed 2005 price and sold at fixed prices approximately three times higher. Both buy and sell prices are denominated in Australian dollars and subject to CPI escalation. Around 26 PJ (~24 Bcf) currently remains to be delivered over the period to December 2016. This gas is now fully contracted and provides substantial stable, long-term cash flow.

During the first half of the year several gas customers have struggled with operational issues, reducing their consumption of gas and deferring revenue to Tap of approximately \$3 million. Take-or-pay obligations have been enforced on these customers and hence the cash is still received for minimum obligations, but for accounting purposes the revenue is deferred and a corresponding liability to deliver this gas at a future date is recognised. Thus revenue from gas sales will be lower than expected for the first half, even though the cash has been received for future gas sales.

Revenue from third party gas sales is expected to reach \$30 million for the full 2010 year. In July 2010, Tap commenced sales to a new customer. The new sale is expected to generate in excess of \$3 million in revenue over the second half of 2010.

Tap expects to generate total revenues of approximately \$220 million between 2010 and the end of 2016. Forecast third party gas revenues are expected to be sustained at around \$30 million per year throughout the remaining term, generating substantial cash flow.

Given the fixed nature of the contracts, Tap can provide guidance to investors on the Net Present Value (NPV) of its third party gas contracts of \$75 million (post-tax, 10% discount rate) as at 1 January 2010. The gas volumes associated with these contracts are not included in Tap's published reserve volumes.

Exploration

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%
Brunei	Belait Total	Low-moderate	3-25 mmbbl	
	– Mawar	Low	Up to 3.5 mmbbl	75%
	– Markisa	Low-moderate	Up to 1.2 mmbbl	25%
T/47P	Craigow	Moderate	2-31 mmbbl	50-650%
	Tolpuddle	Moderate	7-37 mmbbl	150-750%
WA-351-P	10+ leads	Low-moderate	0.5-0.75 Tcf	1700-2600%
WA-191-P	Finucane South	Low-moderate	~0.5 mmbbl	10%
HJV	Up to 4 wells	Low-moderate	10 mmboe	200%
Ghana - Accra	Well #1	Moderate	>36 mmboe	>750%

Exploration Summary

Australia – Carnarvon Basin – WA-290-P

Tap 10%, Apache Operator



Stena Clyde

WA-290-P is a 482 sq km exploration permit located in approximately 200 metres of water in the offshore Carnarvon Basin. The permit is immediately south of the giant Gorgon gas field and west of the Woollybutt oil field (Tap 15%) and contains the Zola prospect.

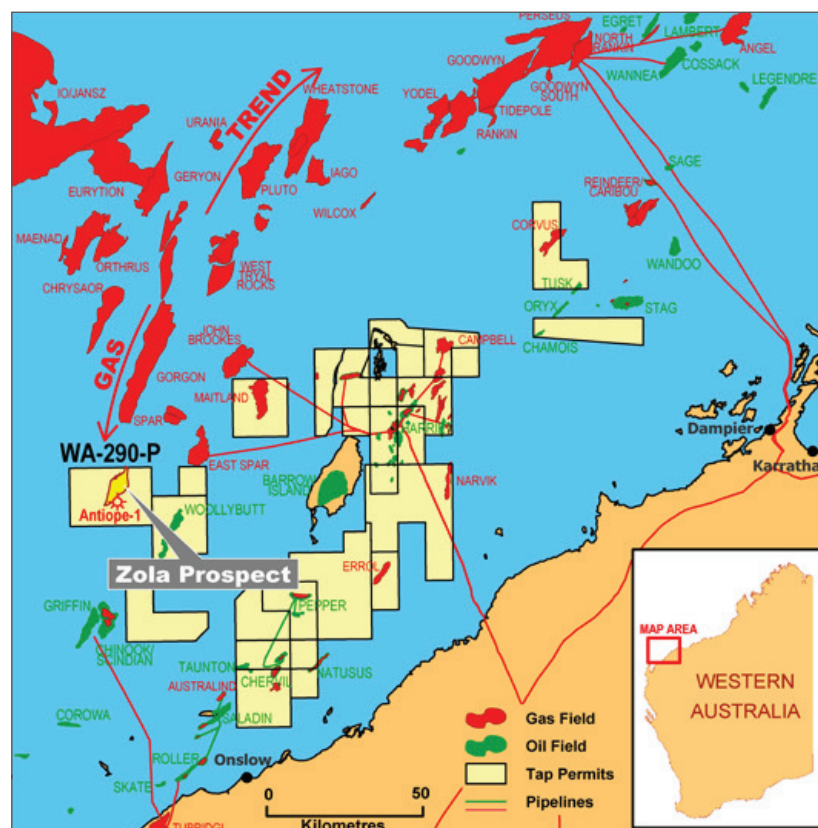
The Operator has indicated that operations on the Zola-1 exploration well may commence as early as August, depending on the progress of the Stena Clyde's (semi-submersible drilling rig) current activities. Once on location, drilling of Zola-1 is planned to take approximately 40-50 days to reach to a final total depth of around 5,000 metres.

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 recoverable gas volumes of between 0.2 and 2.0 trillion cubic feet with a mean volume of approximately 1 trillion cubic feet. The well will test 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. The primary Mungaroo Formation target will be intersected at approximately 4,300 metres below sea level. Water depth at the well location is approximately 300 metres.

Previous drilling in the block 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.

During the quarter Tap entered into an agreement with Apache to farmout a 10% interest in WA-290-P in consideration for Apache paying a promoted share of the costs of the Zola-1 well. Tap retains a 10% interest in the permit.



Brunei, Block M

Tap 39%, Operator



Block M covers an area of approximately 3,011 km² in the prolific 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 Field is characterised as having recoverable hydrocarbons in the range of 8-64mmboe. 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 two wells on the prospective Belait anticlinal trend in 2010.

There was a significant level of activity on Block M during the quarter with planning, logistics and construction work for both the two well drilling program and the second 3D seismic survey.

Drilling

The first well in Block M, Mawar-1, is currently expected to commence in mid-August following a delay due to some critical items being found to be defective during routine pre-commencement testing. The well is expected to take approximately 28 days to drill and evaluate on a trouble free basis.

Mawar-1 is characterised as a moderate to low risk drilling opportunity due to the available offset well control and 3D seismic data set. Mawar-1 is approximately 80 km southwest of Bandar Seri Begawan and 30 km south of the giant Seria oil Field.

Markisa-1 will be the second well drilled in Block M. Site construction is underway in preparation for the rig to be relocated following the completion of drilling at Mawar-1. Located north of the Mawar-1 location, Markisa-1 will test a shallower objective than Mawar-1 which has previously been found to be oil bearing. The prospect has estimated recoverable volumes of up to 3 million barrels of oil.

Seismic

Since the end of the quarter, Tap has commenced field operations for the second 3D seismic survey in Block M. The survey will cover approximately 136 sq km and is expected to take some 5 months to complete. BGP Inc. has again been contracted to conduct the field operations. Crew numbers are expected to increase to peak at over 1,000 people in September when the recording phase of the survey reaches full operational capacity.

The area to be covered by the Belait North 3D seismic survey lies in the north-central part of Block M and covers a northern extension of the prospective trend covered by the 2009 Belait 3D seismic survey. The aim of the survey is to identify additional targets along the trend for possible drilling in 2011/2012.

Mawar-1 is expected to take approximately 28 days to drill.



Australia – Bass Basin - T/47P

Tap 75%, Operator



Kan Tan IV

Craigow has been selected as the prospect with the best risk-reward characteristics

Tap's view on the prospectivity of T/47P has been reinforced by recent technical work which has resulted in Craigow and Glenbothy maturing to be commercially attractive prospects along with the previously matured Tolpuddle prospect. Craigow has been selected as the prospect with the best risk-reward characteristics and is the first drilling candidate.

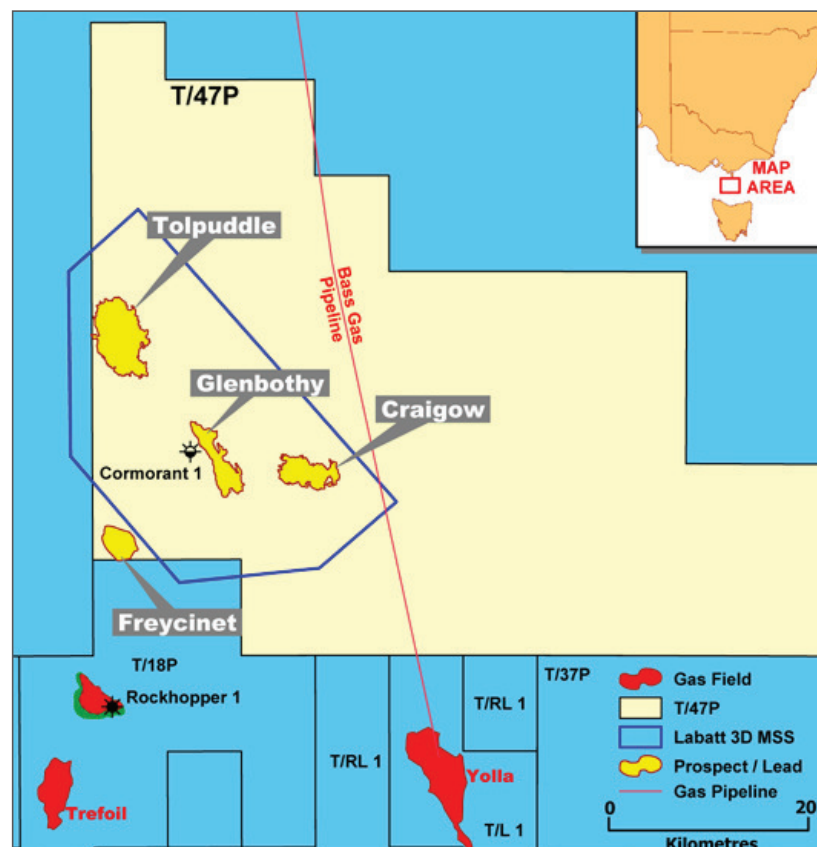
The current forward program is for Craigow-1 to be drilled by the Kan Tan IV rig in the fourth quarter of 2010.

The Craigow prospect is an anticlinal trap defined on 3D seismic data, in a good regional location for both reservoir quality and oil charge. Craigow has potential recoverable oil volumes in the range of 3 – 42 million barrels with a mean volume of approximately 20 million barrels. A number of follow up prospects (including the previously announced Tolpuddle and Glenbothy prospects) have also been defined on 3D seismic with total potential of over 100 million barrels of recoverable oil in the permit.

Should Craigow be a discovery, it has good potential for commercial development due to the shallow water depth and depth of the objective.

During July 2010, Tap increased its stake in T/47P from 40% to 75% when it exercised an opportunity to assume the 35% working interest of Singapore Petroleum Company (SPC) which was recently taken over by PetroChina. In addition to assuming the interest, Tap received funds to cover the additional share of the joint venture's drilling obligations. Tap's decision to take over the SPC interest was based on the Company's improved view that T/47P is an attractive exploration permit and that the terms of the transaction offered by SPC were commercially favourable.

Tap is currently conducting a farmout exercise and will consider a reduction of its 75% equity in T/47P.



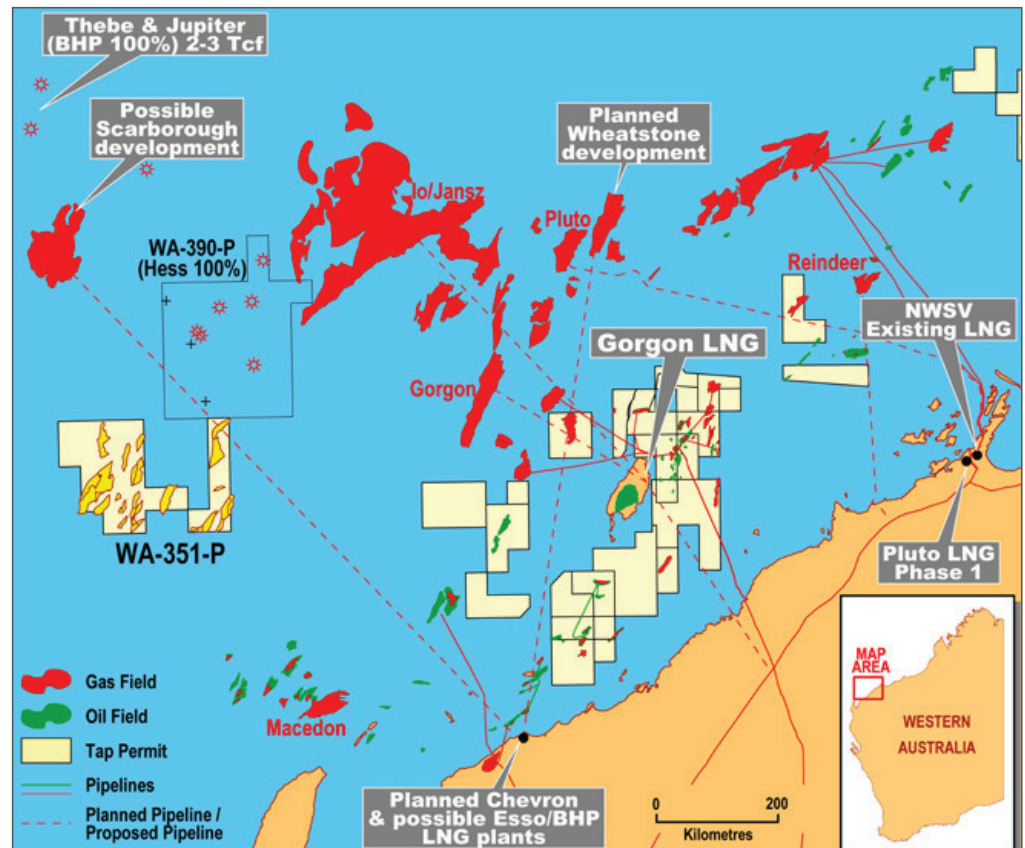
Australia – Carnarvon Basin – WA-351-P

Tap 25%, BHP Billiton Operator

located in a proven oil and gas province with many nearby LNG projects

WA-351-P is located in a proven oil and gas province with many nearby LNG projects in progress providing the joint venture with many options for commercialisation of gas reserves. Earlier this year the Operator completed a detailed assessment of the plays, prospects and leads in the permit and arrived at a total success-case potential of 2-3 Tcf (gross) with a chance of success of over 50% for a number of the targets. This high chance of success is reinforced by Hess' reporting of 10 discoveries from 12 wells drilled to date in the adjacent WA-390-P permit.

During the June quarter the Designated Authority approved the relinquishment and renewal work program (which includes a well in the first 3 years) as submitted by the Operator. The retained area includes all of the high graded features in the permit.



Australia – Carnarvon Basin – Harriet Joint Venture

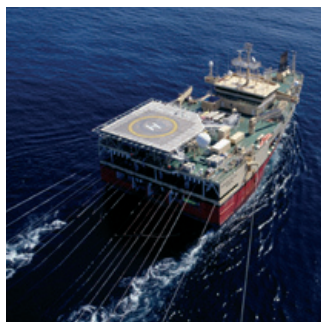
Tap 12.2229%, Apache Operator

The Harriet JV commenced production in the 1980s and continues strong production to this day (see production section). The Harriet JV has had an exploration success rate of over 40% since inception and is seeking to continue this impressive strike rate.

During the quarter work commenced on a 3D seismic reprocessing project over a large part of the HJV area to be completed in the first quarter of 2011. A previously discussed new 3D seismic survey over parts of the Harriet JV area has been deferred until next year when the reprocessing is completed and interpreted and appropriate approvals obtained. The Operator is anticipating the first of up to five exploration wells may be drilled in the HJV area in early 2011.

Ghana – Offshore Accra Contract Area

Tap 36%, Operator



The Offshore Accra Contract Area covers an area of 2,000 sq km and is located to the southeast of Accra, the capital of the Republic of Ghana, in water depths ranging from less than 50 metres to greater than 2,500 metres. Ghana ranks as one of the most financially and politically stable, truly democratic countries in Africa. That stability was highlighted when US President Barack Obama deliberately chose Ghana as his first African destination upon becoming US President.

The Offshore Accra Contract Area is located in an emerging oil province on the West Africa Transform Margin, along the northern Gulf of Guinea. A number of discoveries have been made in analogous geological settings along this Margin, including the Espoir and Baobab producing fields in neighbouring Cote d'Ivoire. In 2007, the Jubilee field was discovered by Kosmos Energy and Tullow Oil (one of the largest oil discoveries in the world in 2007) establishing a new deepwater play offshore Ghana. According to Tullow, recoverable oil reserves for the Jubilee field are estimated to be 1.2 billion barrels. Subsequent discoveries in Ghana (Tweneboa and Odum) and in the Liberian Basin (Venus) have further demonstrated the potential that exists along the whole Margin. This week Tullow announced a new very substantial light oil discovery with the Owo-1 exploration well.



Several moderate risk but high reward structures have been identified

Several moderate risk but high reward structures have been identified on existing 3D seismic data in shallow to moderate water depths in the Contract Area, each of which is considered to have potential to contain in excess of 100 million barrels of prospective resources. One of these is likely to be the initial drilling candidate in 2011 or early 2012. Deepwater leads similar to the recent Jubilee discovery will be the subject of future seismic programs to confirm and mature them into prospects for drilling.

Tap as Operator for the joint venture, has begun an active exploration program by gathering available technical data, purchasing recently acquired 2D seismic data over the deepwater portion of the block and initiating the reprocessing of the existing 3D seismic data. Interpretation of existing data and planning for the acquisition of a new seismic survey has commenced. Tap and the joint venture are working towards the acquisition of a seismic survey in late 2010 to explore the remainder of the Contract Area as early as possible.

The first Joint Management Committee meeting between GNPC, Tap and the other joint venture parties was held in Accra, Ghana in June to review the budget and work program. This was followed by a reception to commemorate the signing of the Petroleum Agreement which was attended by; the Deputy Minister of Energy, Honorable Armah Kofi Buah, the Chairman of the Parliamentary Select Committee for Energy, Honorable Moses Asaga; members of the GNPC Board; the Managing Director of GNPC, Nana Boakye Asafu-Adjaye; the Managing Director of Tap Oil, Peter Stickland; and representatives of Tap's joint venture partners AFEX International and Challenger Minerals.

The Rangkas Block covers an area of 3,977km² and is located onshore west Java



Indonesia – Rangkas Block

Tap 24%, Lundin Petroleum Operator

The Rangkas Block covers an area of 3,977 km² and is located onshore west Java, southwest of Jakarta. Previous exploration seismic and drilling in the block, along with the presence of surface oil seeps, indicates the presence of an active petroleum system. Recent reviews of the block, including seismic reprocessing, resulted in Tap and its joint venture partners concluding that the previous wells were not valid tests of the prospectivity and that there is significant untested potential, including previously unrecognised deep targets analogous to proven production in adjacent blocks. A number of leads have been identified on the existing 2D seismic data and these will be the target of a 474 km 2D seismic survey to be acquired in the second half of 2010.

During the quarter the seismic acquisition contractor commenced field operations with the construction of field, staging and base camps, explosives bunkers, water storage pits and road works. During July the community liaison program continued and line surveying commenced. Seismic acquisition is expected to commence in mid-August and continue until late October.

Philippines – Sandakan Basin – SC41

Tap 50%, Operator

Following discussions with the regulator the joint venture is facing a decision whether or not to proceed with SC41 on the condition that a well be drilled by May 2011. Tap is currently considering its forward options.

Australia – Carnarvon Basin – WA-191-P

Tap 8.2%, Santos Operator

Exploration Permit WA-191-P is located in the northern Dampier Sub-Basin, immediately east of Santos' producing facilities at Mutineer - Exeter. This part of the northern Dampier Sub-Basin is oil prone as evidenced by the 2007 Fletcher discovery. Technical work has been ongoing in the permit since the Fletcher 3 and 4 appraisal wells were drilled in 2008/9, resulting in the delineation of the Finucane South prospect.

Santos has advised that it anticipates proposing a well on Finucane South for drilling early in 2011. Tap will undertake technical and commercial analysis during the rest of 2010 to finalise its assessment of this prospect. Tap's current commercial analysis is that a discovery at Finucane South, combined with Fletcher, could be jointly developed into a new oil project.

Australia – Carnarvon Basin – TP/7 and TL/2

During the quarter Apache, the Operator, proposed the Bath-1 and Barberry-1 exploration wells for drilling in TL/2 and Laurel-1 in TP/7(4). Tap evaluated these opportunities and determined that they did not meet Tap's risk-reward criteria and hence Tap elected not to participate. Apache has now drilled all of these wells on a sole risk basis (100%); none of which found commercially significant hydrocarbons in the exploration objectives. The Bath-1 well (TL/2) as prognosed, did encounter oil in the shallower Birdrong Sandstone which is the oil bearing reservoir of the existing Taunton discovery, and these results will be incorporated into the existing evaluation of this field.

Wells drilled or drilling since 1 April 2010

No wells were drilled by Tap Oil in this quarter.

Upcoming Key Events

Tap has several key events in the forthcoming quarter as follows:



- Drilling Zola-1 in WA-290-P.
- Drilling of Mawar-1 and commencement of Markisa-1 in Brunei Block M.
- Acquisition of the second 3D seismic survey in Brunei Block M.
- Preparation for Q4 drilling of Craigow-1 in T/47P.
- Commence seismic reprocessing and planning for acquisition of new seismic in Ghana.
- Preparation for Q4 drilling of the Bambra-10 development well in Harriet Joint Venture

The table below lays out the indicative forward Drilling Schedule for the next 12 – 18 months:

Exploration Area	Near Term Indicative Drilling Activity & Timing					
	Q3 '10	Q4 '10	Q1 '11	Q2 '11	Q3 '11	Q4 '11
Australia Carnarvon Basin	Zola-1 WA-290-P (10%) Proven gas trend		HJV 1 to 4 wells (12.2%) Targeting incremental reserves			
	Bambra-10 HJV Development well		Finucane South-1 WA-191-P Oil prospect		WA-351-P (25%) LNG scale gas	
Australia Bass Basin	Craigow-1 Moderate risk oil prospect					
Brunei Block M	Block M (39%) 2 onshore oil wells			Minimum of one onshore well (39%)		
Ghana, Transform Margin						Offshore Accra Oil Prospect

Note: Tap's indicative exploration drilling program is detailed in the above table. Timing is subject to rig availability, joint venture and regulatory approvals. Other prospects are also currently being considered for drilling in the near to medium term. Please refer to Tap's website (www.tapoil.com.au) for the latest information on the forward drilling program.

Exploration, Development, Operating and Other Expenditures



	Tap Oil Share		
	Mar '10 Qtr \$000	Jun '10 Qtr \$000	Comments
Exploration & Appraisal	2,323	4,236	Major items were mobilisation costs for the Brunei drill rig and long lead items for the upcoming wells; as well as first quarter/commencement of Ghana permit administration expenses.
Development, Plant & Equipment	288	376	
Total Capital Expenditure	2,611	4,612	
Production Operating Costs *	6,088	7,439	Higher production levels during June quarter.
Production Royalties and PRRT	406	236	
Total Production Expenditure	6,494	7,675	

* excludes depreciation and amortisation charges. Includes third party gas purchases and inventory movements.

Financial & Corporate

Tap's cash position continues to be strong at A\$66 million with no debt at the end of June 2010.

Cash Position	Sep '09 \$'000	Dec '09 \$'000	Mar '10 \$'000	Jun '10 \$'000
Cash on hand *	48,143	59,438	61,448	66,284
Debt	—	—	—	—
Net Cash/(Debt)	48,143	59,438	61,448	66,284

* Cash on hand includes estimated cash held in Joint Ventures to Tap's account.



At the end of the June 2010 quarter Tap had 156,485,921 ordinary shares on issue. There were no share issues during the quarter.

At 30 June 2010, Tap had on issue a total of 6,024,554 options to acquire fully paid shares with option expiry dates varying from 30 July 2010 through to 15 July 2013 and exercise prices in the range \$0.61 to \$2.75. All of these options are held by current or former Tap executive directors and employees. No options were issued, cancelled, expired or lapsed during the quarter. During the quarter 2,997,869 share rights were issued to employees. These are the only share rights on issue and none had lapsed at 30 June 2010.

Managing Director & CEO

During the quarter Tap's CEO and Managing Director, Mr Peter Stickland, gave notice to the Board that due to family reasons he does not intend to renew his Employment Agreement. The Company and Mr Stickland have agreed to a 12 month notice period to enable the Company to replace Mr Stickland with minimum disruption to business activities while at the same time meeting Mr Stickland's desire to relocate his family back to Victoria.

Mr Stickland 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 has initiated a search for a replacement CEO.

Gas Contract Dispute – Supreme Court To Hear Trial Of Key Issues

In June the Supreme Court granted an application for an early trial of issues dealing with certain core aspects of the dispute with Burrup Fertilisers. These issues include the way the liquidated damages regime under the Gas Sale Agreement with Burrup Fertilisers (GSA) is to be applied (if required), and are at the centre of the declaratory action brought by Tap in July 2009.

The issues largely involve matters of contractual construction, and as such will be able to be dealt with by the Court in an expedient manner and will not necessitate a lengthy and costly trial process. Timing of the trial of these issues is uncertain at this juncture, however, it is possible that the Court may hear the trial in late 2010 or 2011.

Determination of these issues will go a long way to providing the parties to the dispute with commercial certainty.

Tap's position remains that it has no liability for any shortfall in relation to reserves. Further, Tap has no liability for any future shortfall in delivery that may arise under the GSA as a consequence of force majeure. In the alternative, Tap claims that in the event that force majeure is successfully disputed, damages for a shortfall in reserves or delivery are limited to the liquidated damages set out in the GSA.

Australia's Revised Mining and Petroleum Tax Proposals

The Harriet Joint Venture is situated in state waters and hence falls under the state royalty regime. Under the current proposed federal legislation the Harriet Joint Venture would come under the Petroleum Resource Rent Tax (PRRT) regime from 1 July 2012. Very little detail has been provided on the transition rules into the PRRT regime and hence Tap is not able to make definitive calculations on the impact of this proposed change, however based on current understanding the new regime will not have a significant impact.

Abbreviations and Definitions

Please refer to Tap Oil Limited's Annual Report Glossary or Glossary and Definitions on Tap's website for explanations of any abbreviations used in this report.

Investor Relations

Information contained on Tap's website is regularly updated and includes recent ASX announcements and investor presentations. We encourage all interested stakeholders to visit www.tapoil.com.au or for further information please contact the Managing Director / CEO, Mr Peter Stickland by phone (+61 8 9485 1000) or email info@tapoil.com.au.

Disclaimer

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap that its expectations, estimates and forecast outcomes will be achieved.