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

## SALE OF INTEREST IN FLETCHER FINUCANE OIL DEVELOPMENT FOR \$21.7 MILLION

Tap Oil Limited (**Tap**) is pleased to announce that it has entered into an agreement with Santos Limited (**Santos**) whereby Santos will acquire Tap's 8.2% interest in the WA-191-P exploration permit for a total cash payment of \$21.7 million.

WA-191-P is located in the Carnarvon Basin, offshore Western Australia and includes the proposed Fletcher Finucane oil development. Santos will pay \$18.0 million as consideration for the interest with the balance of \$3.7 million representing a refund of cash already spent by Tap on the oil development.

Since the Finucane South-1 well discovered oil in May 2011, Tap had been participating in the Fletcher Finucane development process with a view to producing its share of the oil reserves.

The development plan is to tie back the Fletcher and Finucane fields to the nearby Mutineer Exeter facility. Tap is the only Fletcher Finucane participant which is not also a participant in the Mutineer Exeter joint venture.

A critical factor in the Fletcher Finucane development economics is the commercial terms under which the Mutineer Exeter facility will process the Fletcher Finucane oil. When it became clear these terms could not be satisfactorily agreed between all participants, negotiations led to the sale of Tap's interest to Santos.

Tap's Managing Director/CEO, Mr Troy Hayden, said:

*"While we would have preferred to develop the project and generate a return from oil production, this was not possible despite extensive negotiations with the Mutineer Exeter joint venture.*

*The proceeds from this sale bolster Tap's cash reserves ahead of a year of exciting exploration and development activity, commencing with the spudding of the highly prospective Tallaganda-1 well in the WA-351-P permit in February with BHP Billiton as Operator."*

Santos has paid a \$4 million deposit with the balance expected by the end of January 2012. The transaction is subject to relevant joint venture and government approvals. Subject to such approvals, the effective date of the transaction will be 1 July 2011.

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