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

### **BRUNEI BLOCK M DRILLING DELAYED 3 WEEKS**

Tap Oil advises that the commencement of drilling of the Mawar-1 well in Block M, onshore Brunei, has been delayed until mid August. As is normal procedure, Tap has undertaken thorough testing of the rig components before the commencing operations. During this process some critical items were found to be defective. The rig contractor, MBCentury, is now in the process of repairing and/or replacing the faulty equipment. Drilling operations will commence once Tap is satisfied that the rig is functioning properly and that Mawar-1 can be drilled safely and efficiently.

Tap plans to drill two wells in this initial campaign in Block M, commencing with Mawar-1. 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.

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

#### **Tap Comment**

Tap's CEO Peter Stickland says: "While we are disappointed that drilling has been delayed in Block M we are pleased that our testing has detected this equipment fault prior to operations commencing and that the drilling contractor has a plan to rectify the fault in a relatively short timeframe. Once we are satisfied that the rig is functioning we will commence drilling our first well in Brunei, Block M. Mawar-1 has significant oil potential at moderate to low risk due to the offset well control and interpretation on modern 3D seismic data. Brunei's established infrastructure means we will be able to quickly monetise any commercial discovery."

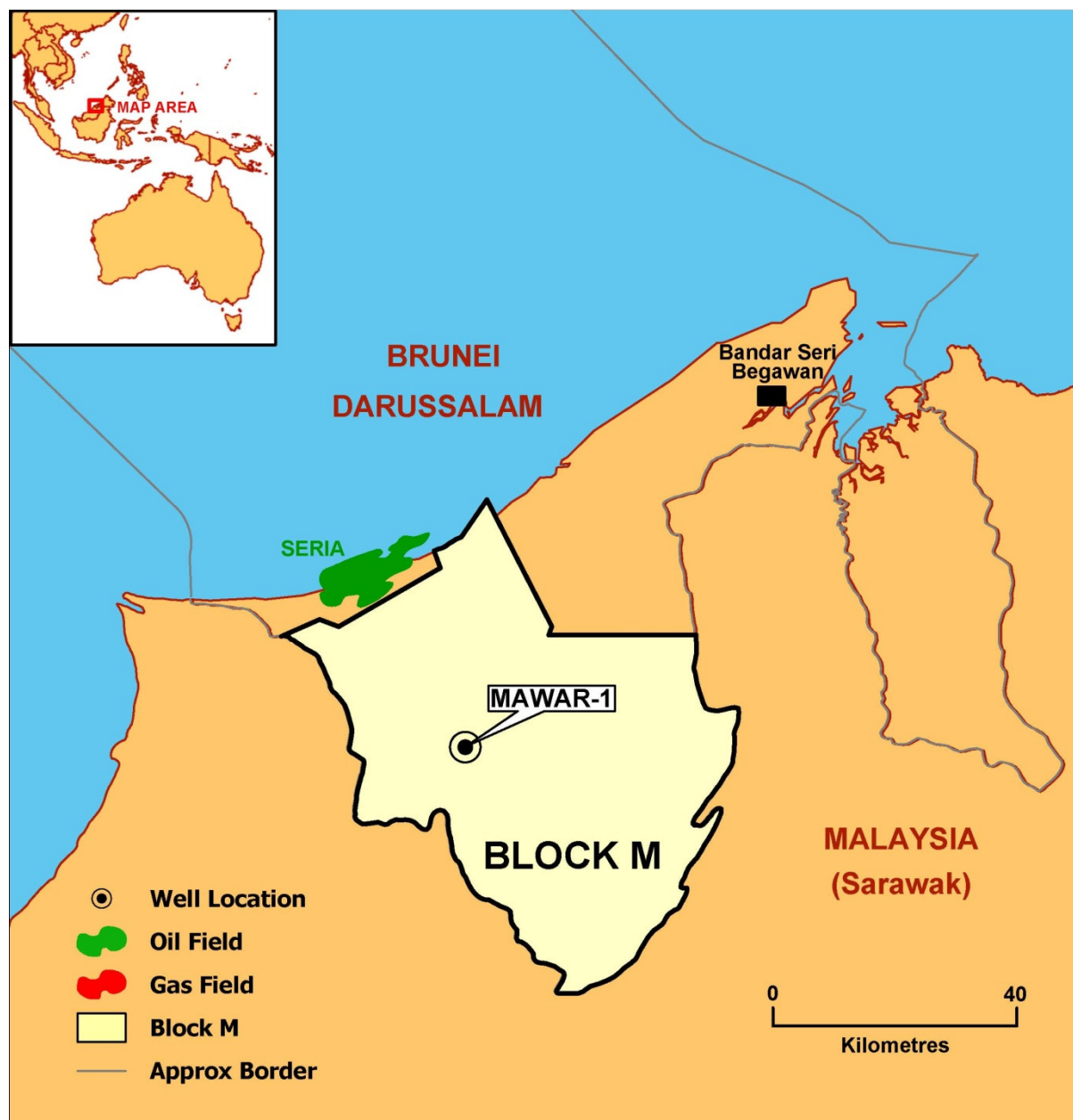
#### **Background**

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 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.

### Participants in Block M

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



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