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TAP WEEKLY DRILLING OPERATIONS AND SCHEDULE UPDATE

Tap Oil Limited (ASX Code: TAP) provides the following information on the Mawar-1 exploration well, onshore Brunei Darussalam, the Zola 1 well in permit WA-290-P offshore Western Australia and the Craigow-1 well in the offshore Bass Strait T47P permit.

Mawar-1 and Markisa-1 - Block M, Brunei

Tap 39%, Operator

Mawar-1 drilling has progressed to 580 metres Measured Depth and is currently proceeding according to program.

Mawar-1 is planned to drill to a total depth of approximately 1300 metres Measured Depth and is planned to take an additional 15 days to reach the total well depth. Further updates will be issued as the well progresses.

Upon completion of drilling at Mawar-1 the rig will move to the Markisa-1 location.

Zola-1 - WA-290-P - Carnarvon Basin, Australia

Tap 10%, Apache Operator

The scheduled drilling of the 45 day Zola-1 well has been delayed until November 2010. The operator, Apache North West has advised the WA-290-P Joint Venture of this delay due to an additional well being added to the schedule of the Stena Clyde drill rig ahead of Zola-1.

Craigow-1 - T/47P - Bass Basin, Australia

Tap 75%, Operator

The Craigow-1 well in T/47P is on the rig schedule of the Kan Tan IV rig which is currently drilling in New Zealand for AWE. The rig schedule includes several more wells and mobilisation to Australia for another well before arriving at Craigow-1. On current estimates the rig should be commencing Craigow-1 in December 2010.

Tap Comment

Tap Chief Executive Officer Peter Stickland said that commencing drilling in Brunei is a significant start to an active next few months of drilling in a range of medium and high impact wells.

Background to each of these wells is attached to this announcement.

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Mawar-1 and Markisa-1 - Brunei, Block M**Tap 39%, Operator**

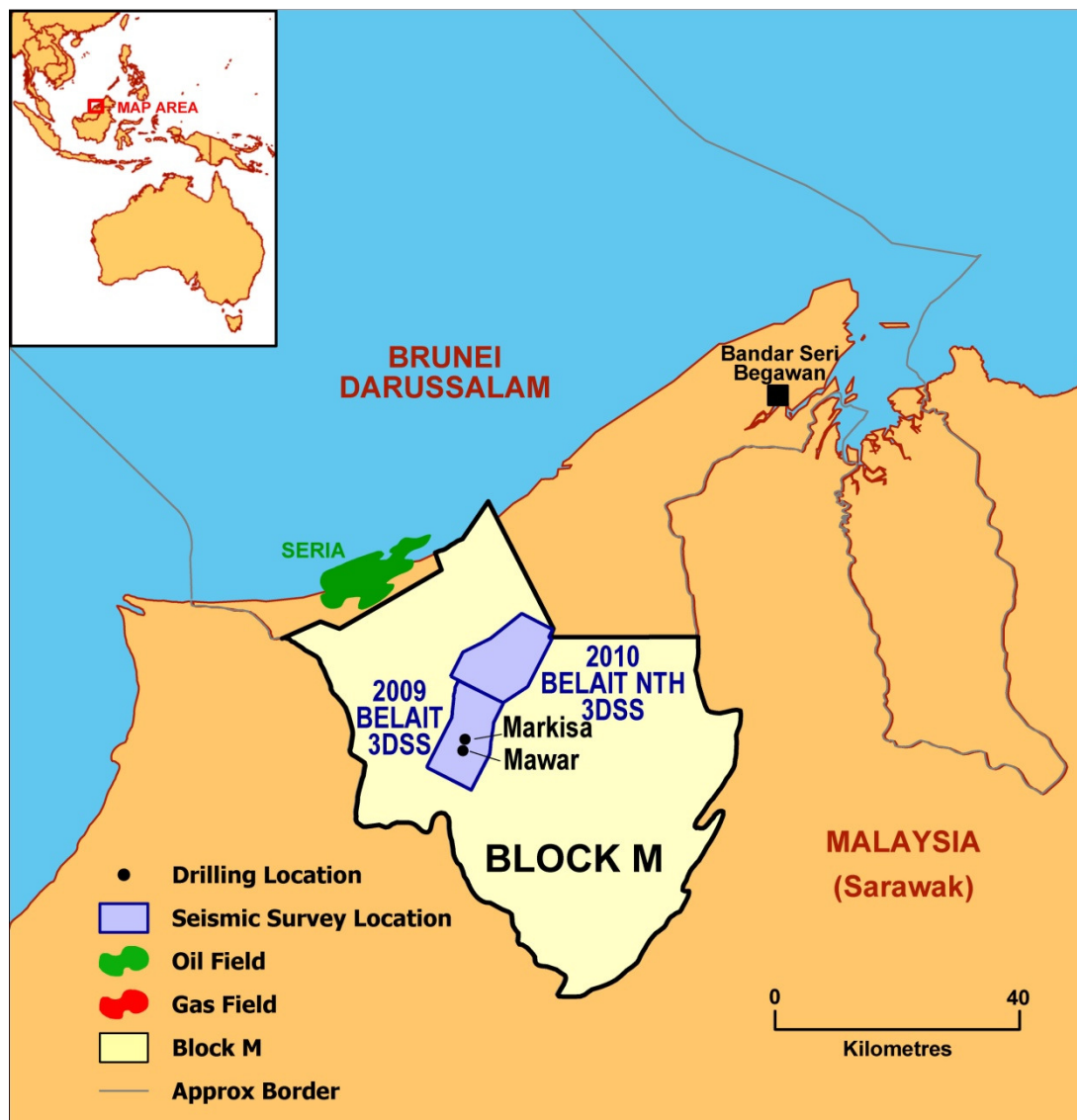
Block M covers an area of approximately 3,011km² in the prolific Baram Delta Basin and is the largest onshore permit in Brunei. The block contains the Belait anticlinal trend along which hydrocarbon seeps occur and oil and gas have been encountered in previous drilling. The Belait Field is characterised 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 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 80km southwest of Bandar Seri Begawan and 30 km south of the giant Seria oil Field.

The well is expected to take approximately 28 days to drill and evaluate on a trouble free basis.

Following Mawar-1, Markisa-1 will be the second well drilled by Tap in Block M. Site construction has been completed. Located 850m north of Mawar-1, Markisa-1 will test a shallower objective which has previously been found to be oil bearing.

The Belait area is ideally situated for rapid development in a success case due to its close proximity to a refinery and LNG terminal.



Zola-1 - WA-290-P - Carnarvon Basin – Australia**Tap 10%, Apache Operator**

The Zola prospect is in WA-290-P, 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%).

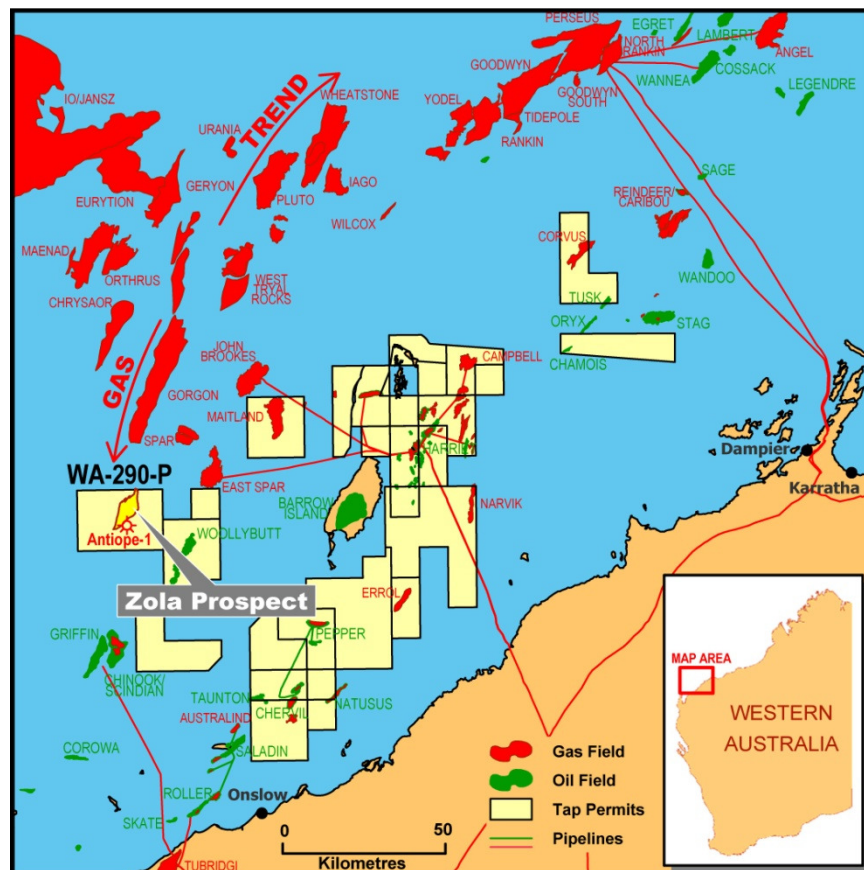
The Zola prospect is a very large Triassic tilted fault block on trend with the giant Gorgon gas field. One of the largest undrilled structural features in the Carnarvon Basin, Zola is covered by high quality newly reprocessed 3D seismic data and is considered a moderate risk prospect. Zola is estimated 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 present adjacent to 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.

Once on location, the drilling of Zola-1 is expected to take approximately 40-50 days to reach a final total depth of around 5,000 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.

Earlier this year 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.



Craigow-1 - Australia - Bass Basin - T/47P**Tap 75%, Operator**

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 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%. This came via a transaction whereby Tap assumed the 35% working interest of Singapore Petroleum Company (SPC) in return for being compensated for the increased share of the joint venture's drilling obligations. Tap's decision to take over SPC interest was based on the Company's view that T/47P is an attractive exploration prospect and that the terms of the transaction offered by SPC were commercially favourable. SPC was recently taken over by PetroChina.

Tap is currently conducting a farmout exercise and, if an acceptable proposal is received, will consider a partial reduction of its 75% equity in the permit.

