

23 May 2012

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
www.tapoil.com.au

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

**2012 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS AND
MANAGING DIRECTOR'S REPORT**

In accordance with Listing Rule 3.13.3, Tap Oil Limited is pleased to provide shareholders with the Chairman's Address and the Managing Director's Report to be delivered at the Company's Annual General Meeting on Wednesday, 23 May 2012 at 10.00am (WST).

A copy of this document is also available on the Company's website www.tapoil.com.au

Enquiries	Troy Hayden	Managing Director/CEO
	David Rich	CFO & Investor Relations
	Telephone:	+61 8 9485 1000
	Email:	info@tapoil.com.au
	Website:	www.tapoil.com.au

A Year of Significant Positive Change

Good morning ladies and gentlemen.

Thank you for joining us today for Tap Oil Limited's 2012 Annual General Meeting. I'm Douglas Bailey and I am the Chairman of Tap Oil Limited.

This is my first Chairman's address and I am very honoured and proud to take on the role of Chairman of Tap Oil, following the retirement of Dr Neale Taylor from the Board. I would like to acknowledge and thank Neale for his valuable leadership as Chairman of Tap Oil over the past six years.

I would also like to thank Peter Lane who retired as a non-executive director this year. Peter has made a significant contribution to Tap Oil since he co-founded the Company 16 years ago. He leaves Tap Oil in a very strong position and I would like to acknowledge and thank Peter for all his efforts.

We welcomed Douglas Schwebel as a non-executive director to the Board in February. Dr Schwebel has over 30 years of experience in the resources sector, including a 26-year career with Exxon Mobil. This included the role of Exploration Director for Exxon Mobil's Australian upstream subsidiaries, and exploration and resource commercialisation and strategy roles across Australia, the USA and Asia. Doug brings a strong complementary mix of skills and experience to the Board.

Our Board of Directors now comprises three non-executive directors and one executive director, a total of four members which we believe is appropriate for a Company of Tap Oil's present size.

Year of positive changes

It has been a year of significant and positive change for Tap Oil and a continuing transformation of the Company since Troy Hayden joined as Managing Director in December 2010. I believe these changes have been in the best interests of shareholders and our Company.

Since our last Annual General Meeting, Tap Oil has reinvigorated and revitalised many aspects of the business while maintaining our strategy of commercialising assets in our three core areas of focus. Tap Oil is now well positioned to embark on a period of significant growth and value creation.

In order of events since the last AGM:

In May 2011 we announced a new field oil discovery in Finucane South in WA-191-P in the Carnarvon Basin, offshore Western Australia, which, although we would have preferred to produce, we subsequently sold in January this year for \$21.7 million. This builds on the exploration success of our April 2011 gas discovery at Zola-1 in WA-290-P, and continues to highlight Tap Oil's strength in oil and gas exploration.

In June Tap Oil executed a highly profitable trade on our participating interest in WA-351-P, with BHP Billiton pre-empting our sale to Japan Australia LNG (MIMI) Pty Ltd for a cash consideration of US\$30 million and US\$10 million capped carry on the next exploration well.

In October we reached an important milestone in Thailand with the booking of 6.1 million barrels of 2P reserves for our Manora development after the Operator, Pearl Energy defined the field development concept.

We exited non-core interests in Block M, onshore Brunei and Indonesia.

As for Zola in WA-290-P, an independent expert confirmed the significance of the Zola-1 discovery within the Greater Zola Structure, estimated to contain gross mean Contingent Resources of 378 Bcf and a further 2.3 Tcf of gross mean Prospective Resources, which was pleasingly above our expectations.

In February this year, Tap sold its interests in the Harriet Joint Venture to a subsidiary of Apache Corporation for US\$10 million. The transaction included the transfer of all litigation exposure relating to the Harriet Joint Venture, including the ongoing Burrup Fertilisers gas contract dispute. The removal of litigation risk, and an asset with declining production and impending, large abandonment costs, was a very significant event for Tap Oil. It has removed a major management distraction, significant potential liability and what we believed to be a substantial overhang on the Company's share price.

The year also saw cultural change within Tap Oil, including significant organisational changes and Board renewal, as discussed earlier.

Tap Oil ended 2011 with \$81 million in cash; a very healthy cash balance which has risen to around ~\$100 million today. This enviable financial position is a result of our strategic commercial focus and prudent capital management, and along with the activity and planning of the past year, has put a solid framework in place for Tap Oil's future growth.

Looking ahead

We hold a diversified portfolio of exciting exploration and development prospects across some of the most prospective oil and gas provinces in the world; namely the Carnarvon Basin, Thailand and Ghana. I have the utmost confidence that Troy Hayden and the Tap Oil management team can maximise the value from our portfolio of assets.

The outlook for this year is very promising for Tap Oil as we continue to focus on the development of our assets and a significant schedule of exploration drilling activity.

Results from the drilling of the Tallaganda-1 well in WA-351-P, with BHP Billiton as Operator, are still being quantified. While a gas discovery was made, the variability of the reservoir quality has led to further evaluation being required to assess the commercial significance of the discovery and potential development options. However, the fact that a discovery was made reinforces our confidence in the remaining prospectively within the permit.

We are now focused on the Manora development in Thailand where we are aiming to reach a Final Investment Decision mid-year and first oil production in early 2014. The commencement of production at Manora will more than replace the production levels from the Harriet Joint Venture and Woollybutt (where production ended this month).

The Manora discovery opened up a new oil play in the northern Gulf of Thailand and we have further exploration upside in our Thailand acreage. We plan to drill up to three exploration wells in Thailand in the second half of this year.

The significant Zola gas discovery will likely be a long lead time LNG development; as such we are looking at options to monetise our 10% interest in WA-290-P, although given our very healthy

current financial position, we are not in any rush to sell the asset. The recent discovery in WA-351-P is also a complementary asset.

We are well funded with no debt, and have steady, long-term cash flow in the form of third party gas contracts, which will deliver revenue of \$30 million per year until the end of 2016. This will ensure that we can continue to focus on our core activities.

Our strong funding capacity positions the Company favourably given the prevailing uncertainty in global financial and economic markets, and particularly in comparison to other similar sized oil and gas companies.

We are actively assessing new oil and gas ventures and business development opportunities in Australia and South-East Asia. Any transactions however, will need to represent value for money and be aligned with our Company's strategy and goal of delivering shareholder value. Our primary focus continues to be maximising shareholder value.

I would like to thank Troy Hayden and his team for their important contributions during the year and thanks to my fellow Board members for their efforts. And a sincere thank you to you – our shareholders – for your continued support of the Company.

I will now hand over to Troy to discuss Tap Oil's current operations and future outlook in more detail.

Thank you.



2012 Annual General Meeting

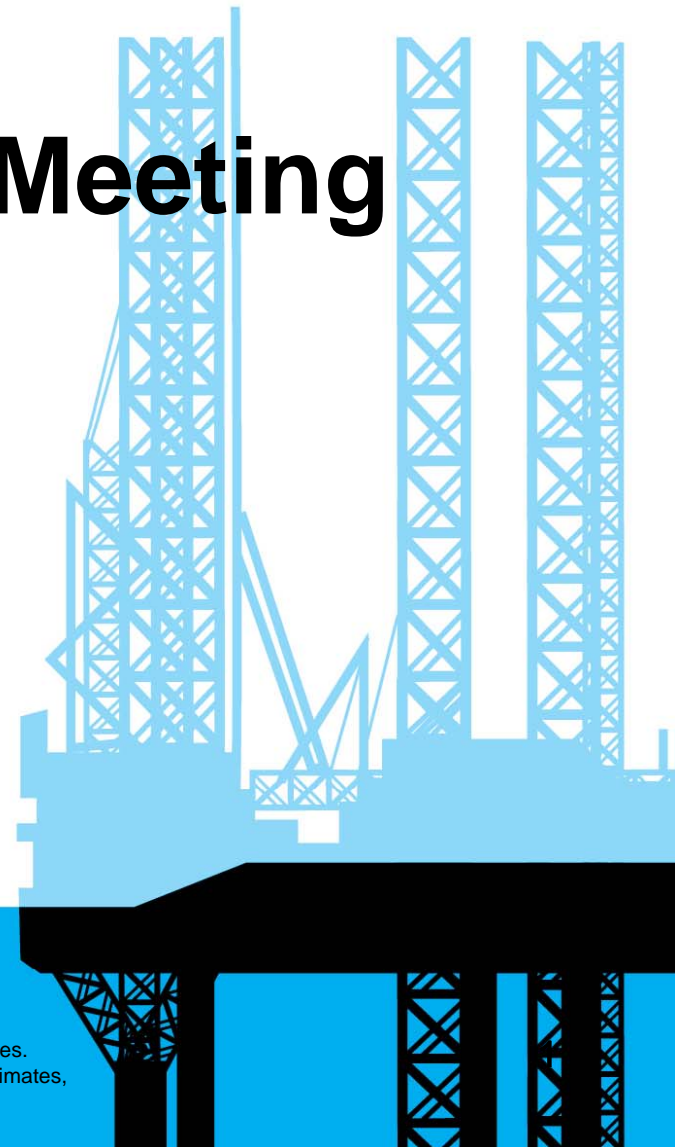
Managing Director's Report

23 May 2012

Troy Hayden

www.tapoil.com.au

This presentation contains some references to forward looking assumptions, representations, estimates, budgets, and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap Oil Limited that its expectations, estimates, budgets and forecast outcomes will be achieved. Actual results may vary materially from those expressed herein.



Certain statements contained in this presentation, including information as to the future financial or operating performance of Tap Oil Limited and its projects, are forward-looking statements. Such forward-looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Tap Oil Limited, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and
- may include, among other things, statements regarding targets, estimates and assumptions in respect of production and prices, operating costs and results, capital expenditures, reserves and resources and anticipated flow rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Tap Oil Limited disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule”, “potential”, “opportunity” and similar expressions identify forward-looking statements.

All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No representation or warranty is or will be made by any person (including Tap Oil and its officers, directors, employees, advisers and agents) in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material (collectively, the Information), or the accuracy, likelihood of achievement or reasonableness of any projections, prospects or returns contained in, or implied by, the Information or any part of it. The Information includes information derived from third party sources that has not necessarily been independently verified.

Subject to any obligations under applicable laws, regulations or securities exchange listing rules, Tap Oil disclaims any obligation or undertaking to release any updates or revisions to the Information to reflect any change in expectations or assumptions.

Nothing contained in the Information constitutes investment, legal, tax or other advice. The Information does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of the Information should make its own assessment and take independent professional advice in relation to the Information and any action taken on the basis of the Information.

Person compiling information about hydrocarbons

The reserve and resource information relating to the WA-290-P permit in this presentation is based on information compiled by Mr David Guise (Managing Director – Consulting) of RPS Australia Asia Pacific. Mr Guise is a registered Professional Engineer with over 30 years of domestic and international petroleum engineering and operating experience in both onshore and offshore environments. He has substantial experience and knowledge of field development planning, production optimisation and reserve estimation, as well as new venture identification and evaluation. Mr Guise holds a Diploma of Technology (Petroleum Technology) from the Southern Alberta Institute of Technology and a B.Sc. in Petroleum Engineering from the University of Wyoming. Mr Guise is not a full-time employee of the Company, and has consented to the inclusion of such information in this presentation in the form and context in which it appears. The reserve and contingent resource information in this report is based on information compiled by Mr Denis Bouclin B.A.Sc (Hons), M.A.Sc (Engineering), P.Eng., who has consented to the inclusion of such information in this presentation in the form and context in which it appears. The prospective resource information in this report is based on information compiled by Mr Milton Schmedje B.Sc (Hons), who has consented to the inclusion of such information in this presentation in the form and context in which it appears. Each is a full-time employee of the Company, with more than 25 years relevant experience in the petroleum industry.

➤ Financial Position

- Cash of A\$102 million as at 30 April 2012
- No Debt
- Revenue from third party gas contracts of approximately A\$30 million per annum until end of 2016

➤ Production

- Woollybutt – forecast life of 5 years, ran for 7 years – now ceased
- Harriet – transferred litigation uncertainty and approximately A\$28 million abandonment liability on sold to Apache
- Finucane/Fletcher – couldn't reach a suitable economic return with the Mutineer-Exeter Joint Venture, sold for A\$21.7 million

Diverse and Balanced Asset Portfolio



Broad Portfolio

- WA Gas & Oil
- WA Shale Oil and Gas
- Thailand Oil
- Ghana Oil

Thailand Oil

- Manora oil field development (6.1 mmbbl 2P reserves + 3.2 mmbbl 2C resources)
- FID mid 2012, first oil Q1 2014

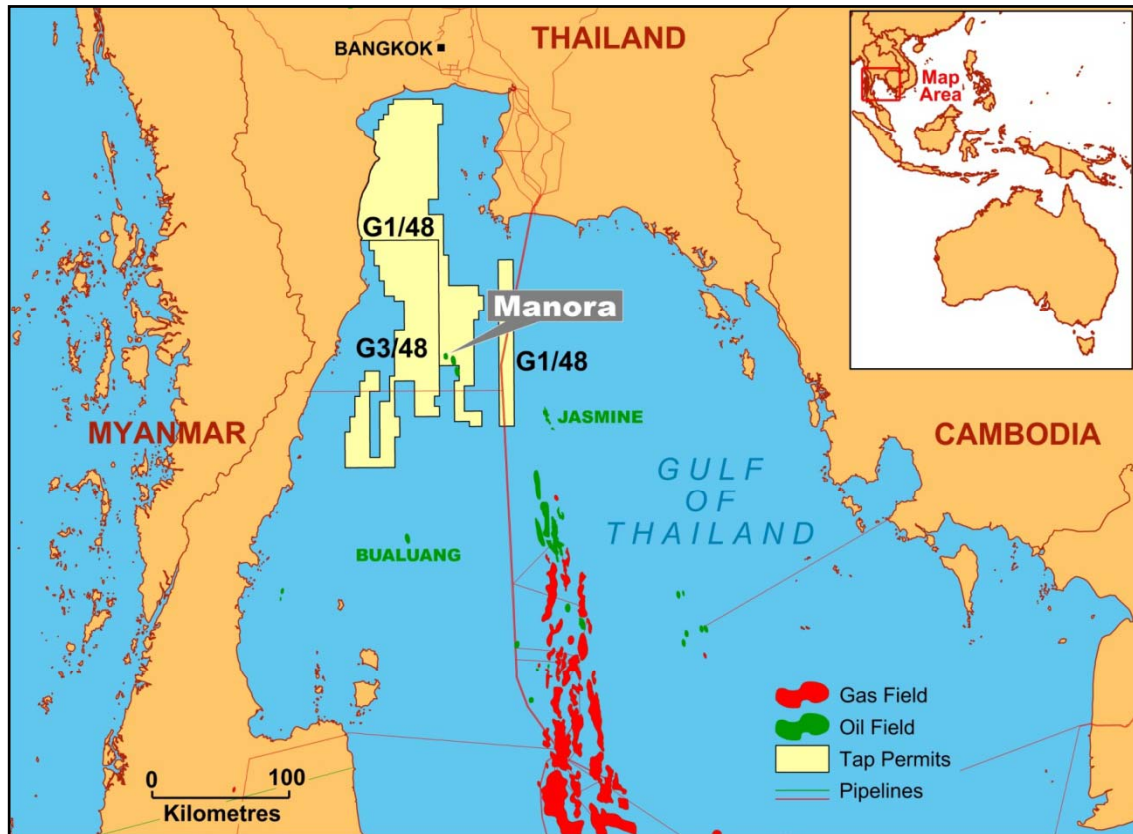
WA Oil & Gas

- Third Party Gas contracts ~\$30 million per annum

Zola-1 Gas Discovery (WA-290-P)

- 378 Bcf of Contingent Resources (mean gross)
- 2.3 Tcf of Prospective Resources (mean gross)

Exploration Opportunities - Thailand

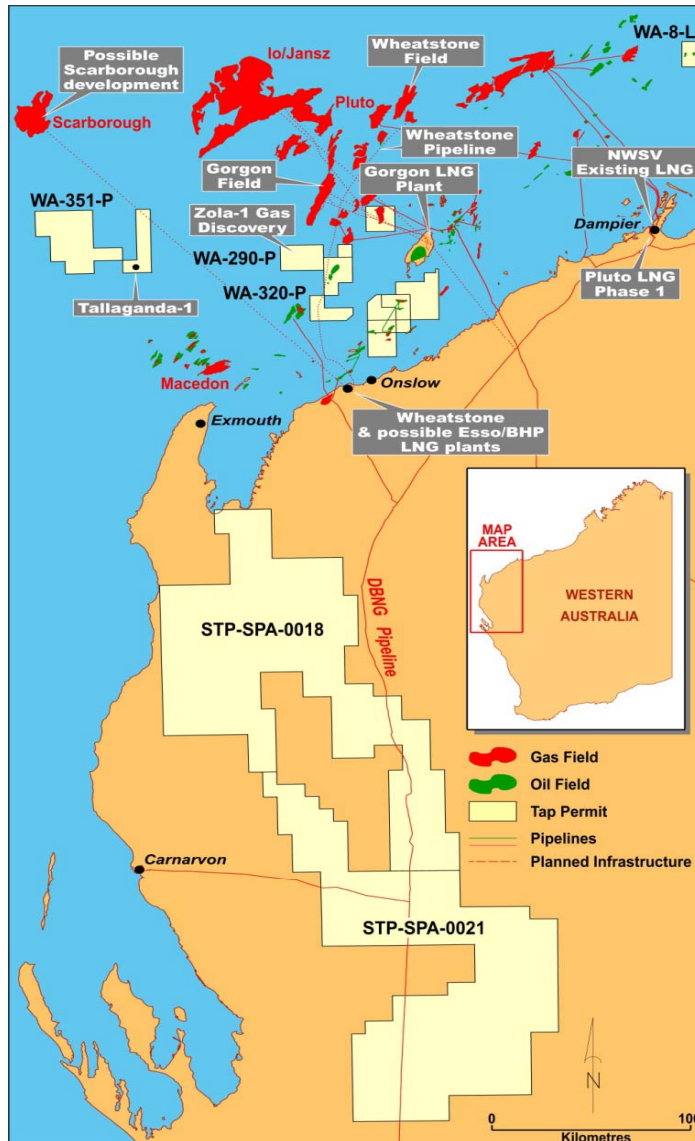


- Prolific oil and gas province, stable regulatory and fiscal regime
- Significant exploration potential
- Up to six prospects already identified to be drilled over the next 18 months
- All prospects identified using recent 3D seismic
- Some prospects could be tied back to the Manora facility currently being developed

Exploration Opportunities - Ghana



- Several prospects and leads have been mapped with gross unrisks prospective resource potential of greater than 3 billion barrels (best estimate)
- First prospect to be drilled will be analogous to Jubilee
- Extension granted to September 2013 for the Initial Exploration Period, by which date the commitment well must be drilled
- Farm-down is well advanced in order to manage the risk on the well



WA-351-P: Tallaganda-1

- Gas discovery confirmed in the Mungaroo Formation
- The preliminary interpretation of well results confirms that Mungaroo reservoir quality over the gas bearing interval penetrated in the well is variable at this location on the Greater Tallaganda Structure
- Several months to assess the commercial significance of the discovery and potential development options
- The block contains multiple prospects which are still to be assessed

WA-290-P: Zola-1

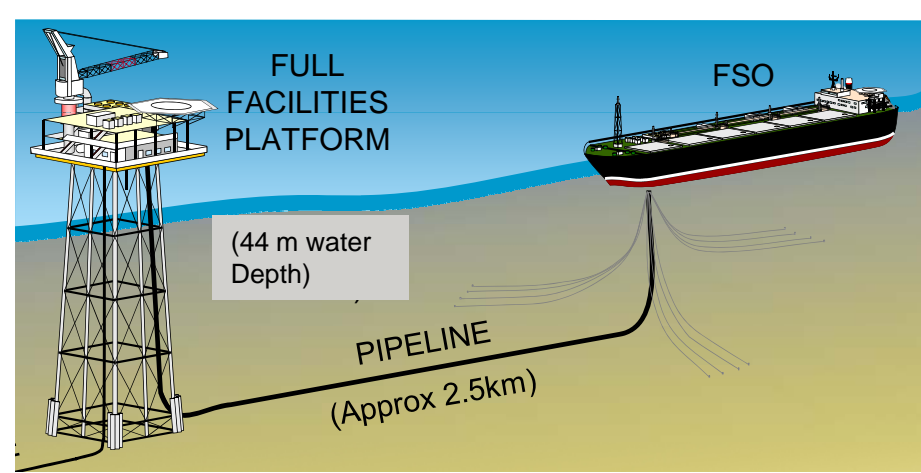
- Independent confirmation of the significance of the Zola-1 discovery within the Greater Zola Structure estimated to contain gross mean Contingent Resources of 378 Bcf and a further 2.3 Tcf of gross mean Prospective Resources
- Appraisal options and multiple development options under consideration

Unconventional

- Tap will earn the right to take a 20% interest in the resulting exploration permits by funding exploration work in the SPA areas, including geochemical studies, with an option to earn an additional 15% in each permit
- The SPAs cover a total combined area of over 38,000 km² (9.47 million acres) and are targeting Permian Shale Gas and Devonian Shale Oil

Manora, Thailand

- FID within the next 2 months
- First production 1Q 2014, approximately 4,500 bbls per day (Tap share)
- Capex to be funded by cash and a debt facility
- Plan for 10 production and 5 injection wells
- A single four pile Wellhead/Processing Platform with 30 well slots that can accommodate either a Jack-up or tender assist rig
- Production with Electrical Submersible Pumps artificial lift (ie. Downhole pumps to increase well production rate)
- Floating Storage and Offloading vessel with accommodation



Significant Activity Ahead



Project	Tap Share	Indicative Timing				
		2012			2013	
		Q2	Q3	Q4	Q1	Q2
<u>Australia Carnarvon Basin</u>						
WA-290-P	10%			■		Drilling
WA-351-P	20%	■				Interpretation of well result
SPA-18 & 21**	20%		■			Geochemical surveys
<u>Thailand</u>						
Manora	30%*		◆			FID
Exploration	30%*		■ ■ ■			Drilling
<u>Ghana</u>						
1 well	40%				■	Drilling

Near-Term Catalysts

- Ghana farm-down and prospectivity/rig update
- Manora FID mid-2012
- Up to three exploration wells in Thailand

*Tap owns 75% of Northern Gulf Petroleum Pte Ltd, which holds a 40% interest in Thailand permits.

**Include shale oil and gas exploration as well as conventional exploration.

Steady flow of varied activity and share price catalysts