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DRILLING COMMENCES AT MARKISA-1, BLOCK M, BRUNEI

Tap Oil Limited (ASX Code: TAP) is pleased to advise that the onshore exploration well, Markisa-1 in Block M, Brunei Darussalam spudded yesterday (Sunday 26 September 2010).

Markisa-1 is the second well to be drilled in the 2010 exploration program in Block M, where Tap is the operator of the Block M Consortium. The Brunei National Petroleum Company (PetroleumBRUNEI) is the regulator for Block M.

Tap Chief Executive Officer, Peter Stickland, said the Company looks forward to drilling its second exploration well in Block M, Brunei.

"Markisa-1 is being drilled to test the oil potential of a fault compartment on the Belait Anticline. The well will evaluate several targets within the Miocene Belait Formation. Markisa-1 is considered a low-to-moderate risk opportunity due to the offset well control and interpretation on modern 3D seismic data," Mr Stickland said.

"The accessibility of the Markisa-1 location means that a commercial discovery could be readily brought to development," he said.

The Markisa prospect was identified on the 3D seismic data acquired by the joint venture in 2009. The prospect is a separate undrilled fault compartment identified within the greater Belait Anticline.

The well is designed to a total depth of approximately 1,335m below the drill floor. The well is being drilled by the MB Century Rig 104 and is expected to take approximately 4 weeks to drill and evaluate on a trouble free basis. In the case of a discovery, the well is likely to be suspended pending testing. The well is 30km south of the giant Seria oil field.

Participants in Block M are:

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



MB Century Rig 104 on location at Markisa-1

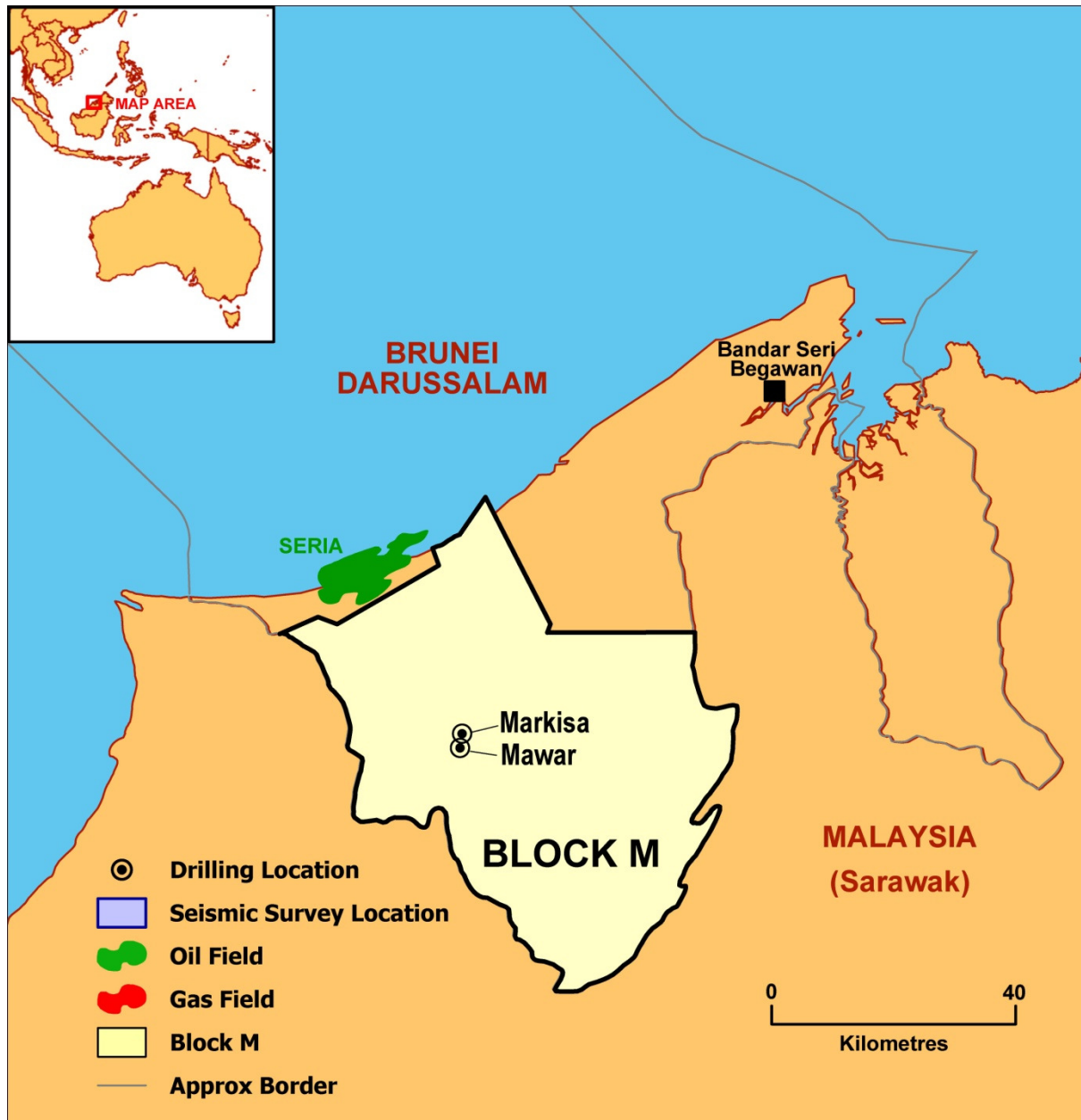
Background

Block M is being explored under a Petroleum Sharing Agreement signed with PetroleumBRUNEI in August 2006.

Block M covers an area of approximately 3,011 km² (refer to the map on page 3) 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 eight to 64 million barrels of oil. Block M is regarded as under-explored having not seen a concerted exploration effort using modern 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 at least two wells on the prospective Belait anticlinal trend in 2010.



Markisa-1 Location Map

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