

24 June 2010

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**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](mailto:info@tapoil.com.au)

[www.tapoil.com.au](http://www.tapoil.com.au)

The Company Announcements Platform  
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**SYDNEY NSW 2000**

## **RIG ARRIVES FOR BRUNEI BLOCK M DRILLING PROGRAM**

The MBCentury Rig 104, contracted for drilling two wells in Block M onshore Brunei, arrived at the port of Muara on 22 June. The rig is now being offloaded and importation documentation is being finalised.

Tap has secured the required regulatory approvals, equipment and personnel to commence drilling on the first well, 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.

The rig is scheduled to be moved in sections by road from Muara to Tap's first drilling location over the next 10 days. 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.

Participants in Block M are:

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

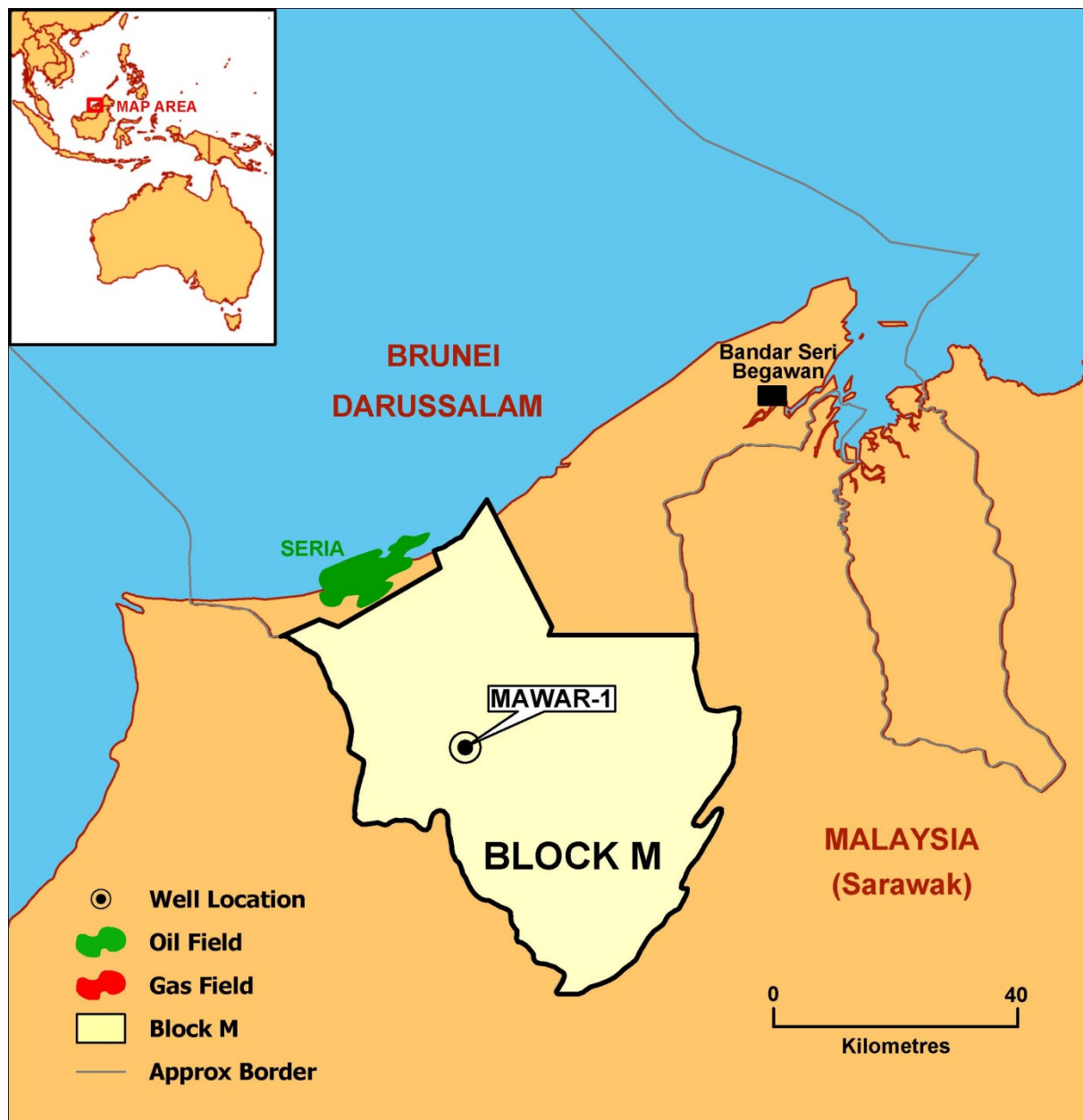
### **Tap Comment**

Tap's CEO Peter Stickland says "we are looking forward to getting the bit in the ground and 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.



**Enquiries to:**

Peter Stickland (Managing Director / CEO)  
 Telephone: +61 8 9485 1000  
 Email: [info@tapoil.com.au](mailto:info@tapoil.com.au)  
 Website: [www.tapoil.com.au](http://www.tapoil.com.au)