

13 May 2010

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**SYDNEY NSW 2000**

### **TAP FARMS OUT WA-290-P (ZOLA PROSPECT)**

Tap Oil Limited ("Tap") is pleased to advise that it has entered into an agreement with Apache Energy Limited ("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 will retain a 10% interest in the permit.

WA-290-P is located immediately south of the giant Gorgon gas field in the offshore Carnarvon Basin of Western Australia. The Zola prospect is a moderate risk feature estimated by Tap to contain recoverable gas volumes of between 0.2 and 2.0 trillion cubic feet with a mid case of approximately 1 trillion cubic feet. WA-290-P also contains the Antiope stranded gas resource of approximately 120 billion cubic feet which could be aggregated in a success case.

Under the farmout agreement, OMV Barrow Pty Ltd will also assign a 20% interest to Apache on corresponding terms. Apache will become Operator for WA-290-P and plans to make a suitable semi-submersible drilling rig available as early as Q4 2010 to drill Zola-1.

The farmin is subject to the usual Joint Venture (including pre-emption) and government approvals.

#### **WA-290-P Joint Venture Participants Pre and Post Farmout**

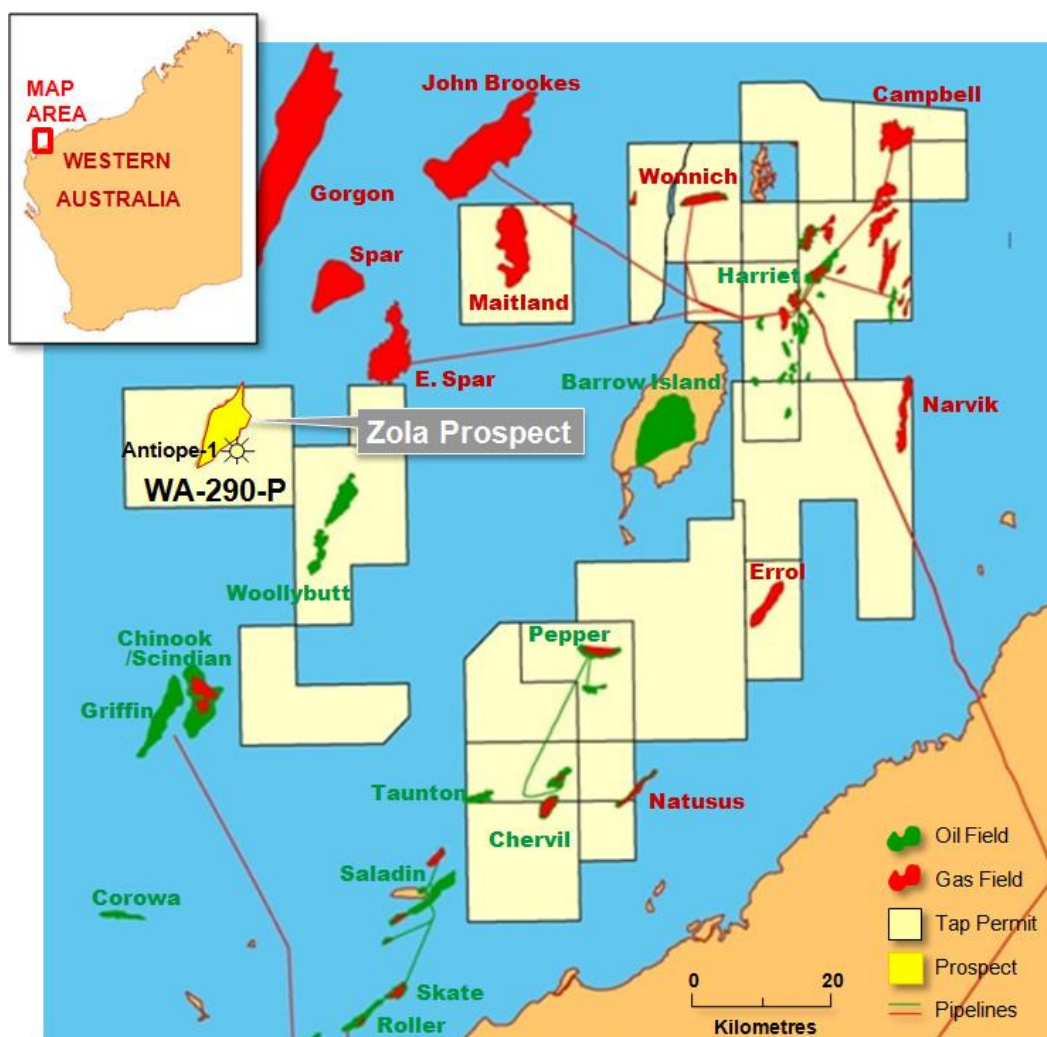
	Pre-Farmout	Post-Farmout
OMV Barrow Pty Ltd	40% (Operator)	20%
Tap (Shelfal) Pty Ltd	20%	10%
Apache Energy Limited	0%	30% (Operator)
Nippon Oil Exploration (Dampier)	25%	25%
Santos Offshore Pty Ltd	15%	15%

Mr Peter Stickland, Tap's Managing Director / CEO commented:

*"The farmout of WA-290-P to Apache will facilitate the drilling of the attractive Zola-1 well. Not only is Apache paying a promoted share of the costs, but they are assuming Operatorship and have a suitable rig on hire with drilling anticipated as early as Q4 2010.*

*Zola is a moderate risk prospect and if successful could discover volumes equal to more than three times Tap's current reserves.*

*The farmout of WA-290-P delivers on Tap's earlier undertaking to do so and is consistent with Tap's strategy of building a diverse portfolio of moderate cost and risk, yet high impact drilling opportunities."*



### **Background on WA-290-P**

WA-290-P is 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 Gorgon. One of the largest undrilled structural features in this part of 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. In addition it is possible that some Jurassic potential may be developed flanking the main Triassic structure. The target depth is approximately 4,000 metres below the surface and Tap estimates the well will cost between A\$45 and \$60 million.

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. Development at Zola could also facilitate the development of the overlying Antiope gas discovery.

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