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Australian Securities Exchange
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SYDNEY NSW 2000

DRILLING COMMENCES AT MAWAR-1, BLOCK M, BRUNEI

Tap Oil Limited (ASX Code: TAP) is pleased to advise that the onshore exploration well, Mawar-1 in Block M, Brunei Darussalam spudded today.

Mawar-1 is the first well to be drilled in an initial two well exploration program in Block M, where Tap is the operator of the block. It is the first well to be drilled in Block M since 1988 and is the first well drilled by the Block M Joint Venture for the Brunei National Petroleum Corporation (PetroleumBRUNEI).

Tap Chief Executive Officer, Peter Stickland, said the Company has been 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 low-to-moderate risk due to the offset well control and interpretation on modern 3D seismic data," Mr Stickland said.

"Brunei's established infrastructure means Tap will be able to quickly monetise any commercial discovery," he said.

The Mawar-1 prospect was identified as being prospective for oil during interpretation work on the 3D seismic data acquired by the joint venture in 2009. The prospect is a fault compartment identified within the Belait Anticline and pre-drill mapping indicates a prospect size up to nine million barrels of oil.

Given the drilling history within the Belait trend, the Mawar-1 well is considered to be low-to-moderate risk. The well is 30kms south of the giant Seria oil field, which includes an oil refinery and terminal and the Brunei liquefied natural gas (LNG) facility.

Mawar-1 is being drilled as a deviated well to test multiple sandstone objectives within the Mid-Late Miocene Belait formation. The well is designed to a total depth of approximately 1,300m below the drill floor.

The well is being drilled by the MB Century Rig 104 and is expected to take approximately 28 days to drill and evaluate on a trouble free basis. In the case of a discovery, the well is likely to be suspended pending testing by another rig designed for that purpose.

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 Mawar-1

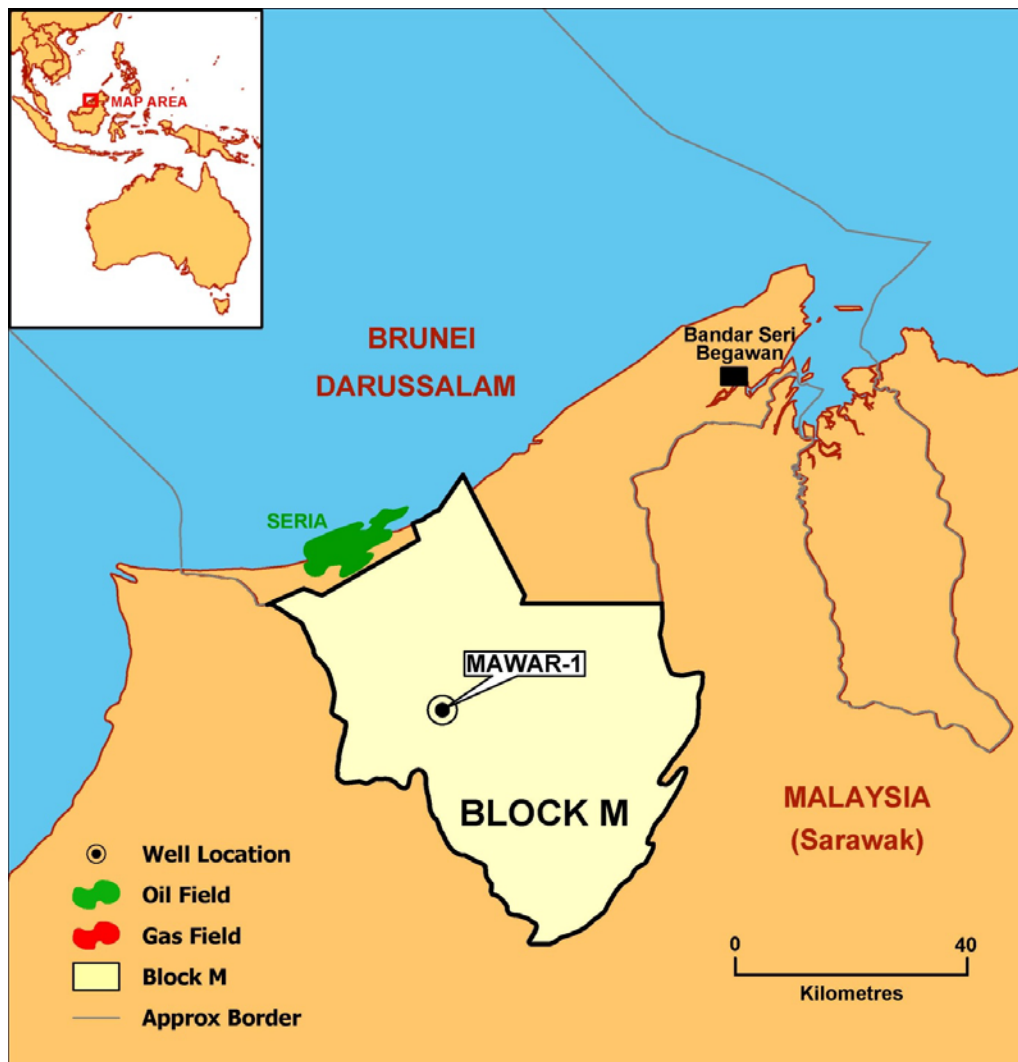
Background

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 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 at least two wells on the prospective Belait anticlinal trend in 2010.



Mawar-1 Location Map

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