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

## **RECEPTION COMMEMORATING SIGNING OF PETROLEUM AGREEMENT IN GHANA**

A reception to commemorate the signing of the Petroleum Agreement for oil exploration activities in the Offshore Accra Contract Area between the Ghana National Petroleum Corporation (GNPC), Tap Oil and its joint venture partners was held this week in Accra, Ghana. The reception followed the first Joint Management Committee meeting between GNPC, Tap and the other joint venture parties.

The Offshore Accra Contract Area covers an area of 2,000 sq km (Figure 1) and is located to the southeast of Accra, the capital of the Republic of Ghana, in water depths ranging from less than 50 metres to greater than 2,500 metres.

Tap is the Operator for this recently awarded Petroleum Agreement. Tap's partners in the joint venture include Challenger Minerals Ghana Ltd and AFEX International.

The Petroleum Agreement was ratified by the Parliament of the Republic of Ghana on 24 March 2010.

The reception was attended by; the Deputy Minister of Energy, Honorable Armah Kofi Buah, the Chairman of the Parliamentary Select Committee for Energy, Honorable Moses Asaga; members of the GNPC Board; the Managing Director of GNPC, Nana Boakye Asafu-Adjaye; the Managing Director of Tap Oil, Peter Stickland; and representatives of Tap's joint venture partners AFEX International and Challenger Minerals.

GNPC Managing Director Nana Boakye Asafu-Adjaye said the partners had both the technical and financial capability to undertake the project through to fruition.

Tap Oil Managing Director and Chief Executive Officer Peter Stickland said the Company is excited by the significant potential of the Offshore Accra Contract Area and has already commenced exploration work on the area.

"We are also very pleased to be working with GNPC and our other partners, in a combination of technical and operational skill and experience that should provide the best chance of having exploration success in the block," Mr Stickland said.

"The agreement has also heightened both parties' expectations of a vigorous and entertaining contest on Saturday night when Ghana plays Australia in the FIFA World Cup," he said.

**ENDS**

High resolution images available on request.

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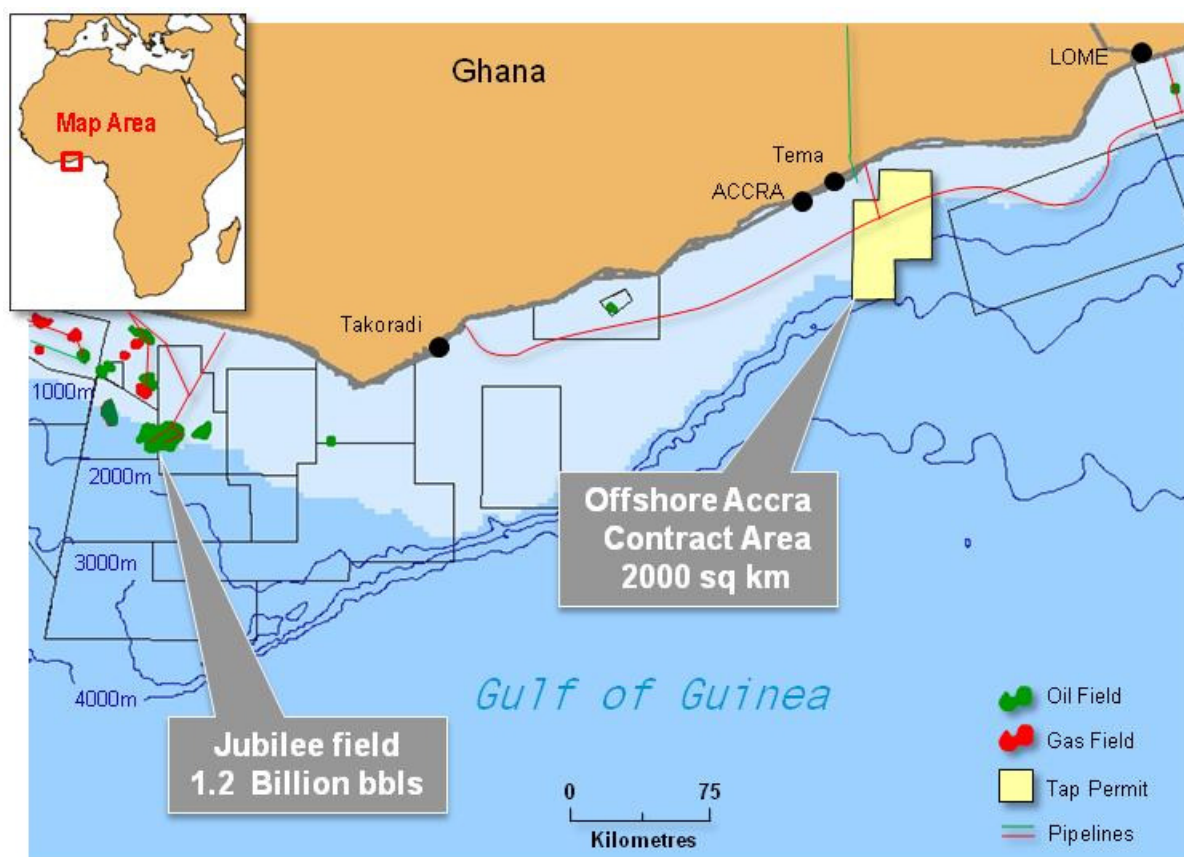


Figure 1: Location Map – Offshore Accra Contract Area



Tap Oil's Managing Director, Mr Peter Stickland, presents the Managing Director of GNPC, Mr Nana Boakyee Asafu-Adjaye with a gift to mark the execution of the Petroleum Agreement





Mrs. Alexandria Amoako-Mensah, member of the GNPC Board, presents Tap Oil's Exploration Manager Mr Joe Scibiowski with a traditional carving



The Honourable Moses Asaga Chairman of the Parliamentary Select Committee on Energy with Tap Oil's New Ventures Manager, Bob Cassie

## **Background to the Offshore Accra Contract Area**

### **Excellent Oil Potential**

The Offshore Accra Contract Area is located in an emerging oil province on the West Africa Transform Margin (Figure 2), along the northern Gulf of Guinea.

A number of discoveries have been made in analogous geological settings along the Margin, including the Espoir and Baobab producing fields in neighbouring Cote d'Ivoire.

In 2007, the Jubilee field was discovered by Kosmos Energy and Tullow Oil (one of the largest oil discoveries in the world in 2007) establishing a new deepwater play offshore Ghana. According to Tullow, recoverable oil reserves for the Jubilee field are estimated to be 1.2 billion barrels. Subsequent discoveries in Ghana (Tweneboa and Odum) and in the Liberian Basin (Venus) have further demonstrated the potential that exists along the whole Margin.

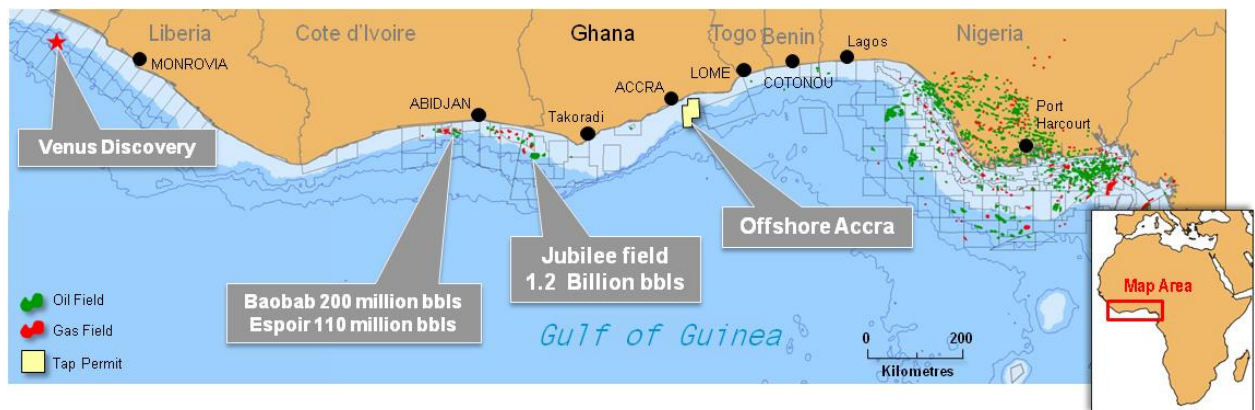


Figure 2: West Africa Transform Margin

Several moderate risk but high reward structures have been identified on existing 3D seismic data in shallow-moderate water depths in the Contract Area, each of these is considered to have potential to contain in excess of 100 million barrels of prospective resources. One of these is likely to be the initial drilling candidate in 2011 or early 2012. Deepwater leads similar to the recent Jubilee discovery will be the subject of future seismic programs to confirm and mature them into prospects for drilling.

### **Commercial Terms**

The initial application for the Offshore Accra Contract Area was made prior to the Jubilee discovery and negotiations continued through the 2008 elections and under the new government. The Contract Area has a modest initial committed exploration program consisting of 3D seismic reprocessing, acquisition of 850km of 2D seismic data and one exploration well over a two and a half year period.

The terms of the Petroleum Agreement are confidential but are consistent with other Petroleum Agreements in Ghana which are considered attractive on a global ranking. The Agreement terms and the supportive host government provide an attractive reward for effort in the event of a discovery.

The Contract Area is located over the West African Gas Pipeline which provides immediate access to expanding energy markets in this growing region for any gas discovered as part of the program.

### **Solid Operating Environment**

Ghana is a stable parliamentary democracy which gained its independence in 1957. While Ghana has significant natural resources, its hydrocarbon potential has only recently been highlighted by the 2007 offshore Jubilee discovery of 1.2 billion barrels.

The government is supportive of petroleum developments as demonstrated by the relatively quick approval of the phase one development plan for the Jubilee field. Tullow Oil reported on 15 July 2009 that the phase one development plan had been approved and Tullow have recently confirmed that first oil production is on schedule to begin in late 2010.

All oil and gas field services are readily available in this region.

Ghana hosted US President Barack Obama's first African visit on becoming President of the United States. The choice of Ghana was a deliberate show of support by the US and President Obama for the Ghana's democracy and stability.

### **Joint Venture Partners**

The participants in the Petroleum Agreement are:

	Participating Interest
<b>Tap Oil (Ghana) Limited (Operator)</b>	<b>36%</b>
AFEX Oil (Ghana) Limited	27%
Challenger Minerals (Ghana) Limited	27%
Ghana National Petroleum Company*	10%

*\* Initial interest, carried in exploration and development operations by the other parties in proportion to their Participating Interest. GNPC has the option to increase its stake to 25% in the event of a commercial discovery.*

Tap's joint venture partners in the Contract Area are:

**Challenger Minerals (Ghana) Limited (CMI)** is a subsidiary of Transocean Ltd, the world's largest offshore drilling contractor. CMI participates in exploration and appraisal opportunities around the world and provides the joint venture with the potential to access Transocean's fleet of 139 offshore drilling rigs and effectively manage drilling risk through CMI's drilling affiliate, Applied Drilling Technology International.

**AFEX Oil (Ghana) Limited** is an affiliate of AFEX International, Inc which is a private, US-based company with West African experience, including Ghana and discoveries in Cote d'Ivoire and most notably in Equatorial Guinea with the Zafiro Field (1.2 billion barrels).

**Ghana National Petroleum Corporation (GNPC)** was established by the Republic of Ghana to undertake exploration and production activities in Ghana and hold the State's participating interest in those activities.