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## ZOLA-1 WELL DRILLING UPDATE

Tap Oil Limited (ASX Code: TAP) provides the following update on the Zola-1 exploration well, offshore Carnarvon Basin, Western Australia.

### Location / Proposed Depth

The Zola-1 well is located in permit WA-290-P, immediately south of the giant Gorgon gas field in the Carnarvon Basin, Western Australia. The well is being drilled in 285m of water. The well is expected to be drilled to a target depth of approximately 5,000m.

### Progress

During the period from 06:00 hours WST on 9 March 2011 to 06:00 hours WST on 16 March 2011, some 166m of new 216mm (8<sup>1</sup>/<sub>2</sub>" hole was drilled from 4,593m to the current depth of 4,759m.

Present operations are working on stuck drill pipe.

Since the last report, further potential reservoir quality gas sands have been intersected based on interpretation of data gathered while drilling (mud log and logging while drilling (LWD)).

The well has now encountered gas saturated sands in the interval from 4,197m to 4,671m, with over 120m (true vertical thickness) of potential gas saturated, reservoir quality sandstone likely present (based on mudlog and limited LWD data). The gas sands are largely contained in three thick Mungaroo Formation channel sand packages. At this stage it is not known if the gas sands are discrete individual accumulations or part of a single accumulation.

Data gathered to date, although still preliminary, is indicating that volumetrically the greater Zola structure could be at the upper end of Tap's pre drill estimates of 1 – 2 Tcf.

### Forward Plan

A free point survey will be run to determine where the drill string is stuck down hole, prior to formulating a forward operational plan to reach the final total depth and run wireline logs to evaluate the well. It is anticipated logs will determine column height, gas saturation, net pay and reservoir quality in addition to gas composition.

### Background

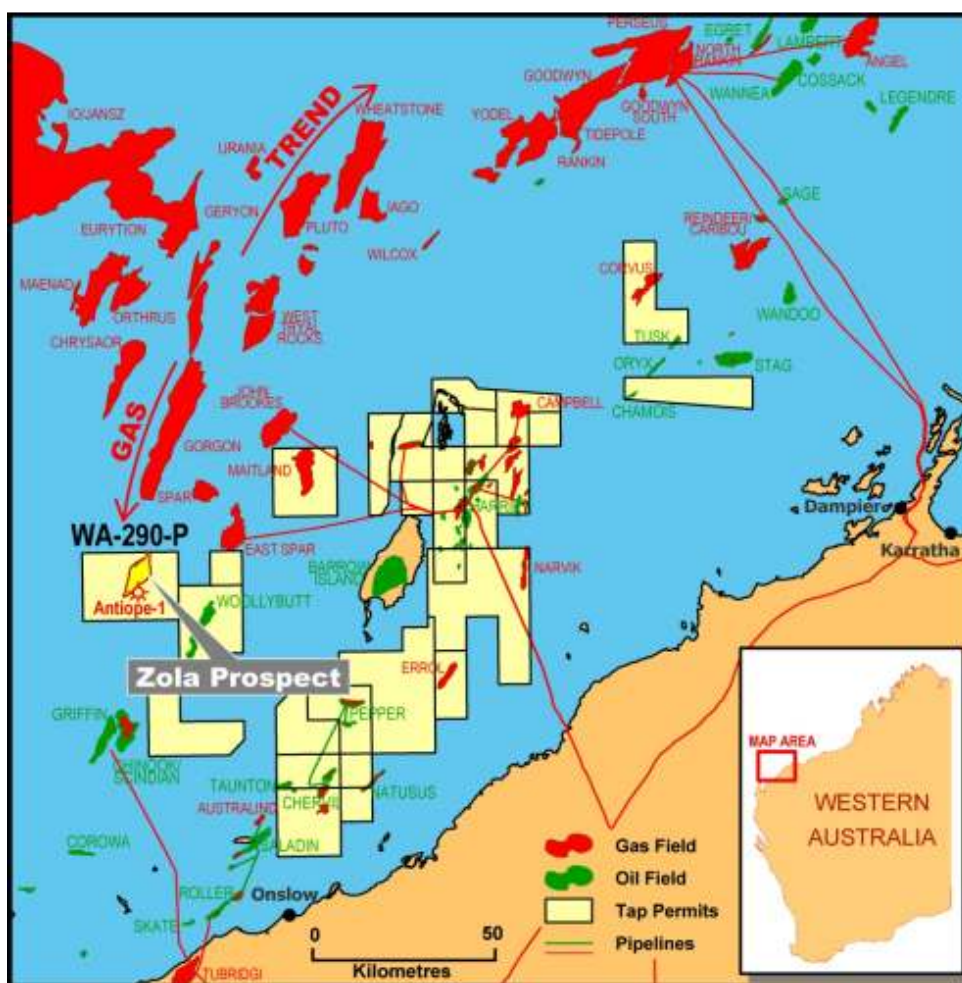
The Zola prospect is a very large Triassic tilted fault block on trend with the giant Gorgon gas field and is one of the largest undrilled structural features in the Carnarvon Basin. The well is testing the gas potential of several top and intra Mungaroo Formation sands – the primary reservoir at Gorgon. In addition it is possible that some Jurassic reservoirs may be developed flanking the main Triassic structure.

Previous drilling in WA-290-P 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. Any development at Zola could also encompass the overlying Antiope gas discovery (estimated at ~120 Bcf).

**WA-290-P Joint Venture Participants**

<b>Tap (Shelfal) Pty Ltd</b>	<b>10.00%</b>
Apache Northwest Pty Ltd (Operator)	30.25%
Santos Offshore Pty Ltd	24.75%
OMV Australia Pty Ltd	20.00%
Nippon Oil Exploration (Dampier) Pty Ltd	15.00%



**Zola-1 Location Map**

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Person compiling information about hydrocarbons:

Pursuant to the requirements of the Listing Rules, the reported hydrocarbon estimates contained in this document are based on information compiled by the Company's Exploration Manager, Mr Milton Schmedje B.Sc (Hons). Mr Schmedje is a full-time employee of the Company and has more than 25 years relevant experience in the petroleum industry.