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Australian Securities Exchange
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SYDNEY NSW 2000

ZOLA WELL TO COMMENCE IN AUGUST 2010

Tap Oil Limited ("Tap") is pleased to advise that the Operator of WA-290-P, Apache Northwest Pty Ltd ("Apache") has indicated that operations on Zola-1 may commence as early as August, depending on the progress of the Stena Clyde's (semi-submersible drilling rig) current activities. Once on location, drilling of Zola-1 is planned to take approximately 40-50 days to reach to a final total depth of around 5000 metres.

The Zola prospect is a very large Triassic tilted fault block on trend with the giant Gorgon gas field. One of the largest undrilled structural features in 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. The well will test 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. The primary Mungaroo Formation target will be intersected at approximately 4300 metres below sea level. Water depth at the well location is approximately 300 metres.

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. Any development at Zola could also encompass the overlying Antiope gas discovery.

In May 2010 Tap entered into an agreement with 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 retains a 10% interest in the permit.

WA-290-P Joint Venture Participants

Tap (Shelfal) Pty Ltd	10%
Apache Northwest Pty Ltd (Operator)	30%
Nippon Oil Exploration (Dampier) Pty Ltd	25%
OMV Australia Pty Ltd	20%
Santos Offshore Pty Ltd	15%

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

"Tap is very pleased to be drilling the Zola prospect earlier than expected."

Zola is a moderate risk prospect and if successful could discover volumes equal to more than three times Tap's current reserves. Tap's exploration strategy is to build a diverse portfolio of high impact drilling opportunities which are moderate cost and risk. Over the past year Tap has successfully farmed down its equity in WA-290-P in order to manage its exposure and facilitate the drilling of the Zola prospect. It is pleasing to now see the culmination of these efforts with the immanent drilling of this well."



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