

28 February 2011

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2010 ANNUAL RESULTS PRESENTATION

Please find attached a copy of a presentation providing investors and analysts with an update on Tap Oil Limited's 2010 financial results.

A copy of this presentation is available at the ASX and can be viewed on the Company's website www.tapoil.com.au under the heading "Investor Centre".

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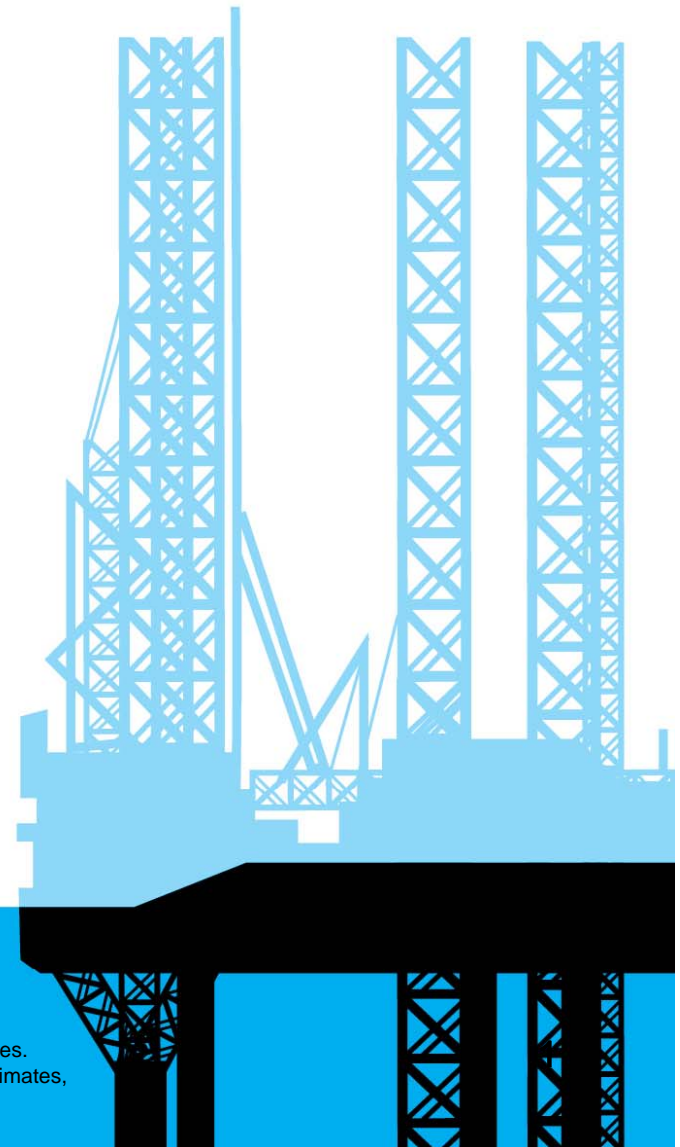


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Person compiling information about hydrocarbons

Pursuant to the requirements of the ASX Listing Rules, the information in relation to hydrocarbons reserves and resources in this presentation has been compiled by Tap Oil's Exploration Manager, Mr Joe Scibiorski B.Sc (Hons) M.Sc (Petroleum Geology), DIC. Mr Scibiorski is a full-time employee of the company and has more than 25 years relevant experience in the petroleum industry. Mr Scibiorski has consented in writing to the inclusion of the information relating to hydrocarbon reserves and resources in the form and context in which it appears.

Focus on Three Core Asset Areas

1. Thailand

- Manora oil development and exploration

2. Carnarvon Basin

- WA-351-P: LNG scale gas exploration
- Recent Zola-1 discovery

3. Ghana

- Accra Block - large scale oil exploration

- The 2010 results reflect the outcome of the portfolio assessment and revised strategy by the Company
- Tap's focus on monetising the three core areas in 2011 and beyond meant that some of the portfolio, such as Block M Brunei, was no longer a priority and a sales process was commenced
- Tap's production and gas assets performed well generating \$77 million in revenue and cash flows from operations of \$32 million, in line with the previous year

Highlights

- ✓ Underlying profit after tax (excl. non-recurring items) of \$2.9 million
- ✓ Exploration write downs and impairments of \$79.6 million
- ✓ Cash flow from Operations of \$31.9 million
- ✓ Cash reserves of \$99 million with no debt
- ✓ Raised \$55 million (net) in capital
- ✓ Troy Hayden appointed as new MD/CEO
- ✓ Successful gas discovery at Zola-1 well in the Carnarvon Basin
- ✓ Acquisition of effective 30% working interest in three Gulf of Thailand concessions
- ✓ Acquisition of additional 20% stake in WA-351-P
- ✓ Awarded highly prospective 2,000km² offshore permit in Ghana

Breakdown of Results



	2010 <u>\$ million</u>	2009 <u>\$ million</u>	% <u>Change</u>
Oil and gas production (mmboe)	1.1	0.9	22%
Sales revenue	73.6	58.0	27%
Gross profit (incl. Depn.)	14.7	9.6	52%
EBITDAX	20.3	32.8	-38%
Exploration impairment/write downs	(70.5)	(2.2)	3105%
Net (loss)/profit before tax	(76.4)	8.0	n/a
Net (loss)/profit after tax	(61.4)	6.7	n/a
Non-recurring items	64.3	(7.3)	n/a
Underlying profit/(loss)	2.9	(0.6)	n/a

Non-Recurring Items



Non-recurring expenses	2010 <u>\$ million</u>	2009 <u>\$ million</u>
Exploration impairment/write downs		
Block M Brunei	28.8	
SC 41	20.3	
T/47P	12.9	
Others	8.5	2.2
Property, Plant and Equipment Impairment		
Woollybutt	7.0	
TL/2 and TP/7	2.1	-
Foreign Exchange Losses	2.3	3.0
Varanus Island Repairs	(1.0)	5.7
Insurance proceeds	-	(23.2)
Other	2.6	0.2
Tax effect	(19.2)	4.8
Total	64.3	(7.3)

Production Assets



	<u>2010</u>	<u>2009</u>	<u>% chg</u>
Production (net to Tap)			
HJV liquids ('000 bbls)	200	220	-9%
WBT oil ('000 bbls)	262	145	81%
Total liquids ('000 bbls)	462	365	27%
HJV Sales Gas (TJ)	4,134	3,670	13%
HJV Sales Gas ('000 boe)	616	547	13%
Total production ('000 boe)	1,078	912	18%

	<u>2010</u>	<u>2009</u>	<u>% chg</u>
	<u>(\$ mil.)</u>	<u>(\$ mil.)</u>	
Sales (net to Tap)			
Liquids	40.3	31.0	30%
HJV gas sales	6.1	5.8	5%
Third Party Gas	25.0	17.2	45%
Tolling	2.2	4.0	-45%
Total	73.6	58.0	27%

HJV

- Liquids production declined, but still ahead of budget
- Gas sales produced in line with contractual demand

Woollybutt

- Field recommenced production on 7 March 2010 at approx. 8,000 bopd
- Production has declined faster than expected
- Declining production has led to a reserves downgrade to 0.21 mmbbls (2P net to Tap)

Third Party Gas Contracts



	<u>2010</u>	<u>2009</u>	<u>% chg</u>
Volume sold (TJ)	3,940	2,599	52%
Volume sold ('000 boe)	581	387	50%
Revenue (\$ mil.)	25	17	45%

- Deferred revenue to Tap of approximately \$5.2 million not included in above due to gas sold on a 'take-or-pay' basis. There is a corresponding deferment by Tap of its purchases recorded in Other Current Assets
- During the year uncontracted gas was sold and some contracts restructured, adding to the value
- All contracts are AUD and CPI linked so no currency or commodity risk
- NPV of contracts at 1 January 2011 is ~\$66 million (after tax, 10% discount rate)

Exploration impairment/write downs

Block M Brunei	28.8	Two wells drilled in 2010
SC 41	20.3	Relinquished
T/47P	12.9	Craigow-1 dry hole
Others	<u>8.5</u>	Minor assets incl. now held for sale
	70.5	

Property, plant and equipment impairment losses

Woollybutt	7.0	Reserves downgrade
TL/2 and TP/7 (Airlie Island)	<u>2.1</u>	Held for sale
	9.1	

1. Thailand

- Prove reserves (no wells required)
- Progress toward FID
- Near-Manora exploration wells
- Seismic over key areas to support relinquishment decision in 2012

2. Carnarvon Basin Gas

- Farm down WA-351-P from 45%
- Progress to drilling first well in WA-351-P
- Zola-1 definition and appraisal/development plan

3. Ghana

- Process and interpret 3D seismic over deep leads
- Farm down prior to drilling in Q3 2012 (latest)

4. Other

- Rationalise portfolio, divest non-core assets
- Hotly pursue business development/new ventures opportunities

Plenty of Near Term Activity



Project	Tap Share	Gross Unrisked Mean Potential	Indicative Timing						
			2011				2012		
			Q1	Q2	Q3	Q4	Q1	Q2	
<u>Australia Carnarvon Basin</u>									
Zola-1	10%	1 Tcf	■ drilling						
Finucane Sth-1	~10%	7.5 mmbbl		■ drilling					
WA-351-P	45%	2 Tcf						■ drilling	
HJV exploration	12.2%	TBA			■ seismic	■ drilling	■ drilling		
HJV Bamba-10	12.2%	3.5 mmboe		■ drilling					
<u>Thailand</u>									
Khon-1	30%*	~10 mmbbl			■ drilling			◆ Final Investment Decision	
Exploration 1-4+ wells	30%*	>100 mmbbl	■ seismic		■ seismic		■ drilling	■ drilling	■ drilling
<u>Brunei</u>									
1-4 wells	39%	TBA		■ drilling			■ drilling		
<u>Ghana</u>									
1 well	36%	>100 mmbbl	■ seismic					■ drilling	

* Tap owns 75% of Northern Gulf Petroleum, which holds a 40% interest in Thai permits

Active drilling program

Appendices

2010 Results Breakdown 1



	2010 \$ million	2009 \$ million	% Change
Revenue	73.6	58.0	27%
Cash operating costs	(31.2)	(26.1)	19%
Cash gross profit	42.4	31.9	33%
Net Admin costs (excl. Dep)	(8.1)	(6.8)	19%
Other income	-	23.6	-100%
Other expenses	(4.9)	(15.9)	-69%
Impairment of development assets	(9.1)	-	n/a
EBITDAX	20.3	32.8	-38%
Exploration impairment/write down	(70.5)	(2.2)	3105%
EBITDA	(50.2)	30.6	n/a
Depreciation - cost of sales	(27.9)	(22.3)	25%
Depreciation - admin	(0.3)	(0.4)	-25%
EBIT	(78.4)	7.9	n/a
Net interest	3.3	0.9	267%
Finance costs	(1.3)	(0.8)	63%
Net profit before tax	(76.4)	8.0	n/a
Tax	15.0	(1.3)	n/a
Net (loss)/profit after tax	(61.4)	6.7	n/a

2010 Results Breakdown 2



12 Months Ended	Dec-10	Dec-09	Change
<i>Profit & Loss (\$ million)</i>			
Sales Revenue : Oil and Condensate	40.3	30.9	30%
: Gas	31.1	23.1	35%
: Tolling	2.2	4.0	-45%
Gross Profit	14.7	9.6	52%
Gross Profit Margin (%)	20%	17%	20%
EBITDAX	20.3	32.8	-38%
Exploration expenditure writedowns	(70.5)	(2.2)	3105%
EBITDA	(50.2)	30.6	-264%
NPAT	(61.4)	6.7	-1016%
EPS (cents)	(35.8)	4.3	-936%

2010 Results Breakdown 3



<i>Balance Sheet (\$ million)</i>	Dec-10	Dec-09	Change
Cash	98.9	59.4	66%
Capitalised Exploration Expenditure	109.6	113.9	-4%
Property, Plant & Equipment	77.4	117.4	-34%
Total Assets	325.1	316.2	3%
Debt	-	-	
Total Liabilities	94.6	92.5	2%
Net Assets	230.5	223.7	3%
<i>Cashflow (\$ million)</i>			
Operations	31.9	1.7	1%
Investing	(45.9)	(20.6)	123%
Financing	55.0	-	

2010 Results Breakdown 4



Volumes	Dec-10	Dec-09	Change
<i>Production</i>			
Oil & Condensate (mmbbls): HJV	0.2	0.2	0%
Woollybutt	0.3	0.1	200%
Sales Gas (PJ): HJV	4.1	3.7	11%
Total (mmboe)	1.1	0.9	22%
Reserves (Proved and Probable) (mmboe)	2.8	4.8	-42%
Sales of third party gas (PJ):	3.9	2.6	50%
 <i>Other</i>			
Oil Price – A\$ average realised/bbl	85.0	74.0	15%
Shares on Issue	241.0	156.5	54%
Share Price at period end (\$)	0.83	1.17	-29%