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

TAP SELLS 25% OF WA-351-P TO JAPAN AUSTRALIA LNG (MIMI) PTY LTD

Tap Oil Limited (ASX Code: TAP) has agreed to sell to Japan Australia LNG (MIMI) Pty Ltd ("MIMI") a 25% interest in the highly prospective WA-351-P exploration permit in Western Australia's Carnarvon Basin.

MIMI will acquire the 25% participating interest for a cash consideration of US\$30,154,000. After costs relating to the transaction, Tap expects to net \$26 million in cash from the sale. In addition, MIMI will pay Tap's 20% share of the next exploration well in the permit up to a cap of US\$10 million (Tap share).

Tap's holding in the exploration permit will reduce from 45% to 20%. BHP Billiton Petroleum (North West Shelf) Pty Ltd will retain a 55% interest and is the Operator. The acquisition by MIMI is subject to relevant joint venture and government approvals.

This transaction follows Tap's acquisition of an additional 20% interest in the permit for US\$15.75 million earlier this year.

Tap's Managing Director and Chief Executive Officer Troy Hayden said:

"MIMI is a very well respected participant in the LNG industry and we are particularly pleased to have them participate in the joint venture.

We are looking forward to drilling the first well in the renewed WA-351-P and the Operator, BHP Billiton, has put forward the Tallaganda prospect which could be drilled in late 2011 or early 2012."

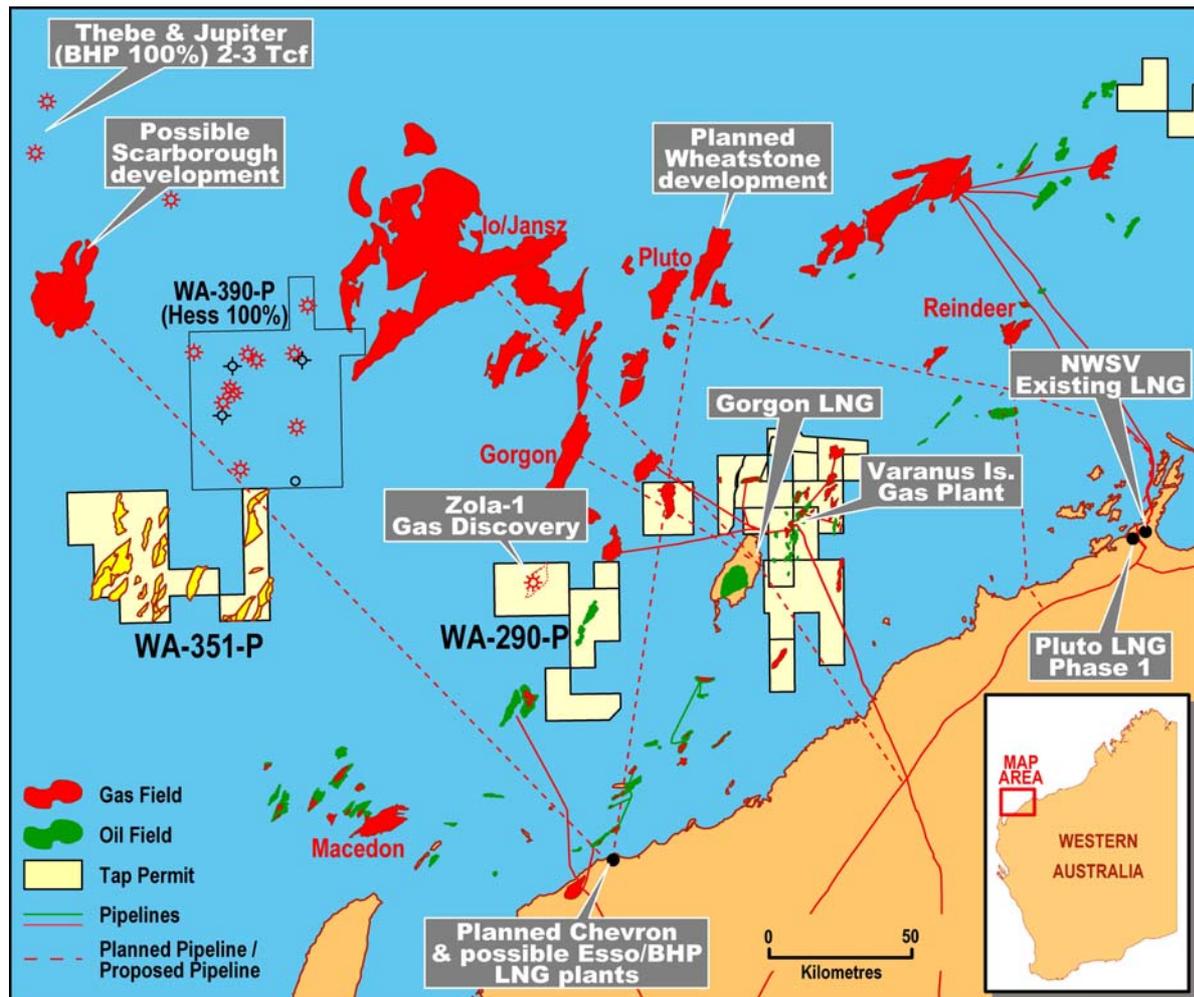
Prospectivity of WA-351-P

The Operator completed a detailed assessment of the plays, prospects and leads in the permit in 2010 including the 3D seismic acquired in 2008. Over 10 leads and prospects were defined in the Triassic Mungaroo Formation which Tap estimates have a combined estimated mean potential of 2-3 Tcf (gross recoverable) of natural gas. Tap considers that a number of these targets have an estimated probability of success over 50%.

Additional leads have been identified in WA-351-P in the Jurassic and Early Cretaceous, both of which are productive elsewhere in the Carnarvon Basin. Current indications are that this shallower potential is larger but higher risk than the Triassic in this permit. Further work will be done on these objectives.

The high chance of success is reinforced by Hess' reporting of 13 gas discoveries from 16 exploration wells drilled to date in the adjacent WA-390-P permit, immediately north of WA-351-P. Hess has commenced a multi-well appraisal program in WA-390-P.

The proximity of WA-351-P to many large-scale liquefied natural gas (LNG) projects being developed should provide the joint venture with many options for the commercialisation of any gas discoveries.



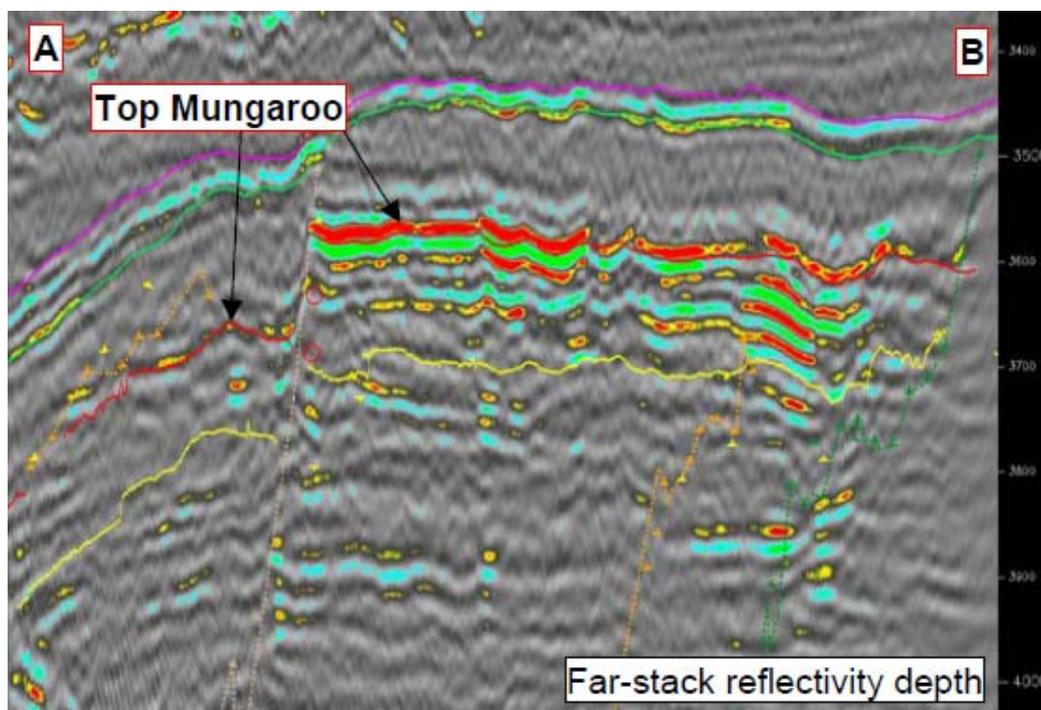
WA-351-P Location Map

Tallaganda Prospect

The Tallaganda prospect in WA-351-P has been high graded as an attractive prospect and an early drilling candidate. Tallaganda straddles WA-351-P and WA-335-P and has a prospective resource range of 0.8 Tcf to 1.3 Tcf (Mean to P10 recoverable) within WA-351-P.

Strong seismic amplitudes within closure and AVO support in the Tallaganda fault block are indicative of reservoir and gas and the prospect is assessed as having a greater than 50% chance of success.

Under the terms of the exploration licence, an exploration well is required to be drilled before 5 June 2013. The Operator has advised that a well on the Tallaganda prospect could spud in 2011 or early 2012.



WA-351-P Joint Venture Participants – Post Sale

Tap (Shelfal) Pty Ltd	20%
Japan Australia LNG (MIMI) Pty Ltd	25%
BHP Billiton Petroleum (North West Shelf) Pty Ltd	55%
BHP Billiton Petroleum Pty Ltd (Operator)	

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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 Mr Denis Bouclin B.A.Sc (Hons), M.A.Sc (Engineering), P.Eng., who has more than 25 years relevant experience in the petroleum industry. Mr Bouclin is engaged by the Company as a contractor, and is not a full-time employee of the Company.