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

TAP ENTERS AGREEMENT TO PURSUE UNCONVENTIONAL RESOURCES IN THE ONSHORE CARNARVON BASIN

Highlights

- **Early stage new ventures opportunity for both conventional and shale oil and gas**
- **Large acreage position**
- **Close proximity to a delivery point into a very strong gas market**

Tap Oil Limited (**Tap**) is pleased to announce that it has entered into a binding agreement with Rusa Resources Pty Ltd (**Rusa**) to participate in the exploration of a significant acreage position in the onshore Carnarvon Basin, Western Australia.

Rusa holds full equity ownership in two special prospecting authority (**SPA**) applications (STP-SPA-018 and STP-SPA-021) with acreage options. The acreage options allow for the potential to convert up to 50% of the SPA areas into exploration permits, subject to usual government and other approvals. Tap will earn the right to take a 20% interest in the resulting exploration permits on election, with an option to earn an additional 15% in each permit.

These SPAs cover a total combined area of over 38,000 km² (9.47 million acres), and contain a large part of the Palaeozoic Merlinleigh Sub-basin, the entire Byro Sub-basin, plus associated shelfal areas. The exploration focus is primarily on unconventional plays, with the main targets being Permian shale gas and Devonian shale oil. There is also conventional oil and gas potential.

The acreage position is favourably located in close proximity to the Dampier to Bunbury natural gas pipeline which could provide access to either the growing Western Australian domestic gas market or the LNG export market.

The forward program will see Rusa and Tap undertaking exploration work over the SPA areas, including geochemical surveys, with the intention of delineating the preferred acreage for conversion to exploration permits in 2013.

Tap Managing Director Troy Hayden said:

“The agreement with Rusa provides Tap with an early stage exposure to an unconventional play type in Tap’s existing focus area of the Carnarvon Basin.

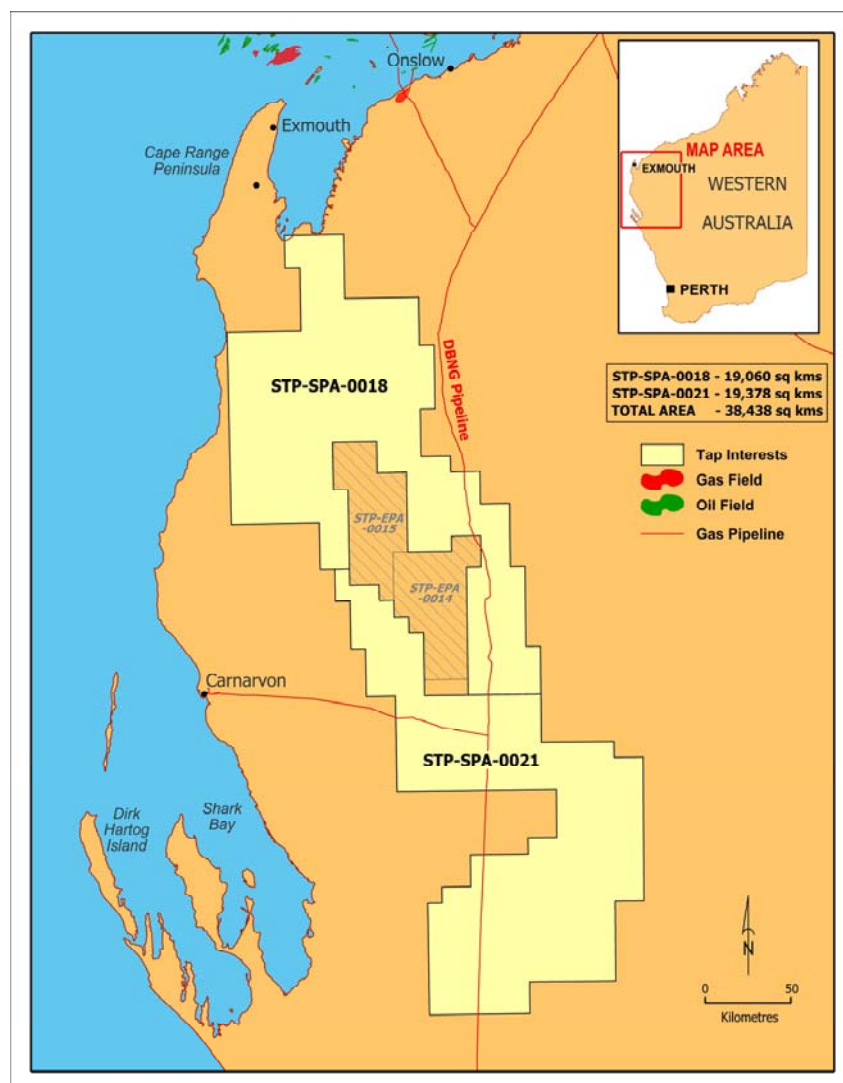
We have been actively working on new ventures and business development for a long time and affordable, commercially and technically attractive opportunities are very hard to come by in the Australia and South East Asian region. We think this is a great opportunity for us.

We see this as a logical extension for us given our experience in the Western Australian gas market and the northern Western Australian oil and gas upstream business in general. Targeting the unconventional plays in this area we know well is a logical direction for us.

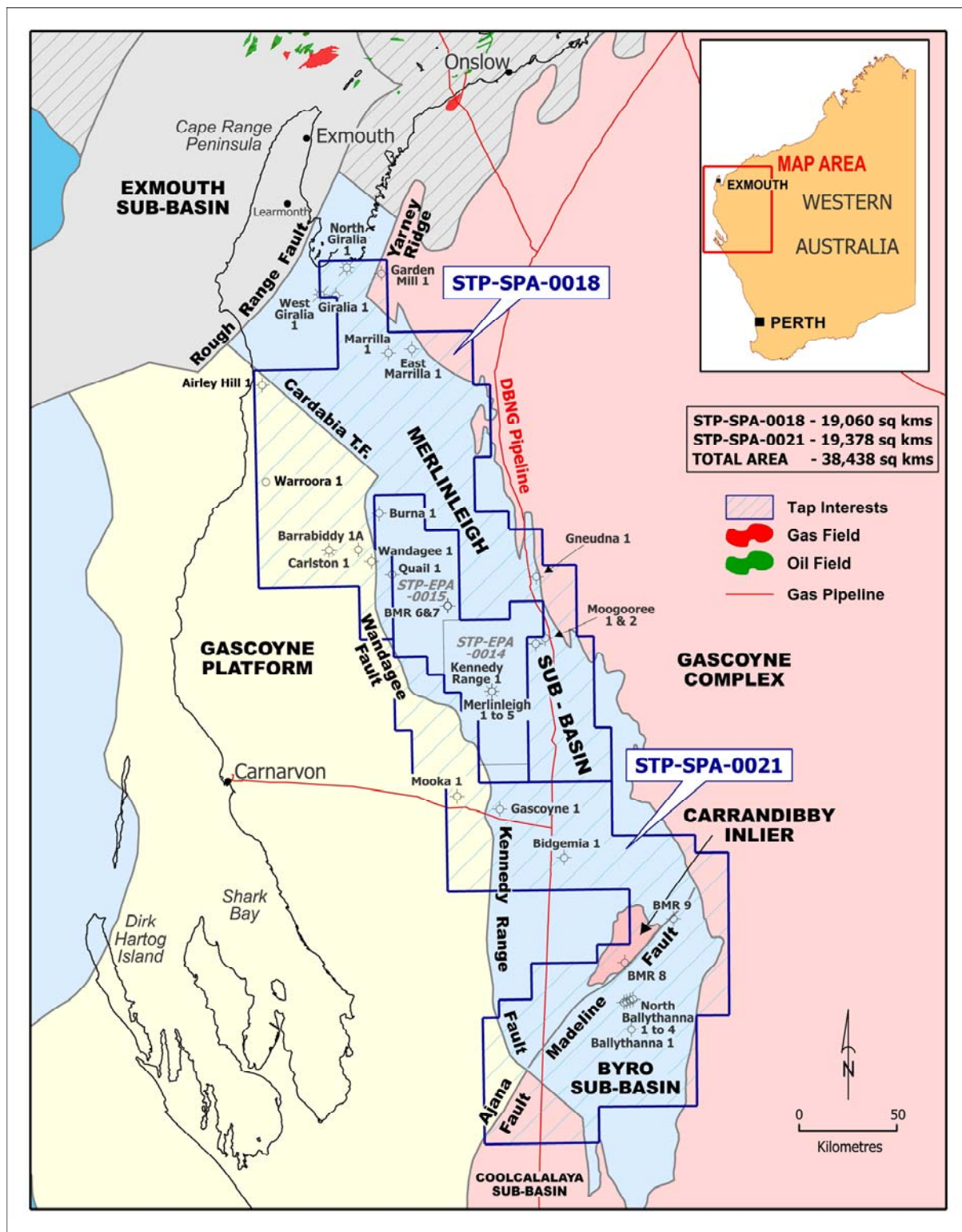
With around \$100 million in cash and no debt, Tap remains well positioned to execute its current Thailand, Ghana and Australian programs.”

Background

Rusa Resources Pty Ltd is a private Australian company whose principals have previously undertaken successful onshore and offshore Australian focused exploration, resulting in the recognition and discovery of commercial oil fields and unconventional gas resources.



Tap's Onshore Western Australian Interests



Carnarvon Onshore Basin Map

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

Enquiries

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