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30 January 2004

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

## DECEMBER 2003 QUARTERLY REPORT AND SLIDE PRESENTATION

In accordance with Listing Rule 5.1, Tap Oil Limited releases the December 2003 Quarterly Report.

Also attached is a slide presentation addressing the major events of the quarter.

Copies of these documents are available at the ASX and can be viewed on the Company's website [www.tapoil.com.au](http://www.tapoil.com.au) under the heading "ASX Announcements".

The Quarterly Report and presentation will be discussed in a National telephone conference call on **Friday, 30 January 2004 at 9.00 am (Perth time)/12.00 pm (AEST)**. A Question and Answer Session will be provided at the conclusion of the briefing.

Those interested are invited to participate in this Investor Briefing. **The Australian Toll Free dial-in number is 1800 555 616.** You will be requested by the operator to advise your name and company name.

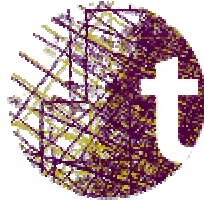
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# TAP OIL LIMITED

(ABN 89 068 572 341)



## Quarterly Report

*for the Quarter ended 31 December 2003*

### HIGHLIGHTS

- Record net quarterly revenues - \$31.8M
- Record net quarterly oil production – 671k bbls
- Oil price averaged A\$44/bbl for the Quarter
- Linda Gas/Condensate development on schedule and budget
- Net cash at bank of \$34M (up from \$5M at 30 June 2003)

## PRODUCTION & REVENUE

Production and revenue from Tap's 12.22% interest in the HJV and 15% interest in the Woollybutt Joint Venture have been as follows:

<b>PRODUCTION</b>	<b>Jun '03 Qtr</b>	<b>Sep '03 Qtr</b>	<b>Dec '03 Qtr</b>	<b>% Change</b>	<b>6 mths to Dec'03</b>
HJV Liquids (bbls) – net	299,040	250,810	<b>203,401</b>	-19%	454,211
Woollybutt Liquids (bbls) - net	332,707	397,980	<b>467,828</b>	+18%	865,808
<b>Total Liquids Production (bbls) – net</b>	631,747	648,790	<b>671,229</b>	+3%	<b>1,320,019</b>
Total Daily Liquids Production (bopd) – net	6,942	7,052	<b>7,296</b>	+3%	7,174
<b>HJV Sales Gas (TJ) – net</b>	925	866	<b>1,002</b>	+16%	<b>1,868</b>
Total Daily Gas Sales (TJ/D) – net	10	9	11	+16%	10

<b>REVENUE</b>	<b>Jun '03 Qtr</b>	<b>Sep '03 Qtr</b>	<b>Dec '03 Qtr</b>	<b>% Change</b>	<b>6 mths to Dec'03</b>
Liquids – net (\$000)	25,384	28,823	<b>29,465</b>	+2%	58,288
Gas – net (\$000)	1,793	1,713	<b>1,969</b>	+15%	3,682
Tolling – net (\$000)	204	290	<b>367</b>	+27%	657
<b>Total Operating Revenue (\$000)</b>	27,381	30,826	<b>31,801</b>	+3%	<b>62,627</b>

### **Liquids Production & Revenue (Oil, Condensate & NGL)**

Tap's record Quarterly Operating Revenue of \$31.8 million was the result of increased Woollybutt oil production and continued solid oil prices averaging around A\$44/bbl during the Quarter.

#### HJV

- Oil and condensate production volumes decreased from the previous quarter as a result of natural field decline and operational downtime related to infill drilling operations. Total downtime of 21% on production wells occurred during the Quarter.
- HJV production was less than forecast for the Quarter with no contribution from the Gipsy-4 development well due to completion problems as detailed later in this report. Gipsy-4 production is planned to be introduced during the second quarter 2004.
- Successful infill drilling at Simpson (Simpson-6 and South Simpson-2) late in the Quarter and workovers of existing wells has resulted in current average production rates of around 16,900 bopd (Tap share 2,066 bopd). The 6.6 metre oil column intersected at Gudrun-2 will add to HJV production next quarter with initial flow rates of around 2,000 bopd anticipated.

#### Woollybutt

- Field production uptime for the quarter was limited to around 80% of forecast volumes due to one well being shut-in for the month of October because of mechanical problems as previously reported.
- A temporary modification was installed to enable ongoing production from both wells. This modification was successful and resulted in average production returning to previous levels of around 39,000 bopd (Tap share 5,850 bopd).
- A permanent repair to the swivel mechanism will be undertaken by Vanguard, the FPSO contractor in Singapore. As a result the FPSO is planned to leave location on 18 March 2004

with total production downtime estimated at around 30 days inclusive of sail time to Singapore and return to location.

- The repair time has increased from around 15 days to 30 days as a new swivel design has been manufactured (similar to the Bayu-Undan FPSO) which requires additional tie-in pipework.

### **Gas Sales**

- HJV gas deliveries averaged 89 TJ/D during the Quarter, up 16% from the previous quarter due to higher spot sales.
- Increased gas sales for the Quarter were in part due to additional spot sales resulting from a North West Shelf outage during October.

### **Tolling Revenue**

- Tolling revenue rose in line with increased ESJV gas production during the Quarter.

## **DEVELOPMENT PROJECTS UPDATE**

### **Linda Gas/Condensate Field Development (Tap 12.22%, Apache Operator)**

- Development of the Linda Gas/Condensate Field is progressing on schedule and budget, with platform installation due by the first quarter. Development well drilling and production start-up is anticipated to be finalised by the second quarter of 2004.

### **Varanus Island Gas Expansion Project (“VGEP”) (Tap 12.22%, Apache Operator)**

- The VGEP will expand the capacity of the HJV gas plant and compression to around 220 TJ/D (currently 100 TJ/D). The total project is scheduled for completion in 2005 at a cost of \$70 million (Tap share \$8.5 million).
- The first phase of the project, which includes purchase and installation of a new 120 TJ/D compressor, is due for completion by mid 2004.
- The second phase of the project which comprises the engineering, procurement, installation and commissioning of an additional gas train with a nominal 120 TJ/D capacity, has commenced and fabrication is likely to be completed toward the end of 2004 with commissioning in early 2005.

### **Kahili Gas/Condensate Development (Tap 30%, Austral-Pacific Operator)**

- Subsequent to the Quarter end, the Kahili JV executed an agreement with NGC for the sale of all gas from the Kahili Gas/Condensate field.
- Under the terms of the agreement, NGC will construct, own and operate the pipelines and separation plant and transport produced gas for processing at the Kapuni gas treatment plant. The Kahili JV will be responsible for the sale and transport of condensate from the separation plant.
- The Kahili field has reserves estimated to be around 5 PJ of gas and 150,000 bbls of condensate. Development will initially comprise production via a single well at anticipated rates around 5TJ/D likely to commence in the second half of 2004.

## EXPLORATION & APPRAISAL ACTIVITY

### CARNARVON BASIN, WESTERN AUSTRALIA

#### Wells drilled during the Quarter

Well	Permit	Status	Tap Share
Twickenham-1	HJV	Unsuccessful	12.22%
Gipsy-4	HJV	Development well still to be completed – 19.4m oil column	12.22%
South Simpson-2	HJV	Successful development well – 6.5m oil column	12.22%
Simpson-8	HJV	Unsuccessful	12.22%
Tanami-7	HJV	Unsuccessful	12.22%
Simpson-6	HJV	Successful – 14m oil column	12.22%

- **Twickenham-1**

The Twickenham-1 exploration well was drilled to investigate a depositional mound within the Double Island Sandstone channel complex. The well failed to discover a hydrocarbon column and was plugged and abandoned.

- **Gipsy-4**

In August 2003 the Gipsy-3 exploration/appraisal well intersected 13 metres of net oil pay within the North Rankin Formation sandstones and 6.4 metres of net oil pay in the underlying Mungaroo “B” sandstones. During the Quarter, the Gipsy-4 development well was drilled as a sidetrack from the North Gipsy-2H well bore for immediate development of these additional reserves. The well has been completed to firstly produce oil from the deeper oil reservoir and then from the shallower oil pool. The first phase of development has now been completed, however the well has failed to flow oil from this deeper reservoir. The reasons for this have yet to be determined but it will now be necessary to re-enter this well to undertake a workover of the completion design. Since this is a sub-sea well head it will be necessary to mobilise a drilling rig for the well intervention, which is anticipated to be during the second quarter this year.

- **South Simpson-2**

The South Simpson-2 well was drilled to evaluate a separate culmination to the southeast of the Simpson Oil Field. The well successfully intersected a 6.5 metre oil column within the Flag Sandstone reservoir objective and was brought on to production in December 2003.

- **Simpson-8, Tanami-7 & Simpson-6**

The Simpson-8, Tanami-7 and Simpson-6 wells were all sidetracked out of the one well path from the Simpson-Bravo Platform to evaluate additional reserves in the Simpson/Tanami group of oil fields. This programme resulted in the intersection of a 14 metre oil column in Simpson-6, which was brought on to immediate production in December 2003. Simpson-8 and Tanami-7 failed to intersect producible hydrocarbons.

As a result of infill well drilling at Simpson a downgrade in reserves for this field is expected at 31 December 2003.

Indicative forward drilling programme

Well	Permit	Status	Tap Share	Estimated Target & Mean Size – Pre Drill (gross)
Gudrun-2	HJV	Development	12.22%	Small oil accumulation
Blackthorn-1	TP/7 (3)	Exploration	12.47%	Appraising additional oil at Taunton
Taunton-4	TP/7 (3)	Appraisal	12.47%	Appraising additional oil
Linda-3	TL/1	Development	12.22%	Gas/Condensate Development
Kultarr-1	WA-334-P	Exploration	20.00%	Oil target near Wonnich
Vesta-1	WA-261-P	Exploration	10.00%	Oil – 12 mmbbls
Rugborne-1	EP-363	Exploration	13.61%	Oil – 48 mmbbls
Cycad-2	HJV	Exploration	12.22%	Oil – 3 mmbbls
Cyrano-2	EP-364	Appraisal	90.00%	Appraising additional oil
Amulet-1	WA-8-L	Exploration	20.00%	Oil – 15 mmbbls
Jabberwocky-1	TP/18, EP-420	Exploration	50.00%	Oil – 20 mmbbls
Scalybutt-1	WA-22-L	Appraisal	15.00%	Appraising additional oil
Sheila-1	WA-291-P	Exploration	50.00% *	Oil – 102 mmbbls

*NB: New Zealand drilling programme detailed later in this report.*

\* Tap increased its interest in WA-291-P during the Quarter to 50%.

*Tap's indicative Carnarvon Basin forward drilling programme is detailed in the above table. Timing is subject to rig availability, joint venture and regulatory approvals. Other prospects are also currently being considered for drilling in the near term. Please refer to Tap's website ([www.tapoil.com.au](http://www.tapoil.com.au)) for the latest information on the forward drilling programme.*

Wells anticipated during first quarter 2004

• **Gudrun-2**

The Gudrun Oil Field is located approximately 3 km south of the Harriet Alpha Platform. The Gudrun-2 well was successful in intersecting a 6.6 metre oil column and will immediately be brought in to production.

• **Taunton-4 and Blackthorn-1**

These wells will investigate separate possible extensions of the Taunton Oil Field to the southeast and south and will enable definitive reserves to be calculated for the field. A success at either or both wells would upgrade the reserve estimates for Taunton and fast track the development and tie-in of the oil field possibly to the Airlie Island production facilities.

• **Linda -3**

In conjunction with the installation of the Linda platform with a jackup rig, a development well will be drilled into the Linda structure. The first development well for this field will be a deviated well (or short horizontal intersection) into the crest of the central area of the Linda field. The producing interval will be designed to maximise productivity and reduce overall drawdown near the well. Additional wells, if necessary, will be positioned to maximise recovery based on well results and field performance.

- **Kultarr-1**

Kultarr-1 will be located 10 km to the west of the Wonnich Gas Field. The prospect is considered likely to be an oil play based on the absence of a seismic amplitude anomaly over the crest of the structure. If successful, Kultarr could be developed by laying a short pipeline to the Wonnich Gas Field where an existing oil line ties into the Varanus production facilities.

- **Scalybutt-1**

The Scalybutt-1 well, located 1.6 kms west of the Woollybutt-2A production well, will evaluate the western flank of the northern culmination of the Woollybutt Oil Field where near surface seismic velocities distort the underlying depth mapping. This well will provide information that will allow the variation in seismic velocities to the west to be better defined, and hence the determination of possible upside to the current estimated reserves of 25 mmbbls.

This velocity variation has also been identified on the western flank of the southern culmination of the Woollybutt Oil Field and which is currently not being drained. A good result at Scalybutt-1 may also encourage the drilling of an additional well on this southern culmination to identify possible upside here as well.

## **TARANAKI AND CANTERBURY BASINS, NEW ZEALAND**

During the Quarter, Tap entered a conditional agreement to acquire a 33.33% interest in PEP 38745 located within the onshore Taranaki Basin. This new permit complements Tap's existing acreage in the region bringing to seven the number of permits in which Tap now holds an interest within the onshore Taranaki Basin. These permits are contiguous enabling more cost effective exploration of the area. Tap is now operator of two permits within the Taranaki Basin onshore and one permit offshore within the Canterbury Basin. Tap has also applied for three more permits within the onshore Taranaki Basin, as part of the current Government bidding round.

Tap now has a significant acreage position within the onshore Taranaki Basin with seven permits covering 458 km<sup>2</sup> and one permit in the offshore Canterbury Basin covering 6,648 km<sup>2</sup>. Several prospects have been identified for drilling later in 2004 including up to four Tap operated wells.

### Wells drilled during the Quarter

<b>Well</b>	<b>Permit</b>	<b>Status</b>	<b>Tap Share</b>
Bluff-1	PEP 38746	Unsuccessful	25.00%

- **Bluff-1**

Bluff-1 which was located to the east of the recently acquired Kaimata 3D seismic survey was a permit obligation well and was considered high risk by Tap. After being drilled to total depth, no commercially significant hydrocarbons were encountered.

Indicative forward drilling programme

Well	Permit	Status	Tap Share	Estimated Target & Mean Size Pre Drill (gross)
Mt Messenger	Various	Exploration	25-50%	Up to 5 wells
Galleon South-1	PEP 38259	Exploration	50.00%	Gas 1 tcf & Condensate 200 mmbbls

• **Mt Messenger Drilling Programme**

Interpretation of the Kaimata 3D seismic survey is nearing completion. Several prospects have been identified and a shortlist will be chosen for drilling mid this year. It is anticipated that up to five prospects will be included in the drilling schedule once final mapping is completed.

• **Galleon South-1**

Plans are also underway for the drilling of one well during the second half of this year in PEP 38259, offshore Canterbury Basin. Two very large prospects have been identified at Galleon South and Barque. Seismic is currently being reprocessed over these prospects and confirmation as to which will be chosen for drilling by the joint venture will be made shortly.

**CAPITAL & PRODUCTION EXPENDITURE**

	Tap Oil Share			
	Jun '03 Qtr \$000	Sep '03 Qtr \$000	Dec '03 Qtr \$000	6 mths to Dec'03
Exploration & Appraisal	3,639	4,897	5,845	10,742
Development, Plant & Equipment	2,838	1,530	6,984	8,514
<b>Total Capital Expenditure</b>	<b>6,477</b>	<b>6,427</b>	<b>12,829</b>	<b>19,256</b>
Production Operating Costs *	2,814	3,756	3,270	7,026
Production Royalties	1,299	1,180	900	2,080
<b>Total Production Expenditure</b>	<b>4,113</b>	<b>4,936</b>	<b>4,170</b>	<b>9,106</b>

\* excludes amortisation/depreciation and abandonment charges

- In addition to amounts relating to this Quarter's drilling and G,G&A activities, the Quarterly exploration and appraisal expenditure of around \$5.8 million includes final drilling costs from last quarter and seismic reprocessing and uplift expenditures
- Development, plant and equipment expenditure of around \$7.0 million for the Quarter related to ongoing Linda Gas/Condensate Field development and VGEP costs.
- Total production operating costs for the Quarter included Woollybutt operating and FPSO lease expenditures of \$2.3 million.
- Royalties decreased this quarter due to lower HJV production levels. As noted in previous quarters, no PRRT for Woollybutt will be expensed until 2H 2004 (calendar year).



## **FINANCIAL & CORPORATE**

### **i) Cash Position**

	<b>Mar '03 \$000</b>	<b>Jun '03 \$000</b>	<b>Sept '03 \$000</b>	<b>Dec '03 \$000</b>
Cash on hand *	4,405	11,029	26,330	33,989
Debt	(9,997)	(6,003)	(5,901)	-
<b>Net Cash/(Debt)</b>	<b>(5,592)</b>	<b>5,026</b>	<b>20,429</b>	<b>33,989</b>

\* Cash on hand excludes Joint Venture held cash

- During the Quarter, Tap repaid its remaining US\$4 million in debt, leaving the Company debt free.
- Notwithstanding forecast development and exploration expenditures, Tap is expected to maintain a further cash build going forward as a result of operating revenues.

### **ii) Hedging**

<b>Current Forward Commodity Hedging</b>	<b>QTR Mar-04</b>	<b>QTR Jun-04</b>	<b>QTR Sep-04</b>	<b>QTR Dec-04</b>	<b>TOTAL / AVERAGE</b>
<i><u>Petroleum Liquids</u></i>					
Average price US\$/bbl	\$26.20	\$25.85	\$28.00	\$29.15	\$27.12
Average rate A\$/US\$	\$0.6449	\$0.6272	\$0.7179	\$0.7433	\$0.6770
Average swap price A\$/bbl	\$40.63	\$41.21	\$39.00	\$39.22	\$40.06
Quantity (bbl)	125,000	70,000	70,000	70,000	335,000

- The above open hedge book covers approximately 15% of forecast net liquids production (subject to field performances) for 2004.

### **iii) Resourcing**

- Tap is pleased to advise the appointment of Gary Jeffery in the position of General Manager. Gary has extensive mining and resources experience and an intimate knowledge of the HJV producing fields and operations.
- In December 2003 Tap opened an office in Wellington, New Zealand, to be managed by Clyde Bennett. Clyde previously worked at the New Zealand Crown Minerals and as such has excellent knowledge and experience of the New Zealand petroleum sector.

### **iv) Reporting Calendar (indicative)**

	<b>Expected Timing:</b>
31 December 2003 Preliminary Final Results (6 month)	27 February 2004
Annual General Meeting	23 April 2004
March 2004 Quarterly Report	30 April 2004

- As previously announced, Tap has changed its financial year end date from 30 June to 31 December. The 6 months to 31 December 2003 will be reported as audited financial year end results with comparatives for the 12 months to 30 June 2003. The Appendix 4E for the same period will include comparatives for the 6 months to 31 December 2002. For further guidance an attachment scheduling profit results for the 2002 and 2003 calendar years will be included.

### **y) Investor Relations**

Information contained on Tap's website is regularly updated and includes recent ASX announcements and analyst briefings. We encourage all interested stakeholders to visit [www.tapoil.com.au](http://www.tapoil.com.au) or for further information please contact the Managing Director, Mr Paul Underwood, on:

Phone: +61 8 9485 1000  
E-mail: [info@tapoil.com.au](mailto:info@tapoil.com.au)

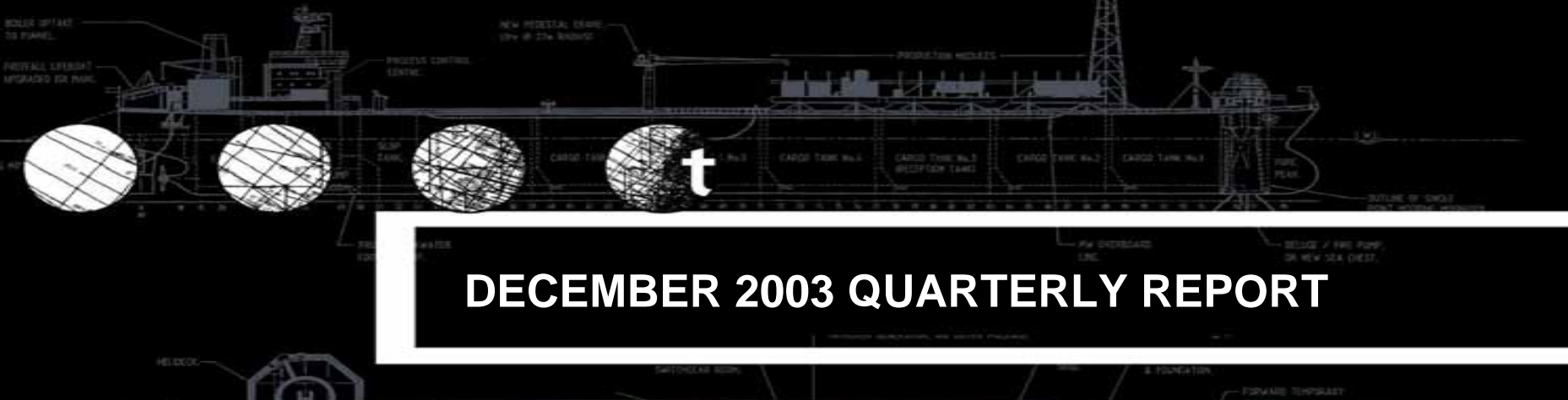
*This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by the nature of the business and no assurance can be given by Tap that its expectations, estimates and forecast outcomes will be achieved.*

### **DEFINITIONS**

"bbls"	means barrels
"bcf"	means billion cubic feet
"bopd"	means barrels of oil (and condensate/NGL) per day
"BOE"	means barrels of oil equivalent
"FPSO"	means floating production storage and offloading system
"Gearing Ratio"	means Net Debt divided by (Net Debt + Equity)
"HJV"	means Harriet Joint Venture
"JV"	means Joint Venture
"MMD"	means metres measured depth
"mmbbls"	means one million barrels
"mmboe"	means one million barrels of oil equivalent
"mmscf"	means million cubic feet
"MWD"	means measurement while drilling
"NGL"	means natural gas liquids
"PJs"	means petajoules
"PRRT"	means Petroleum Resource Rent Tax
"Quarter"	means the period 1 September 2003 to 31 December 2003
"Tap"	means Tap Oil Limited (ABN 89 068 572 341)
"tcf"	means trillion cubic feet
"TJ/D"	means terajoules per day
"TD"	means total depth
"VGEP"	means Varanus Island Gas Expansion Project
"2D"	means two dimensional
"3D"	means three dimensional

TAP OIL LIMITED

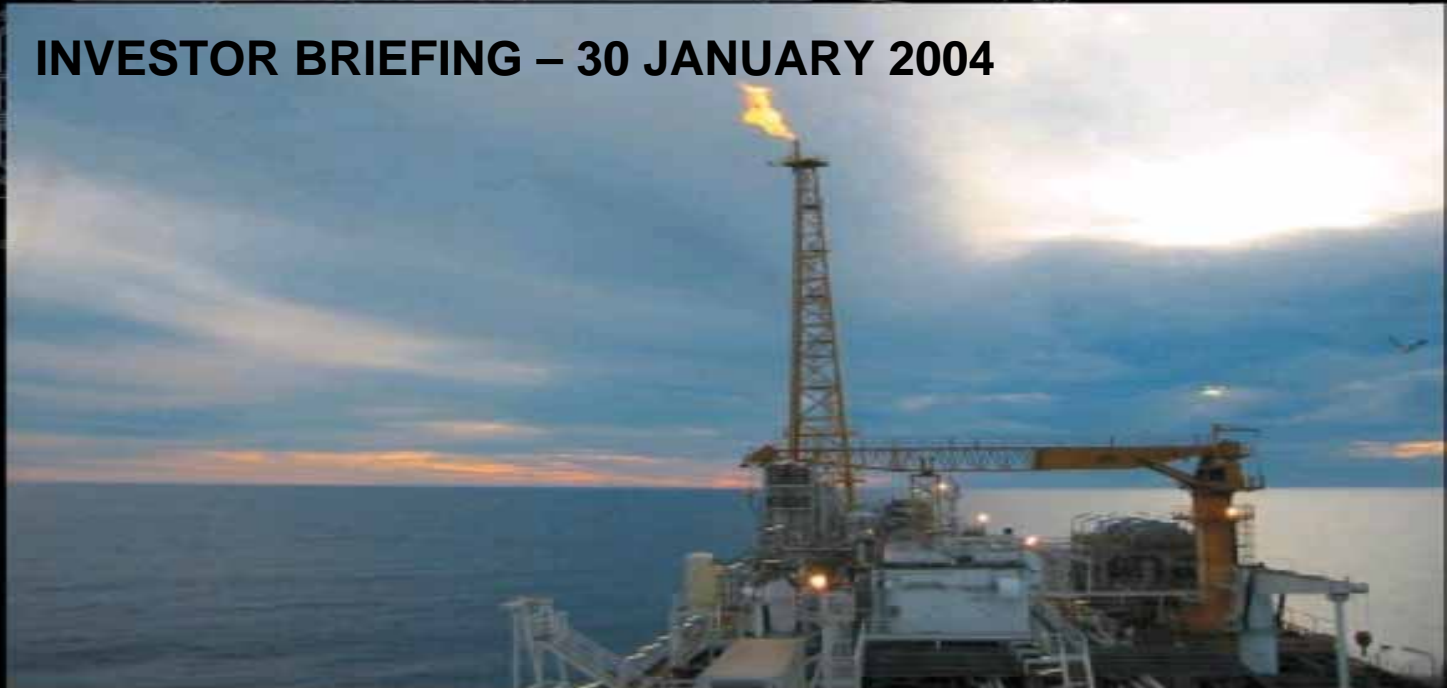
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# DECEMBER 2003 QUARTERLY REPORT

## INVESTOR BRIEFING – 30 JANUARY 2004

[www.tapoil.com.au](http://www.tapoil.com.au)



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## **QUARTERLY HIGHLIGHTS – DEC 2003 QTR**

- **RECORD NET QUARTERLY REVENUES - A\$31.8M**
- **RECORD NET QUARTERLY OIL PRODUCTION – 671K BBLs**
- **OIL PRICE AVERAGED A\$44/BBL FOR THE QUARTER**
  - **19% WAS HEDGED, 81% OF SALES WERE AT SPOT (Tapis marker)**
- **LINDA GAS CONDENSATE DEVELOPMENT ON SCHEDULE AND ON BUDGET**
- **ON TRACK FOR A SOLID YEAR END PROFIT**
  - **31 DECEMBER 03 IS NOW YEAR END DATE**
  - **REVENUES FOR YEAR ENDING 31 DEC 2003 (6 MONTHS) = \$62.6M**
- **NET CASH AT BANK OF \$34 MILLION (UP FROM \$5M AT 30 JUNE 2003)**

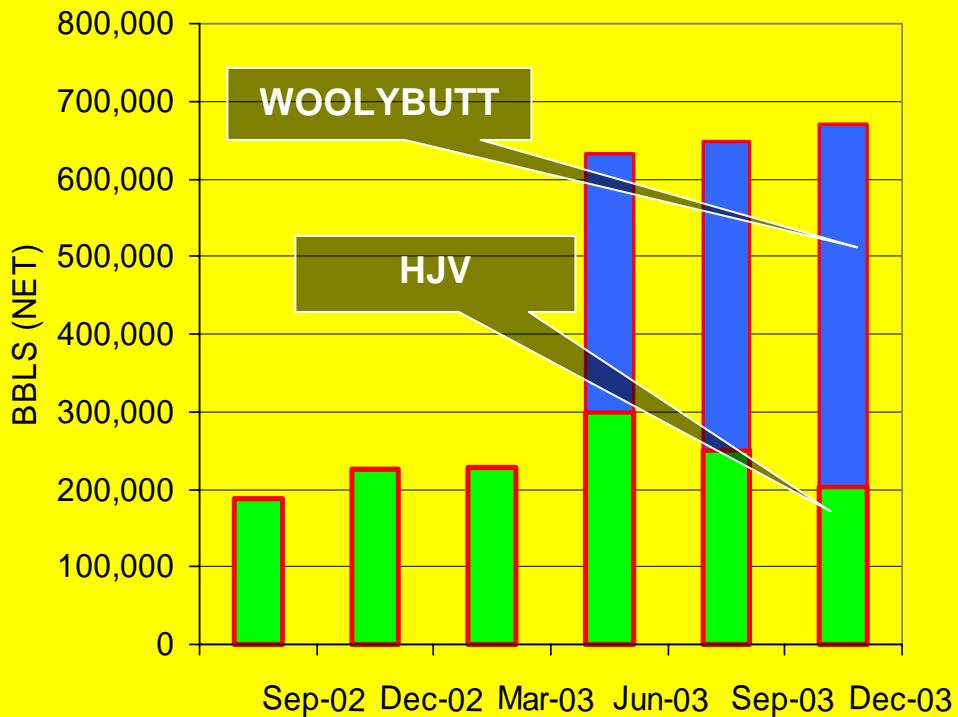
# OIL AND GAS PRODUCTION – DEC 2003 QTR

## RECORD QTR FOR LIQUIDS PRODUCTION

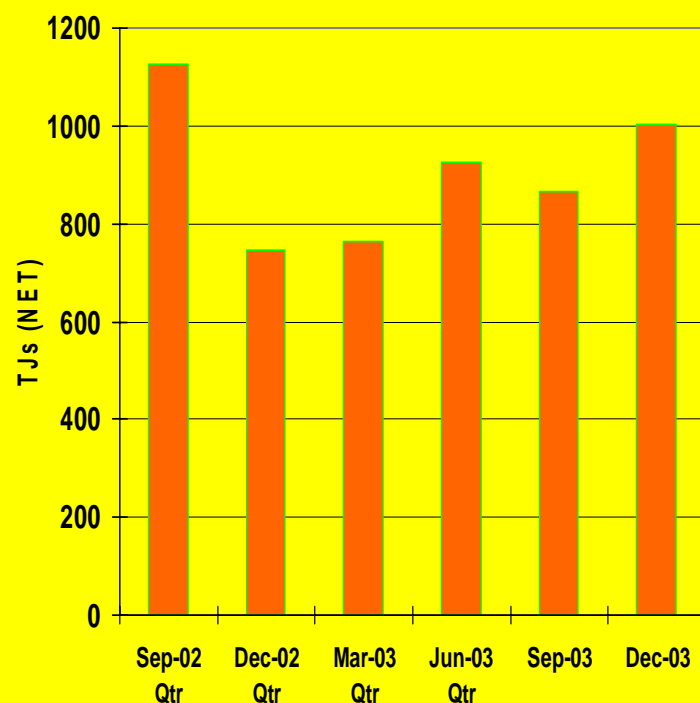
- WOOLLYBUTT AVERAGED 34,000 BPD,
- HJV AVERAGED 18,000 BPD
- STILL GOING WELL - MORE WELLS TO TIE IN

## STRONGEST GAS SALES FOR 5 QTRS

- HIGHER SPOT SALES (NWS OUTAGE)
- BURRUP FERT. ON TRACK FOR 2005

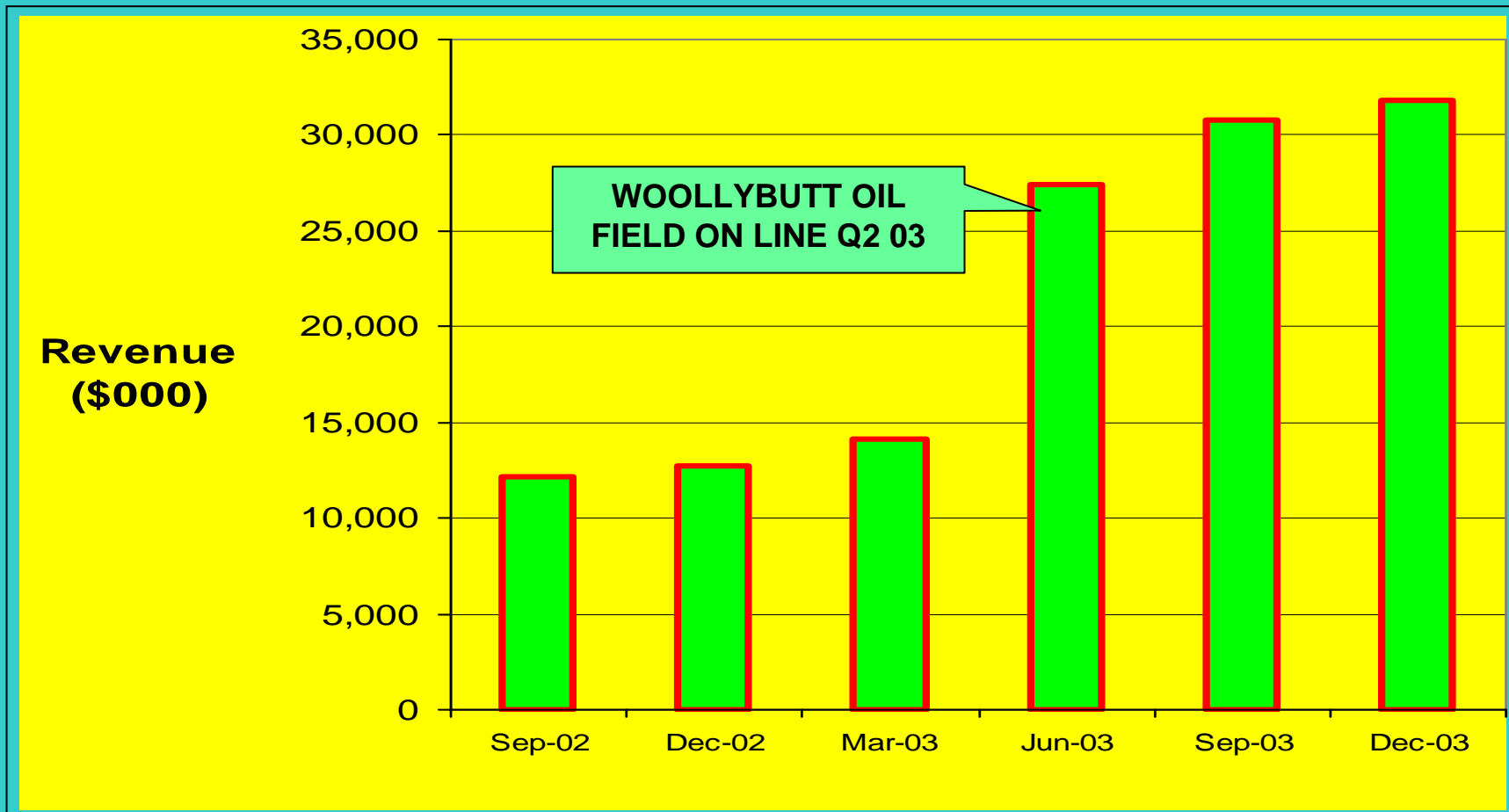


LIQUIDS



GAS

## OPERATING REVENUES – DEC 2003 QTR



OPERATING REVENUES HAVE RISEN OVER CONSECUTIVE QTRS

## PRODUCTION ANALYSIS

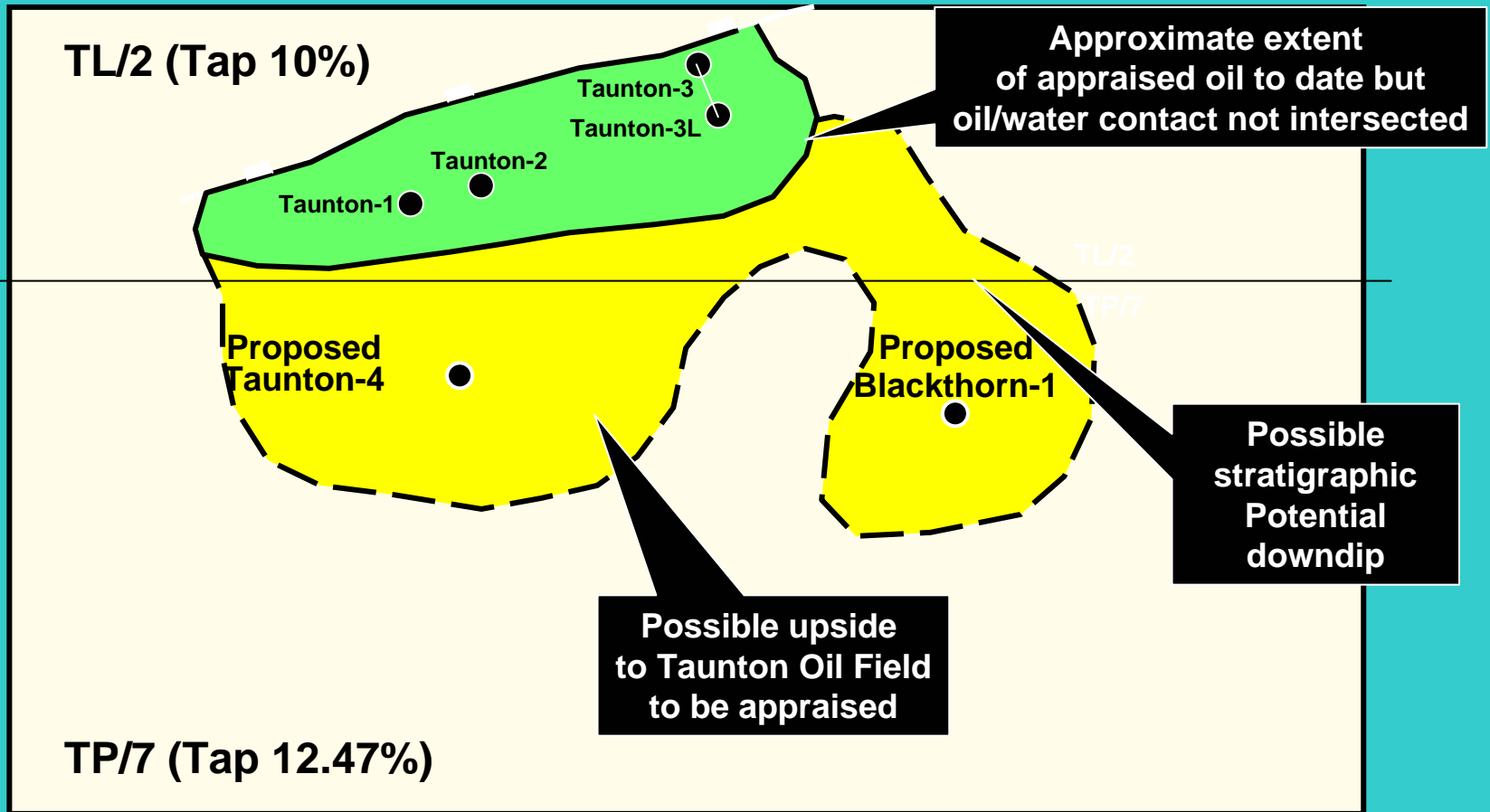
### HARRIET AREA

- **HJV Averaged 18,000 BPD (gross)**
  - Gipsy-4 was expected to be on line in December
  - Flow unable to be initiated = 3-4,000 bpd deferred until well is worked over, Q2, 2004
- **Simpson Infill Well Programme**
  - New production from Simpson-6 and South Simpson-2
  - Simpson-8 and Tanami-7 were unsuccessful
  - Simpson reserve downgrade of around 0.75 mmbbls net to Tap is likely
- **Linda gas/condo field planned for April 04 = higher liquids yield**
- **Gudrun-2 announced yesterday as successful – immediate new production**

### WOOLLYBUTT AVERAGED 34,000 BPD (gross)

- Swivel problems constrained rates through October 2003
- Cyclone in December caused slight down-time
- Heavy weather during one lifting caused slight down-time
- Swivel replacement will occur in mid March – 30 days down-time

# TAUNTON OIL FIELD SCHEMATIC

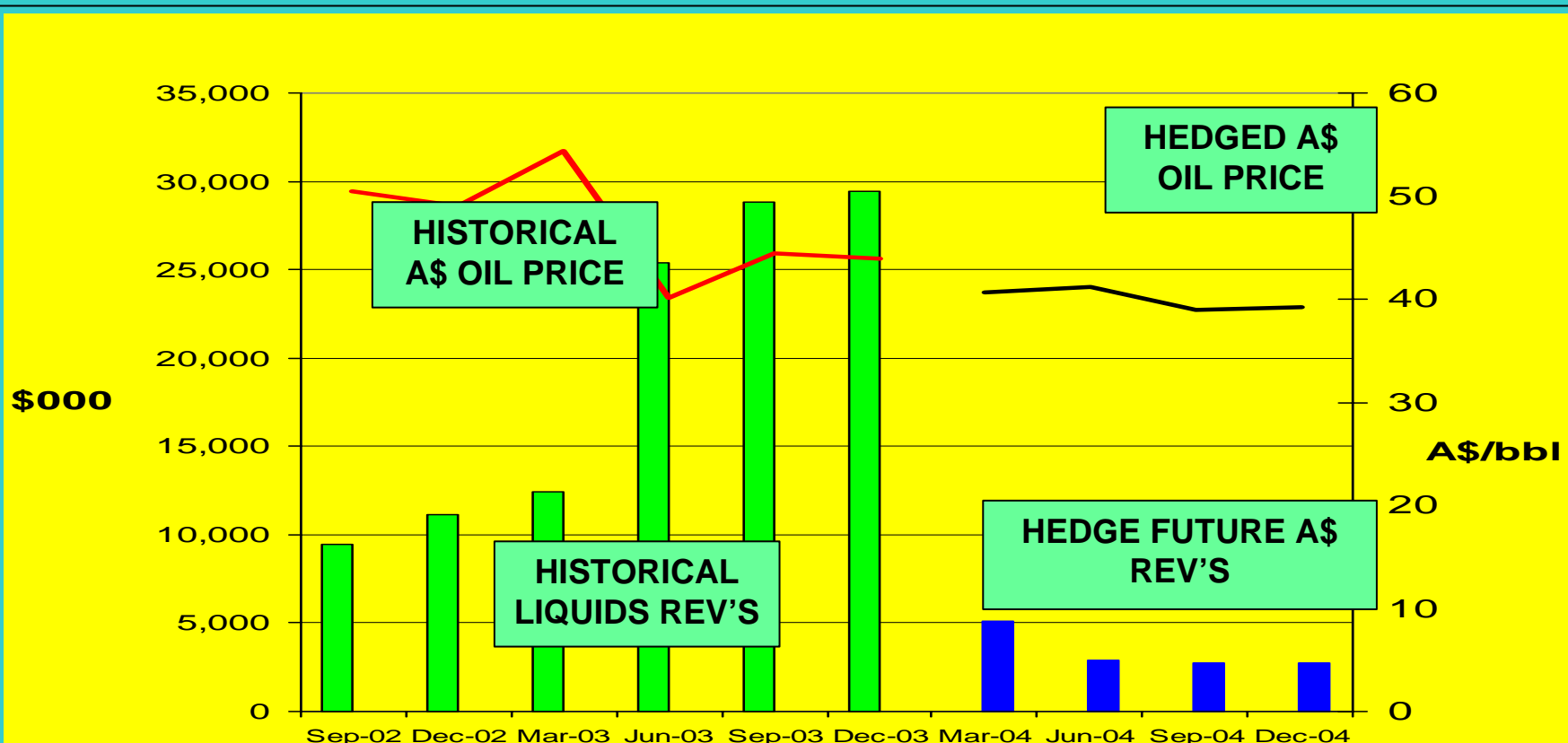


Two step-out wells to be drilled in Feb 2004



# OIL PRICE & OPEN HEDGE BOOK

- TAP REALISED ON AVERAGE A\$44/BBL FOR DEC-03 QTR AND DEC 03 YEAR END
- A\$ & OIL PRICE HEDGE BOOK RESULTED IN NET GAIN OF APPROX \$400K FOR YEAR END
- UNREALSIED FOREX LOSSES ON UNHEDGED US\$ DEPOSITS = APPROX \$3M FOR YEAR END
- APPROX A\$13M IN FUTURE LIQUIDS REVENUES HEDGED OVER NEXT 12 MONTHS @ A\$40+/BBL



## OTHER NEAR TERM PRODUCTION OPPORTUNITIES

- **TAUNTON**
  - Tap considers Taunton commercial at present
  - Taunton-4 & Blackthorn-1 will be drilled in Feb 04
  - Success in either is likely to add to reserves estimates
  - Fast track development via Airlie island is a likely outcome
- **KAHILI**
  - This gas/condo field should be on stream by mid year
- **BAMBRA**
  - Bambra oil / gas development in planning for 2H04
- **WOOLLYBUTT**
  - Scalybutt-1 could add reserves and extend field life
- **CYRANO**
  - Cyrano-2 to be drilled mid-year
  - Success would result in fast track development (via Airlie?)

## **GAS BUSINESS ANALYSIS**

- **BEST QUARTER GAS SALES FOR LAST FIVE QUARTERS**
- **BURRUP FERTILISERS CONTRACT TO START IN Q2 2005**
  - **SITE PREPARATION COMPLETE – ON SCHEDULE**
  - **CONSTRUCTION OF AMONIA TANKS HAS COMMENCED**
  - **OVER 700 PJ's TO BE DELIVERED BY HJV OVER 25 YEAR CONTRACT**
- **HJV GAS PLANT UPGRADES ARE ON SCHEDULE, ON BUDGET**
  - **CAPEX A\$70M GROSS, A\$8.4M NET TO TAP, A\$0.9M SPENT BY TAP TO DATE**
  - **PHASE 1 (COMPRESSION) COMPLETION DATE EST MID 2004**
  - **PHASE 2 (3<sup>RD</sup> GAS TRAIN) COMPLETION DATE Q2 2005**
  - **TOTAL RESULTANT CAPACITY ON COMPLETION = 220 TJ/DAY**
- **LINDA GAS / CONDENSATE FIELD DEVELOPMENT ON SCHEDULE, ON BUDGET**
  - **CAPEX A\$50M GROSS, A\$6M NET TO TAP, A\$3.2M SPENT BY TAP TO DATE**
  - **PLATFORM TO BE INSTALLED NEXT MONTH**
  - **LINDA HAS A HIGH LIQUIDS YIELD - HJV CONTRACTS LOAD CAN BE APPLIED TO ACCELERATE LIQUIDS PRODUCTION**
  - **FIRST GAS/CONDENSATE ESTIMATED FOR APRIL 2004**

## **WOOLLYBUTT FPSO MAINTENANCE UPDATE**

- **FPSO WILL BE DISCONNECTED FROM PRODUCTION ON 18 MARCH 2004 AND SAIL TO SINGAPORE FOR DRY DOCK SWIVEL REPLACEMENT**
  - **PLANNED RETURN TO PRODUCTION ON 18 APRIL (28-30 DAYS DOWNTIME)**
- **NEW SWIVEL DESIGN IS SIMILAR TO THE BAYU-UNDAN FPSO**
- **PROD’N UNTIL 18 MARCH IS EXPECTED TO AVERAGE AROUND 34,000 BPD**
  - **PRESENT PRODUCTION IS AROUND 35,000 BPD**
- **PRODUCTION ON RECONNECTION IS EXPECTED TO BE AROUND 34,000 BPD**
  - **FIELD WATER CUT IS CONSISTENT WITH PRE-DEVELOPMENT MODELLING**
- **DEFERRED PRODUCTION IS EXPECTED TO BE AS FOLLOWS;**
  - **Q2 AROUND 70K BBLS NET TO TAP**
  - **Q3 AROUND 80K BBLS NET TO TAP**
  - **THEREAFTER, NORMAL DECLINE RATES WILL APPLY – SUBJECT TO SCALYBUTT-1**

## WOOLLYBUTT - SUMMARY

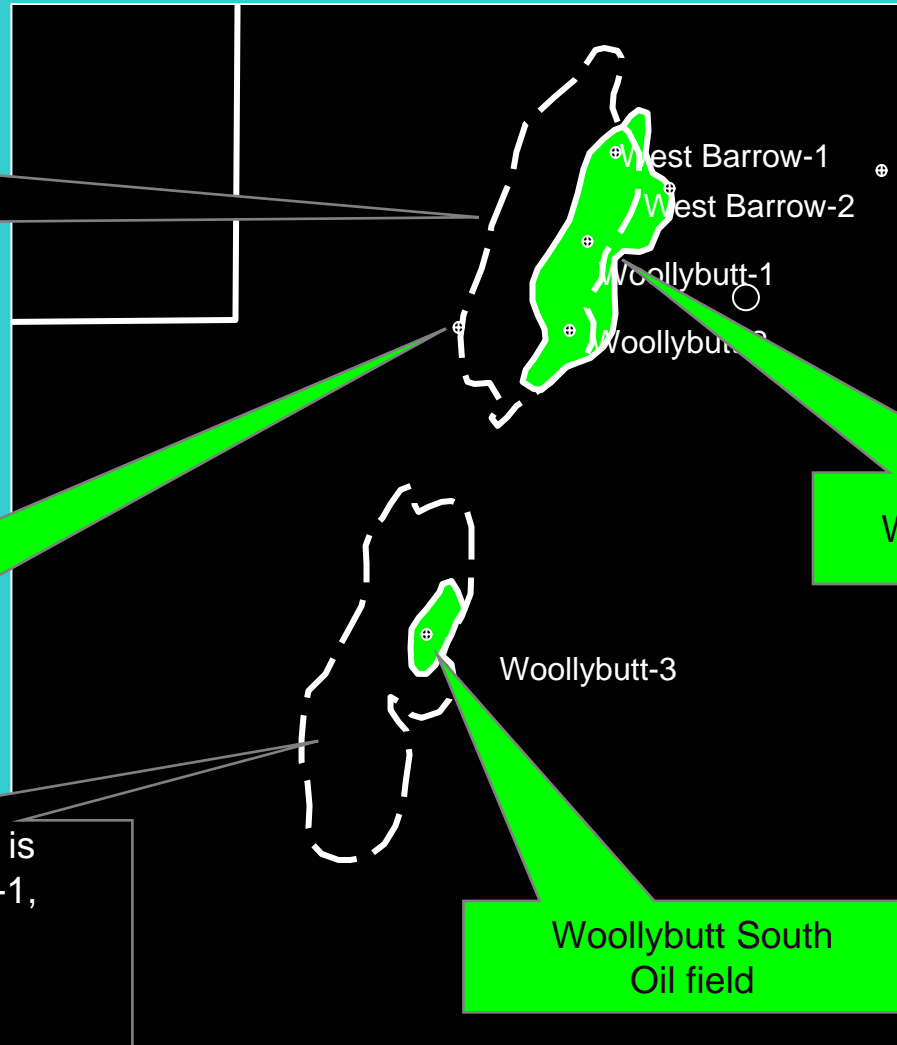
- **TOTAL FIELD PRODUCTION TO 29 JAN 04 APPROX 9 MMBLS**
- **TAP'S ESTIMATE OF REMAINING (2P) RESERVES**
  - **AROUND 16 MMBLS, EXPECTED TO BE PRODUCED OVER NEXT 2.5 YRS**
- **NEW WELL COULD DEMONSTRATE ADDITIONAL RESERVES**
  - **SCALYBUTT-1 STEP OUT WELL SCHEDULED FOR DRILLING JUNE 04**
  - **WILL BE DRILLED AT A LOCATION 1.6 KMS WEST OF WOOLLYBUTT-2**
  - **DESIGNED TO TEST POSSIBLE EXTENSION OF FIELD TO WEST DUE TO INTERPRETED SEISMIC VELOCITY GRADIENT**

# SCALYBUTT-1 STEP-OUT WELL

Scalybutt-1 will test seismic velocity to west

Scalybutt-1  
Drill date est - June 2004  
Located on western edge of interpreted seismic velocity gradient

If seismic velocity gradient is demonstrated at Scalybutt-1, southern lobe may also have a western extension



Corkybark-1

Woollybutt Oil Field

Woollybutt South Oil field

# WOOLLYBUTT (LEASED) FPSO

Swivel assembly  
Comprises 8 swivels  
To enable vessel to  
weather-vane

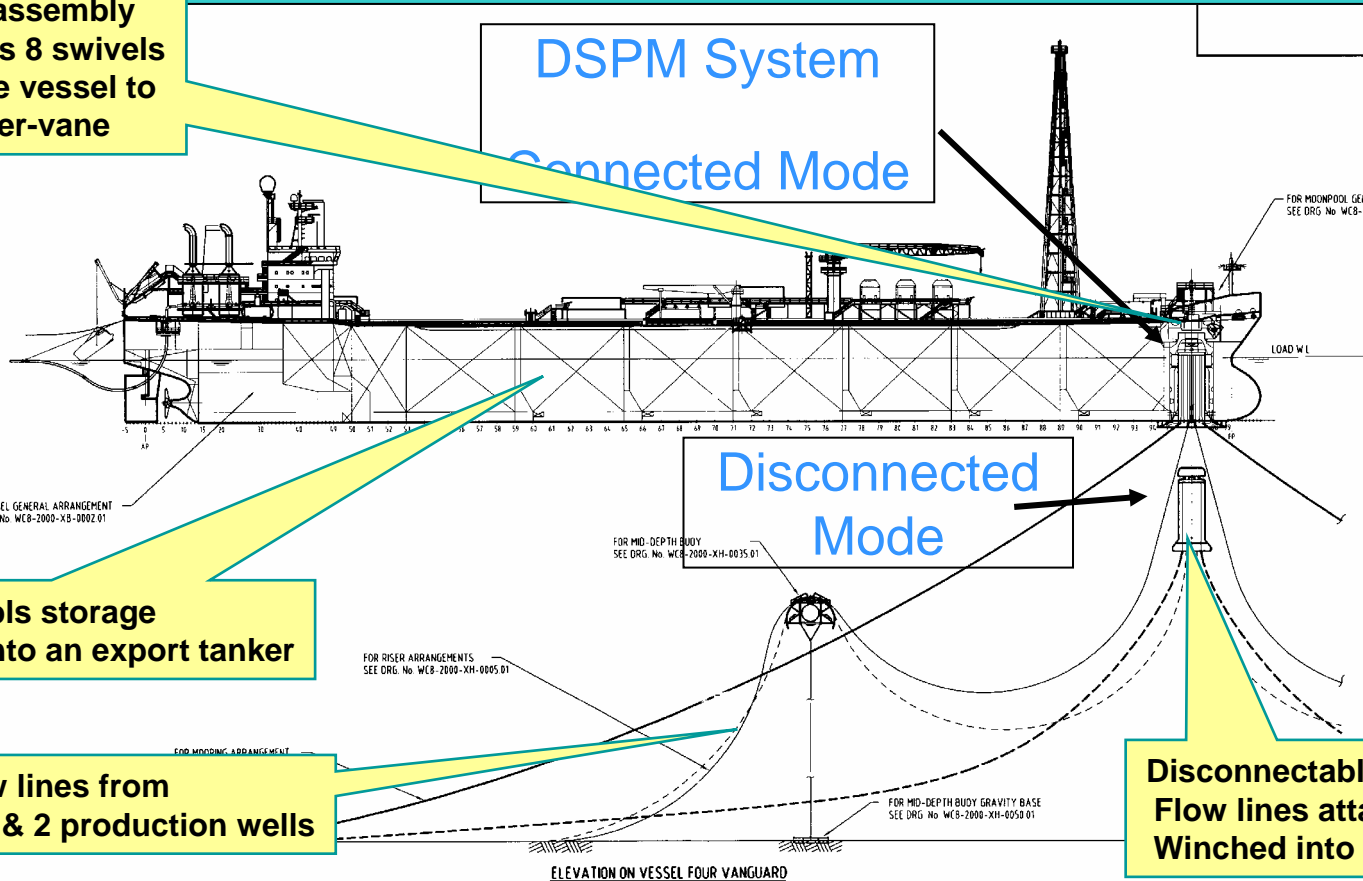
DSPM System  
Connected Mode

Disconnected  
Mode

600,000 bbls storage  
crude is pumped into an export tanker

Flow lines from  
Woollybutt-1 & 2 production wells

Disconnectable buoy  
Flow lines attached-  
Winched into vessel



**WELL PROGRAMME** — INDICATIVE ONLY - NEXT 6 months

WELL NAME	TIMING	PERMIT	TAP %AGE	EST (PRE DRILL) TARGET & SIZE (GROSS)
GUDRUN-2	Completed	HJV	12.22	.5 mmbbls – oil
BLACKTHORN-1	Feb 04	TP/7 (3)	12.47	Additional oil @ Taunton
TAUNTON-4	Feb 04	TP/7 (3)	12.47	Appraising additional oil
LINDA-3	March 04	TL/1	12.22	Gas/Condensate development
KULTARR-1	April 04	WA-334-P	20.00	Oil target near Wonnich
VESTA-1	April 04	WA-261-P	10.00	12 mmbbls – oil
RUGBORNE-1	May 04	EP-363	13.61	48 mmbbls – oil
CYRANO-2	June 04	EP-364	90.00	Appraising additional oil
JABBERWOCKY-1	June 04	TP/18, EP-420	50.00	20 mmbbls – oil
SCALYBUTT-1	June 04	WA-22-L	15.00	Additional oil west of Woollybutt

SUBJECT TO THE USUAL REGULATOR AND JV APPROVALS

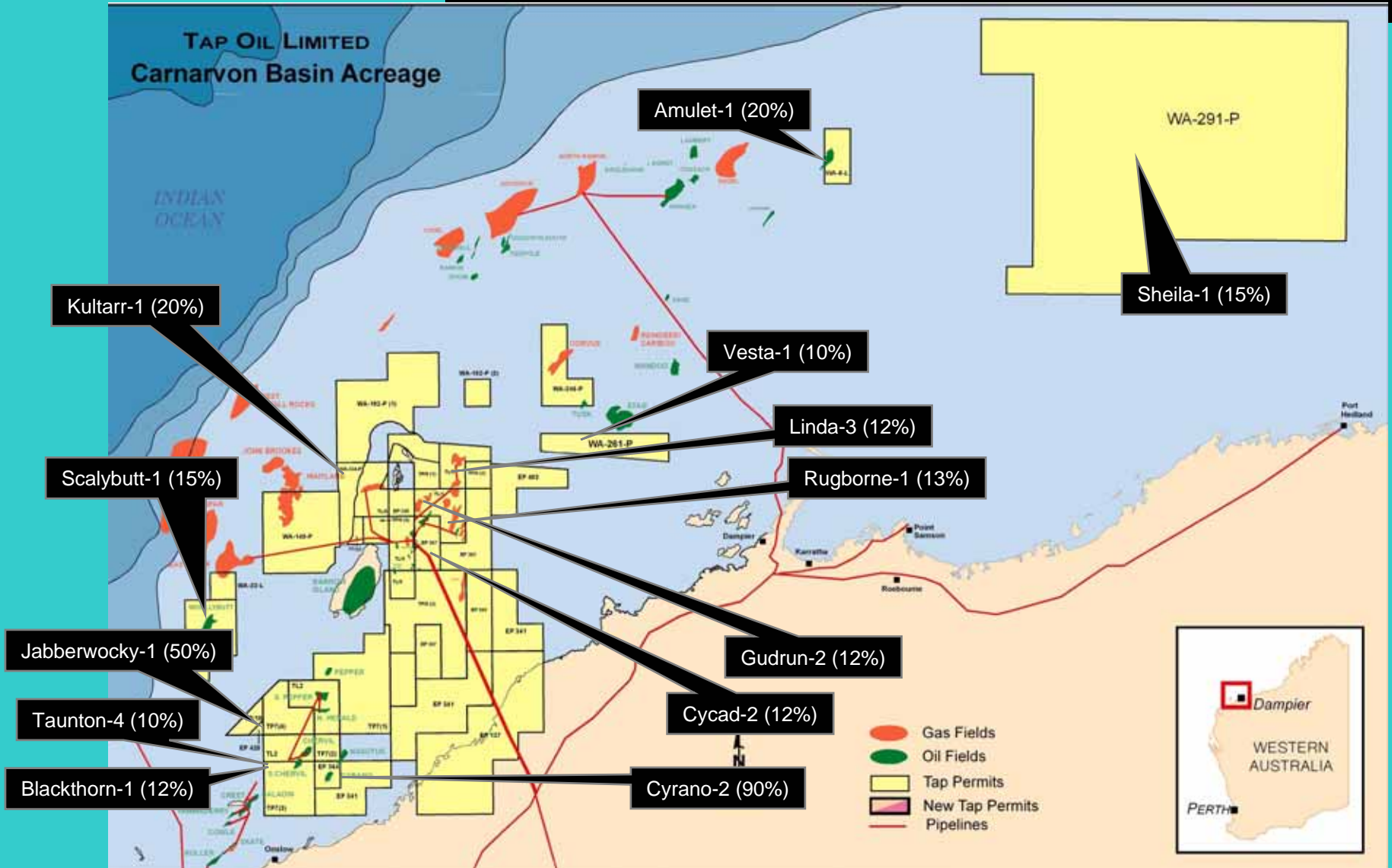


**WELL PROGRAMME – OTHER WELLS FOR 2<sup>ND</sup> HALF 2004**

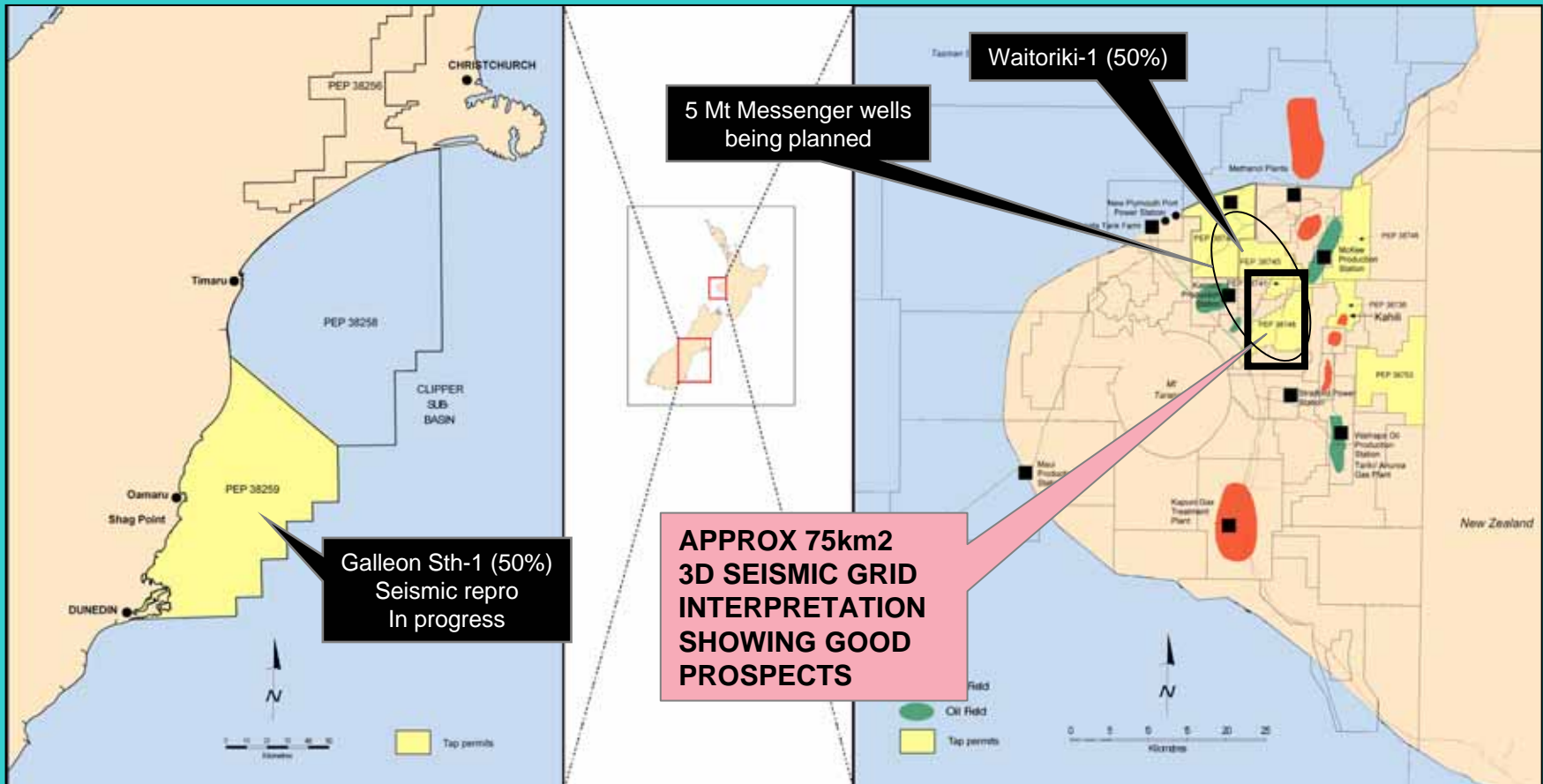
WELL NAME	PERMIT	TAP %AGE	EST (PRE DRILL) TARGET & SIZE (GROSS)
CYCAD-2	HJV	12.22	3 mmbbls – oil
AMULET-1	WA-8-L	20.00	15 mmbbls – oil
SHEILA-1	WA-291-P	50.00	102 mmbbls – oil
GALLEON SOUTH-1	PEP 38259	50.00	248 mmbbls - cond
WAITORIKI-1	PEP 38741	50.00	100 Bcf - gas
N. ZEALAND – ONSHORE x 5	3D seismic area	50.00	20 mmbbls – oil

SUBJECT TO THE USUAL REGULATOR AND JV APPROVALS

# WELL PROGRAMME - CARNARVON BASIN



# WELL PROGRAMME – NEW ZEALAND

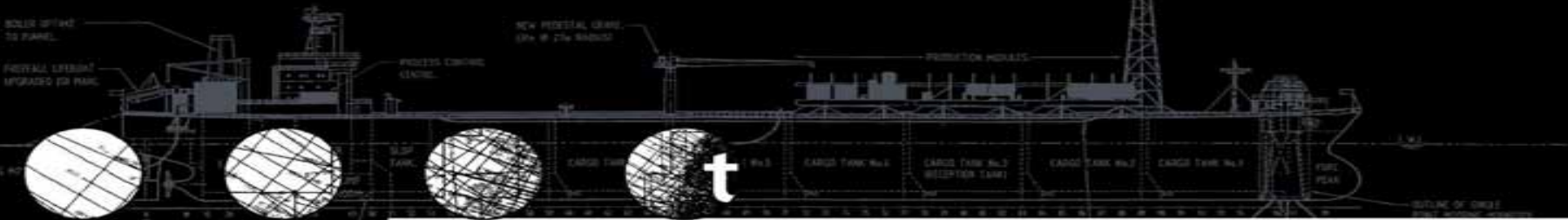


## **CLOSING**

- **IT WAS A RECORD QUARTER FOR PRODUCTION REVENUES AND VOLUMES**
- **THE WOOLLYBUTT FIELD IS PERFORMING WELL**
  - **MAINTENANCE DOWNTIME IS DEFERRED, NOT LOST PRODUCTION**
- **TAP IS STRATEGICALLY POSITIONED IN PROLIFIC BASINS – 5 AREAS FOR GROWTH**
  - **HARRIET ACREAGE AND INFRASTRUCTURE**
  - **AIRLIE ACREAGE AND INFRASTRUCTURE / TAUNTON OIL FIELD**
  - **TAP'S OTHER CARNARVON BASIN ACREAGE**
  - **NEW ZEALAND ACREAGE**
  - **POSSIBLE WOOLLYBUTT EXTENSIONS & EXPLORATION UPSIDE**
- **HIGH IMPACT DRILLING PROGRAMME – AUST & NZ**
  - **EXPLORATION SPEND OF AROUND A\$25M FORECAST FOR 2004**
  - **20+ WELLS IN PLANNING, UP TO 6 IN NEW ZEALAND**
- **STRONG AND GROWING CASH POSITION NOTWITHSTANDING;**
  - **FORECAST EXPLORATION & DEVELOPMENT SPEND**
  - **NUMEROUS NEW VENTURE OPPORTUNITIES BEING EVALUATED**

**TAP OIL LIMITED**

ABN 89 068 572 341



**TAP IS EXTREMELY WELL POSITIONED**

**STRONG PRODUCTION – CASH FLOW – BALANCE SHEET**

**QUALITY ACREAGE IN BEST BASINS**

**LARGE PROSPECT INVENTORY**

**LARGE PROSPECTS IN SHALLOW WATER**

**PROXIMATE INFRASTRUCTURE**

**EXTENSIVE 3D SEISMIC COVERAGE**

