



LEVEL1, 47 COLIN STREET
WEST PERTH WA 6005
AUSTRALIA

PO BOX 1783
WEST PERTH WA 6872

TEL+61 8 9485 1000
FAX+61 8 9485 1060
Email info@tapoil.com.au
www.tapoil.com.au

30 April 2008

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

MARCH 2008 QUARTERLY REPORT

Herewith is Tap Oil Limited's Quarterly Report for the period ended 31 March 2008.

Copies of these documents are available at the ASX and can be viewed on the Company's website www.tapoil.com.au under the heading "Investor Centre".

Enquiries to: Peter Stickland (CEO)
Telephone: +61 8 9485 1000
Email: info@tapoil.com.au
Website: www.tapoil.com.au



Tap Oil Limited
Quarterly Report
For the Quarter Ended 31 March 2008

Highlights

- ▶ **Marley-2 exploration well underway in Harriet JV - targeting more than 1 TCF of gas**
- ▶ **Seismic generates over 20 new leads in SC 41, Philippines**
- ▶ **Secured drill rig for at least one well in SC 41 commencing July 2008**
- ▶ **Finalised 39% interest and Operatorship of Block M, onshore Brunei**
- ▶ **Successful completion of 2D seismic survey in T/47P in Bass Basin**

CEO Summary

“The first quarter has seen Tap continue to advance its exploration portfolio, notably with seismic interpretation results in the Philippines and taking up Operatorship of Block M in Brunei. Tap has also commenced drilling one of its high impact wells, Marley-2, which is targeting in excess of 1 TCF of gas.

Production during the quarter was significantly impacted by interruptions to operations at Woollybutt. However, safety remains Tap’s first priority and we support the steps taken to ensure the safe and compliant ongoing production at Woollybutt.

Overall, Tap’s strategy is to build a portfolio of moderate risk, high impact opportunities for shareholders. Some of these exciting opportunities, particularly Marley and SC 41 will be tested in the near term,” Mr Peter Stickland, CEO.

Enquiries to:

Contact: Peter Stickland (CEO)
Telephone: +61 8 9485 1000
Email: info@tapoil.com.au
Website: www.tapoil.com.au

Revenue and Production

Revenue for the quarter was A\$10.6 million; Tap achieved an average of A\$106 per barrel for its liquids. The company has no commodity hedging and will benefit from continued high oil and gas prices.

SALES REVENUES	Dec '07 Qtr	Mar '08 Qtr	Qtly % Change	Comment
Liquids – net (\$000)	19,604	4,500	-77%	One lifting only in the quarter due to timing and operations down on Woollybutt
Gas – net (\$000)	6,215	6,078	-2%	
Total Oil & Gas Revenue (\$000)	25,819	10,578	-59%	
Average realised oil price A\$/bbl	111	106	-5%	Oil prices remained high during the quarter

PRODUCTION VOLUMES	Dec '07 Qtr	Mar '08 Qtr	Qtly % Change	Comment
Liquids - Harriet JV (bbls)	75,479	66,174	-12%	Reduction due to planned capital improvements and cyclonic weather
Liquids - Woollybutt (bbls)	59,471	0	-100%	Unplanned maintenance shutdown in and off-station due to cyclones in the region
Total Liquids (bbls) – net	134,950	66,174	-51%	
Total Daily (bopd) – net	1,467	735		
Gas - Harriet JV (TJ) - net	1,173	1,255	7%	Stable on budget production due to improved compression and deliverability diversification
Total Gas (TJ/D) – net	12.8	13.9		
Total production – boe	330,475	275,341	-17%	
Liquids inventory – bbls	74,859	98,866	32%	

Harriet Field (Tap 12.229%, Apache Operator)

- Liquids production averaged 6,015 bopd (gross) for the quarter (735 bopd net to Tap), limited by unplanned maintenance of Harriet Bravo platform, cyclonic weather conditions and tie in of Bambra East Gas Field. Current liquids rates are approximately 6,500 bopd gross.
- Sales gas production averaged 114.1 TJ/d for the quarter (13.9 TJ/d net to Tap). Current sales gas production rates for the HJV are around 114 TJ/d gross (13.9 TJ/d net to Tap) in line with budgeted contracted quantities.
- The Harriet Joint Venture compression upgrade began operations during the quarter with production of gas and associated liquids from the previously shut in Rose and Linda gas condensate fields. Production from these liquids rich fields has been beneficial to the joint venture adding pivotal production redundancy and liquids production.
- Bambra East gas condensate field tie in to existing Campbell to Varanus Island pipeline was completed during the period. The tie in allows for added redundancy in the Harriet Joint Venture's gas production capabilities.
- Development step out wells Simpson-9 and 10 have been approved for drilling after Marley-2 is completed in late June / early July. These wells take advantage of existing infrastructure allowing rapid tie back and success would see oil production increasing by approximately 4,000 bopd.

Woollybutt Field (Tap 15%, ENI Operator)

- Production from the Woollybutt Field between 2nd January and 31st March was suspended due to a combination of unplanned maintenance and two cyclone off-station requirements. As reported to the ASX, problems with emergency shut down equipment and aboard the Four Vanguard FPSO were identified following a normal operational shutdown and re-start in early January. The operator immediately halted production and began rectifying the emergency shutdown system. Subsequent inspection, testing and verification of the originating and other non-compliant equipment resulted in significant delays to the recommencement of production. The delay in production was compounded by the presence of tropical cyclones Orpheus and Nicholas during the period which limited access to services and prevented maintenance operations.
- Production from the Woollybutt Field recommenced on 31st March, initially at a limited rate with ramping up of production expected once stabilisation of the production system is achieved. Production was maintained for 7 days prior to shut-in due to a gas release aboard the FPSO. A subsequent investigation has been conducted and approval to re-commence production granted. Currently full production is scheduled to recommence in the fourth week of April once FPSO re-certification operations and maintenance requirements are completed.

Other Gas Sales (Tap 100%)

- Currently, Tap is purchasing and on-selling gas from sources outside Harriet Field, with contracts in place for several years. The sales under these contracts amount to a further 9.5 TJ/day net to Tap.

Financial & Corporate

Tap net cash position continues to be strong at A\$86.7 million with no debt. The first quarter of 2008 has seen a reduction in cash in line with the lower revenues received.

Cash Position	Jun '07 \$000	Sept '07 \$000	Dec '07 \$000	Mar' 08 \$000
Cash on hand *	102,670	88,576	96,741	86,746
Debt	-	-	-	-
Net Cash/(Debt)	102,670	88,576	96,741	86,746

* Cash on hand includes estimated cash held in Joint Ventures to Tap's account.

Tap's issued ordinary shares at the end of the March 2008 quarter was 156,485,921 (December 2007 quarter: 156,485,921) shares. There were no share issues during the quarter.

At 31 March 2008, Tap's executive directors and employees held interests in share option schemes for 5,806,973 shares with option expiry dates varying from 23 May 2008 through to 6 February 2012 and exercise prices in the range \$1.46 to \$2.97. A total of 1,298,500 options were issued and 50,000 options were cancelled or expired during the quarter.

Exploration, Development, Operating and Other Expenditures

	Tap Oil Share		
	Dec '07 Qtr \$000	Mar '08 Qtr \$000	Comment
Exploration & Appraisal	20,058	1,936	Exploration drilling & seismic operations
Development, Plant & Equipment	7,849	3,723	Woollybutt South development
Total Capital Expenditure	27,907	5,659	
Production Operating Costs *	4,700	1,483	Woollybutt FPSO shut-down
Production Royalties and PRRT	841	759	
Total Production Expenditure	5,541	2,242	

* excludes depreciation and amortisation charges.

Appraisal and Development Activities

The Woollybutt Field development of the Southern lobe is progressing with the procurement and delivery of all remaining subsurface equipment finalised during the period. The schedule for first oil has been affected by delays to the installation vessel on a previous installation contract outside the control of the Woollybutt Joint Venture. The tie in of the Woollybutt-4H development well is expected to be completed in mid to late June. The addition of the Southern lobe is expected to lift the total production rate to over 12,000 bopd and significantly extend the production life of the Northern lobe.

Analysis and interpretation of Maitland-2 and 3H appraisal wells by the permit operator was continuing during the period with results due for release and discussion at the WA-33-R Joint Venture technical committee meeting in May.

Exploration Activities

In Block M, onshore Brunei, Tap secured a 39% equity and Operatorship. Tap has established an office in Brunei, appointed a country manager and commenced activities in preparation for an airborne geophysical survey in the second quarter and seismic acquisition and drilling towards the end of 2008.

In Philippines Block SC 41, seismic interpretation has identified 20 strong leads from which a high graded short list of drilling candidates has been selected. These prospects have mean recoverable volumes of between 50 and 100 mmstb and are characterized as moderate risk. Tap has successfully secured a drilling rig to drill one, possibly two wells in SC 41 commencing in July 2008.

In T/47P, Bass Basin Australia, Tap acquired the 517 km 2D Molson seismic survey. This survey was acquired on time and within budget and without any reportable safety or environmental incidents. The survey forms part of Tap's comprehensive assessment of T/47P, which includes the 517 sq km Labatt 3D seismic survey acquired over the western portion of the permit in late 2007. The Labatt 3D survey targeted the region around Cormorant-1 and interpretation of the fast-track dataset has commenced and a rig has been secured for drilling in 2009.

In WA-351-P located in the Carnarvon Basin Australia, the Joint Venture has identified over 20 leads with direct evidence of the presence of gas. A large 3D seismic survey is currently being planned for later in 2008 to identify drilling targets in this highly prospective area.

As part of Tap's process to high grade its exploration portfolio, Tap has withdrawn from Vic/P39(v), offshore Gippsland Basin, where it held a 40% interest.

One exploration well, Johnson-1, was drilled during the quarter but was plugged and abandoned as a dry hole. The lack of success at Johnson-1 is disappointing however Tap had mitigated its exposure to this outcome by farming down its equity prior to drilling from 25% to 12.5%, in return for a carry on the cost of the well.

Wells drilled or drilling since December 2007

Well	Permit	Status
Johnson-1	WA-358-P	Plugged and abandoned, dry hole

Upcoming Key Events

Tap has several key events in the forthcoming quarter:

- ▶ Currently drilling Marley-2, a gas prospect with potential >1TCF gas.
- ▶ In SC 41 in the Philippines, preparations for drilling in July 2008.
- ▶ Re-processing of Block M seismic continuing in Brunei to identify prospects for drilling later in the year.
- ▶ Drilling of Simpson wells 9 and 10 will commence upon conclusion of Marley-2.

The full Indicative Drilling schedule for the year is as follows:

Well	Permit	Tap Share %	Well type & estimated pre-drill size (recoverable)
2008			
Marley-2	HJV	12.22	Exploration ~1TCF Gas/Condensate
Simpson-9	HJV	12.22	Oil Development – step out well
Simpson-10	HJV	12.22	Oil Development – step out well
Lee-4	HJV	12.22	Gas Development
Philippines 1	SC 41	50.00	Oil Exploration 50 – 100 mmbbls
Philippines 2 (optional)	SC 41	50.00	Oil Exploration 50 – 100 mmbbls
Dibbler-1	WA-334-P	20.00	Gas Exploration ~50 Bcf
Maitland-4 & 5	WA-33-R	22.47	Gas delineation wells
Fletcher-3	WA-191-P	8.2	Oil Exploration/Appraisal well
Belait-19	Brunei - Block M	39.00	Oil Appraisal/Development well

Note Tap's indicative exploration drilling programme is detailed in the above table. Timing is subject to rig availability, joint venture and regulatory approvals. Volume size ranges represent pre-drill estimates within a range of outcomes. Other prospects are also currently being considered for drilling in the near term. Estimated recoverable volumes may change as interpretations are progressed. Please refer to Tap's website (www.tapoil.com.au) for the latest information on the forward drilling programme.

Abbreviations and Definitions

Please refer to Tap Oil Limited's Annual Report Glossary or Glossary and Definitions on Tap's website for explanations of any abbreviations used in this report.

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 or for further information please contact the CEO, Mr Peter Stickland by phone (+61 8 9485 1000) or email info@tapoil.com.au.

Disclaimer

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.