



Highlights

- Tap continues to strengthen its balance sheet
- Net debt position reduced to US\$0.1m, with a debt balance of US\$6.1m and cash of US\$6.0m at the end of the quarter
- Average realisations increased to \$47/bbl, hedge position closed out during the quarter
- BD team actively seeking operated production and development growth opportunities in SE Asia

Summary

Balance sheet continues to strengthen

Tap Oil Limited (Tap) has continued to reduce its debt levels, making a further debt repayment of \$2.7m during the March quarter. The debt balance now stands at \$6.1 million with cash on hand of \$6.0 million at the end of the quarter.

Debt balance now at US\$6.1m, net debt US\$0.1m

Consistent with its strategy, during the quarter Tap commenced actively seeking operated production and development growth opportunities in SE Asia.

Average realised oil price was up 15% on the previous quarter. Remaining hedges, comprising swaps priced at US\$42.15/bbl, rolled off at the end of February 2017. With the expiry of the hedge programme, the Company has a completely unhedged position with respect to its production at present.

Manora production for the quarter averaged 8,497 bopd (Tap share 2,549 bopd). Production was steady following the workover activity in 4Q16.

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Revenue & Production

Tap presentation currency is US dollars. Unless otherwise noted, this Quarterly Report is presented in US dollars.

Revenue for the March quarter was \$15.9 million, comprising revenue from Manora crude sales and the third party gas business. Revenue increased compared to the prior quarter due to higher oil prices, partially offset by commodity hedge losses and lower gas revenues. Average realisation was up 15% on the previous quarter.

Tap had commodity hedges in place for ~122,000 barrels of production for January and February 2017 at an average swap price of US\$42.15/bbl. All hedge positions had rolled off as at the end of February 2017.

SALES REVENUES	Dec'16 Qtr	Mar'17 Qtr	Qtly % Change	Comment
Manora Crude – net (\$000)	9,151	10,516	15%	Increase in realisations compared to previous quarter.
Third Party Gas – net (\$000)	5,487	5,392	(2%)	Sales are in AUD. Higher proportion of spot sales at lower prices during the period.
Total Oil & Gas Revenue (\$000)	14,638	15,908	9%	
Average realised oil price US\$/bbl	41	47	15%	Average price for the quarter.

PRODUCTION VOLUMES - Tap Share	Dec'16 Qtr	Mar'17 Qtr	Qtly % Change	Comment
Manora Crude (bbls)	236,268	229,420	(3%)	Production steady after workover activity in 4Q16.
Manora Daily Average (bopd)	2,568	2,549	(1%)	
Manora inventory - bbls	52,497	56,153	7%	As at 31 Mar 2017.

Manora Oilfield Production

Tap 30%

Tap holds a 30% direct interest in the G1/48 concession in the northern Gulf of Thailand. This concession is operated by Mubadala Petroleum.

Manora produced from ten wells during the quarter: MNA-01, MNA-02, MNA-03, MNA-05, MNA-07, MNA-08, MNA-11, MNA-15, MNA-16 and MNA-17ST. Gross production for the quarter was 765 MSTB (Tap share 229 MSTB). The average quarterly gross production rate was 8,497 bopd (Tap share 2,549 bopd). Cumulative field production to 31 March 2017 was 10.2 MMSTB gross (Tap share 3.05 MMSTB). Production for the quarter was steady following the workover activity of 4Q16.

There were three cargo liftings during the quarter.

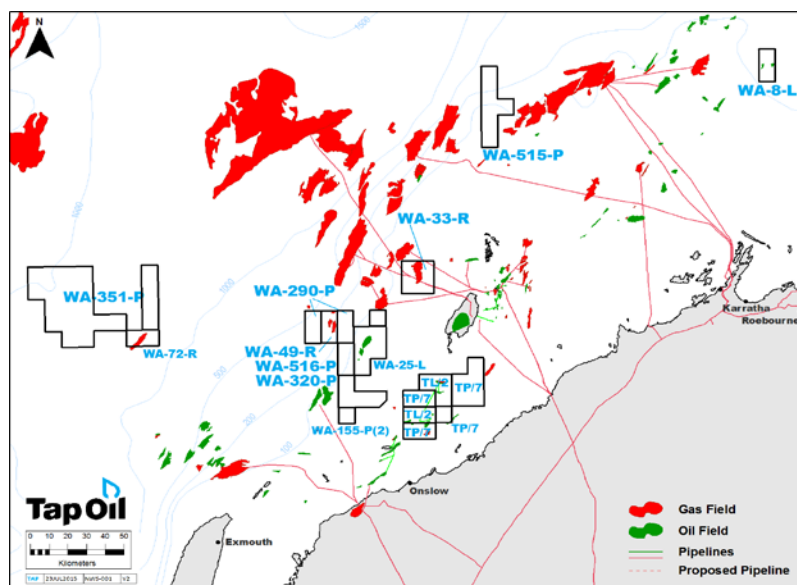
Third Party Gas Contracts

Tap 100%

Tap has had a long term offtake for gas from the John Brookes field offshore Western Australia. The option was exercised in 2007 and continued until 31 December 2016 (“supply period”). The supply period was followed by a three month recovery period which concluded on 31 March 2017.

Tap has an extended supply/recovery period with one of its suppliers. As at 31 March 2017, Tap had 38TJ inventory gas left with this supplier and Tap expects to sell this gas in the spot market over the remaining recovery period.

Australia, Carnarvon Basin



Location map of offshore Carnarvon Basin interests

WA-290-P & WA-49-R Zola, Bianchi and Antiope Gas Fields

Tap 10%, Quadrant Energy Operator

WA-290-P is an Exploration Permit in the offshore Carnarvon Basin, Western Australia. In early 2011, the Joint Venture drilled the Zola discovery and in August 2012, a Retention Lease, WA-49-R, was granted over the Zola and Antiope discoveries for a period of five years. In July 2013, the Joint Venture confirmed a gas discovery at Bianchi-1 with 112 metres of natural gas net pay in the Mungaroo Formation reservoir sandstones.

The Greater Zola Structure comprises several fault blocks along the Alpha Arch, south of the giant Gorgon gas field. A single fault block was tested by Zola-1 (the Zola fault block). Within the Greater Zola Structure, Bianchi-1 was drilled on an independent Triassic prospect some 6.4 kilometres north-northeast of the Zola-1 gas discovery and 20.8 kilometres south-southwest of the Gorgon-1 gas discovery.

Tap estimates a 2C contingent resource net to Tap of 58.3 BCF (63.8 PJ; ASX Release 22 April 2016) in the Retention Lease’s three fields: Antiope, Bianchi and Zola.

Acquisition of the Bianchi 3D Seismic Survey commenced on 23 January 2017 and was completed on 9 March 2017, having acquired 1,720 km² of fullfold data over 11 permits for Quadrant Energy and its Joint Venture Partners. The duration of the survey was longer than planned due to 3 cyclones that entered the area causing the vessel to suspend acquisition operations. A total of 1,341 hours were spent on location by the survey vessel.

WA-72-R Tallaganda Gas Field

Tap 20%, BHP Billiton Operator

WA-72-R is a Retention Lease in the offshore Carnarvon Basin, Western Australia. The Retention Lease contains the Tallaganda gas discovery drilled during the second quarter of 2012. The Tallaganda-1 well was a new field gas discovery in the Triassic Mungaroo Formation. The Tallaganda structure straddles both WA-72-R and WA-73-R to the south. The structure is well defined by modern 3D seismic data.

Tap has booked 45 BCF (49 PJ) as a 2C contingent resource for the WA-72-R portion of the Tallaganda structure (ASX Release 29 January 2013).

No activities were undertaken during the quarter.

WA-320-P & WA-155-P (Part II)

Tap 9.778% (WA-320-P) 6.555% (WA-155-P (Part II)), Quadrant Energy Operator

WA-320-P and WA-155-P (Part II) are exploration permits in the offshore Carnarvon Basin, Western Australia.

The Operator has reviewed the prospectivity of the permit utilising the finished Huzzas MC3D reprocessed data and made a recommendation to the Joint Venture to relinquish both of the permits. The Joint Venture parties have agreed to allow WA-320-P to lapse on its anniversary date of 21 October 2017.

TL/2 & TP/7

Tap 10% (TL/2) and 12.474% (TP/7), Quadrant Energy Operator

The TL/2 production license and TP/7 exploration permit are located in shallow water in the offshore Carnarvon Basin approximately 40 kilometres north-northeast of Onslow, Western Australia. The Taunton oil field was discovered in 1991 and straddles the TL/2 and TP/7 permit boundaries. It was subsequently appraised by four additional wells which encountered oil in the Birdrong Sandstone.

No activities were undertaken during the quarter.

WA-515-P & WA-516-P

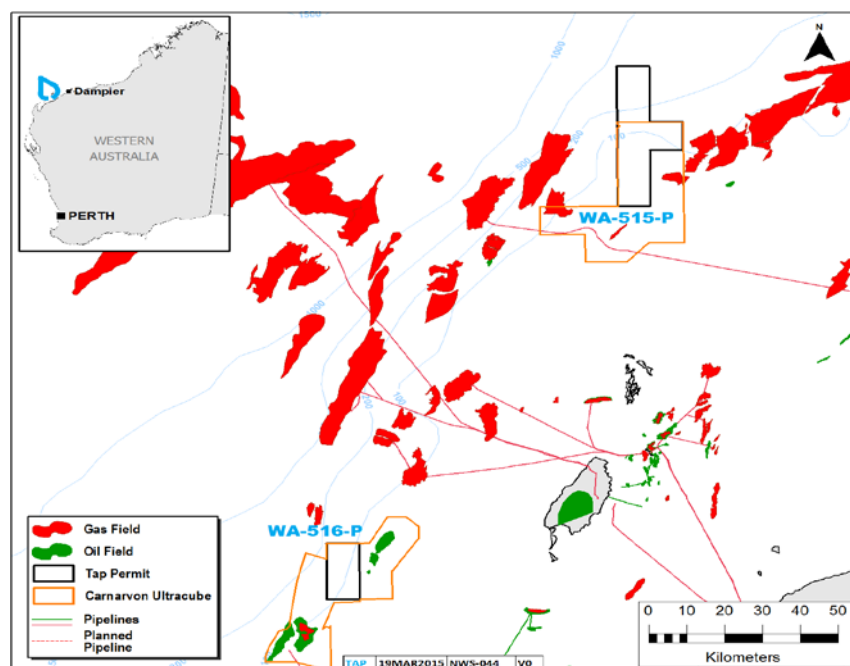
Tap 100%, Operator

WA-515-P and WA-516-P are located in the northern Carnarvon Basin in shallow water.

The primary term work program for each block comprises 160 km² reprocessing of open file 3D seismic data, quantitative Interpretation studies and Geotechnical studies.

Tap has licensed reprocessed Multi-client 3D seismic data over the two permits in order to satisfy the year one commitment for both permits.

No activities were undertaken during the quarter.



Location of WA-515-P and WA-516-P blocks



Australia, Bonaparte Basin

WA-34-R Prometheus /Rubicon Gas Fields

Tap 12%, Eni Operator

WA-34-R is a Retention Lease in the offshore Bonaparte Basin, Western Australia. The Retention Lease contains the Prometheus/Rubicon Gas fields and covers 418 km². Tap estimates a net resource to Tap of 33.5 BCF (45 PJ) (ASX Release 22 April 2016).

No activities were undertaken during the quarter.

Myanmar

Block M-7 Moattama Basin, Offshore Myanmar

Tap 95% Operator

The 12,875 km² block is located in the gas and condensate prone Moattama basin, offshore Myanmar (**Block M-7**). Block M-7 is 160 kilometres east of the 6.5 Tcf Yadana gas field, and 110 kilometres northeast of the 1.5 Tcf Zawtika gas field. The Moattama basin is Myanmar's most prolific offshore hydrocarbon province, with existing production from three offshore fields. Production is typically from stacked Miocene clastic reservoirs.

Tap has commenced discussions with the Myanmar Government with respect to withdrawal from the Production Sharing Contract and its remaining obligations under the terms of the Production Sharing Contract for Block M-7.

Exploration, Development, Operating & Other Expenditures

	Tap Share		Comment
	Dec'16 Qtr \$'000	Mar'17 Qtr \$'000	
Exploration & Appraisal	476	493	Predominantly Bianchi seismic this quarter.
Development, Plant & Equipment	573	48	
Total Capital Expenditure	1,049	542	
Third Party Gas Purchases	2,082	1,973	Purchases are in AUD
Manora Production Costs *	4,568	5,893	Higher royalties due to increased oil prices this quarter compared to previous.
Total Production Expenditure	6,650	7,745	

* Includes operating costs, royalties, marketing costs, insurance and inventory movements. Excludes depreciation and amortisation charges.

Financial & Corporate

Cash Position

Tap's cash position at 31 March 2017 is \$6.0 million, with \$6.1 million debt balance at the end of the quarter and a net debt position of \$0.1 million.

During the quarter, Tap repaid \$2.7 million of the Borrowing Base Debt Facility with BNP Paribas and The Siam Commercial Bank.

Cash Position (US\$)	Mar'16 \$'000	Jun'16 \$'000	Sep'16 \$'000	Dec'16 \$'000	Mar'17 \$'000
Cash on hand *	8,147	14,055	11,052	6,410	6,017
Debt	(25,000)	(21,226)	(15,782)	(8,874)	(6,092)
Net Cash/(Debt)	(16,853)	(7,171)	(4,730)	(2,464)	(75)

* Cash on hand includes estimated cash held in joint ventures to Tap's account. Cash on hand also includes US\$1.3m funds held in the Borrowing Base Debt Facility accounts with BNP Paribas that is restricted.



Share Rights

During the quarter, 186,088 performance rights lapsed and 6,359,513 performance rights were issued. At 31 March 2017, Tap had on issue a total of 8,501,526 share rights to acquire fully paid shares with vesting dates varying from 1 January 2018 through to 1 January 2020.

The following performance/retention rights were on issue at 31 March 2017:

Number	Class	Vesting Date
306,596	Performance Rights	1 January 2018
61,287	Retention Rights	12 January 2018
625,446	Performance Rights	1 January 2019
1,024,544	Retention Rights	25 May 2019
124,140	Retention Rights	1 September 2019
6,359,513	Performance Rights	1 January 2020

Corporate

On 14 March 2017, Tap appointed Mr Pantaporn Panyarporn as alternate Director to Mr Frank Sakda Sreesangkom.

Persons compiling information about hydrocarbons

The reserve and contingent resource information in this report is based on information compiled by Mr Denis Bouclin B.A.Sc (Hons), M.A.Sc (Engineering), P.Eng., who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Bouclin is a part-time employee of the Company, with more than 25 years relevant experience in the petroleum industry and is a member of The Association of Professional Engineers and Geoscientists of Alberta (APEGA) and The Society of Petroleum Engineers (SPE).

Reserves and Contingent resources have been estimated using both probabilistic and deterministic methods. Tap is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

Abbreviations and Definitions	Investor Relations	Disclaimer
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. Unless otherwise noted, this Quarterly Report is presented in US dollars.	Information contained on Tap's website is regularly updated and includes recent ASX announcements and investor presentation. Tap encourages all interested stakeholders to visit www.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.