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The Company Announcements Platform
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SEPTEMBER 2009 QUARTERLY REPORT

Herewith is Tap Oil Limited's Quarterly Report for the quarter ended 30 September 2009.

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".

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Quarterly Report*For the Quarter Ended 30 September 2009***Highlights**

- Harriet continued to produce strongly at 5,685 barrels and 94 TJ per day
- Woollybutt FPSO dry docking progresses
- Tap's net cash position continues to be strong at A\$48 million with no debt at the end of June 2009
- Acquisition of the Brunei Block M seismic survey was completed
- Strong drilling program shaping up for 2010

Managing Director's Summary

"During the quarter the Harriet Joint Venture continued to produce strongly and sales of third party gas also contributed significantly to revenues.

At Woollybutt, the scheduled life extension work program on the FPSO is underway, with production anticipated to resume at the end of 2009.

In Block M, onshore Brunei, the 2D and 3D seismic acquisition was completed and is now being processed. Work on identifying drill targets will commence shortly with drilling being planned for mid 2010.

In WA-351-P, seismic interpretation has confirmed the presence of a large number of sizable leads and prospects representing several different play types. Tap views this block as having moderate to low risk exploration potential for LNG-scale gas.

With the above seismic data now in and our exploration staff working on several other prospects, 2010 is shaping as being an exciting year for Tap." Mr Peter Stickland, Managing Director / CEO.

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Revenue and Production

Revenue for the quarter was A\$11.5 million; Tap achieved an average of A\$82 per barrel for its liquids. The company has no commodity hedging in place.

SALES REVENUES	Jun '09 Qtr	Sep '09 Qtr	Qtly % Change	Comment
Liquids – net (\$000)	12,144	4,530	-63%	<i>2 Liftings at HJV. Woollybutt suspended from 28 April 2009.</i>
Gas – net (\$000)	6,939	5,776	-17%	<i>Some sales deferred to 2010.</i>
Tolling – net (\$000)	6	1,058	17533%	<i>Third party oil lifted through HJV.</i>
Total Oil & Gas Revenue (\$000)	19,089	11,364	-40%	
Average realised oil price A\$/bbl	69	82	19%	<i>Includes tolling fee.</i>

PRODUCTION VOLUMES – Tap Share	Jun '09 Qtr	Sep '09 Qtr	Qtly % Change	Comment
Liquids - Harriet JV (bbls)	64,102	63,173	-1%	
Liquids - Woollybutt (bbls)	32,903	-	-100%	<i>Production suspended 28 April 2009 for FPSO dry dock.</i>
Total Liquids (bbls) – net	97,005	63,173	-35%	
Total Daily (bopd) – net ave.	1,066	687	-36%	
Gas - Harriet JV (TJ) - net	878	1,056	20%	<i>Acceleration of Tap's share of Varanus Island production.</i>
Total Gas (TJ/D) – net	9.6	11.5	20%	<i>Acceleration of Tap's share of Varanus Island production.</i>
Total production – boe	226,512	218,894	-3%	
Liquids inventory – bbls	84,468	82,367	-2%	

¹Production of sales gas (i.e. after losses, fuel and flaring).

Harriet Joint Venture Fields (Tap 12.2229%, Apache Operator)

- Production rates at the Harriet Joint Venture were higher than expected over the quarter as production through Varanus Island was running at near capacity.
- Liquids production rates averaged 5,685 bopd gross for the period, with production slightly down on the previous quarter but better than anticipated.
- Sales gas production was higher than the prior quarter with production currently running at approximately 94 TJ per day (gross).

Woollybutt Field (Tap 15%, ENI Operator)

- Field production was shut in on 28 April after which a final lifting was completed and the Four Vanguard FPSO was cleaned and prepared for sailing to the shipyard in Singapore. The shipowners are completing a life extension work program on the Four Vanguard FPSO to ensure it is capable of remaining on station to the end of the field life, which is anticipated to be late 2013. In addition to the vessel owner's shipyard and dry dock activities, the Joint Venture Partners are improving various aspects of the vessel to further optimise future operations. Current estimates have the shipyard work being completed in the fourth quarter with production to re-commence by year end. Tap is working closely with all parties to optimise this essential and important activity.
- Production from the Woollybutt field was in line with production targets prior to the shut in on 28 April 2009 and is anticipated to resume at similar rates of 8-9,000 barrels per day (gross).

Other Gas Sales - Third Party Gas Contracts (Tap 100%)

- Gas sales from the resale of John Brookes gas continued to make a strong contribution to revenues during the quarter.
- During the quarter Tap initiated a restructure of its third party gas sales arrangements in order to capture additional value over the 2010 - 2013 period and diversify the customer base. As a consequence of the restructure, some 2009 revenues have been deferred.

Financial & Corporate

Tap's net cash position continues to be strong at A\$48.1 million with no debt at the end of September 2009.

Cash Position	Dec '08 \$000	Mar '09 \$000	Jun '09 \$000	Sep '09 \$000
Cash on hand *	53,783	52,406	53,370	48,143
Debt	-	-	-	-
Net Cash/(Debt)	53,783	52,406	53,370	48,143

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

At the end of the September 2009 quarter Tap had 156,485,921 ordinary shares on issue. There were no share issues during the quarter.

At 30 September 2009, Tap had on issue a total of 8,328,747 options to acquire fully paid shares with option expiry dates varying from 2 December 2009 through to 15 July 2013 and exercise prices in the range \$0.61 to \$2.75. All of these options are held by current or former Tap executive directors and employees. No options were issued and a total of 295,000 options were cancelled or expired during the quarter.

Exploration, Development, Operating and Other Expenditures

	Tap Oil Share		
	Jun '09 Qtr \$000	Sep '09 Qtr \$000	Comments
Exploration & Appraisal	4,772	8,845	<i>Major activity was the seismic acquisition in Brunei which was completed in the September quarter.</i>
Development, Plant & Equipment	-	409	
Total Capital Expenditure	4,772	9,254	
Production Operating Costs *	13,584	5,932	<i>Includes Varanus Island repairs and Woollybutt dry dock costs. Both of these were less than in the June quarter</i>
Production Royalties and PRRT	-	694	
Total Production Expenditure	13,584	6,626	

* excludes depreciation and amortisation charges. Includes third party gas purchases and inventory movements.

Appraisal and Development Activities

Tap did not participate in any drilling during the September quarter.

A wireline program was ongoing within the Harriet Joint Venture during the September quarter. Re-perforating of the Lee-4 well was successful with initial production at 40 MMscf/d. Work on the North Alkimos field was also successful and the well was online during September with production rates of approximately 300 bopd.

Bambra field (within the Harriet Joint Venture) reservoir studies are ongoing to better understand this key field. Further development drilling is being planned.

In WA-191-P (Tap 8.2%, Santos Operator), evaluation of the marginal Fletcher oil discovery is ongoing.

Exploration Activities

In WA-351-P (Tap 25%, BHPB Operator), Carnarvon Basin Australia, interpretation of the Aragon 3D seismic has confirmed the presence of a large number of sizable leads and prospects representing several different play types. The majority of the permit is covered by the Aragon 3D seismic survey which was acquired in 2008 and processed in early 2009. The main leads and prospects are now undergoing final assessment prior to deciding forward plans for the permit.

In Brunei Block M (Tap 39%, Operator), Tap is pursuing parallel strategies of appraising the existing Belait field and assessing the wider potential of this 3,011km² onshore block. Acquisition of 60 line km of 2D seismic and 118 km² of 3D seismic over the central Belait trend was completed on 27 August. This was a substantial achievement, with over 1,000 personnel in the field during peak periods. Processing of this data commenced during August and is expected to be completed before the end of 2009. Seismic interpretation is expected to be completed early Q1 2010. A comprehensive basin analysis study will also commence in Q4 2009. Drilling of two wells in the central Belait area is anticipated in the second quarter of 2010.

In Philippines Block SC41 (Tap 50%, Operator), the prospects and leads have been enhanced by the recently completed reprocessing and inversion of the Alpine 3D seismic survey. Several different independent play types have been identified in the permit, with individual prospects having the potential for 100-200 MMstb of oil. Although Tap believes that SC41 has the potential to host commercial hydrocarbons and could be a “game changer” for the company, it has commenced a farmout campaign on behalf of the Joint Venture to facilitate further drilling. It is also worth noting that ExxonMobil has commenced drilling a significant exploration well in the adjacent deepwater permit SC56; Tap will monitor the results of this well and assess their relevance to SC41.

WA-290-P (Tap 20%, OMV Operator) has been granted a 4 month extension to the permit term. This will enable seismic reprocessing to be completed and the results evaluated in a timely fashion before the end of the permit year.

Wells drilled or drilling since 1 July 2009

No wells were drilled by Tap Oil in this quarter.

Upcoming Key Events

Tap has several key events in the forthcoming quarter as follows:

- ▶ Completion of the dry dock program for the Woollybutt FPSO.
- ▶ Completion of gas prospect definition in WA-351-P.
- ▶ Conclusion of WA-290-P farmout.
- ▶ Finalisation of two appraisal well objectives on the Belait anticline in Brunei Block M.

The indicative forward Drilling Schedule for the next 12 – 15 months is as follows:

Well	Permit	Tap Share %	Well type & estimated gross pre-drill size (recoverable)
Gas Exploration wells	WA-351-P	25	Possible gas exploration wells (LNG scale).
Zola-1	WA-290-P	20	Possible gas exploration well (1 TCF).
Mawar-1 (Belait appraisal)	Brunei Block M	39	Oil/gas appraisal well (1-2 mmstb).
Mawar-2 (Belait appraisal)	Brunei Block M	39	Oil/gas appraisal well (1-2 mmstb).
HJV Development well	Harriet JV	12.2229	Oil development well
Prospects 1 & 2	T/47P	40	Oil exploration
Wahoo	SC41	50	Oil exploration (100-200 mmstb)

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

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 investor presentations. We encourage all interested stakeholders to visit www.tapoil.com.au or for further information please contact the Managing Director / 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.