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Tap Oil Limited

ABN 89 068 572 341

Level 1, 47 Colin Street
West Perth WA 6005
Australia

T: +61 8 9485 1000

F: +61 8 9485 1060

E: info@tapoil.com.au

www.tapoil.com.au

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

MARCH 2009 QUARTERLY REPORT

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

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

Quarterly Report

*For the Quarter Ended 31 March 2009***Highlights**

- Total overall production increased by 56% compared to the previous quarter on the back of Harriet ramp up and a continued strong performance at Woollybutt
- Harriet liquids production at 5,500 barrels per day and nearing full production
- US\$11 million (~A\$16.1 million) so far received in interim insurance proceeds in relation to the Varanus Island incident
- Successful Linda North-1 well encountered 35 metres of gas
- Interpretation of 3D seismic acquisition in WA-351-P, Carnarvon Basin, Australia underway with results expected over next few months

Managing Director's Summary

“During the quarter, Tap Oil Limited (ASX: TAP) recorded a 56% increase in total production compared to the previous quarter. This increase is on the back of the ramping up of Harriet JV production and continued good performance at Woollybutt.

Also during the quarter, Tap drilled a successful gas and condensate appraisal well at Linda North-1 in Permit TL/1 in WA. In WA-351-P, also in WA, Tap continued the interpretation of the recently acquired 3,500 km² 3D seismic survey and preliminary results are expected this quarter. Tap views this block as having moderate to low risk exploration potential for LNG-scale gas. In Block M, onshore Brunei Tap has commenced 3D seismic operations over the Belait field and drilling is expected early 2010.

Tap ended the quarter with \$52 million cash on hand. Our existing cash, diversified production and cash generating interests and high potential exploration blocks mean that Tap is well positioned to both survive and thrive in the current business environment,” Mr Peter Stickland, Managing Director / CEO.

Enquiries to:

Contact:	Peter Stickland (Managing Director / 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\$15.4 million; Tap achieved an average of A\$83 per barrel for its liquids. The company has no commodity hedging in place.

SALES REVENUES	Dec '08 Qtr	Mar '09 Qtr	Qtly % Change	Comment
Liquids – net (\$000)	8,022	9,380	17%	<i>Liftings at HJV and WBT.</i>
Gas – net (\$000)	4,301	4,728	10%	<i>Increased production from HJV & third party gas.</i>
Tolling – net (\$000)	34	1,262	3,612%	<i>Third party oil lifted through HJV.</i>
Total Oil & Gas Revenue (\$000)	12,357	15,370	24%	
Average realised oil price A\$/bbl	86	83	-3%	

PRODUCTION VOLUMES – Tap Share	Dec '08 Qtr	Mar '09 Qtr	Qtly % Change	Comment
Liquids - Harriet JV (bbls)	25,164	32,273	28%	<i>Increased production at Varanus Island.</i>
Liquids - Woollybutt (bbls)	152,498	110,716	-27%	<i>Several cyclone shut ins.</i>
Total Liquids (bbls) – net	177,662	142,989	-20%	
Total Daily (bopd) – net ave.	1,931	1,589	-18%	
Gas - Harriet JV (TJ) - net	-	913	-	<i>Varanus Island production on line.</i>
Total Gas (TJ/D) – net	-	10.1		<i>Increased production at Varanus Island.</i>
Total production – boe	177,691	277,627	56%	
Liquids inventory – bbls	137,902	168,167	22%	<i>Higher inventory due to liftings being lower than production for the quarter.</i>

Harriet Joint Venture Fields (Tap 12.229%, Apache Operator)

- The Varanus Island Repair Project continued to progress on schedule with liquids production rates averaging 2,900 bopd gross for the period. Liquids production has now increased in mid April to approximately 5,500 bopd.
- Gas production also increased as the Varanus Island facilities came back on line and production is currently running at approximately 70 TJ per day (gross) and is expected to increase as the remaining parts of the facilities are brought on line shortly.
- The Varanus Island Repair Project made significant progress during the quarter and is on schedule to be completed in May 2009.
- During the quarter Tap received additional interim insurance payments of \$US4.2 million for the business interruption and property damage claims relating to Varanus Island. Since 31 March 2009 further payments have been received bringing the total received to US\$11 million (~A\$16.1 million).

Woollybutt Field (Tap 15%, ENI Operator)

- Production from the Woollybutt field remains in line with current production targets and averaged 8,200 bopd gross for the quarter. Although several cyclones resulted in production being shut in, the vessel was not required to disconnect.
- In order to maintain the certification of the FPSO the owner of the vessel, Premuda Group, has scheduled a dry dock at the Keppel shipyard in Singapore. Following completion of the dry docking project the vessel should be able to remain on the Woollybutt field until the end of the field life now forecast to be 2013. Premuda and the Woollybutt Joint Venture are taking advantage of this dry dock to conduct a number of initiatives aimed at improving the processing capability of the facility. The current dry dock schedule reflects these additional activities. The Woollybutt field was shut in on April 28th for a period that is now planned for approximately 190 days. The owner of the vessel is responsible for the dry docking life extension project and for funding the majority of the required work to maintain the vessel's certification. Leasing costs will be reduced by about 60% while production is suspended.

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

- Gas sales from the resale of John Brookes gas continued during the March quarter but were down by 22% on the previous quarter due to the deferral of some March volumes. Sales revenues are expected to increase in the next quarter.
- The gas volumes available for resale are 95% contracted at CPI linked domestic rates and take advantage of Tap's contracted low purchase price. These contracts are fixed in AUD and hence are not exposed to changes in either commodity prices or exchange rates.

Financial & Corporate

Tap's net cash position continues to be strong at A\$52.4 million with no debt at the end of March 2009.

Cash Position	Jun '08 \$000	Sep '08 \$000	Dec '08 \$000	Mar '09 \$000
Cash on hand *	66,059	47,319	53,783	52,406
Debt	-	-	-	-
Net Cash/(Debt)	66,059	47,319	53,783	52,406

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

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

At 31 March 2009, Tap's executive directors and employees held interests in share option schemes for 8,571,860 shares with option expiry dates varying from 25 September 2009 through to 15 July 2013 and exercise prices in the range \$0.61 to \$2.75. A total of 2,739,344 options were issued and 515,200 options were cancelled or expired during the quarter.

Mr Peter Stickland was appointed to the Board of Directors of the Company on 11 February 2009. Mr Stickland was previously the Company's Chief Executive Officer and now assumes the role of Managing Director/CEO. In addition, Mr Matthew Worner became the Company's sole Secretary on 11 February 2009 when Mr Damon Neaves resigned as Joint Company Secretary to concentrate on his growing role as Tap's Commercial Manager.

Exploration, Development, Operating and Other Expenditures

	Tap Oil Share		
	Dec '08 Qtr \$000	Mar '08 Qtr \$000	Comments
Exploration & Appraisal	17,910	3,884	Significant items were the preparation for seismic acquisition in Brunei, Fletcher-4 and Linda North-1.
Development, Plant & Equipment	2,257	1,035	
Total Capital Expenditure	20,167	4,919	
Production Operating Costs *	11,252	7,326	Decrease due to Varanus Island repair costs of \$3 million in Mar 09 quarter compared to \$7.3 million in Dec 08 quarter,
Production Royalties and PRRT	-	132	Royalties at HJV with production increase.
Total Production Expenditure	11,252	7,458	

* excludes depreciation and amortisation charges.

Appraisal and Development Activities

The Fletcher-3 & 4 appraisal wells were drilled in December 2008 – January 2009 to appraise the Eastern and Central parts of the Fletcher oil discovery in Exploration Permit WA-191-P located in the northern Dampier Sub-Basin, approximately 17 km east of Santos' producing facilities at Mutineer-Exeter. Current efforts are focussed on integrating these well results with previous data and interpretations from the area, with a view to confirming the potential commerciality of the Fletcher discovery and developing a balanced forward plan for the permit.

The Linda North-1 well situated in Permit TL/1 spudded on 19 January 2009 and drilled to 3,319m measured depth (2,635m TVDSS) to appraise a gas and condensate objective adjacent to the Linda field. The well intersected a reservoir sand of approximately 35m thickness, which is interpreted on log analysis to be gas bearing. The well was completed as a potential gas producer and will be flow tested once that section of the Varanus Island infrastructure becomes available.

Other appraisal efforts have been directed towards integrating the results of last year's drilling campaign in the Bambra Field and elsewhere in Production Licence TL/1 with prior data and interpretations.

The Maitland field, located in WA-33-R (Tap 22.474%), has been subject to detailed engineering studies since the drilling of two appraisal wells in late 2007. These studies have highlighted a wider volumetric uncertainty in the Maitland field than was previously anticipated. Further appraisal of Maitland has been deferred at the present time, however an adjacent permit is believed to be drilling an offset well in the next 12 months which will provide a key new data point and enhance the understanding of the Maitland reservoir.

Exploration Activities

In WA-351-P (Tap 25%), Carnarvon Basin Australia, the Joint Venture has identified over 20 leads many of which have direct evidence of the presence of gas. Tap has now received final data from the large Aragon 3D seismic survey which was acquired in 2008 and processed in Q1 2009. The purpose of the survey is to define drilling targets in this highly prospective area with a drilling program possible in the next year. The three recent gas discoveries made by Hess in the adjacent permit WA-390-P highlight Tap's view that this permit has a high chance of containing a significant gas resource. Interpretation of this dataset is now in progress, and the preliminary results from that interpretation are anticipated in the second quarter of 2009.

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. A permit-wide airborne gravity-magnetic survey has been interpreted and is being incorporated into the overall evaluation of the block. Field operations have commenced for a 60 line km 2D seismic survey and a 118km² 3D seismic survey, with acquisition scheduled to commence soon. During the quarter Tap and its partners resolved to defer the drilling of any wells (including Mawar-1 and Mawar-2) in the central Belait area until 2010, when the results of the current seismic program will be available to assist in determining the well locations.

In Philippines Block SC41 (Tap 50%, Operator), the main activity has been reprocessing of the Alpine 3D Seismic Survey data. Results from the Lumba Lumba-1A well, drilled in 2008, have been integrated into Tap's geological understanding of the Sandakan Basin, and have enabled the proper characterization of further potential drilling targets in the block. Several different independent play types remain untested in the permit. Tap believes that SC 41 has the potential to host commercial hydrocarbons and could be a "game changer" for the company.

During the quarter Tap exited its interest in WA-291-P.

Wells drilled or drilling since 1 January 2009

Well	Permit	Status
Fletcher-4	WA-191-P	Oil appraisal well intersected the primary target reservoir but was found to be water wet. Plugged and abandoned in January 2009.
Linda North-1	TL/1 (HJV)	Completed as a potential gas producer.

Upcoming Key Events

Tap has several key events in the forthcoming quarter:

- ▶ Processing and interpretation of the 3,500km² Aragon 3D seismic survey in WA-351-P expected to be completed.
- ▶ Ongoing preparation for and acquisition of seismic over Brunei Block M.

The full indicative forward Drilling Schedule for the next 12 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). May be deferred to allow for additional seismic studies.
Mawar-1 (Belait appraisal)	Brunei Block M	39	Oil/gas appraisal well (1-2 mmstb) in 2010.
Mawar-2 (Belait appraisal)	Brunei Block M	39	Oil/gas appraisal well (1-2 mmstb) in 2010.

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 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 analyst briefings. 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.