



Highlights

- Debt free and continuing to strengthen balance sheet
- Average realisations for the quarter of \$57/bbl, an increase of \$7/bbl compared to the prior quarter
- Undertook a commodity hedging program in October to hedge a total of 262,500 bbls (37,500 bbl per month) of crude oil production over the seven month period from October 2017 to April 2018, using Dubai benchmark as the reference price at a fixed price of \$52.25/bbl. A second series of hedges were put in place in November to hedge a total of 112,500 bbls (37,500 bbl per month) of crude oil production over the three month period from June 2018 to August 2018, using Dubai benchmark as the reference price at a fixed price of US\$57.90/bbl
- Drilled, completed and put on production MNA-18 and MNA-19
- Drilled and evaluated two exploration wells: Ladawan-1 and Manora-6 (L prospect and sidetracked to M prospect).

Summary

An average realised oil price of \$57/bbl was achieved during the quarter, an increase of \$7/bbl compared to the previous quarter.

At the Manora oil field, the Operator drilled, completed and put on production two development wells, MNA-18 and MNA-19. The Joint Venture also drilled two exploration wells during the quarter; Ladawan-1 in the G1/48 Reservation Area and Manora-6 (L prospect) in the production license area. The latter well was sidetracked to test the M prospect.

During the quarter, the Company entered into a commodity hedging program with BP Singapore Pte Limited to hedge 262,500 bbls (37,500 bbl per month) of crude oil production over the seven month period from October 2017 to April 2018 using Dubai benchmark as the reference price at a fixed price of \$52.25/bbl, and subsequently a further 112,500 bbls (37,500 bbl per month) of crude oil production over the three month period from June 2018 to August 2018, using Dubai benchmark as the reference price at a fixed price of US\$57.90/bbl.

Tap reviewed a number of production and development growth opportunities in South East Asia during the quarter, pursuant to the Company's previously disclosed strategy to grow its portfolio in the region with core production and development assets with low risk upside. However following receipt in November 2017 of a notice from shareholder Risco Energy Investments (SEA) Limited (Risco) of its intention to remove and appoint Directors at a General Meeting of shareholders, business development activities were put on hold.

Risco is seeking the removal of each of Messrs James Menzies, Peter Mansell and Tom Soulsby as directors of Tap and the appointment of Chris Newton and Govert van Ek as directors of Tap. A Notice of General Meeting was despatched to shareholders on 20 December 2017 for a General meeting scheduled to be held at Parmeila House, 191 St Georges Terrace, Perth at 10.00am (AWST) on 2 February 2018. Andrea Hall has advised the board that should Risco be successful in removing both Peter Mansell and James Menzies she will resign from the board.

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

Revenue & Production

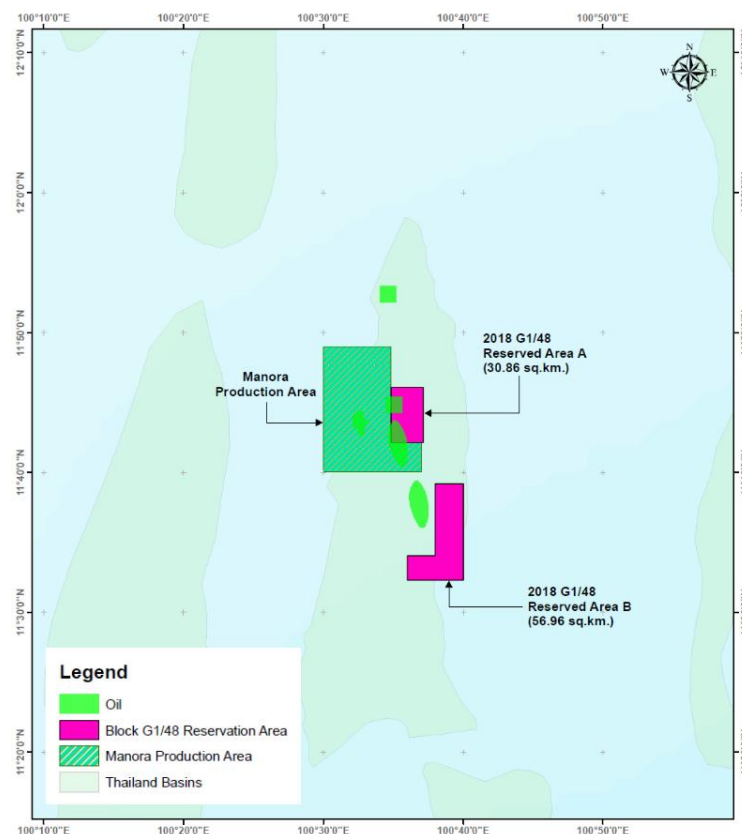
Revenue for the December quarter was \$13.2 million. Revenue was higher compared to the prior quarter due to higher oil volumes lifted and a higher realised oil price. The average realised oil price was \$57/bbl, an increase of \$7/bbl compared to the previous quarter.

SALES REVENUE (Tap Share)	Sep Qtr \$'000	Dec Qtr \$'000	Qtly % Change	Comment
Manora Crude – net (\$000)	7,371	13,241	79.6%	Increase due to higher volume sold and higher realised oil price compared to previous quarter.
Total Oil & Gas Revenue (\$000)	7,371	13,241		
Average realised oil price US\$/bbl	50	57	14.0%	Average price for the quarter.

PRODUCTION VOLUMES (Tap Share)	Sep Qtr	Dec Qtr	Qtly % Change	Comment
Manora Crude (bbls)	161,155	208,163	29.2%	Higher production after new wells online.
Manora Daily Average (bopd)	1,752	2,263	29.1%	
Manora inventory - bbls	95,867	71,461	-25.5%	As at quarter end.

Manora Oil Field

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 Limited (Mubadala).

During the quarter, Mubadala (Operator) successfully completed the drilling of 2 planned additional development wells, MNA-18 and MNA-19.

The MNA-19 infill well targeted the 600 series sandstone reservoirs in the Central Fault Block. The primary target reservoirs all came in on prognosis and are oil-bearing with petrophysical interpretation of 118 feet of oil pay. The well has been completed as a multizone selective completion with an electric submersible pump (ESP). The well took approximately 15 days versus a planned 19 days to drill and complete. The well commenced production on 22 October.

The MNA-18 development well encountered approximately 87 feet of oil-bearing pay in the primary target, the 500 series sandstone reservoirs in the Eastern Fault Block and 68 feet of oil pay in the secondary target, the 600 series reservoirs. The well has been completed in the 500 series reservoirs with an ESP. The well took 16 days versus a planned 21 days to drill and complete. The well commenced production on 12 November.

Gross production for the quarter was 694 MSTB (Tap share 208 MSTB). The average quarterly gross production rate was 7,542 bopd (Tap share 2,263 bopd). Cumulative field production to 31 December 2017 was 12 MMSTB gross (Tap share 3.6 MMSTB). Production for the quarter increased following the start of production of MNA-18 and MNA-19.

There were three cargo liftings during the quarter.

Exploration

Gulf of Thailand

Offshore Thailand

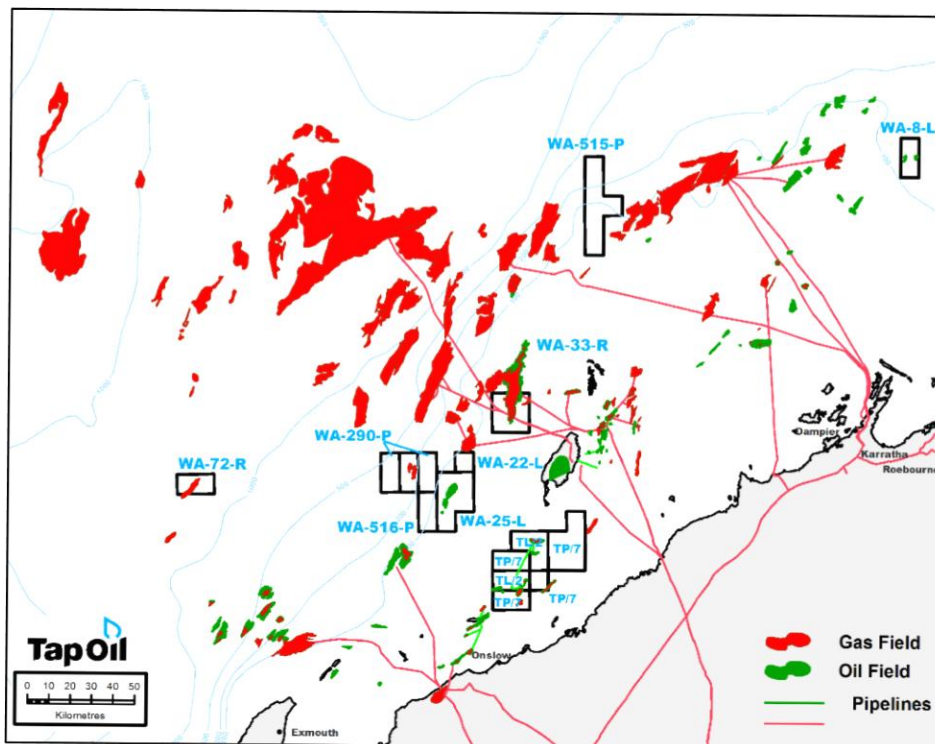
Tap 30%

The G1/48 concession comprises the Manora oil field under Production License and the Reservation Area within the concession. At the beginning of the quarter the G1/48 Joint Venture held an area of 484.23 km² under a five year Reservation Area Agreement with the Thailand Department of Minerals and Fuels.

On 21 November 2017 the Manora-6 well was spud. The well was targeting the L fault block prospect. Interpretation of the logging while drilling data indicates an oil column in the primary reservoir section of approximately 5.8 metres, below a depth of 2,229 metres true vertical depth sub-sea (TVDSS). This result was encouraging enough for the Joint Venture to proceed with a side-track to the well, Manora-6ST, to test the M prospect. The Manora-6ST well was drilled to a depth of 2,387 metres TVDSS. Interpretation of the logging while drilling data shows approximately 5.8 metres of oil in three separate reservoir sandstones, below a depth of 2,214 metres TVDSS, each of which exhibited evidence of an oil water contact.

On 17 November 2017 the Ladawan-1 exploration well reached a total depth of approximately 2,175 metres TVDSS. Interpretation of the logging while drilling data shows approximately 3.3 metre of oil column in the primary reservoir target. This result was not viewed as commercial and the well was plugged and abandoned. Drilling costs will be offset by the Reservation Fee paid in December 2016.

The Ladawan-1 failure downgrades the exploration potential of the nearby area as well as the flexural margin (eastern side of the block) and the fluvial play thus supporting the relinquishment of a large part of the Reservation Area, with the Joint Venture agreeing to a reduced Reservation Area of 87.82 km². The area to be retained focuses exclusively on the Malida discovery and some prospective acreage to the east of Mubadala operated Block B5/27.



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 Bianchi 3D Seismic survey acquired in 2016 is being processed by DUG. Two new processing technology steps have shown greatly improved data quality in testing, but the implementation of these technologies pushes back the expected completion of the processing to mid-May 2018.

Following a re-assessment of the commercial potential of the discoveries in WA-49-R during the year, Tap made a decision to withdraw from this permit and lodged the relevant documents with the regulator during the quarter. Accordingly, Tap no longer recognises any contingent resources in the Retention Lease's three fields: Antiope, Bianchi and Zola.

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

As previously advised, the Joint Venture agreed to surrender its interest in WA-155-P (Part II). During the quarter the Joint Venture finalised the Deed of Surrender and accordingly, Tap no longer has an interest in this exploration permit.



Exploration Permit WA-320-P expired on 20 October 2017 and the Joint Venture has met all work program commitments. However, the Joint Venture has been advised by NOPTA that two interpretation report submissions are outstanding, and therefore there remains some minimal spend over the next quarter to close out the outstanding submissions.

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.

During the quarter, the Operator received a fixed priced proposal to remove the Chervil platform and to dispose of it. The proposal provided the Joint Venture partners with a significant cost saving opportunity, compared to continuing to maintain the platform and to remove it at a later date. The operation to remove the platform commenced in December 2017 and was successfully completed by year end.

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.

During the quarter, Tap commenced rock physics and quantitative interpretation studies on both permits in conjunction with a request to NOPTA for a variation to the Year 2 work programme and a suspension and extension request to complete the Year 3 work programme commitments.

WA-8-L

Tap 20%, Santos Operator

As previously advised, Tap has entered into a sale and purchase agreement for the sale of its 20% interest in permit WA-8-L. The Purchaser is in the process of finalising regulatory approvals and Tap expects the sale to complete during the March 2018 quarter.

WA-33-R

Tap 22.474%, Quadrant Operator

WA-33-R is operated by Quadrant Energy Ltd and contains the Maitland gas discovery, which is approximately 12 kilometres from John Brookes platform and approximately 17 kilometres from the East Spar gas line.

No activities were undertaken during the quarter.

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 2C contingent resource net to Tap of 40.2 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

Block M-7 is located in the Moattama basin, offshore Myanmar. 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.

Tap has continued to explore options to withdraw from the Production Sharing Contract (PSC) and its remaining obligations under the terms of the Production Sharing Contract for Block M-7. The Myanmar Government has requested Tap provide a performance bank guarantee of \$200,000 as required under the terms of the PSC.



Exploration, Development, Operating & Other Expenditures

	Tap Share		
	Sep Qtr \$'000	Dec Qtr \$'000	Comment
Exploration & Appraisal	142	1,750	Predominantly spend on two Manora exploration wells with sidetrack (Manora-6 and Ladwan)
Development, Plant & Equipment	129	2,416	Predominantly spend on two Manora development wells (MNA-18 and MNA-19)
Total Capital Expenditure	271	4,166	
Manora Production Costs *	5,379	6,362	Costs are higher due to workover costs incurred.
Total Production Expenditure	5,379	6,362	

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

Business Development

Tap reviewed a number of production and development growth opportunities in South East Asia during the quarter, pursuant to the Company's previously disclosed strategy to grow its portfolio in the region with core production and development assets with low risk upside. However following receipt in November 2017 of a notice from shareholder Risco Energy Investments (SEA) Limited (Risco) of its intention to remove and appoint Directors at a General Meeting of shareholders, business development activities were put on hold.

Financial & Corporate

Cash Position

Tap's cash position at 31 December 2017 was \$7.75 million. Cash includes Tap's share of cash held in joint ventures, which at the end of the quarter was \$4.82 million.

Cash Position (US\$)	Dec'16 \$'000	Mar'17 \$'000	Jun'17 \$'000	Sep'17 \$'000	Dec'17 \$'000
Cash on hand *	6,410	6,017	7,325	7,959	7,753
Debt	(8,874)	(6,092)	(3,425)	-	-
Net Cash/(Debt)	(2,464)	(75)	3,900	7,959	7,753

* Cash on hand includes Tap's share of cash held in joint ventures.

Hedging

In October 2017, the Company entered into a commodity hedging program with BP Singapore Pte Limited to hedge a total of 262,500 bbls (37,500 bbl per month) of crude oil production over the seven month period from October 2017 to April 2018, using Dubai benchmark as the reference price at a fixed price of \$52.25/bbl. The Dubai benchmark trades at a discount to Brent, with the discount being \$1.64/bbl at the time of execution of the hedges.

In November 2017, the Company executed additional hedging with BP Singapore Pte Limited to hedge a total of 112,500 bbls (37,500 bbl per month) of crude oil production over the three month period from June 2018 to August 2018, using Dubai benchmark as the reference price at a fixed price of US\$57.90/bbl.

Share Rights



At 31 December 2017, Tap had on issue a total of 7,483,631 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 December 2017:

Number	Class	Vesting Date
211,497	Performance Rights	1 January 2018
61,287	Retention Rights	12 January 2018
483,317	Performance Rights	1 January 2019
1,024,544	Retention Rights	25 May 2019
124,140	Retention Rights	1 September 2019
5,578,846	Performance Rights	1 January 2020

Other

In November 2017 Tap received a notice from shareholder Risco Energy Investments (SEA) Limited (Risco) of its intention to remove and appoint Directors at a General Meeting of shareholders.

Risco is seeking the removal of each of Messrs James Menzies, Peter Mansell and Tom Soulsby as directors of Tap and the appointment of Chris Newton and Govert van Ek as directors of Tap.

A Notice of General meeting was despatched to shareholders on 20 December 2017 and a General Meeting of shareholders is scheduled to be held at Parmeila House, 191 St Georges Terrace, Perth at 10.00am (AWST) on 2 February 2018. Andrea Hall has advised the board that should Risco be successful in removing both Peter Mansell and James Menzies she will resign from the board.

Investor Enquiries:

James Menzies	Chris Bath
Executive Chairman	CFO & General Manager
Phone: +61 8 9485 1000	Phone: +61 8 9485 1000

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
<p>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.</p> <p>Unless otherwise noted, this Quarterly Report is presented in US dollars.</p>	<p>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.</p>	<p>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.</p>