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The Company Announcements Platform
Australian Securities Exchange
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SYDNEY NSW 2000

MARCH 2015 QUARTERLY REPORT

Enclosed is Tap Oil Limited's Quarterly Report for the quarter ended 31 March 2015.

A copy of this document is 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 31 March 2015

Highlights

- Manora production of 15,000 bopd (gross) maintained from six producer wells
- Manora production drilling now completed and rig moved off location
- Net revenue (after production expenditure) for the quarter of US$16.2 million
- Strategic review of business and asset base commenced

Production commenced at Manora during Q4 2014

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Managing Director's Summary

The commencement of production at the Manora Oil Development on 11 November 2014 marked a significant milestone for Tap's Board and Management and returned the Company to a mid-tier producer following a two year hiatus. During the quarter, development drilling continued and Manora performed well with peak production of 15,000 bopd (gross) maintained, and on occasion over 16,000 bopd (gross) produced from six producer wells. During the quarter, the joint venture agreed that two wells were no longer required and also to defer two wells as peak production could be maintained with only seven producer wells. Development drilling was subsequently completed at the beginning of April and the rig has now moved off location.

During the quarter, the Manora Borrowing Base Debt Facility with BNP Paribas and Siam Commercial Bank was successfully renegotiated with an ability to draw down US$78.9 million (previously US$68.5million) under the borrowing base, ensuring that all forecast commitments can be fully funded at this time. A moderate oil hedging program was also executed to support the amount available under the Borrowing Base Debt Facility and to provide revenue certainty during 2015.

The commencement of Manora production has coincided with the sharp decline in oil price, which has adversely impacted the Company's revenues from the Manora project. At an oil price of between US$45-$55/bbl, Tap forecasts net cash flow during 2015 from Manora of approximately US$39 to US$44 million (after forecast Thai taxes, royalties and operating costs and including the hedging impact, but before repayment of debt). The Company has maintained its revenue forecast from Third Party Gas contracts at approximately A$17 million net to Tap during 2015.

At the end of February, we also confirmed a Strategic Review of our business and asset base in order to respond to the recent change in market conditions in the oil and gas sector and to maximise value for all shareholders. This review will consider a number of divestment options for each asset, including the Company's flagship Manora Oil Development as well as the Company's non-core Australian portfolio. Tap notes that such transactions (if successfully completed) should enable the Company to reduce its debt and potentially also allow for the payment of fully franked dividends to Australian resident shareholders. The strategic review process will also consider any potential whole of company proposals that may emerge, should they provide compelling value for Tap shareholders.

During the quarter, Tap elected not to proceed to farm-in to the offshore Otway Basin with WHL Energy Limited and paid approximately US$2.8 million to WHL for seismic acquisition. Tap has no further obligation or liability in respect of exploration permit Vic/P67. Tap was also awarded two exploration permits in the Australian 2014 Offshore Petroleum Exploration Acreage Release.

On 27 February, Tap received a notice from Mr Chatchai Yenbamroong under section 203D of the *Corporations Act 2001* (Cth) of his intention to move resolutions at a meeting of Tap shareholders convened under section 249F of the *Corporations Act 2001* (Cth) to remove three of Tap's four Directors. An update on the proposed Board spill and the Northern Gulf disputes is provided in detail on pages 13-14.

Upcoming Activity

The table below lays out the indicative forward Drilling and Development Activity Schedule for the next 15 months:

Project	Tap Share				2016	
		Q2	Q3	Q4	Q1	Q2
Australia						
WA-351-P	20%	3D Seismic reprocessing				
WA-515-P	100%		3D seismic reprocessing			
WA-516-P	100%		3D seismic reprocessing			
WA-320-P/WA155-P II	9.778%/6.555%	3D seismic processing				
Thailand						
Manora	30%	Production				
Exploration	30%			Well		

Tap returns to mid- tier producer status

Revenue and Production

As disclosed in the Financial Report for the year ended 31 December 2014, with the funding of Tap's main asset, the Manora oil field development, in US dollars and subsequent Manora pricing benchmarks and operating costs being denominated in US dollars, Tap Oil Limited has changed its presentation currency from Australian dollars to US dollars. Unless otherwise noted, this Quarterly Report is presented in US dollars.

Revenue for the quarter was $25.4 million, representing revenue from the Manora crude sales and the third party gas contracts.

Tap has hedged 40% of forecast 1P Manora production over April to December 2015 at an average swap price of $62.75/bbl (representing 495,000 barrels).

SALES REVENUES	Dec'14 Qtr	Mar'15 Qtr	Qtly % Change	Comment
Manora Crude – net ($000)	1,833	19,680	973%	11 oil liftings.
Third Party Gas – net ($000)	6,375	5,670	(11%)	Sales are in AUD. Movement is mostly due to exchange rate variations.
Total Oil & Gas Revenue ($000)	**8,208**	**25,350**	**209%**	
Average realised oil price US$/bbl	**59**	**51**	**(13%)**	Average price during calendar month of lifting

PRODUCTION VOLUMES - Tap share	Dec'14 Qtr	Mar'15 Qtr	Qtly % Change	Comment
Manora Crude (bbls)	149,381	349,465	134%	Peak production of 15,000 bopd (gross) (Tap share 4,500 bopd) reached at end February 2015.
Manora Daily (bopd) – net avg	2,929	3,883	32.6%	
Manora inventory - bbls	116,696	76,414	(35%)	As at 31 March 2015.

Manora Oilfield Production

Tap 30%

Peak production of 15,000 barrels per day (gross) achieved in February

Tap's flagship project, the Manora Oil Development in Thailand, commenced production on 11 November 2014. This marked a significant milestone for Tap Oil's current Board and Management and returned the Company to a mid-tier producer following a two year hiatus from production.

Manora is now producing from six wells: MNA-01, MNA-02, MNA-03, MNA-05, MNA-07 and MNA-08. Manora has been producing above 15,000 bopd (gross), and on occasion above 16,000 bopd (gross) since the six wells have been in production. Peak production of 15,000 barrels per day (Tap share 4,500 barrels per day) was achieved during the last week of February when the MNA-08 well was put on production. Cumulative field production as of 31 March 2015 was 1.65 MMSTB gross (Tap share 0.49 MMSTB).

Water injection started in two wells during February, with total water injection of 94,000 bbl. During March an additional injector well was put on line and cumulative injection during March was 456,000 bbl. Following the end of the quarter, a fourth injector well was put on line with daily injection averaging 20,000 bwpd which is limited by the seawater treatment facilities capacity.

The first cargo lifting was completed on 24 December 2014, with an additional eleven further liftings completed during the March quarter.

Platform with Manora Princess FSO in background

Third Party Gas Contracts

Tap 100%

In 2005 Tap secured an option over approximately 33 PJ of gas from the John Brookes field offshore Western Australia at then current market prices. The option was exercised in 2007 and Tap on-sells the gas to a number of Western Australian gas customers. The gas is purchased at a fixed 2005 price and sold at fixed prices approximately three times higher. Both buy and sell prices are denominated in Australian dollars and subject to CPI escalation. Around 6 PJ currently remains to be delivered over the period to December 2016. This gas is largely contracted and provides substantial stable, long-term cash flow.

Third party gas revenues were in line with expectations with minimal volumes being deferred during the quarter. Forecast third party gas revenues are expected to be around A$30 million (gross) per annum until the end of 2016, generating substantial cash flow.

Manora development drilling now complete

Development

Gulf of Thailand

G1/48

Tap 30%, Mubadala Petroleum Operator

Tap's flagship project is the Manora Oil Development in the Gulf Thailand. During the quarter all eleven Manora development wells were successfully completed, and the Atwood Orca jackup drilling rig has now moved off location.

In early September, the Atwood Orca jackup drilling unit spudded the first development well in the drilling program. Manora production commenced on 11 November 2014 is now producing from six wells: MNA-01, MNA-02, MNA-03, MNA-05, MNA-07 and MNA-08. The Operator is still working on commencing production from MNA-11. Manora has been producing above 15,000 bopd (gross), and on occasion above 16,000 bopd (gross) since the six wells have been in production.

MNA-01 and MNA-02 started production on 11 November 2014, with MNA-03 following a day later. MNA-05 started production on 23 November 2014. All of these wells have been completed with ESP pumps, exhibited high productivity as expected, and are producing free of water and sand. Production from the above wells occurs in the Central Fault Block 600 sand reservoirs.

MNA-04, MNA-09ST1 and MNA-10 are currently injecting water to support production from 600 reservoir sands in the Central Fault Block. Pressure measurements in all injector wells confirm reservoir connectivity to the producing wells, and pressure response due to water injection has already been observed in the Central Fault Block.

MNA-07, the first producer well from the East Fault Block, was put on production in early January with a tested rate of 1,332 barrels oil per day (gross) with 40% watercut which has increased to 64% watercut at present. The MNA-08 producer well from the East Fault Block started production on 21 February 2015. MNA-08 is currently producing oil at the rate of 2,377 barrels oil per day (gross) with 14% watercut. MNA-13 has been completed and is currently injecting water to support production from the East Fault Block.

Following a review of the results from the development drilling program, the Manora joint venture agreed that two wells (one producer and one injector) are no longer required and also to defer two producer wells. The development plan had previously forecast up to 15 development wells (10 producers and 5 injectors). The Operator (Mubadala Petroleum) has confirmed that peak production of 15,000 barrels per day (gross) has now been achieved and can be maintained with only 7 producer wells (instead of the original 10 producer wells).

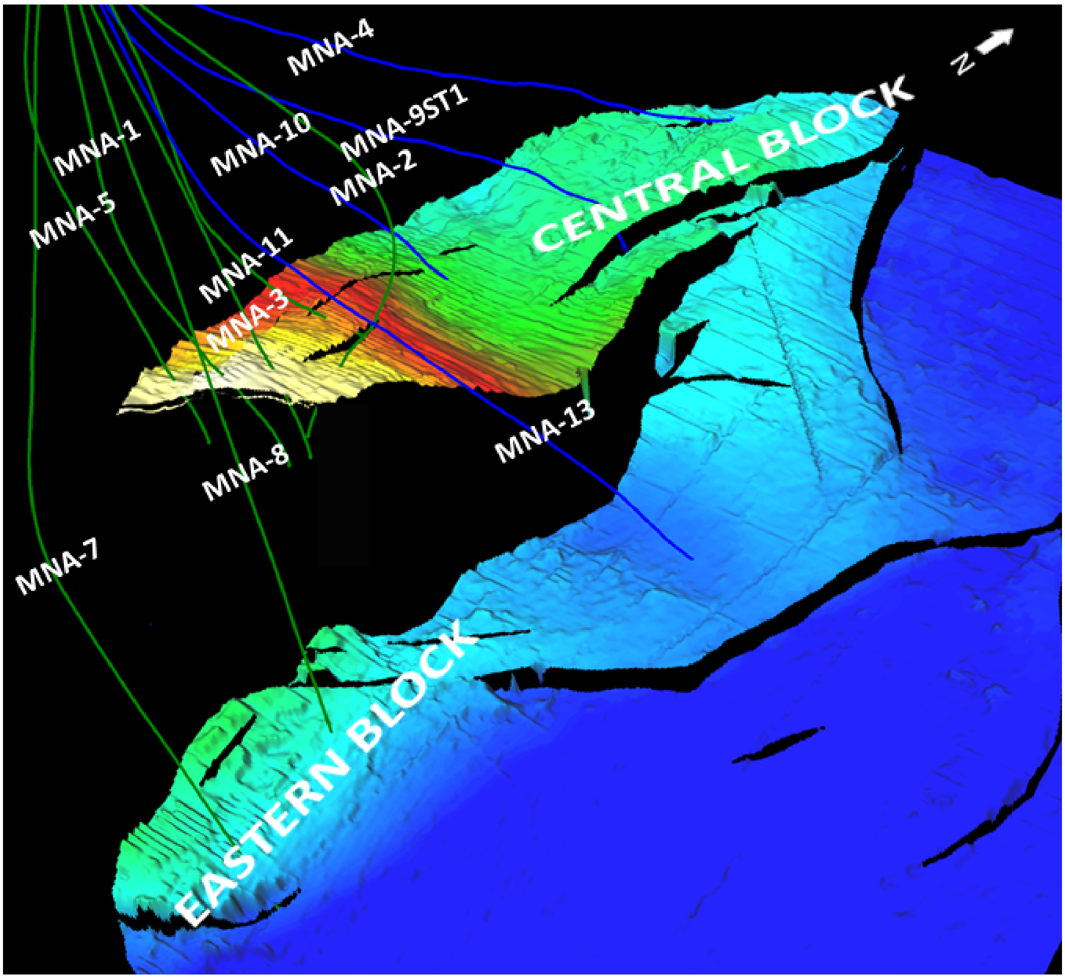
The Operator, Mubadala Petroleum, estimates that the joint venture has invested approximately $326 million in the development to date. Tap's capex estimate remains at approximately $97 million excluding the additional $28 million (gross - $8.4 million Tap share) of facilities cost overruns proposed by the Operator of the Manora project as set out in note 27 of the 31 December 2014 Financial Statements. Tap is still in discussions with the Operator in regard to this matter.

In summary, the status of the development wells is as follows:

Well	Objective	Status
MNA-01	Producer (single)	Completed (on production)
MNA-02	Producer (single)	Completed (on production)
MNA-03	Producer (smart)	Completed (on production)
MNA-04	Injector (single)	Completed (on injection)
MNA-05	Producer (smart)	Completed (on production)
MNA-06	*Producer (single)*	*Deferred*
MNA-07	Producer (smart)	Completed (on production)
MNA-08	Producer (smart)	Completed (on production)

Well	Objective	Status
MNA-09/ST1*	Injector (single)	Completed (on injection)
MNA-10	Injector (smart)	Completed (on injection)
MNA-11	Producer (smart)	Completed (waiting production startup)
MNA-12	*Producer (single)*	*Cancelled*
MNA-13	Injector (smart)	Completed (on injection in April)
MNA-14	*Producer (single)*	*Deferred*
MNA-15	*Injector (single)*	*Cancelled*

**MNA-09 injector well encountered technical problems while drilling 8 ½" section and has been sidetracked.*



Location of wells in the Manora oil field

Exploration

Gulf of Thailand

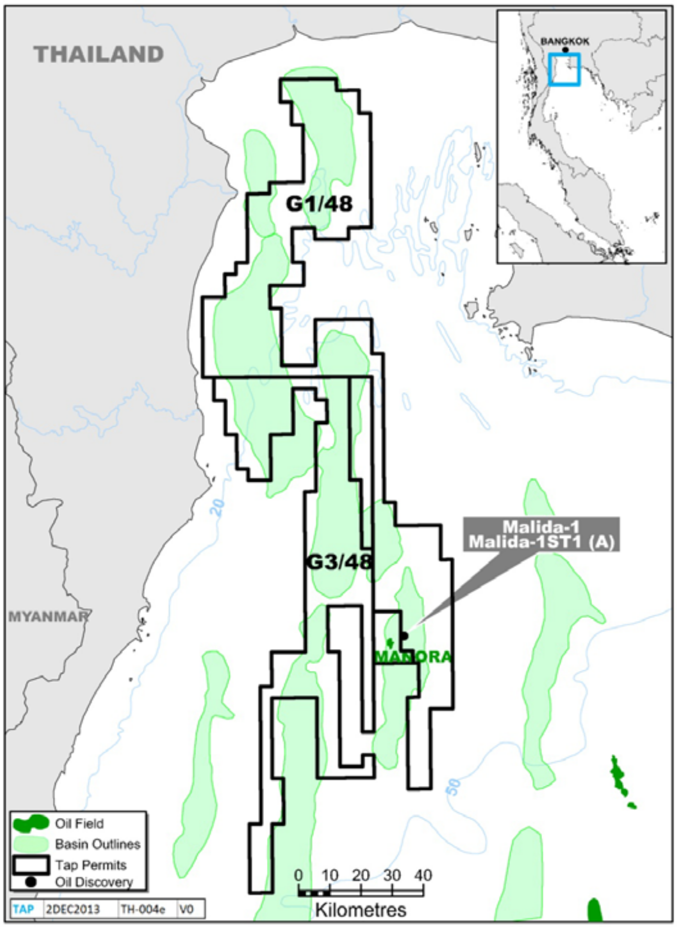
G1/48 and G3/48

Tap 30%, Mubadala Petroleum Operator

Tap holds a 30% direct interest in the G1/48 concession in the northern Gulf of Thailand. This concession is operated by Mubadala Petroleum. The Manora discovery in late 2009 opened up a new oil play in the northern Gulf of Thailand.

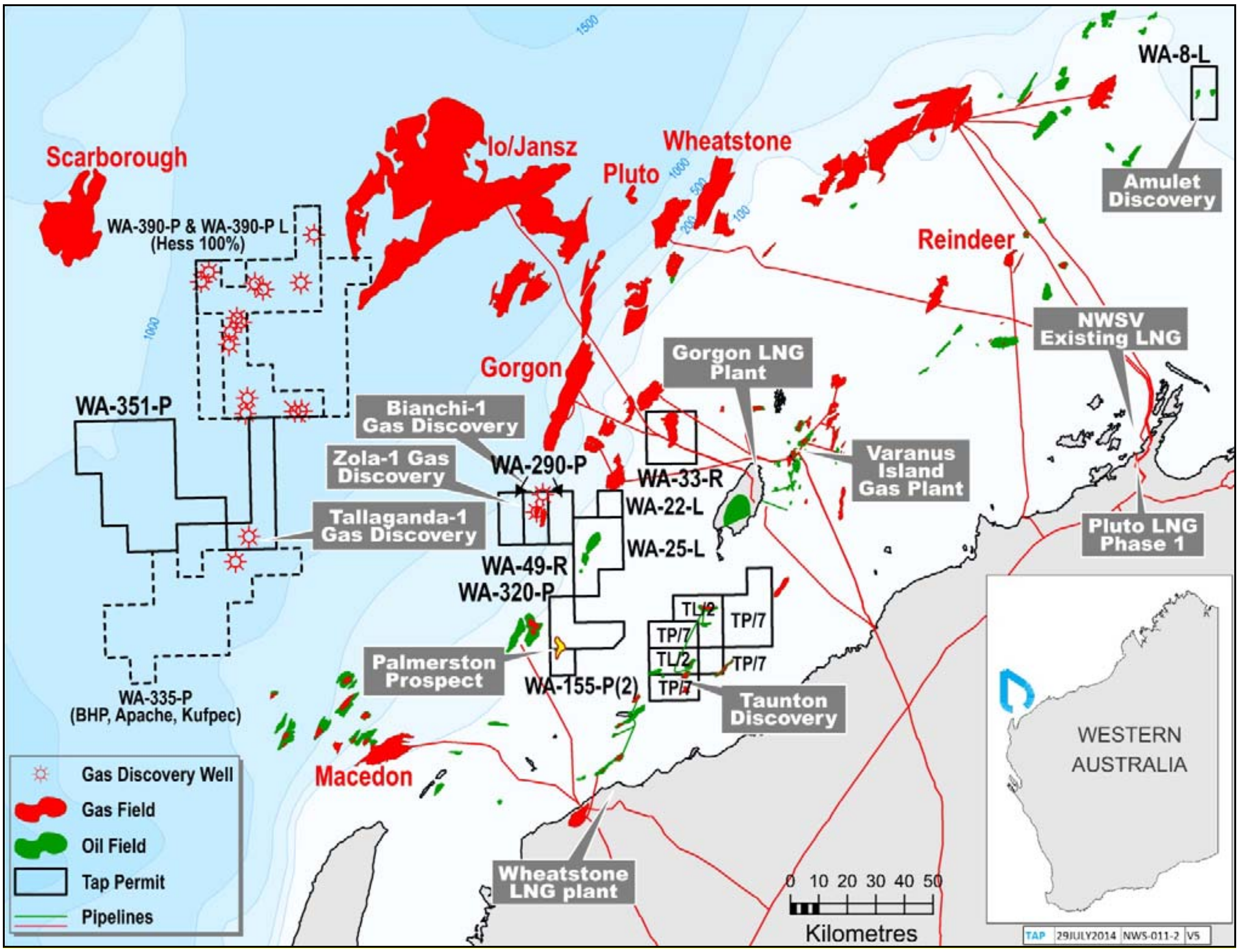
The Operator is currently finalising an extensive review of the G1/48 permit area, specifically focused on delivering a balanced prospect portfolio for the Kra Basin, integrating the results of the successful Malida-1 well and subsequent Malida sidetrack wells. The preferred prospect for drilling in 2015 has been selected from the updated prospect portfolio. Given the low oil price environment, Tap was in discussions with the Operator on the timing of this exploration well, with Tap's preference to delay the drilling of this well until a later date. The Operator has advised that the 2015 G1/48 well is now deferred until the end of 2015.

During the quarter, Tap withdrew from its participating interest in the G3/48 concession. The joint venture has agreed that Tap will have no further exploration obligations (including drilling) with respect to G3/48. This will result in a cost saving of $2.7 million to Tap in 2015. The G3/48 withdrawal will not have any impact on the Manora Oil Development or exploration in the G1/48 Concession.



Location map of Gulf of Thailand interests

Australia, Carnarvon Basin



Location map of offshore Carnarvon Basin interests

WA-351-P

Tap 20%, BHP Billiton Operator

WA-351-P is an exploration permit in the offshore Carnarvon Basin, Western Australia. The permit 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-351-P and WA-335-P to the south. The structure is well defined by modern 3D seismic data.

Tap has booked 49 PJ as a 2C contingent resource for the WA-351-P portion of the Tallaganda structure (ASX release 29 January 2013).

The discovery of hydrocarbons at Tallaganda-1 is considered significant for the future exploration potential of the permit as it confirms an active petroleum system within the acreage and proves the Mungaroo play on block, for which a number of undrilled prospects are identified. Current efforts are directed at geological and geophysical studies, integrating reprocessed 3D seismic data and the results of the recent Bunyip-1 well on the greater Tallaganda structure within adjacent block WA-335-P to the south, aimed at high grading Triassic Mungaroo prospects for future drilling.

After the end of the quarter, the Operator submitted an application to NOPTA for the declaration of a location over the Tallaganda gas discovery.

WA-290-P & WA-49-R

Tap 10%, Apache 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. The lease area covers two graticular blocks.

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.

The Joint Venture commenced drilling the Bianchi-1 well in WA-49-R on 12 April 2013. 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 well was drilled to a total depth of 5,429 metres and was plugged and abandoned as planned.

The discovery is positive for Tap with three gas discoveries (Antiope-1, Zola-1 and Bianchi-1) now made on the block. Furthermore the success at Bianchi-1 helps support Tap's assessment of the Greater Zola Area and provides additional resources for the future potential commercialisation of the lease.

Tap estimates gross 2C contingent resources of 638 PJ within the retention lease and a net resource to Tap of 64 PJ. Tap has booked an additional 16 PJ of net 2C contingent resources for Bianchi, leading to a total of 64PJ of net 2C contingent resource for the gas discoveries made in WA-49-R to date (includes the Zola, Bianchi and Antiope discoveries) (ASX Release 26 February 2014).

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

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

WA-320-P and WA-155-P (Part II) are exploration permits in the offshore Carnarvon Basin, Western Australia. The Palmerston prospect straddles both WA-320-P and WA-155-P (Part II). Palmerston is a Triassic fault block with structural similarity to the Zola structure. The Palmerston-1 well will target sandstones in the proven Mungaroo Formation play and will satisfy the Year 3 well commitment.

During the first half of 2013, Tap farmed out a portion of its interest in both permits to JX Nippon Oil and Gas Exploration (Australia) Pty Ltd. Tap farmed out 10% of its interest in WA-320-P and 7% of its interest in WA-155-P (Part II) in exchange for a 5% carry on the Palmerston-1 well (up to a total well cost of $70 million). Tap retains a 9.778% equity in WA-320-P and 6.555% equity in WA-155-P (Part II). The farmout has been approved and registered by the government.

Approximately 310 km² of multiclient 3D seismic data from the TGS "Huzzas MC3D seismic survey" has been licensed by the WA-320-P Joint Venture. Processing of the seismic data set is expected to be completed by end Q2 2015. The new seismic data will be used in planning for the Palmerston well which is expected to be drilled by Q3 2016.

TL/2 and TP/7

Tap 10% (TL/2) and 12.474% (TP/7), Apache 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.

Approval has been granted for variation of the TP/7 Year 3-5 work program (July 2014 – July 2017) to substitute the 3D seismic acquisition and well commitment with geotechnical studies. Studies on the Taunton oil field are progressing ahead of assessment of development options for the field.

Vic/P67

WHL Energy Operator

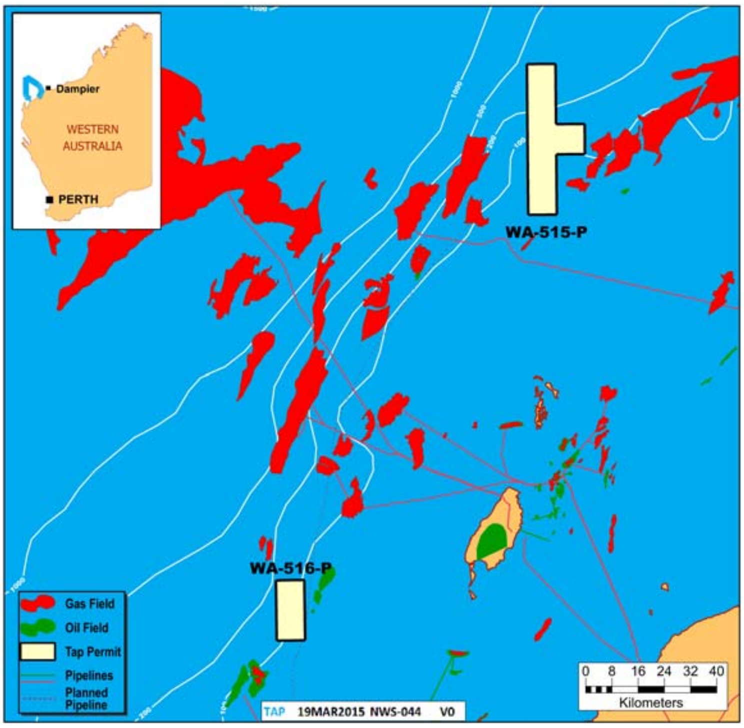
On 18 September 2013, Tap executed an agreement with WHL Energy for an option to acquire an initial 10% interest in exploration permit Vic/P67 in the offshore Otway Basin by paying up to $2.95 million of the Year Two commitment seismic costs in the permit. The Vic/P67 permit contains the undeveloped La Bella gas discovery and multiple near-field exploration targets. The La Bella gas field in Vic/P67 benefits from proximity to existing gas transmission and processing facilities in the Otway Basin. Its position may enable Tap to participate in the East Coast gas market should it exercise its option to join the Joint Venture, however, additional drilling will be required.

On 11 February 2015 Tap advised WHL that it had elected not to exercise its option to acquire 10% of the Vic/P67 permit. During the quarter, Tap paid seismic costs of $2.78 million and has no further obligation or liability in respect of exploration permit Vic/P67.

WA-515-P & WA-516-P

Tap 100%, Operator

Tap was awarded 100% of blocks W14-7 (now permit WA-515-P) and W14-16 (now permit WA-516-P) offered under the 2014 Offshore Petroleum Exploration Acreage Release. WA-515-P and WA-516-P are located in the northern Carnarvon Basin in shallow water. Tap has agreed to a three year work program for each block, with each program running from 6 March 2015 to 5 March 2018. The primary term work program for each block comprises 160 km2 reprocessing of open file 3D seismic data, Quantative Interpretation studies and Geotechnical studies. Estimated expenditure for each block in the primary 3 year term is A$0.8 Million. The majority of these funds are anticipated to be spent from 2016 onwards.



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

Myanmar

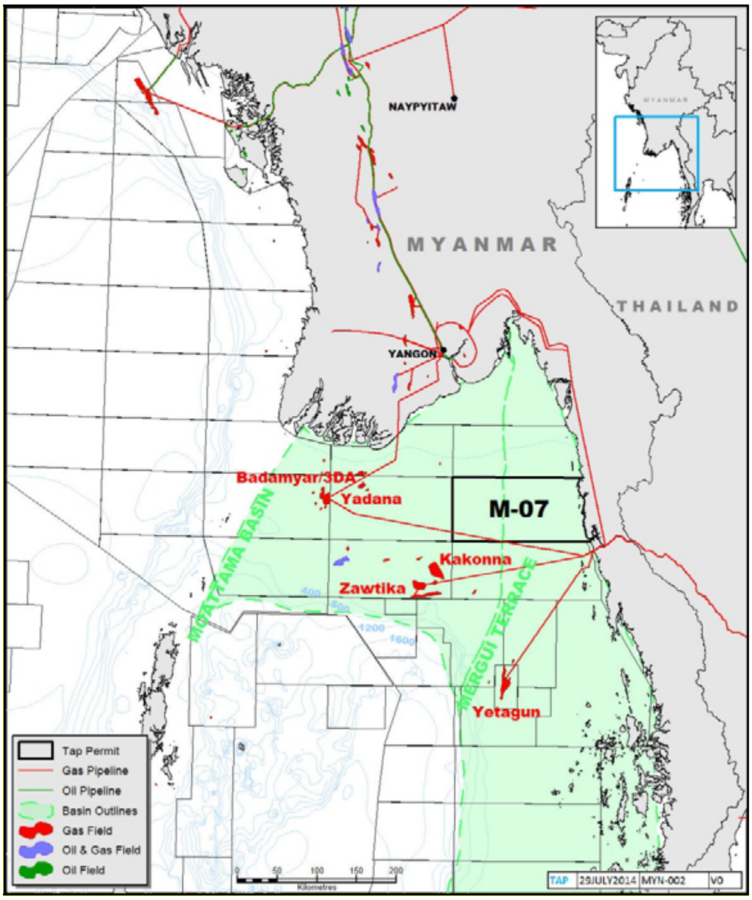
Block M-07 Moattama Basin, Offshore Myanmar

Bidding group - Tap 95% Operator

The 13,000 km^2 block is located in the gas and condensate prone Moattama basin, offshore Myanmar. The block 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.

In March 2014 Tap was advised by the Myanmar Ministry of Energy (**MOE**) of the successful award of a Production Sharing Contract (**PSC**) for shallow water Block M-7 in the Moattama basin, offshore Myanmar. The PSC award is subject to finalisation of terms with the MOE. The block award includes provisions for the joint venture participants to undertake an 18 month Environmental Impact Assessment and Study Period, following which it has an option to proceed into a three year exploration work program.

In April, Roc Oil advised the MOE and the joint venture that it has withdrawn from the bidding group. The remaining joint venture participants, Tap and Smart E&P International Ltd, its local joint venture participant, are in discussions with the MOE regarding the award of the PSC.



Location map of offshore Moattama Basin interest

Wells drilled for Manora Development Drilling Program

Development drilling for the Manora Oil Development commenced on 5 September 2014. During the quarter, MNA-08, MNA-09, MNA-10, MNA-11 and MNA-13 were drilled to final total depth. All wells were completed. MNA-06 was suspended following a drilling problem.

At the end of the March quarter, the development drilling program was complete and the rig jacked down and left the platform in the first week of April. Following the end of the quarter, producer MNA-11 was waiting to be connected to production facilities.

Refer above for further detail.

Exploration, Development, Operating and Other Expenditures

As disclosed in the Financial Report for the year ended 31 December 2014, with the funding of Tap's main asset, the Manora oil field development, in US dollars and subsequent Manora pricing benchmarks and operating costs being denominated in US dollars, Tap Oil Limited has changed its presentation currency from Australian dollars to US dollars. Unless otherwise noted, this Quarterly Report is presented in US dollars.

	Tap Share		
	Dec '14 Qtr $'000	Mar '15 Qtr $'000	
Exploration & Appraisal	3,926	827	$374k relates to spend on G1/48.
Development, Plant & Equipment	30,333	7,693	Relates to the Manora Oil Development in G1/48, Thailand.
Total Capital Expenditure	**34,259**	**8,520**	
Third Party Gas Purchases	2,352	2,085	
Manora Operating Costs *****	520	7,039	Includes operating costs, royalties & inventory adjustment.
Total Production Expenditure	**2,872**	**9,124**	

**Excludes depreciation and amortisation charges. Includes inventory movements.*

The Development, Plant and Equipment number above does not include the additional $28 million (gross - $8.4 million Tap share) of facilities cost overruns proposed by the Operator of the Manora project, as set out in note 27 of the 31 December 2014 Financial Statements. Tap is still in discussions with the Operator in regard to this matter.

Financial & Corporate

Tap's cash position at 31 March 2015 is a net debt position of $58.1 million.

At 31 March 2015, Tap had drawn $78.9 million of the Borrowing Base Debt Facility with BNP Paribas and Siam Commercial Bank (*refer to MD summary for further detail*).

Cash Position (US$)	Mar'14 $'000	Jun '14 $'000	Sep'14 $'000	Dec '14 $'000	Mar '15 $'000
Cash on hand *	15,131	15,691	14,496	10,913	20,842
Debt	**(18,442)**	**(33,500)**	**(43,000)**	**(65,400)**	**(78,894)**
Net Cash/(Debt)	**(3,311)**	**(17,809)**	**(28,504)**	**(54,487)**	**(58,052)**

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

As at today's date, Tap has on issue a total of 14,839,309 share rights to acquire fully paid shares with vesting dates varying from 17 September 2015 through to 12 January 2018.

The following performance/retention rights are on issue at the date of this report:

Number	Class	Vesting Date
2,064,781	Performance Rights	1 January 2016
958,298	Retention Rights (1 year)	1 January 2016
5,000,000	Performance Rights (special award to MD/CEO)	1 July 2016
850,362	Retention Rights (18 months)	1 July 2016
2,320,742	Performance Rights	1 January 2017
3,383,211	Performance Rights	1 January 2018
261,915	Retention Rights (3 years)	Various

During the quarter, 2,440,211 share rights lapsed and 5,253,158 share rights were issued. 101,695 ordinary shares were issued during the quarter as a result of the vesting of rights. As at 31 March 2015 and the date of this report, Tap had a total of 243,288,334 shares on issue.

Section 203D Notice

On 27 February, Tap received a notice from Mr Chatchai Yenbamroong under section 203D of the *Corporations Act 2001* (Cth) of his intention to move resolutions at a meeting of Tap shareholders convened under section 249F of the *Corporations Act 2001* (Cth) to:

(a) remove as directors of Tap each of Messrs Douglas Bailey, Troy Hayden, Michael Sandy and any other director of Tap appointed on and from the date of receipt of the section 203D notice until the end of the general meeting of Tap shareholders at which these resolutions are considered (other than Messrs David Whitby, Alan Stein, David Johnson, James Menzies and any other person that may be nominated by Mr Yenbamroong as a director of Tap at that general meeting of Tap); and

(b) appoint each of Messrs David Whitby, Alan Stein, David Johnson and James Menzies as directors of Tap.

Mr Yenbamroong is proposing to appoint 80% of the Tap Board when he only has voting control over 19.98% of Tap shares. The Tap Board is unanimous in its view that this is an opportunistic attempt by Mr Yenbamroong to take control of the Company without making a formal offer and paying a control premium to all Tap shareholders. There is still no indication from Mr Yenbamroong as to whether he still intends to convene such a meeting. Mr Yenbamroong has also not outlined what his plan or vision for Tap is, nor what he would do differently from the current Directors.

Update on Northern Gulf Disputes

$27 million default by Northern Gulf on Manora costs

Northern Gulf Petroleum Pte. Ltd (**NGP**), a Singaporean company that is a subsidiary of Northern Gulf Petroleum Holdings Limited (**NGPH**) and controlled by Mr Yenbamroong, holds a 10% interest in the G1/48 Concession and the Manora Oil Development. On 20 March 2015 the Operator of the G1/48 Concession and the Manora Oil Development (Mubadala Petroleum) gave notice to NGP that it is in default under the terms of the G1/48 Joint Operating Agreement. Tap understands that NGP has failed to pay when due its 10% participating interest share of project costs for the Manora Oil Development. The notice specifies a total sum in default of $27,079,863.37. Tap also understands that this defaulted amount remains outstanding and that the Operator continues to pursue the available remedies against NGP as prescribed by the Joint Operating Agreement.

Northern Gulf default on repayment of Tap Carry

As previously disclosed, under the terms relating to Tap's acquisition of its 30% interest in the G1/48 Concession and the Manora Oil Development from NGPH, NGP agreed to repay $10 million to Tap out of NGP's share of production from that project. This is an ongoing repayment obligation as and when proceeds are received from each oil lifting.

After repaying approximately $1.03 million from proceeds of oil liftings to date, NGP has recently ceased making any further repayments to Tap. Tap has served notice on each of NGP and NGPH regarding NGP's failure to pay amounts owing to Tap in connection with NGP's share of production from the G1/48 concession. The defaulted amounts remain outstanding and are accruing interest. Further amounts become payable to Tap each time oil lifting proceeds are received.

Northern Gulf Statutory Demand

As previously disclosed, Tap expects to make a payment to NGPH during 2015 based on the Operator's 2P reserves estimate for the Manora oil field as at 31 December 2014 (**2P Reserves Deferred Payment**). Tap understands that the Operator (Mubadala Petroleum) is currently finalising the 2P reserves estimate as at 31 December 2014 for review by the joint venture.

Despite this work being in progress, on 13 April 2015 Tap received a statutory demand from NGPH demanding payment of $14,614,500 in satisfaction of the 2P Reserves Deferred Payment, which NGPH alleges is due and payable. Tap considers that this amount is not due and payable and that there is no proper legal basis for NGPH making this demand. Tap's lawyers are now taking the necessary steps to seek to set aside this statutory demand and seek payment of Tap's legal costs. Tap also considers that this statutory demand is an abuse of the statutory demand process.

On 23 April 2015, Tap provided an update of its reserves and resources estimates for the Manora oil field as at 31 December 2014 (refer ASX release 23 April 2015). For the avoidance of doubt, Tap's 2P reserves estimate of 19.3 MMSTB (gross) for the Manora oil field is not the basis for the calculation of the 2P Reserves Deferred Payment, as agreed with NGPH in the October 2010 sale and purchase agreement.

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 or for further information contact the Managing Director/CEO, Mr Troy Hayden, or the Investor Relations & Commercial Manage, Ms Anna Sudlow by phone (+61 8 9485 1000) or email info@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.