

ASX ANNOUNCEMENT

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ASX:TAP

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Commodity Hedge Program

Tap Oil Limited (**Tap** or **the Company**) advises that it has entered into commodity hedge contracts with BP Singapore Pte Limited (**BPS**)

Details regarding the 45,000 barrels of contracted hedges with BPS are as follows:

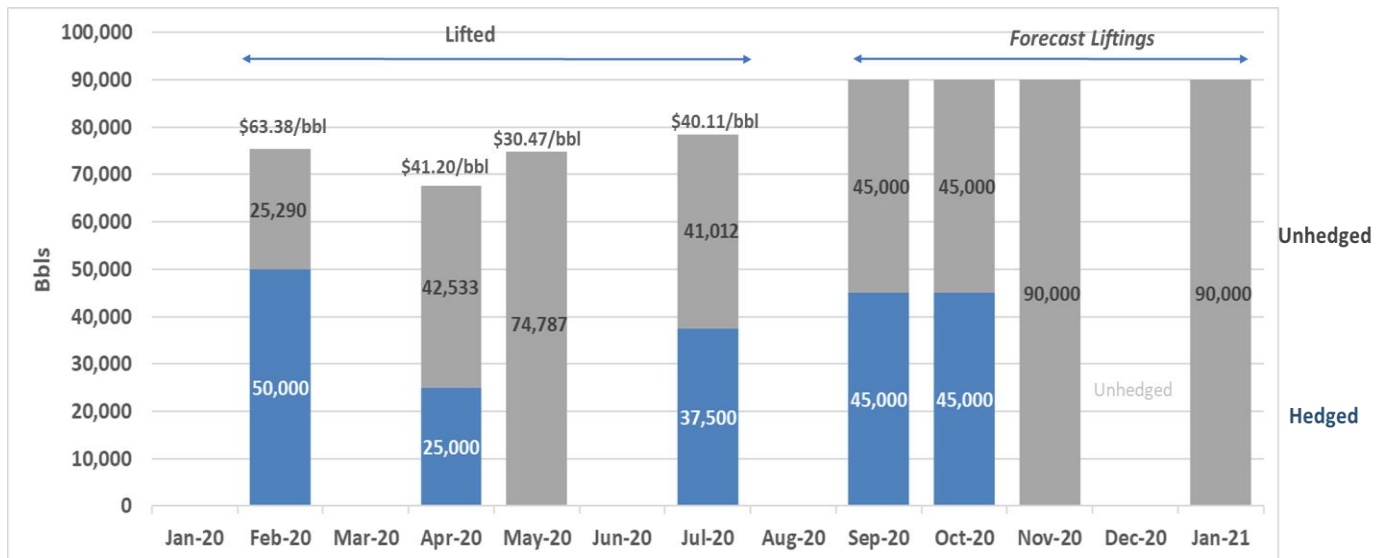
- 27,000 bbls of swaps at a fixed Dubai crude oil price of US\$43.35/bbl for the month of October 2020;
- 18,000 bbls of buy puts at Dubai US\$40.00/bbl for the month of October 2020; and
- 18,000 bbls of sell calls at a strike price of Dubai US\$48.25/bbl for the month of October 2020.

Tap has previously hedged 45,000 bbls to be lifted in September 2020 at an average fixed swap price of US\$38.18/bbl.

Tap Executive Chairman, Mr Chris Newton said *"The hedging is consistent with Tap's strategy of providing downside price protection for a maximum 50% of each lifting, while maintaining upside exposure to unhedged barrels. With crude prices at a five month high and considering the contango in the futures market, we have moved opportunistically within the strategic context to manage oil price risk for our 90,000 bbl (Net to Tap) October 2020 Manora crude oil lifting. Further hedging post October 2020 volumes is expected shortly."*

Hedging has been implemented against Dubai crude, the reference against which Manora crude is priced. The medium sweet Manora crude oil continues to be sold at a premium to Dubai crude.

Tap also notes that the December 2020 lifting, originally scheduled for late December will likely now be marketed for lifting in early January 2021. The diagram below updates actual and forecast lifting volumes, hedge positions and realised prices.



- February to July post hedge realised prices as noted in US\$ / bbl
- Volume and schedule post September 2020 subject to production and market

Authorised by the Board of Tap Oil Limited

[Investor enquiries](#)

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