

ASX ANNOUNCEMENT

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ASX:TAP

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Manora 2020 Development Drilling and Workover Program

Highlights:

- Operator, Mubadala Petroleum, and Tap have approved the drilling of three development wells in the Manora 2020 development drilling campaign. AFEs approved by the Tap Board.
- The Valaris 115 is expected to commence drilling operations at Manora on or around 16 May 2020.
- The MNA-25, MNA-26 and MNA-27 development wells are expected initially to add 3,600 bopd to total production at Manora (currently around 5,000 bopd) and are required to develop undeveloped reserves and mitigate production decline.
- While the Valaris rig is at Manora, the opportunity to replace the ESP on MNA-15 will be taken as well as the workover of the MNA-07 well to convert it to a water disposal well
- Total estimated cost of the Manora 2020 development drilling and workover campaign is US\$13.48 million (US\$4.04 million net to Tap)

Tap Oil Limited (**Tap** or the **Company**) is pleased to provide updated information in relation to the Manora 2020 development drilling campaign now scheduled to commence on or about 15 May 2020 using the Valaris 115 jack-up drilling rig, (Previously known as the Ensco 115).

After rigorous technical and commercial assessment of a number of portfolio opportunities the Operator, Mubadala Petroleum, and Tap have agreed to drill, complete and put on production three wells in the Manora 2020 development drilling campaign.

These drilling operations represent cost-effective opportunities for Tap to develop undeveloped reserves with a total estimated cost of US\$3.4 million (net to Tap) for the entire three well program, based on the Operator's AFE estimates.

In addition, while the rig is on location at Manora in the Gulf of Thailand, the JV parties have decided to cost effectively workover the MN-15 well to replace an electric submersible pump and workover the MNA-7 well to add water disposal capacity. Total cost of the two workovers, net to Tap is US\$0.64 million bringing the expected total cost of the development drilling and workover program to US\$4.04 million net to Tap.

The three well development drilling program comprises of:

MNA-25 Development Well

The primary objective of the MNA-25 deviated development well is to produce oil in the 600 series reservoirs of the Manora Central Fault block.

The well will be drilled close to the existing MNA-01 well, targeting 610, 620 and 650 sands in an updip location. MNA-01 is still producing at 680 bopd gross with 84% water cut from the 650 sand.

The well will be drilled to a maximum measured depth of 2,400m and completed with a multi zone completion. Gross estimated drilled and completed cost is US\$4.12 million (US\$1.24 million net to Tap).

The Operator's estimated initial production rate is 1,100 bopd.

MNA-26 Development Well

The primary objective of the MNA-26 horizontal development well, also located in the Manora Eastern Fault Block, is to produce potentially undrained oil in the 370-10 reservoir that was first developed by the 2019 MNA-24 horizontal well. The sand lobe being targeted is interpreted to be separate from the productive sand in the MNA-24 well, which is still producing at approximately 900 bopd with an 18% water cut; having produced 230 MSTB gross of oil since being put into production in July 2019.

The well will include an approximate 400m horizontal section in the upper 370-10 reservoir completed with a sand screen.

MNA-26 will be drilled to a maximum measured depth of 2,225m at a gross estimated drilled and completed cost of US\$3.64 million (US\$1.09 million net to Tap).

The Operator's estimated initial production rate is 1,100 bopd

MNA-27 Development Well

This new deviated well from a new platform slot effectively twins the MNA-22 well drilled in 2019 that was unable to be put into production at the time due to poor cement bond behind the production casing. Petrophysical interpretation of MNA-22 well logs showed a total oil net pay of 56.5m in the 490 and 500 series sands. The MNA-27 well will target these well-developed sands and provide an additional reservoir drainage point in the highly productive Eastern Fault Block of the Manora Oil Field.

The well will be drilled to a maximum measured depth of 2,011m and completed with a multi zone completion. Gross estimated drilled and completed cost is US\$3.61 million (US\$1.08 million net to Tap).

The Operator's estimated initial production rate is 1,400 bopd.

MNA-15 Workover

The electric submersible pump (**ESP**) on the MNA-15 well failed in February 2019 when the well was producing at 487 bopd gross from the 650 reservoir in the Eastern Fault Block. The workover is planned to replace the ESP and bring the well back into production.

The Operator expects the well to produce at an initial rate of 300 bopd.

Gross estimated workover cost is estimated at US\$0.9 million (US\$0.27 million net to Tap).

MNA-07 Workover

The MNA-07 well was shut-in in November 2019, while producing uneconomically at a very high water cut. The well began production in January 2015 and has produced a total of 0.34 million barrels of oil gross, from multiple 600 and 400 series sand zones in Manora's Eastern Fault Block.

The well will be completed as a water disposal well in shallow reservoirs and will provide additional water disposal capacity to help optimise Manora production and ultimate oil recovery.

Gross estimated workover cost is estimated at US\$1.2 million (US\$0.36 million net to Tap).

Authorised by the Board of Tap Oil Limited

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