

## Quarterly Report

For the Quarter Ended 31 December 2018



### Highlights

- **Debt free and building cash from production at the Manora Oil Field, with Australian asset rationalisation and monetisation continuing**
- **Manora production on track against the 2P profile with significant activity planned for 2019**
- **US\$21.2 million of cash on hand at 31 December 2018 plus a receivable of US\$4.45 million from December 2018 crude oil lifting of 75,026 barrels**
- **Production during the Q4 18 quarter averaged 1,691 bopd Tap share. Production during FY 18 averaged 1919 bopd Tap share**
- **Cumulative Manora gross production reached 14.4MMSTB (Tap's share 4.3MMSTB) as at 31 December 2018**
- **Revenue received during the quarter of US\$10.4 million at an average price of US\$69.28/Bbl after hedges**
- **Hedges have rolled off and all Tap production is now unhedged**
- **New 12-month oil offtake agreement signed with PTT for all 2019 production at an improved premium to Dubai**
- **Tap strategic direction maintained:**
  - **Rationalisation of Australian portfolio continued with the sale of Tap's interest in WA-33-R**
  - **Discussions underway that could lead to more Australian divestments**
  - **Tap and Manora JV Operator, Mubadala Petroleum, agreed a 2019 budget which includes a development program to develop Reserves and Resources discovered in 2018 exploration drilling program and a contingent exploration program scheduled for Q3-Q4 2019 depending upon the outcome of portfolio G&G work that is expected to be finalised in Q1 2019.**

Revenue for the December quarter was ~US\$10.4million at an average price of US\$69.28/Bbl after hedges. Revenue was lower compared to the prior quarter primarily due to the lower number of liftings at the Manora Oil Field (**Manora**) in block G1/48 gulf of Thailand. At 31 December 2018, Tap held a receivable of US\$4.45 million from December 2018 crude oil lifting of 75,026 barrels.

Production at Manora averaged 5,636 bopd (Tap's share 1,691 bopd) for the quarter, down 16% from the previous quarter primarily due to the production decline of new wells and the failure of an ESP recently installed on a workover of MNA-19.

Revenue (after hedge losses) received during the December quarter was \$10.4million at an average price of US\$69.28 / bbl. Tap currently remains unhedged with the last hedge rolling off in November 2018.

As announced on 14 December 2018, Tap signed a Manora crude oil offtake agreement with PTT companies. The agreement is for a 12-month period to sell Tap's share of production at an improved premium to Dubai crude.

During the quarter, Tap sold its 22.474% interest in WA-33-R to Santos (BOL) Pty Ltd and Santos WA Pty Ltd (previously Quadrant Oil Pty Ltd).

## Revenue & Production

Revenue (after accounting for realised hedge losses) for the December quarter was \$10.4 million. Revenue was lower compared to the prior quarter due to the lower number of liftings (2 liftings in the December quarter compared to 3 lifting in the September quarter). The average realised oil price was \$69.28/bbl, 1% lower compared to the previous quarter.

SALES REVENUE* (Tap's Share)	Sep Qtr \$'000	Dec Qtr \$'000	Qtly % Change	Comment
Manora Crude Revenue – net	16,182	10,396	(35.7)%	Decrease primarily due to 2 liftings being completed in the December quarter compared to 3 liftings being completed in the September quarter.
<b>Total Oil Revenue</b>	<b>16,182</b>	<b>10,396</b>	<b>(35.7)%</b>	
<b>Average realised oil price (US\$/bbl*)</b>	<b>70</b>	<b>69</b>	<b>(1)</b>	

\*Includes Realised Hedge Losses

PRODUCTION VOLUMES (Tap's Share)	Sep Qtr	Dec Qtr	Qtly % Change	Comment
Manora Crude (bbls)	185,807	155,567	(16.3)%	Production decrease due to production decline from new wells and the failure of an ESP recently installed on a workover of MNA-19.
Manora Daily Average (bopd)	2,020	1,691	(16.3)%	
Manora inventory (bbls)	84,297	89,104	5.7%	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 MP G1 (Thailand) Limited (**Mubadala Petroleum**).

The G1/48 concession comprises the Manora Oil Field under production license and the Reservation Area within the concession.

Gross production for the quarter was 519 MSTB (Tap's share 156 MSTB). The average quarterly gross production rate was 5,636 bopd (Tap's share 1,691 bopd). Cumulative field production to 31 December 2018 was 14.4 MMSTB gross (Tap's share 4.3 MMSTB). Production for the quarter decreased primarily due to production decline from new wells and the failure of an ESP recently installed on a workover of MNA-19.

Tap has executed a new 12-month crude offtake agreement with PTT for all 2019 production at an improved premium to Dubai.

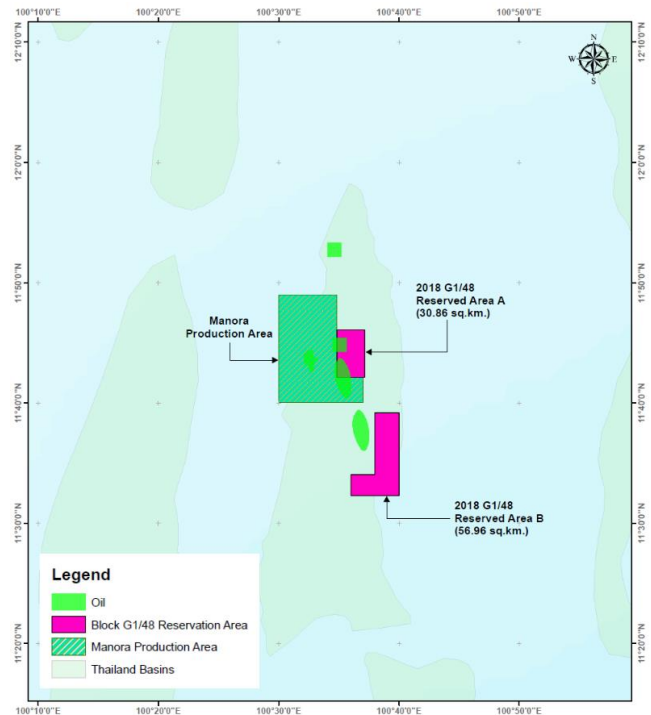


Figure 1: Location map of the Manora Oil Field

## Exploration

### Gulf of Thailand

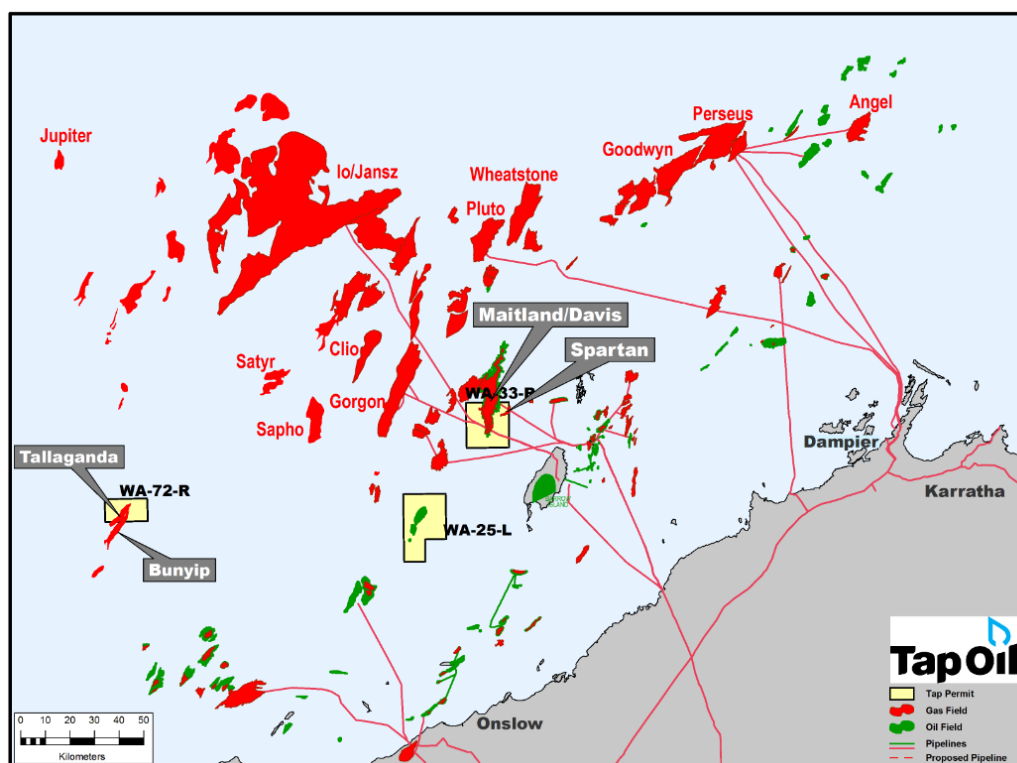
#### Offshore Thailand

(Tap 30%)

The G1/48 Joint Venture has a Reservation Area of 87.82 km<sup>2</sup> under a five-year Reservation Area Agreement with the Thailand Department of Minerals and Fuels (DMF). The reservation period will end in December 2020.

During the quarter, the Operator was finalising an application to DMF for a North Kra Production Area (PA) extension to the east of the current North Kra (Manora) PA. The extension area will cover the Malida field discovery of 2015. The proposed North Kra extension will cover an area of around 14 km<sup>2</sup>. The commercial development of the Malida discovery will depend among other factors on the further exploration success of nearby structures. During the quarter, the Operator was undertaking detailed geological and geophysical studies with the objective of maturing a number of exploration prospects for Q2 drilling investment decisions and potential drilling in Q3-Q4 2019.

## Australia, Carnarvon Basin



Location map of offshore Carnarvon Basin interests

### WA-33-R

Tap 22.474%, [Quadrant Energy Operator](#)

Consistent with Tap's strategy to rationalise and monetise its Australian portfolio, Tap sold its 22.474% interest WA-33-R to Santos (BOL) Pty Ltd and Santos WA Pty Ltd (previously Quadrant Oil Pty Ltd) at the end of November 2018.

### 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-Bunyip structure straddles both WA-72-R and WA-71-R to the south. The structure is well defined by modern 3D seismic data.

No activity was recorded 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 km<sup>2</sup>. Tap estimates a 2C contingent resource net to Tap of 40.2 BCF (45 PJ) (ASX Release 22 April 2016).

The Operator for WA-34-R, ENI, expects to deliver a feasibility report of future development options by Q1 2019.

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

Tap has met with its exit obligations and is awaiting confirmation from the government authority Myanmar Oil and Gas Enterprise (MOGE).

## Exploration, Development, Operating & Other Expenditures

	Tap Share	Tap Share
	Sep Qtr \$'000	Dec Qtr \$'000
Exploration & Appraisal	137	14
Development, Plant & Equipment	284	139
<b>Total Capital Expenditure</b>	<b>421</b>	<b>153</b>
Manora Production Costs *	7,008	5,769
Other Expenses **	652	671
<b>Total Expenditure</b>	<b>7,660</b>	<b>6,440</b>

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

\*\* Includes staff costs and G&A costs.

## Financial & Corporate

### Cash Position

Tap's cash position at 31 December 2018 was US\$21.2 million made up of US\$17.1 million held in Tap's bank accounts and US\$4.1 million held as Tap's share of cash held in joint ventures.

Cash Position (US\$)	Dec'17 \$'000	Mar'18 \$'000	Jun'18 \$'000	Sep'18 \$'000	Dec'18 \$'000
Cash Balance *	7,753	13,087	15,264	16,343	21,186
Debt	-	-	-	-	-
<b>Net Cash/(Debt)</b>	<b>7,753</b>	<b>13,087</b>	<b>15,264</b>	<b>16,343</b>	<b>21,186</b>
* Cash Balance includes Tap's share of cash held in joint ventures.					



## Hedging

The Company has no hedge positions as at the end of December 2018 quarter

## Share Rights

During the quarter, 1,024,544 retention share rights and 6,861,037 performance share rights lapsed unvested. At 31 December 2018, Tap had on issue a total of 3,659,325 share rights to acquire fully paid shares with vesting dates varying from 1 January 2019 through to 1 January 2021.

The following performance rights were on issue at 31 December 2018:

Number	Class	Vesting Date
327,685	Performance Rights	1 January 2019
1,559,453	Performance Rights	1 January 2020
1,772,187	Performance Rights	1 January 2021

There are no Retention Rights outstanding.

## FURTHER INFORMATION

### Investor Enquiries:

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### 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 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 <a href="http://www.tapoil.com.au">www.tapoil.com.au</a> .	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.