

Quarterly Report

For the Quarter ended 30 June 2019



Highlights

- Debt free and cash build continuing from Manora high margin oil production.
- US\$31.54 million of cash on hand (including JV share of cash) at 30 June 2019
- Manora production during the quarter averaged 5,284 bopd (Tap's share 1,585 bopd)
- Cumulative Manora gross production reached 15.34MMSTB (Tap's share 4.60MMSTB) as at 30 June 2019
- One lifting during the quarter and one after quarters end (1 July) with revenue to be received on 31 July.
- Cash receipts from two liftings received during the quarter of US\$11.80 million at an average price of US\$71.62/bbl
- During the quarter, Tap took the opportunity to lock in some April oil price strength and protect a portion of revenue and Manora reinvestment plans against a significant oil price retreat. 165,938 barrels of Manora crude oil, to be lifted between May 2019 and December 2019 has been hedged. The hedging is designed to protect against oil price falls below US\$60.00/bbl while retaining exposure to an average price increase up to US\$77.00/bbl
- Tap and its Manora joint venture partners have approved a 2019 work program and budget for four firm wells and one contingent well at the Manora Oil Field in G1/48. More specifically, the joint venture has approved:
 - Three Manora Oil Field development wells, scheduled to commence drilling in July 2019;
 - One firm exploration well and side-track, scheduled for November 2019; and
 - One further exploration well, contingent upon rig slot availability
- In July 2019 the Manora JV partners formally approved the drilling of 3 development wells at Manora and these wells spudded post months end on 9 July 2019

Summary

Tap Oil Limited (**Tap** or the **Company**) reported cash receipts from oil sales for the June quarter was US\$11.794 million. Cash receipts were higher compared to the prior quarter primarily due to the higher sale price per barrel achieved for the two liftings at the Manora Oil Field (**Manora**) in block G1/48 in the Gulf of Thailand.

Production at Manora averaged 5,284 bopd (Tap's share 1,585 bopd) for the quarter, down 3.4% from the previous quarter primarily due due to natural decline.

The Company's cash position as at the end of the June quarter was US\$31.540 million; an increase of US\$6.2 million from the previous quarter.

At the start of 2019, Tap's remaining positions in Australia, all non-operated, are in WA-72-R (20%), WA-34-R (12%) and WA-25-L (15%).

Revenue

Cash receipts for the June quarter was US\$11.957 million from 2 liftings made in March and May 2019. Cash receipts were higher compared to the prior quarter due to the higher sales price per barrel achieved for the two liftings in which revenue was received in the June quarter. The average realised oil price was US\$71.62/bbl, being 17.3% higher compared to the previous quarter.

SALES REVENUE* (Tap's Share)	Mar Qtr US\$'000	Jun Qtr US\$'000	Qtly % Change	Comment
Manora Crude Receipts – net	9,846	11,794	19.7%	Increase primarily due higher sale price per barrel.
Other Receipts	121	163	34.7%	Increased cash held on term deposits
Total Cash Receipts	9,967	11,957	20.0%	
Average realised oil price (US\$/bbl*)	61.06	71.62	17.3%	

*Includes Realised Hedge Losses

PRODUCTION AND LIFTING VOLUMES (Tap's Share)	Mar Qtr	Jun Qtr	Qtly % Change	Comment
Manora Crude Production (bbls)	149,251	144,228	(3.4)%	Production decrease due to natural decline.
Manora Daily Average Production (bopd)	1,658	1,585	(4.4)%	
Manora Crude Lifting (bbls)	177,896	74,975	(57.9)%	There were 2 liftings in the March quarter and 1 in the June quarter
Manora inventory ¹ (bbls)	59,744	127,674	113.7%	As at quarter end.

1. Reconciliation between production and inventory wont be exact due to shrinkage.

Production

Gulf of Thailand - Manora Oil Field

Offshore Thailand
(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 481 MSTB (Tap's share 144 MSTB). The average quarterly gross production rate was 5,283 bopd (Tap's share 1,585 bopd). Cumulative field production to 30 June 2019 was 15.34 MMSTB gross (Tap's share 4.6 MMSTB). During the quarter an optimization program was undertaken on a number of wells which resulted in modest production gains on those wells.

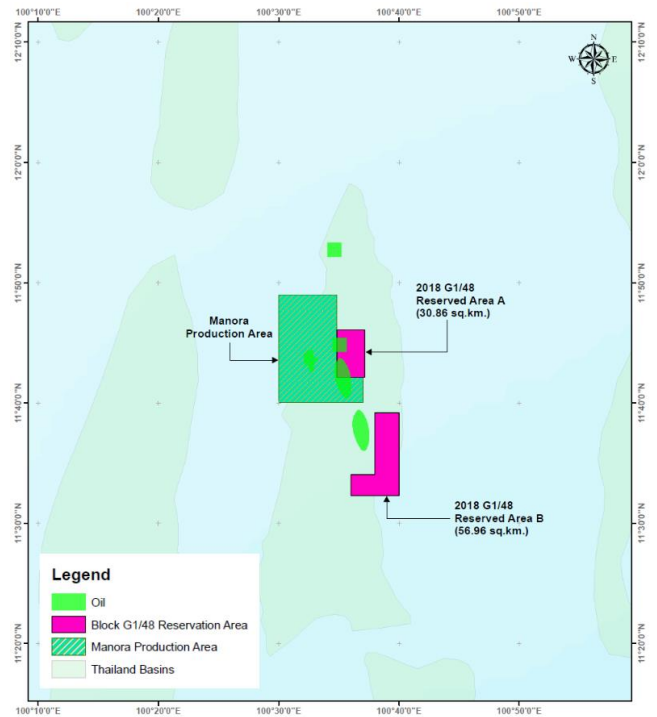


Figure 1: Location map of the Manora Oil Field

Development

Gulf of Thailand - Manora Oil Field

Offshore Thailand
(Tap 30%)

Budgeted development activities in 2019 include two development wells in the Manora 300 series sands discovered in 2018, a further development well in the 490-60 reservoir delineated in late 2017 by MNA-18, and various workover opportunities to optimise production. Further investments in the de-bottlenecking of facilities, including water injection capacity enhancement, is also budgeted.

Final investment decision of these development drilling opportunities was made in July 2019 as announced to the ASX on 9 July 2019.

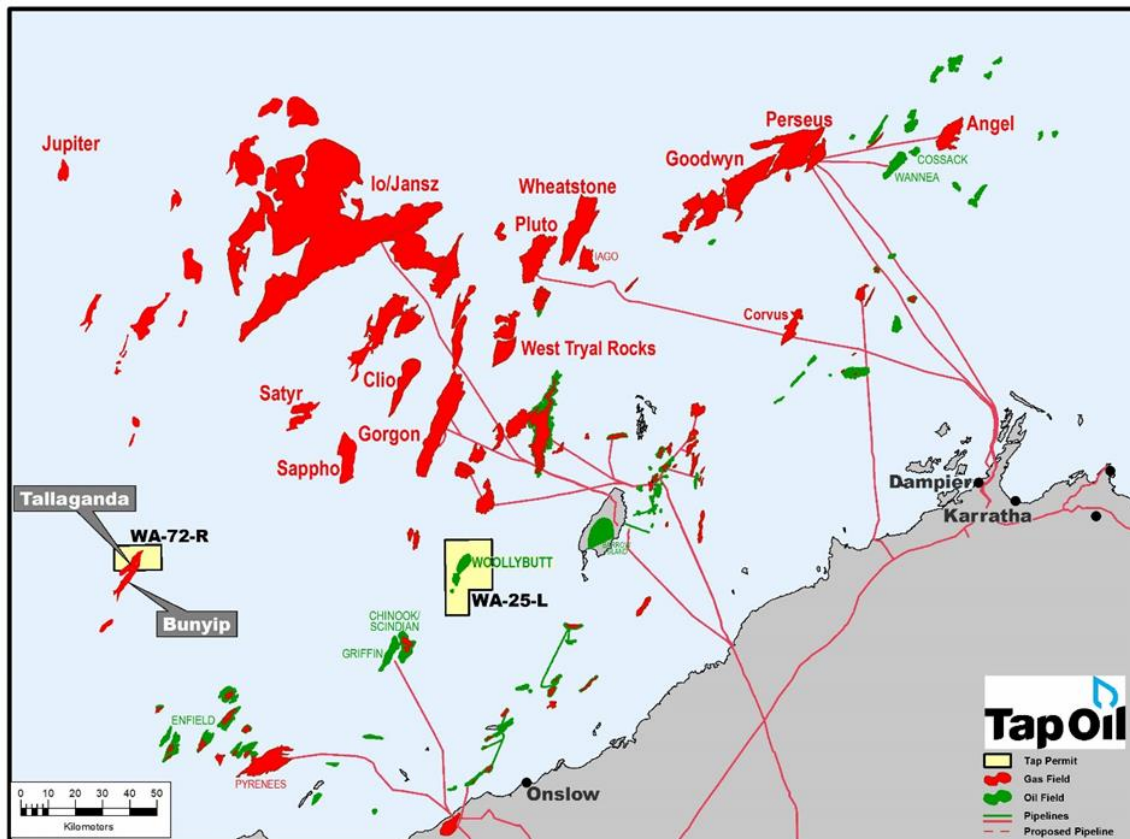
Exploration

Gulf of Thailand - Manora Oil Field

Offshore Thailand
(Tap 30%)

A portfolio of nearfield exploration drilling opportunities has been evaluated, with three prospect clusters high-graded that could be tested with a combination of exploration wells and associated side-tracks. The firm 2019 budget includes one exploration well and a side-track. A further exploration well is also budgeted, contingent upon rig slot availability. Detailed well engineering and design is ongoing towards a final investment decision on the number and location / trajectory of exploration and side-track wells to be made in Q3 2019, with drilling scheduled to commence in Q4 2019. Minor long lead investments have already been made.

Australia – Carnarvon Basin and Bonaparte Basin



At the start of 2019, Tap's remaining positions in Australia, all non operated, are in WA-72-R (20%), WA-34-R (12%) and WA-25-L (15%). Further Australian portfolio monetisation opportunities are actively being pursued which will enable Tap to sharpen its focus on its core Manora asset, with a fit for purpose organisation and cost structure.

Australia, Carnarvon Basin

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-73-R to the south. The structure is well defined by modern 3D seismic data.

No activity 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 km². 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, continues to look at economical viability to commercialise the resources in WA-34-R.

Australia, Carnarvon Basin

Woollybutt, WA-25-L

Tap 15%, Eni Operator

The WA-25-L production licenses are located off the northwest coast of Western Australia, approximately 80km north of the town of Onslow, and lie in 100m water depth. The Woollybutt oil field was discovered in 1997 and development of the field started in 2003. The field included subsea wells producing to a floating production, storage and offloading facility (FPSO).

The field ceased production in May 2012 and the Joint Venture parties continue to plan for the decommission of the field. The Operator, ENI is looking at way to optimise, from a cost and risk perspective the eventual field abandonment between 2020 and 2021.

Myanmar

Block M-7 Moattama Basin, Offshore Myanmar

Tap 95% Operator

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
	Mar Qtr US\$'000	Jun Qtr US\$'000
Exploration & Appraisal	149	248
Development, Plant & Equipment	172	245
Total Capital Expenditure	321	493
Manora Production Costs *	5,289	4,643
Other expenses **	467	535
Total Expenditure	6,077	5,671

* Includes operating costs, royalties, marketing costs, 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 30 June 2019 was US\$31,540 million. Cash includes Tap's share of cash held in joint ventures, which at the end of the quarter was US\$3.294 million.

Cash Position	Jun'18 US\$'000	Sep'18 US\$'000	Dec'18 US\$'000	Mar'19 US\$'000	Jun'19 US\$'000
Cash on hand *	15,264	16,343	21,166	25,289	31,540
Debt	-	-	-	-	-
Net Cash/(Debt)	15,264	16,343	21,166	25,289	31,540
* Cash on hand includes Tap's share of cash held in joint ventures.					

Share Rights

2,096,173 Performance Rights and 2,096,173 Retention Rights were issued to executive director Mr Chris Newton on 15 May 2019.

At 30 June 2019, Tap had on issue a total of 9,680,426 share rights to acquire fully paid shares with vesting dates varying from 31 December 2019 through to 31 March 2022.

The following performance rights were on issue at 30 June 2019:

Number	Class	Vesting Date
1,079,294	Performance Rights	31 December 2019
1,559,453	Performance Rights	1 January 2020
1,079,294	Retention Rights	31 March 2020
1,047,550	Performance Rights	31 December 2020
1,772,187	Performance Rights	1 January 2021
1,047,550	Retention Rights	31 March 2021
1,047,550	Performance Rights	31 December 2021
1,047,550	Retention Rights	31 March 2022

Hedging

During the quarter, the Tap Board made a decision to take the opportunity to lock in some April oil price strength and protect a portion of revenue and Manora reinvestment plans against a significant oil price retreat. The following hedges were contracted with BP Singapore Pte Ltd on 12 April 2019 and 26 April 2019:

The combined volumes hedged for the quarter are as follows:

- 120,938 bbls of buy puts and sell calls bringing the total hedged between July 2019 and December 2019 to 37.5% of anticipated liftings at an average put strike price of US\$60.00/bbl and average call strike price of US\$77.00/bbl.
- 45,000 bbls of the May 2019 cargo being 60% of the volume hedged at an average swap price of \$70.27/bbl. This hedge resulted in a US\$40,125 gain for Tap.

Subsequent to quarter end further hedges were entered into as follows:

- 30,000 bbls of the July 2019 cargo being 37% of the scheduled lifting hedged at a swap price of \$61.00/bbl.

Unmarketable Parcel Facility

On 13 June 2019 Tap announced the commencement of a non-marketable parcel buy back facility. The facility is an opt-out facility for shareholders who hold less than A\$500 worth of fully paid ordinary shares.

The indicative timetable for this facility is noted below:

Event	Date
Record Date	5.00pm (WST) 12 June 2019
Letter to Non-marketable holders including Information Booklet and Share Retention Form	19 June 2019
Retention Date for receipt of Share Retention Form	3.00pm (WST) 31 July 2019
Estimated payment date	16 August 2019

The Company reserves the right to vary this timetable, in accordance with the ASX Listing Rules and the Company's Constitution

FURTHER INFORMATION

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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
<p>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.</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>