

# Quarterly Update

For the Quarter ended 31 March 2021



## Highlights

- US\$16.37 million of cash on hand (excluding Tap's share of joint venture cash) as at 31 March 2021.
- Manora production during the March 2021 quarter (March Quarter) averaged 7,239 bopd (Tap's share 2,172 bopd), 56% of the March Quarter production came from the four new wells drilled and completed during 2020.
- Three liftings during the March Quarter totalling 266,936 bbls (Tap's share).
- Tap's cash receipts from two liftings received during the March Quarter of US\$10.53 million (US\$8.71 million after hedging) at an average price of US\$58.51/bbl (US\$48.42/bbl after hedging).
- Hedging program for of the April and June 2021 cargoes executed for circa 23% of scheduled liftings at a weighted average Dubai price of US\$67.47 / barrel.
- The 19<sup>th</sup> million barrel was produced during March 2021 and Cumulative Manora gross production reached 19.2 MMSTB (Tap's share 5.75 MMSTB) as at 31 March 2021.
- The Manora debottlenecking project waiting on the overhaul of the high pressure water injection pumps at the end of March 2021 and is expected to be completed in Q2 FY2021.
- Decommissioning studies commenced during the March Quarter.
- Manora maintains a Zero LTI record throughout its development and production life.
- Enhanced operating protocols have ensured no COVID-19 cases in operators or contractors' personnel onshore or offshore.

Tap Oil Limited (**Tap** or the **Company**) provides the following update on its activities for the March Quarter.

## Revenue

Cash receipts for the March Quarter were US\$10.53 million (US\$8.71 million after hedging) from two liftings, made in January and February 2021. Cash receipts were lower compared to the quarter ending December 2020 (**December Quarter**) due to only receiving funds from 2 oil lifts in the March Quarter compared to receiving the cash receipts from 3 oil lifts in the December Quarter. Manora crude was sold at a discount to Brent during the March Quarter reflecting still difficult spot market conditions for Manora crude however the average realised oil price before hedging on a cash basis was US\$58.51/bbl for the March Quarter, being 46% higher compared to the December Quarter. The average realised oil price after hedging was US\$48.42/bbl being 21% higher than the December Quarter.

CASH SALES RECEIPTED * (Tap's Share)	Dec Qtr US\$'000	Mar Qtr US\$'000	Qtly % Change	Comment
Manora Crude Receipts – net	10,478	8,716	(16.8%)	Decrease primarily due to there being cash receipts from 2 oil liftings in the March quarter and 3 cash receipts from oil liftings in the December quarter, there was also an increase in the realised average oil price.
Other Receipts	12	1	(91.7%)	Timing of receipt of interest on term deposits.
<b>Total Cash Receipts</b>	<b>10,490</b>	<b>8,717</b>	<b>(16.9%)</b>	
<b>Average realised oil price after hedging (US\$/bbl*)</b>	<b>40.05</b>	<b>48.42</b>	<b>20.9%</b>	

\*For the quarters cash receipts and includes Realised Hedge Gains/ (Losses).

PRODUCTION AND LIFTING VOLUMES (Tap's Share)	Dec Qtr	Mar Qtr	Qtly % Change	Comment
Manora Crude Production (bbls)	193,437	195,457	1.0%	Consistent with previous quarter.
Manora Daily Average Production (bopd)	2,103	2,172	3.3%	
Manora Crude Lifting (bbls)	171,653	266,936	55.5%	There were 3 liftings in the March quarter and 2 liftings in the December quarter.
Manora inventory <sup>1</sup> (bbls)	137,549	64,667	(53.0%)	As at quarter end.

1. Reconciliation between production and inventory won't be exact due to shrinkage.

## Production and Development

### 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.

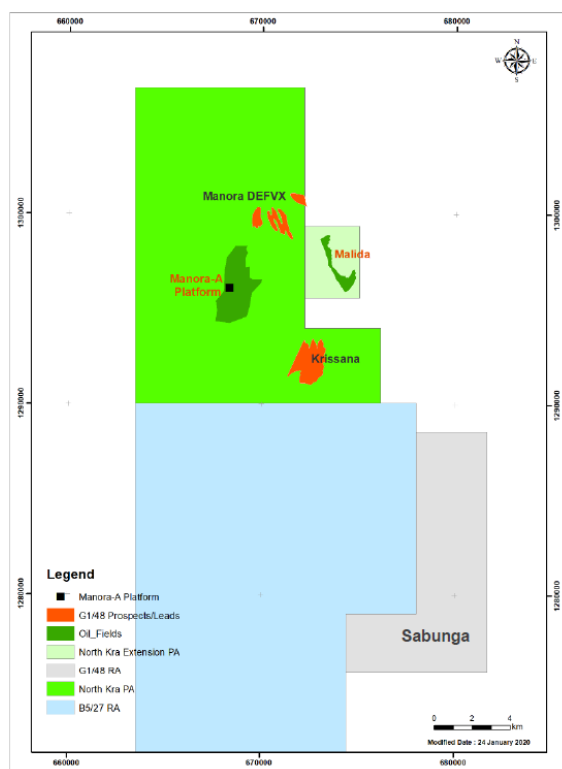
Gross production for the March Quarter was 651.5 MSTB (Tap's share 195 MSTB). The average quarterly gross production rate was 7,239 bopd (Tap's share 2,172 bopd). Cumulative field production to 31 March 2021 was 19.2 MMSTB gross (Tap's share 5.75 MMSTB).

Production during 1Q21 was essentially unconstrained by the FSO storage capacity and lifting schedule. Production rates were increased to counter natural decline from watercut increase thus being able to maintain flat production compared to the December Quarter. The four new development wells had a cumulative production of 366 MSTB (110 MSTB net to Tap) during the quarter. This accounted for 56% of the quarter production.

At the end of March 2021 remedial well work was undertaken on two wells using a coil tubing unit. The objective was to clean out scale and other deposits in the tubing. This would allow for higher production rates. The work continued on into April and was successfully completed. The well intervention program will be continued into April with a slickline unit being used to perform zone change operations to optimize production.

During the March Quarter, the Manora de-bottlenecking project continued. The objective was to increase the water handling and injection capacity of the platform to approximately 43,000 bpd, which would allow enhanced depletion of the high watercut wells. The project has again encountered technical problems and the new system, expected to be operational during February 2021 is yet to be commissioned. Engineering efforts are underway to address the technical matters associated with the new high-pressure water injection pump system and the JV is hopeful the system will be commissioned over the next few months. For now, Manora water handling capacity is constrained at 30,000 bpd.

Figure 1: Location Map of Manora Production Area and G1/48 Exploration Reservation Areas



The Sabunga Exploration Reservation Area totalling 56.96km<sup>2</sup> expired in December 2020 and was deliberately not renewed. Tap now only holds the Manora production area and its extension totalling 171.55 km<sup>2</sup>

No further exploration, appraisal and development drilling is planned at Manora.

## Decommissioning

An independent expert study is underway to define the scope, schedule and costs for the Manora field decommissioning to commence at the end of field life. The final report, along with an independent cost estimate, is required to be submitted to the Thailand Department of Mineral Fuels and will determine the magnitude of the decommissioning Financial Security Deposit expected to be required in 2H 2021.

## Exploration, Development, Operating & Other Expenditures

	Tap Share	
	Dec Qtr US\$'000	Mar Qtr US\$'000
Exploration & Appraisal	-	-
Development, Plant & Equipment	842	205
<b>Total Capital Expenditure</b>	<b>842</b>	<b>205</b>
Manora Production Costs *	4,167	4,270
Other expenses **	1,030	255
<b>Total Expenditure</b>	<b>6,039</b>	<b>4,730</b>

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

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

## Financial & Corporate

### Cash Position

Tap's cash position at 31 March 2021 was US\$16.37 million. Cash excludes Tap's share of cash held in joint ventures, which at the end of the March Quarter was US\$3.81 million and primarily required for expenditures incurred but not yet paid.

	Mar'20 US\$'000	Jun'20 US\$'000	Sept'20 US\$'000	Dec'20 US\$'000	Mar'21 US\$'000
Cash on hand	24,576	22,539	19,103	12,455	16,370
Debt	-	-	-	-	-
<b>Net Cash /(Debt)</b>	<b>24,576</b>	<b>22,539</b>	<b>19,103</b>	<b>12,445</b>	<b>16,370</b>

### Hedging

During the March Quarter, the Tap Board resolved to execute the following commodity hedges:

- 20,000 bbls of swaps at a fixed Dubai fixed oil price of US\$68.30/bbl for April 2021; and
- 20,000 bbls of swaps at a fixed Dubai fixed oil price of US\$66.63/bbl for June 2021.

The hedges represented circa 23% of scheduled Tap Q2 2021 oil liftings.

Authorised by the Board of Tap Oil Limited.

## FURTHER INFORMATION

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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 Update is presented in US dollars.	Information contained on Tap's website is regularly updated. 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.