

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 a commodity hedge swap with BP Singapore Pte Limited.

Details regarding the contracted hedge with BP Singapore Pte Limited are as follows: -

- 18,000 bbls of swaps at a fixed Dubai crude oil price of US\$41.15/bbl for the month of September 2020

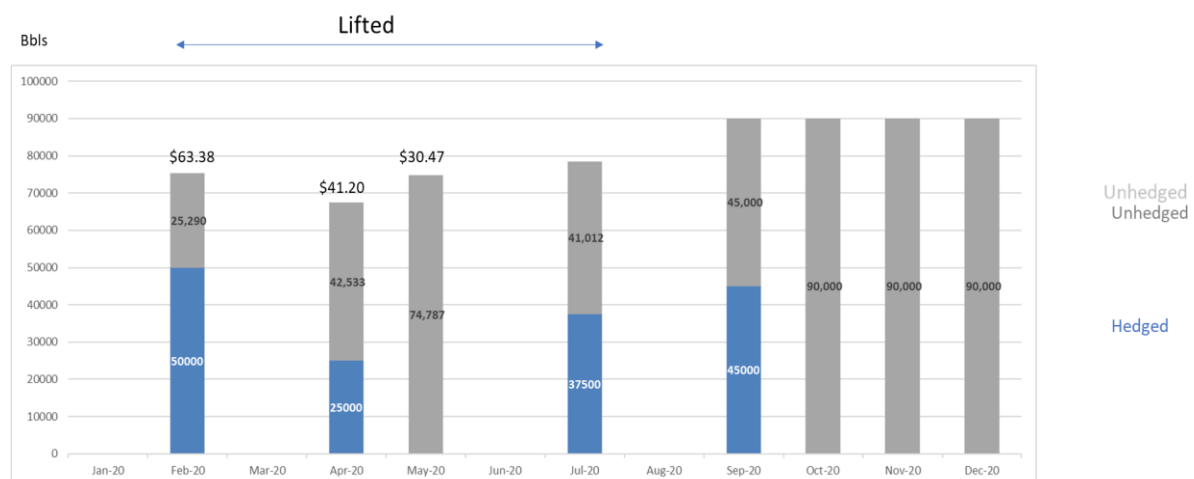
Tap has previously hedged 37,500 bbls of swaps at a fixed Dubai crude oil price of US\$35.50/bbl for the month of July 2020 and 27,000 bbls of swaps at a fixed price of US\$36.20/bbl for the month of September 2020.

The commodity hedge trade now brings the total of number of barrels hedged in September 2020 to 45,000 bbls at an average fixed swap price of US\$38.18/bbl.

Tap Executive Chairman, Mr Chris Newton said “The hedging is consistent with Tap strategy of providing downside price protection for a maximum 50% of each lifting while maintaining upside exposure to unhedged barrels. Swaps are proving the most cost effective hedging instrument in the current market as heightened volatility and enhanced demand for downside protection are making options more costly and less effective in achieving objectives”

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.

The Chart below updates Tap's lifting and hedging position for 2020.



- February, April & May post hedge realized 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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