

Quarterly Report

For the Quarter ended 31 March 2020



Highlights

- **US\$28.945 million of cash on hand (including Tap's share of JV cash) as at 31 March 2020**
- **Manora production during the March quarter averaged 5,536 bopd (Tap's share 1,660 bopd)**
- **Cumulative Manora gross production reached 16.81MMSTB (Tap's share 5.04MMSTB) as at 31 March 2020**
- **One lifting during the quarter totalling 75,290 bbls (Tap's share), and one subsequent to quarters' end of 67,500 bbls (Tap's share)**
- **Tap's cash receipts from two liftings received during the quarter of US\$10.088 million at an average price of US\$65.78/bbl**

Summary

Tap Oil Limited (**Tap** or the **Company**) reported cash receipts from oil sales for the March quarter were US\$10.088 million. Cash receipts were higher compared to the prior quarter primarily due to more barrels lifted at the Manora Oil Field (**Manora**) in block G1/48 in the Gulf of Thailand.

Production at Manora averaged 5,536 bopd (Tap's share 1,660 bopd) for the March quarter, up 2.2% from the previous quarter.

The Company's cash position as at the end of the March quarter was US\$28.945 million; an increase of US\$2.286 million from the previous quarter.

Revenue

Cash receipts for the March quarter were US\$10.088 million from two liftings made in December 2019 and February 2020. Cash receipts were higher compared to the prior quarter due to more barrels achieved for the two liftings in which revenue was received in the March quarter. The average realised oil price was US\$65.78/bbl, being 6.5% higher compared to the previous quarter.

SALES REVENUE* (Tap's Share)	Dec Qtr US\$'000	Mar Qtr US\$'000	Qtly % Change	Comment
Manora Crude Receipts – net	9,472	10,088	6.5%	Increase primarily due to more barrels sold.
Other Receipts	84	107	27.4%	Timing of receipt of interest on term deposits
Total Cash Receipts	9,556	10,195	6.7%	
Average realised oil price (US\$/bbl*)	64.72	65.78	1.6%	

*Includes Realised Hedge Gains/ (Losses)

PRODUCTION AND LIFTING VOLUMES (Tap's Share)	Dec Qtr	Mar Qtr	Qtly % Change	Comment
Manora Crude Production (bbls)	149,507	151,050	1.0%	Production increase due workover activities completed in December 2019.
Manora Daily Average Production (bopd)	1,625	1,660	2.2%	
Manora Crude Lifting (bbls)	153,030	75,290	(50.8%)	There was 1 lifting in the March quarter and 2 liftings in the December quarter
Manora inventory ¹ (bbls)	40,360	113,909	182.2%	As at March quarter end.

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

Production

Gulf of Thailand - Manora Oil Field

Offshore Thailand
(Tap 30%)

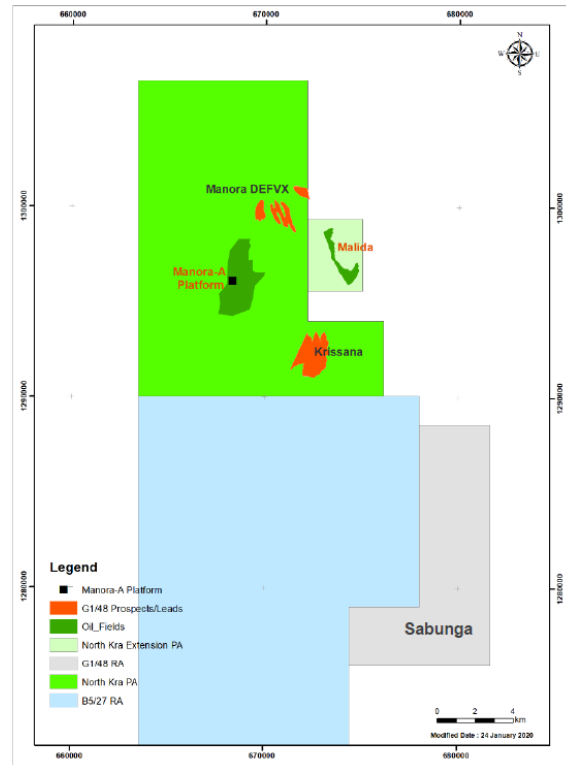
Tap holds a 30% direct interest in the G1/48 concession in the northern Gulf of Thailand. This concession is operated by MP G1 (Thailand) Limited (**Mubadala Petroleum**).

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 503 MSTB (Tap's share 151 MSTB). The average quarterly gross production rate was 5,536 bopd (Tap's share 1,660 bopd). Cumulative field production to 31 March 2020 was 16.81 MMSTB gross (Tap's share 5.04 MMSTB).

During the quarter, production was maintained as a result of the four well workover program to replace ESP's which concluded in December 2019, however one ESP (MNA-15) malfunctioned in 2 February 2020.

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



Development

Gulf of Thailand - Manora Oil Field

Offshore Thailand
(Tap 30%)

During the March quarter, Tap worked with the Operator to evaluate candidate well locations for a 2020 development drilling program. Five proved undeveloped reserve locations were studied of which three were highlighted as the best candidates:

- A redrill of the MNA-22 well which was unsuccessfully completed in the 490-60 reservoir in 2019
- A second horizontal well in the shallow 370-10 reservoir
- An up dip well in the Central Fault Block to target the 600 series sands

The JV partners considered the merits of two workovers, while the drilling rig was on location, one being an ESP replacement and one being the conversion of a non-producing well to a water disposal well. The former would enhance oil production and the latter will enhance water disposal capacity, required to optimise production.

At quarters' end, the JV partners were considering the commercial and economic aspects of the potential development drilling and workover investments.

Exploration

Gulf of Thailand - Manora Oil Field

Offshore Thailand

(Tap 30%)

A portfolio of nearfield exploration drilling opportunities has been evaluated, incorporating the results of the late 2019 exploration drilling campaign. The JV partners have now agreed that no exploration drilling will be undertaken in 2020, with one well potentially scheduled for mid-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 finalising its exit with the closing down of the two Singapore companies that held the interest.

Exploration, Development, Operating & Other Expenditures

	Tap Share	Tap Share
	Dec Qtr US\$'000	Mar Qtr US\$'000
Exploration & Appraisal	1,807	2,163
Development, Plant & Equipment	304	442
Total Capital Expenditure	2,111	2,605
Manora Production Costs *	3,667	4,901
Other expenses **	709	470
Total Expenditure	6,487	7,976

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

** Includes staff costs and G&A costs.

Year to date, Manora operating cash costs are circa US\$26.6/bbl and US\$31.6/bbl including royalty, insurance and marketing costs.

Financial & Corporate

Cash Position

Tap's cash position at 31 March 2020 was US\$28.945 million. Cash includes Tap's share of cash held in joint ventures, which at the end of the March quarter was US\$4.368 million.

Cash Position	Mar'19 US\$'000	Jun'19 US\$'000	Sept'19 US\$'000	Dec'19 US\$'000	Mar'20 US\$'000
Cash on hand *	25,289	31,540	30,885	26,659	28,945
Debt	-	-	-	-	-
Net Cash/(Debt)	25,289	31,540	30,885	26,659	28,945

* Cash on hand includes Tap's share of cash held in joint ventures.

Share Rights

312,923 Performance Rights and 312,923 Retention Rights were issued during the March quarter. The Company will seek shareholder approval at the Tap 2020 Annual General Meeting to issue 1,000,000 Performance Rights to each Non-Executive Director Mr Baba, Dr King and Mr Lewis. The Company will also seek shareholder approval to issue 442,549 Performance Rights and 442,549 Retentions Rights to Executive Chairman Mr Christopher Newton.

During the March quarter, 559,570 Performance Rights vested and 139,892 Performance Rights lapsed due to vesting conditions not being met. At 31 March 2020, Tap had on issue a total of 6,007,358 share rights to acquire fully paid shares, with vesting dates varying from 31 March 2020 through to 31 March 2023.

The following Performance Rights and Retention Rights were on issue at 31 March 2020:

Number	Class	Vesting Date
956,036 ¹	Retention Rights	31 March 2020
927,917	Performance Rights	31 December 2020
106,393	Performance Rights	31 December 2020
713,807	Performance Rights	1 January 2021
927,917	Retention Rights	31 March 2021
106,393	Retention Rights	31 March 2021
927,918	Performance Rights	31 December 2021
103,265	Performance Rights	31 December 2021
927,918	Retention Rights	31 March 2022
103,265	Retention Rights	31 March 2022
103,265	Performance Rights	31 December 2022
103,265	Retention Rights	31 March 2023

1 – These Retention Rights vested on 31 March 2020 and were subsequently converted to fully paid ordinary Tap Oil Limited shares on 1 April 2020.

Hedging

During the quarter, the Tap Board resolved to execute the following commodity hedges for the quarter:

- 25,000 bbls of buy puts at a strike price of US\$64.75/bbl for the month of February 2020
- 25,000 bbls of sell calls at a strike price of US\$69.25/bbl for the month of February 2020
- 25,000 bbls of swaps at a fixed price of US\$64.20/bbl for the month of April 2020

As advised on 13 December 2019, Tap has previously hedged 25,000 bbls of swaps at a fixed price of \$61.15/bbl for the month of February 2020.

Authorised by the Board of Tap Oil Limited.

FURTHER INFORMATION

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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>