

ASX ANNOUNCEMENT

30 October 2019

ASX:TAP

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Manora 2019 Exploration Drilling Program

- **Manora Joint Venture partners have approved a three well exploration drilling program plus a contingent appraisal side-track well scheduled to spud in the last week of November 2019.**
- **The exploration wells, in order of drilling, are Inthanin-1, Yothaka East-1 and Krissana-1.**
- **The contingent appraisal side-track is dependent upon success in the Yothaka East-1 and Krissana-1 wells and will appraise any significant hydrocarbon zones encountered.**
- **Combined best estimate (P50) Prospective Resources independently estimated at 1.13 MMSTB, net to Tap.**
- **Tap has budgeted US\$1.72 million of expenditure for the three exploration wells on a dry hole basis and US\$2.74 million of expenditure for four wells, including additional wireline logging to evaluate significant hydrocarbon occurrences.**
- **All prospects are within 5 km of the Manora platform and success will leverage Manora production and storage infrastructure.**

Tap Oil Limited (**ASX:TAP**) (**Tap** or the **Company**) is pleased to announce the Manora Oil Field Operator, Mubadala Petroleum, and Tap have approved the drilling of three firm exploration wells and an appraisal side-track contingent upon exploration success. The first well in the program, Inthanin -1 is expected to spud in the last week of November 2019 and will be followed by Yothaka East-1 and Krissana-1. A contingent side-track, into the Yothaka structure will be dependent upon the results of the Yothaka East-1 and Krissana-1 exploration wells.

All wells are located in the Manora Production Licence, and within 5 km of the Manora platform, where Tap has a 30% working interest.

The Prospective Resource assessment was undertaken by Discover Geoscience in their capacity as an independent technical expert using data and information provided by Tap. This assessment was first included in Tap's ASX release dated 30 September 2019.

Tap's revised budget costs estimates for wells are based on final approved AFE's.

**Estimates of Prospective Resources net to Tap (30%) are tabulated below.
The Prospective Resources have been adjusted for risk***

Prospect	Low Estimate MMstb P90	Best Estimate MMstb P50	High Estimate MMstb P10
Inthanin	0.03	0.23	1.02
Yothaka (East)	0.07	0.4	1.38
Krissana	0.05	0.5	2.51
Combined**	0.15	1.13	4.91

Cautionary statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

*The individual zones in each prospect were combined probabilistically by incorporating the risk of each zone.

**Prospective Resources in this Table have been estimated probabilistically at prospect level but combined arithmetically to provide the portfolio number. The aggregate P90 may be a very conservative estimate and the aggregate P10 may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

These “near field” prospects are located in close proximity to Manora’s discovered producing reservoirs. The development of these volumes would take advantage of existing infrastructure and operating capability. The Inthanin prospect could be developed by deviated wells drilled directly from the Manora platform. Development of the Yothaka East – Krissana cluster would require investment in a new wellhead platform tied back to the Manora platform where the oil would be processed and stored on the existing FSO.

The assessment of the chance of discovery and the chance of development associated with the Prospective Resources is tabulated below.

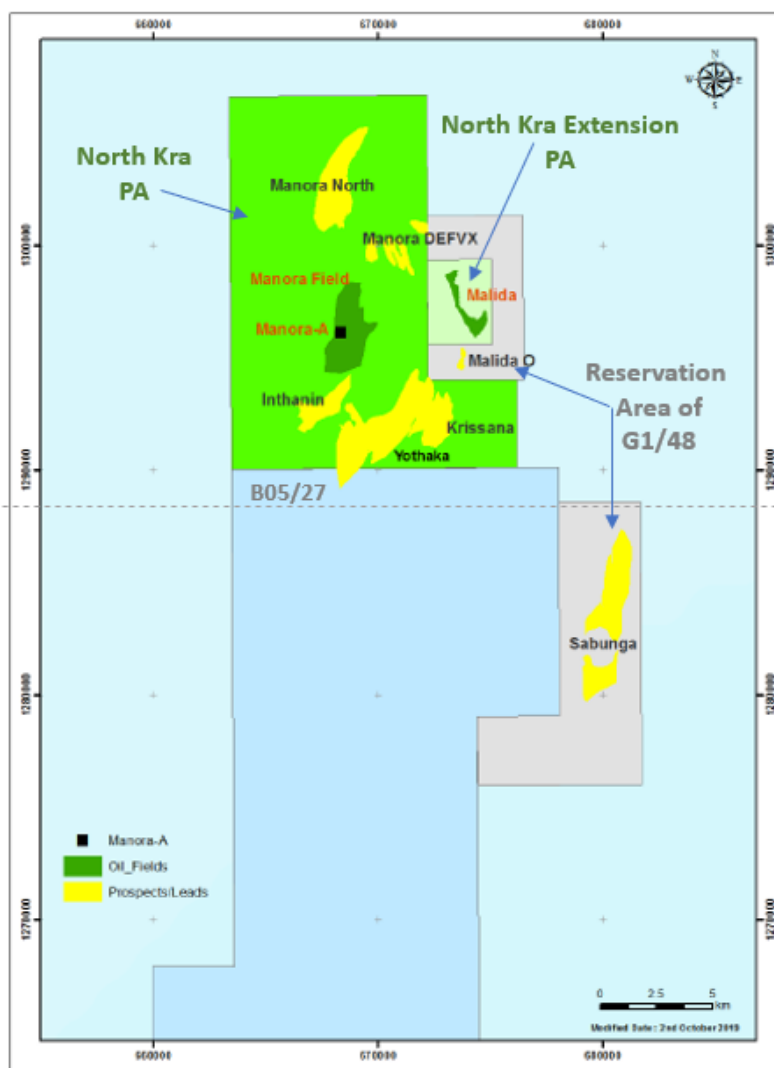
Prospect	Geological POS	Development POS
Inthanin	54%	47%
Yothaka (East)	45%	10%
Krissana	53%	19%

Each prospect has multiple stacked reservoir objectives with largely independent geological risks. This independence, when consolidated, drives the high geological success rates and is supported by the high quality 3D seismic data and proven petroleum system in close proximity to Manora.

The Development Probability of Success (**POS**) is the probability of achieving the minimum economic pool size for development to be economically viable. These are shown above on a stand-alone basis for each prospect and do not incorporate the contribution one could have to a clustered development such as Yothaka-Krissana, for example.

Tap's Executive Chairman, Mr Chris Newton said *“the planned exploration drilling campaign is consistent with Tap's strategy to focus its resources and capability on incremental investment opportunities in and around the Manora Oil Field. That strategy is driven by infrastructure, knowledge and fiscal leverage and enabled by the continued downward trend in drilling costs achieved by the Operator, Mubadala Petroleum. The US\$1.72 million pretax dry hole budgeted cost for 3 exploration wells was considered reasonable in light of Tap's cash position. However, success would be material given the combined P50 success case of 1.1 MMSTB for a program of 3 exploration wells, given Tap's 1P Reserves at 31 December 2018. The contingent Yothaka appraisal well was designed to accelerate the development of exploration success and realise the synergies of existing Manora Oil Field production.”*

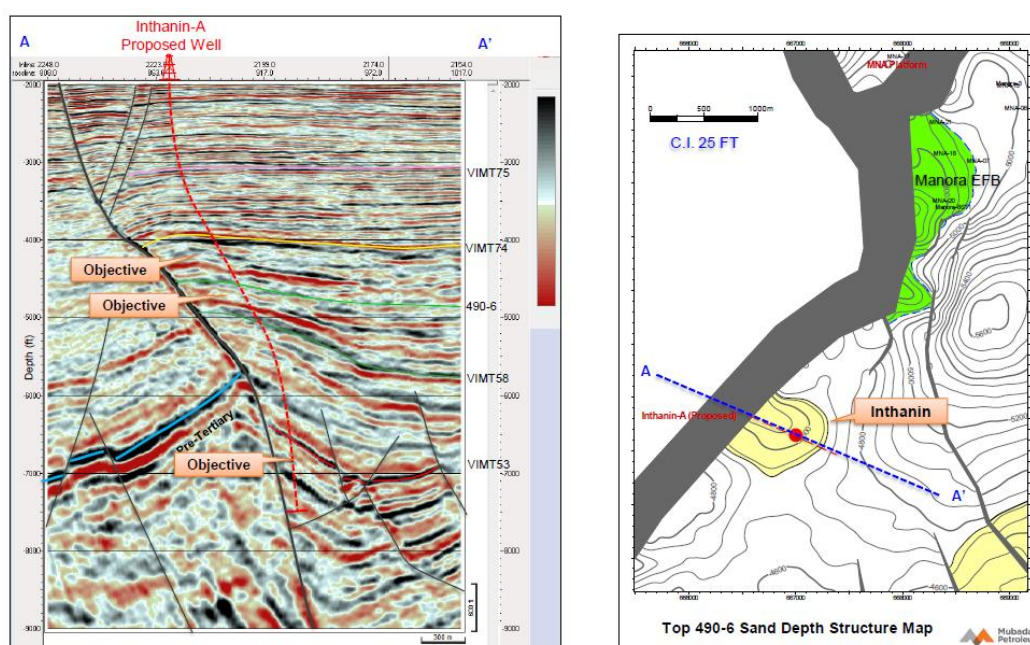
Manora Oil Field and Exploration Prospect Location Map



Inthanin Prospect Summary

The Inthanin prospect trap is a three-way dip closure with the added possibility of a larger combination trap at the 500 sands level. The target reservoirs are fluvial at the 400 and 500 level and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed by fault juxtaposition or facies change. The charge originates from the same kitchen as the Manora east fault block (EFB) involving short vertical and lateral migration for the lacustrine reservoirs. For the 400 and 500 reservoirs lateral and vertical migration is envisaged from the Manora EFB which is full to spill and interpreted to spill up dip into Inthanin. The main risk is lack of reservoir for the lacustrine sands, vertical seal for the fluvial sands and lateral seal for the 500 level combination trap.

Inthanin Seismic Line and Depth Structure Map at the 400 Series Sand Level



Yothaka East & Krissana Prospect Summary

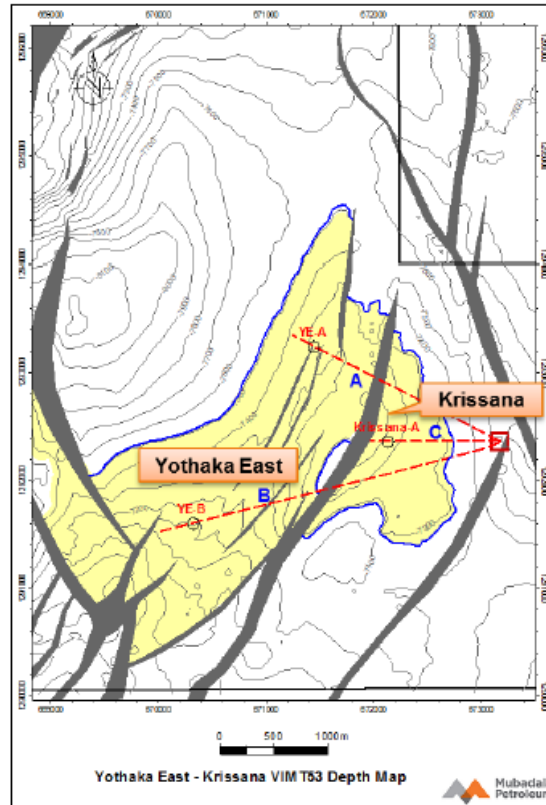
The Krissana prospect trap is a three-way dip closure at all sand levels. The target reservoirs are fluvial at the 300, 400 and 500 levels and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed by juxtaposition against the fault. The charge originates from the same kitchen as the Manora east fault block (EFB). There would be short vertical and lateral migration for the lacustrine reservoirs and vertical and lateral migration for the fluvial reservoirs. The main risk is lack of reservoir for the lacustrine, and fault seal for the fluvial reservoirs.

The Yothaka East prospect traps are an inverted flower structure at the 600 level and a faulted four-way dip closure at the 500 level. The target reservoirs are fluvial at the 500 level and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed in part by juxtaposition against the faults. The charge originates from the same kitchen as the Manora east fault block (EFB). There would be direct migration for the lacustrine reservoirs and short vertical migration for the fluvial 500 reservoirs. The

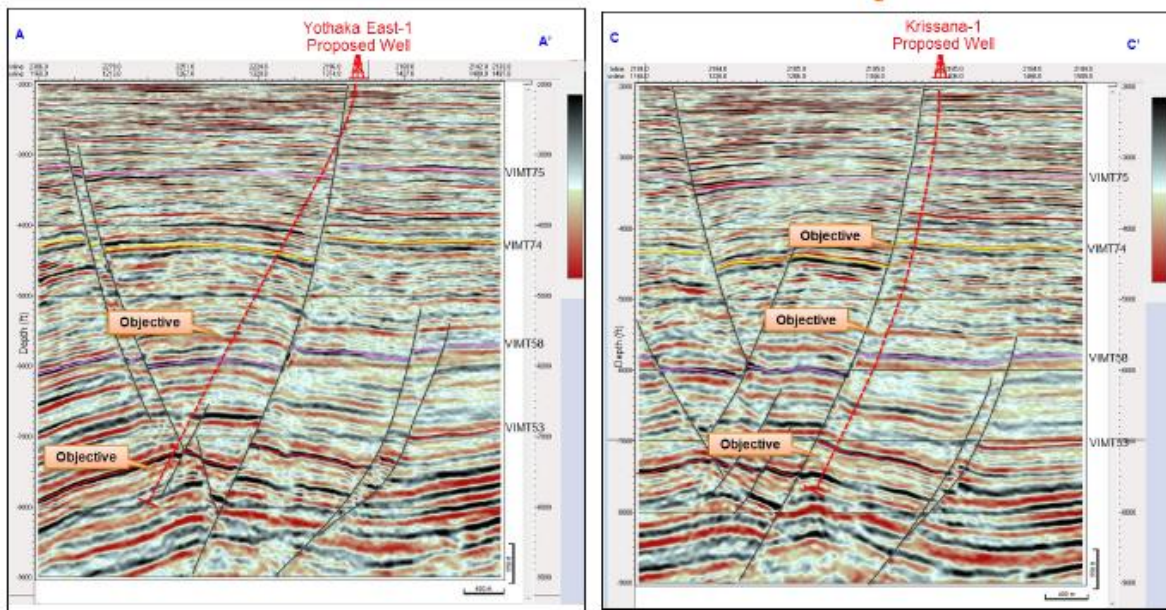
main risk is lack of reservoir and lateral seal for the lacustrine sequence, and seal for the fluvial sequence.

The drilling strategy is to drill the Yothaka East prospect into the northern Yothaka East A culmination followed by the Krissana prospect both from the same Krissana surface location. Subject to the results in both wells a decision would then be made to drill the contingent Yothaka East B side-track appraisal well to evaluate the extent of any hydrocarbon discoveries.

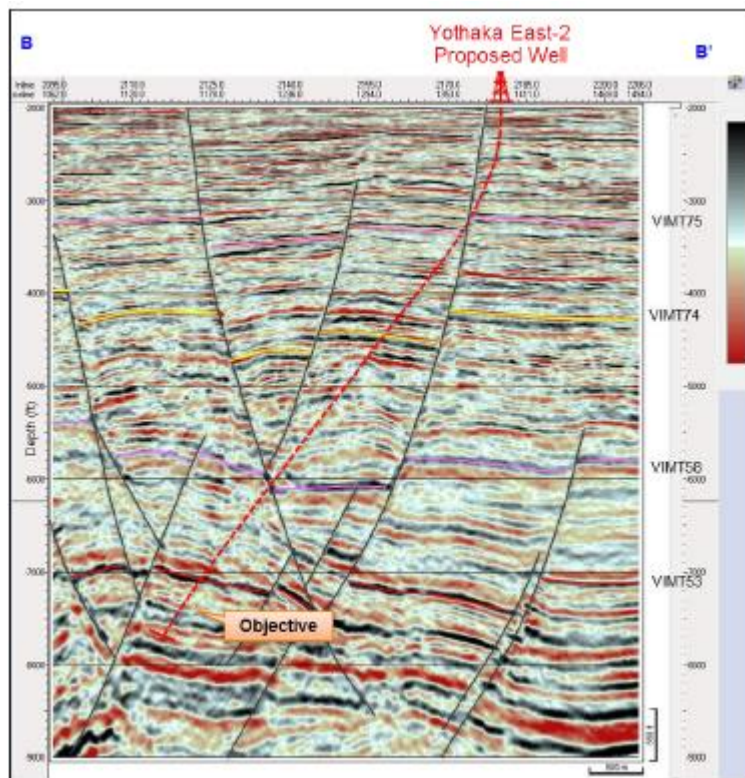
Yothaka East and Krissana Depth Structure Map at the Tap 600 Series sand level



Seismic Lines through Yothaka East -1 and Krissana -1



Seismic Lines through Yothaka East -2 Potential Appraisal Location



In accordance with the ASX Listing Rules, the Company confirms the following:

- The estimates in this announcement are reported as at 20 September 2019 (Listing Rule 5.25.1);
- The Prospective Resource estimate has been reported according to the Company's economic interest in the Resource under production-sharing contracts and risked-service contracts (100%) and is reported net of any overriding royalties (Listing Rule 5.25.5);
- The probabilistic method was used to prepare individual prospect Prospective Resources estimates (Listing Rule 5.25.6);
- The types of permits or licences held by the Company in respect of the Prospective Resource estimate is the G1/48 permit in the Gulf of Thailand (Listing Rule 5.35.1);
- A brief description of the basis on which the Prospective Resources are estimated and the further exploration activities planned, are contained in the body of this announcement (Listing Rule 5.35.2);
- Tap's appointed evaluator's assessment of the chance of discovery and the chance of development associated with the Prospective Resource estimate is contained in the body of this announcement (Listing Rule 5.35.3); and
- The Company has reported risked estimates (Listing Rule 5.35.4).

Qualified Petroleum Reserves and Resources Evaluator Statement

In accordance with the ASX Listing Rules, information in this announcement that relates to Prospective Resources has been reviewed and signed off by Julia Davies, an employee of Discover Geoscience. Information that relates to the Prospective Resources is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Julia Davies. She has provided written consent to the form and context in which the information that relates to the Prospective Resources and Reserves presented. Julia Davies qualifications include: MSc, Geology from University of London and BSc Geology (Hons) from Cardiff University. She has 30 years of operating company experience obtained through multiple multinational companies. Julia is a member of AAPG, PESA, EAGE, AIPN and SPE.

Investor enquiries

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