



ASX ANNOUNCEMENT

14 July 2020

ASX:TAP

Tap Oil Limited
ABN 89 068 572 341

Level 2, 190 St George's Terrace
Perth WA 6000
Australia

T: +61 8 9485 1000
F: +61 8 9485 1060
E: info@tapoil.com.au

www.tapoil.com.au

Manora Oil Field gross production capacity increased by approximately 4,500 bopd with successful completion of the 2020 development drilling and workover program

Highlights:

- Four new development wells (MNA-25, MNA-26H, MNA-27 and MNA-28) safely drilled, completed and brought into production in line with pre-drill expectations.
- Two workovers (MNA-7 & MNA-15) also completed and achieving pre-drill objectives.
- All wells now on stream, adding over 4,500 bopd gross to total field production capacity. Manora now capable of producing around 9,500 bopd gross.
- MNA-28 intersected the thick, high quality 490 series oil reservoirs high to prognosis and is a key additional oil producer.
- MNA-25 is now the new crestal development well for the 600 series oil reservoirs in the Central Fault Block (CFB).
- MNA-26H is a horizontal well which will produce otherwise undrained oil in the high-quality 370-10 reservoir of the Eastern Fault Block (EFB).
- MNA-27 is now the crestal well for the 490 series reservoirs in the EFB.
- The previously shut-in MNA-15 well had a new electrical submersible pump (ESP) installed and is currently producing at around 500 bopd gross, while MNA-7 was converted to a water injection well to add an estimated 8,000 bwpd water disposal capacity required for the forecast ramp-up of production.
- The total cost of the Manora 2020 development drilling and workover program is approximately US\$15.08 million (US\$4.52 million net to Tap), with the program completed 8.5% under budget and ahead of schedule.
- Gross crude oil liftings of 1,460,000 bbls (438,000 bbls net to Tap) have been scheduled between July and December 2020.
- Production currently constrained to around 7,000 bopd gross until early September 2020 due to Manora FSO crude oil storage capacity constraints.

Tap Oil Limited (**Tap** or the **Company**) is pleased to provide updated information in relation to the completion of the Manora 2020 development drilling and workover campaign using the Valaris 115 jack-up drilling rig. The Manora Oil Field is located in the G1/48 concession in the Gulf of Thailand, where Tap holds a 30% non-operated interest.

The Operator of the Manora Oil Field, Mubadala Petroleum, successfully completed the 54 day program comprising four new development wells and the workover of two existing wells

with no lost time incidents, 8.5 % under budget and 2.5 days ahead of schedule. The total cost of the program is estimated at approximately US\$15.08 million (US\$4.52 million net to Tap).

The program commenced on 14 May 2020 (see ASX release dated 16/6/20) with the Valaris 115 rig released on 4 July 2020.

Chris Newton, Tap Executive Chairman commented *“Consistent with strategy, the objective of the development drilling program was to convert booked proved and probable reserves into production and cashflow. With a significant portion of Manora operating costs being fixed, the increased production decreases per barrel operating costs and further optimises production and ultimate oil recovery. Results of the four new wells have met or exceeded pre-drill expectations and the joint venture partners can now benefit from increased production, falling unit operating costs and a recovering oil price environment. The increased water disposal capacity is critical to production optimisation and acceleration tactics that are key value drivers late in Manora’s field life. I would like to take the opportunity to congratulate the Mubadala Petroleum drilling team as well as the rig contractor, Valaris, for an expertly executed program that yet again drove down Manora drilling costs. As a result of the program, total field production capacity has nearly doubled to approximately 9,500 bopd gross.”*

A more detailed summary of individual activities and results is presented below:

MNA-25 Development Well

MNA-25 is a deviated development well designed to produce oil from a crestal location in the 600 series reservoirs of the Manora CFB. It is located between 40m and 100m west of the MNA-1 well and approximately 150m northeast of MNA-5, producing from 610, 620 and 650 reservoirs.

The well had a total depth of 1,975m MD and petrophysical analysis indicates approximately 40m net oil pay in the target 600 series sands. Importantly, the objective reservoirs were intersected 3 to 24m high to the MNA-1 well and 2 to 20m high to MNA-5 and the well will be the attic producer in the CFB, enabling production of otherwise undrained reserves.

The well has a multi-zone completion in the 610, 620 and 650 objective sands and is completed with an ESP. The estimated drill and completed cost is US\$3.58 million gross or US\$1.07 million net to Tap.

The well came on stream around 11 July 2020 and after clean-up is currently producing at 1,078 bopd with 0.2% BS&W.

MNA-26H Development Well

The MNA-26H horizontal development well, located in the Manora EFB will produce oil in the 370-10 reservoir. The sand lobe drilled is interpreted to be separate from the productive sand in the MNA-24H well.

MNA-26H was drilled to a total depth of 2,187m MD and has a 390m horizontal section through excellent quality, oil filled 370-10 reservoir. The well was completed with a sand screen and ESP. The completed cost is approximately US\$3.10 million (US\$0.93 million net to Tap).

The well came on stream at approximately 1,146 bopd with 0.2% BS&W.

MNA-27 Development Well

The MNA-27, drilled in the EFB, was effectively a twin of the MNA-22 well drilled in 2019 which had approximately 50m net oil pay in the 490 and 500 series sands, although was unable to be put into production due to poor cement bonding behind the production casing.

The well was drilled as a deviated well to a total depth of 2,405m MD. The main 490-60 reservoir target was intersected 1.5m high to MNA-22 well and importantly 13m high to the MNA-20 well, the previous crestal 490 reservoir producer in the EFB. Petrophysical analysis indicates a total of 45m of good quality net oil pay was encountered in the objective 490-40, 490-60 and 500-50 sands.

The well has a multi-zone completion in the 490-40, 490-60 and 500-50 objective sands and is completed with an ESP. The estimated drill and completed cost is US\$3.45 million (US\$1.04 million net to Tap).

The well came on stream at approximately 822 bopd with 0.2% BS&W.

MNA-28 Development Well

This MNA-28 well is designed as an additional drainage point in the thick oil bearing 490 series sand in the highly productive Eastern Fault Block of the Manora Oil Field. Reservoir simulation of the main 490-60 reservoir indicates the well will produce otherwise undrained oil between the MNA18 and MNA- 20 wells.

The well was a deviated well drilled to a total depth of 2,102m MD. The well encountered at least 35m net oil pay in the 490 and 500 reservoirs.

The well has a single zone completion with ESP in the 490 sands. The estimated drill and completed cost is US\$2.92 million (US\$0.88 million net to Tap).

The well came on stream at approximately 1,038 bopd with 2.8% BS&W.

MNA-15 Workover

The workover of MNA-15 was undertaken to replace the ESP which failed in February 2019. The work was conducted essentially on budget and the well is producing at approximately 500 bopd gross.

Gross estimated workover cost is US\$0.91 million (US\$0.27 million net to Tap).

MNA-07 Workover

The workover was conducted to convert the MNA-07 well in the EFB to a water disposal well. MNA-7 had been shut-in in November 2019 while producing uneconomically at a very high water cut.

The well was re-completed in shallow reservoirs and was delivered on budget with injectivity testing indicating sustained injection of approximately 8,000 bwpd at 1100 psi injection pressure is possible. This additional water disposal capacity will help optimise Manora production and ultimate oil recovery and is particularly critical in light of the success of the new development wells.

The final workover cost is estimated at US\$1.11 million (US\$0.33 million net to Tap).

Production and Lifting.

The joint venture plans to lift a 260,000 barrel (gross) cargo during July 2020 and then 300,000 barrels gross every month from September 2020 to December 2020. While Manora now has the capacity to produce over 9,500 bopd, production is currently curtailed to circa 7,000 bopd gross until a scheduled early September 2020 lifting that will eliminate crude oil storage constraints. After the September lifting, production will be increased to full field capacity.

Authorised by the Board of Tap Oil Limited

[Investor enquiries](#)

Chris Newton
Executive Chairman
Phone: +618 9485 1000

Derrick Wan
Commercial Manager
Phone: +618 9485 1000

Glossary

bpd = barrels per day

bopd = barrels of oil per day

BS&W = basic sediment and water

bwpd = barrels of water per day

ESP = electric submersible pump

FSO = floating storage offloading unit

MD = measured depth

TVD = true vertical depth