



## ASX ANNOUNCEMENT

29 September 2020

ASX: TAP

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### **Tap Oil Limited announces voluntary delisting, non-marketable parcel buy-back and off-market equal access share buy-back**

Tap Oil Limited (**Company**) announces its intention to delist from the Australian Securities Exchange (**ASX**) (**Delisting**) and to undertake both an opt-out non-marketable parcel buy-back facility (**Non-marketable Parcels Facility**) and an off-market equal access share buy-back (**Buy Back**). The Delisting and the Buy Back will be put forward for shareholder approval at a general meeting to be held on 29 October 2020.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company for a number of reasons, including the low levels of trading liquidity of the Company's shares on ASX and other factors which have led the Board to conclude that the costs and administrative burden of remaining listed on ASX outweigh any benefits of a continued listing.

The Non-marketable Parcels Facility and the Buy Back will provide shareholders with the opportunity to potentially realise some or (subject to the cap on the Buy Back, described below) all of their investment in the Company prior to Delisting. The Buy Back is conditional upon the Delisting being approved by the Company's shareholders.

Further details of these proposals and an indicative timetable are set out below. These proposals will also be more fully detailed in a Notice of Meeting and Explanatory Statement (**Notice of Meeting**) which will be accompanied by an Independent Expert's Report with respect to the Buy Back, and which will be made available to shareholders shortly.

An Appendix 3C in respect of the Buy Back is attached to this announcement.

#### **Delisting**

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The Company has formally applied to ASX requesting that ASX remove the Company from the official list of ASX (**Official List**) pursuant to ASX Listing Rule 17.11.

The key reasons for seeking to be removed from the Official List are:

- **Low levels of trading liquidity** - Trading in the Company's shares is limited, both in frequency and volume. The low level of liquidity has resulted in limited trading opportunities for shareholders who wish to exit their holdings.
- **Concentrated shareholdings** – The two largest shareholders respectively hold 45.41% and 24.42% of the Company's issued shares, and the top 20 shareholders hold over 82% of the issued shares. Given the current and likely future levels of concentration of shareholdings and shareholder spread, an orderly and liquid market is unlikely.
- **Other considerations** - Of the 1,886 shareholders, 520 shareholders (approximately 27.57%) hold a small holding (shareholding of \$500 or less). In addition, the Company does not have any

requirement to raise capital on ASX either currently or in the foreseeable future.

The ASX has provided in-principle confirmation that the Company can be removed from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- (a) the request for removal of the Company from the Official List of ASX is approved by a special resolution of shareholders of the Company.
- (b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement setting out:
  - (i) a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given; and
  - (ii) that if shareholders wish to sell their shares on ASX, they will need to do so before the Company is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow a shareholder to dispose of their holdings and how they can access those processes.
- (c) The removal shall not take place any earlier than one month after shareholder approval is obtained.
- (d) The Company releases the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List (which the Company has done by making this announcement).

The consequences for the Company and its shareholders if the Company is removed from the Official List will be detailed in the Notice of Meeting and include:

- (a) shareholders will no longer be able to trade their shares on ASX;
- (b) the Company's shares will only be capable of being traded by off-market, private transactions, which will require shareholders to identify and agree terms with potential purchasers of shares;
- (c) as an unlisted company, the Company will not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents, therefore the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of placement to sophisticated, professional and other investors who do not require a prospectus;
- (d) if, following Delisting and the completion of the Non-marketable Parcels Facility and the Buy Back, the Company has 100 or more shareholders, it will be an "unlisted disclosing entity" under the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- (e) as an unlisted disclosing entity, the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC (or displaying them on its website) under section 675 of the Corporations Act and the Company will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act, however if the Company ceases to be an unlisted disclosing entity there will be no ongoing requirement for the Company to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements.

As noted above, following the Delisting, the Company's shares will no longer be able to be traded on ASX and it will be more difficult for a shareholder to dispose of their shares. The Non-marketable Parcel Facility and the Buy Back, each outlined below, will give all shareholders the potential opportunity to realise some or (subject to the cap on the Buy Back, described below) all of their investment in the Company. In addition, shareholders will be able to trade their shares on ASX until the Suspension Date noted in the indicative timetable below. After the Suspension Date, shareholders wishing to trade their shares will be entitled to transfer their shares off-market to a willing third party purchaser in accordance with the Company's constitution.

If a shareholder of the Company considers the Delisting to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. If a shareholder of the Company considers that the Delisting involves “unacceptable circumstances”, it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act.

The Delisting is subject to shareholder approval (as a special resolution at the general meeting proposed to be held on 29 October 2020). Further details relating to the Delisting, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting which will be dispatched to shareholders shortly. All shareholders will be entitled to vote on the resolution.

### **Non-marketable Parcels Facility**

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Tap is pleased to announce an opt-out non-marketable parcel buy-back facility for shareholders who hold less than A\$500 worth of fully paid ordinary shares (**Non-marketable holders**), pursuant to the ASX Listing Rules and the Corporations Act.

The Non-marketable Parcels Facility is intended to allow Non-marketable holders an opportunity to exit their investment prior to the Delisting. It is also intended to help reduce the number of Non-marketable holders, which will reduce the significant administrative costs of maintaining shareholder accounts which are disproportionately high when compared to the dollar value of small holdings.

Importantly, Tap intends to proceed with the Non-marketable Parcels Facility irrespective of whether shareholders approve the Delisting.

In accordance with the Constitution and the timetable determined by the Company, the Company will shortly be posting a letter to all Non-marketable holders registered on the register at the Record Date of 5:00pm (WST) on 28 September 2020, together with a share retention form (**Share Retention Form**). If you wish to retain your Tap shares, you **must** complete the Share Retention Form and return it so that it is received by Tap’s share registry by 5:00 pm (WST) on 12 November 2020 (**Retention Date**).

The shares bought back through the Non-marketable Parcels Facility will be purchased by the Company at a buy back price of A\$0.078 per Share. This is the same price as will be offered to all other shareholders under the Buy Back (see below). Each Non-marketable holder who does not elect to retain their shares by the Retention Date will receive a proportionate share of the proceeds for all shares bought back through the Non-marketable Parcels Facility.

Based on the closing price of Tap’s shares on the Record Date of \$0.075 per share (**Closing Price**):

- (a) a non-marketable parcel of shares is any holding of 6,666 shares or less;
- (b) 520 out of 1,886 Tap shareholders held a Non-marketable Parcel at the Record Date, a total of 1,787,393 shares;
- (c) the aggregate value of Tap’s ordinary shares held by holders of Non-marketable Parcels at the Closing Price is A\$134,054.

Tap will bear all expenses (excluding the tax consequences for individual Non-marketable holders) relating to the Non-marketable Parcels Facility. There will be no brokerage charged to holders of non-marketable parcels.

An indicative timetable of the key dates in relation to the Non-marketable Parcels Facility is set out below. The Company reserves the right to vary this timetable in accordance with the ASX Listing Rules and the Company’s Constitution.

## **Off-market Equal Access Share Buy Back**

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Subject to the delisting being approved by shareholders, Tap is pleased to confirm that it will proceed with an off-market equal access share buy-back of up to 230,000,000 fully paid ordinary shares in the capital of the Company (**Shares**). The Buy Back is intended to provide shareholders with the opportunity to potentially exit some or all of their investment prior to the Delisting.

The proposed key features of the Buy Back are:

- **Size of offer:** up to a maximum of 230,000,000 Shares (approximately 53.7% of currently issued capital), equating to A\$17.94 million.
- **Buy Back Price:** A\$0.078 per Share. The volume weighted average price per Share for the 30 day period to 28 September 2020 (being the date immediately preceding this announcement) was \$0.076 cents per share. The Buy Back price is a premium of 2.42% to that price. In determining the Buy Back price, the Board have sought to balance the interests of those shareholders who may wish to participate in the Buy Back with those shareholders who may wish to retain their shares in the Company. The Board have also sought to ensure that the Company remains properly funded to continue its activities and invest in its operations as may be required.
- **Scale Back:** if the Company receives applications in excess of 230,000,000 Shares, the number of Shares bought back from each participating shareholder will be scaled back pro rata to the number of Shares in respect of which a shareholder has lodged an application under the Buy Back.

It is intended the Buy Back will commence on 13 November 2020 subject to obtaining shareholder approval for the Delisting and following the close of the Non-marketable Parcels Facility on 12 November 2020. The Buy Back is expected to close prior to the proposed Delisting date.

As the Buy Back is for more than 10% of the Company's Shares, shareholder approval is required.

The Company has engaged Bentleys Corporate Finance (WA) Pty Ltd to prepare an independent report (**Independent Expert's Report**) to assist Shareholders to understand the value of the Company's Shares and assets and opine on whether the Buy Back is fair and reasonable to Shareholders for the purposes of deciding how to vote on the Buy Back. The expert has concluded that the Buy Back is fair and reasonable to Shareholders in the absence of any superior alternative. A copy of the Independent Expert's Report will be included in the Notice of Meeting.

As at the date of this announcement, the Company is not aware of the intentions or otherwise of its major Shareholders to participate in the Buy Back and so it is not possible for the Company to definitively determine the control outcomes of the Buy Back. The potential control impact of the Buy Back depending on the level of participation of the Company's major Shareholders will be set out in the Company's Notice of Meeting.

An Appendix 3C in respect of the Buy Back is attached.

Further details of the Buy Back, including potential advantages and disadvantages for shareholders, will be included in the Notice of Meeting which will be made available to shareholders shortly and will be accompanied by the Independent Expert's Report. All shareholders will be entitled to vote on the

resolution.

### Indicative timetable

The indicative timetable for the proposed Delisting, Non-marketable Parcel Facility and Buy Back is set out below. Subject to the Company's Constitution, the Corporations Act and ASX Listing Rules, the Company reserves the right to amend the indicative timetable without prior notice to shareholders.

Indicative date	Event
28 September 2020	Record Date for Non-marketable Parcel Facility
29 September 2020	Delisting announcement and Notice of Meeting announced on ASX
1 October 2020	Anticipated dispatch date of letter to Non-marketable holders containing important information and Share Retention Form
<b>29 October 2020</b>	<b>General Meeting held to approve the Delisting and Buy Back</b>
12 November 2020	Retention Date for receipt of Share Retention Form and close of Non-marketable Parcels Facility
13 November 2020	Estimated payment date for shareholders under Non-marketable Parcel Facility
17 November 2020	Ex-Entitlement Date for the Buy Back (Shares acquired on or after this date will not confer an entitlement to participate in the Buy Back)
19 November 2020	Buy Back Record Date (Date for determining entitlement to participate in the Buy Back)
24 November 2020	Despatch of the Buy Back Offer Documents and personalised Application Forms to eligible Shareholders and Open Date of the Buy Back
10 December 2020	Buy Back Closing Date
11 December 2020	Announcement of the outcome of the Buy Back and details of any Scale Back
11 December 2020	Transfer to the Company of Shares bought back under the Buy Back and cancellation of those Shares
11 December 2020	Payment of cash consideration under the Buy Back
11 December 2020	Suspension Date prior to the Delisting Date (date on which Shares are suspended from trading on ASX)
<b>Close of trading on 16 December 2020</b>	<b>Delisting Date (date on which the Delisting is expected to take effect)</b>

Authorised by the Board of Tap Oil Limited

[Investor enquiries](#)

Link Market Services

**Share Registry**

Phone: 1300 650 320

**Attachment - Appendix 3C: *Announcement of buy-back***

# Appendix 3C

## Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Tap Oil Limited	89 068 572 341

We (the entity) give ASX the following information.

### Information about buy-back

1	Type of buy-back	Off-Market Equal Access Share Buy Back
2	<sup>+</sup> Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Fully paid ordinary shares in the capital of the Company ( <b>Shares</b> ).
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the <sup>+</sup> class on issue	427,943,262
6	Whether shareholder/unitholder approval is required for buy-back	Yes, shareholder approval to be sought at a general meeting to be held on 29 October 2020.
7	Reason for buy-back	The buy-back is being undertaken to provide shareholders with the opportunity to realise some or (subject to the cap on the buy-back, described below) all of their investment in the Company prior to the Company's proposed delisting from the official list of the ASX.

<sup>+</sup> See chapter 19 for defined terms.

8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)	A notice of meeting and explanatory statement (including an independent expert's report) will be lodged with ASX on or about 29 September 2020 and made available to shareholders shortly thereafter.
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### On-market buy-back

9 Name of broker who will act on the company's behalf	N/A
10 Deleted 30/9/2001.	
11 If the company/trust intends to buy back a maximum number of shares - that number  Note: This requires a figure to be included, not a percentage.	N/A
12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention	N/A
13 If the company/trust intends to buy back shares/units if conditions are met - those conditions	N/A

### Employee share scheme buy-back

14 Number of shares proposed to be bought back	N/A
15 Price to be offered for shares	N/A



## Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back
- 17 Number of shares proposed to be bought back
- 18 Price to be offered for shares

## Equal access scheme

- 19 Percentage of shares proposed to be bought back
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 <sup>+</sup>Record date for participation in offer   
Cross reference: Appendix 7A, clause 9.

## Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.  
*or, for trusts only:*
  1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
  2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:



Date: 29 September 2020

(Director/~~Company secretary~~)

Print name: Chris Newton

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<sup>+</sup> See chapter 19 for defined terms.