

ASX ANNOUNCEMENT

17 August 2020

ASX:TAP

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Commodity Hedge Program

Tap Oil Limited (Tap or the Company) advises that it has entered into further commodity hedge contracts with BP Singapore Pte Limited ("BPS") to cover the scheduled November 2020 Manora crude oil lifting.

Details regarding the 45,000 barrels of contracted November 2020 hedges with BPS are as follows: -

- 27,000 bbls of swaps at a fixed Dubai crude oil price of US\$43.90/bbl
- 18,000 bbls of buy puts at Dubai US\$41.00/bbl
- 18,000 bbls of sell calls at a strike price of Dubai US\$48.00/bbl

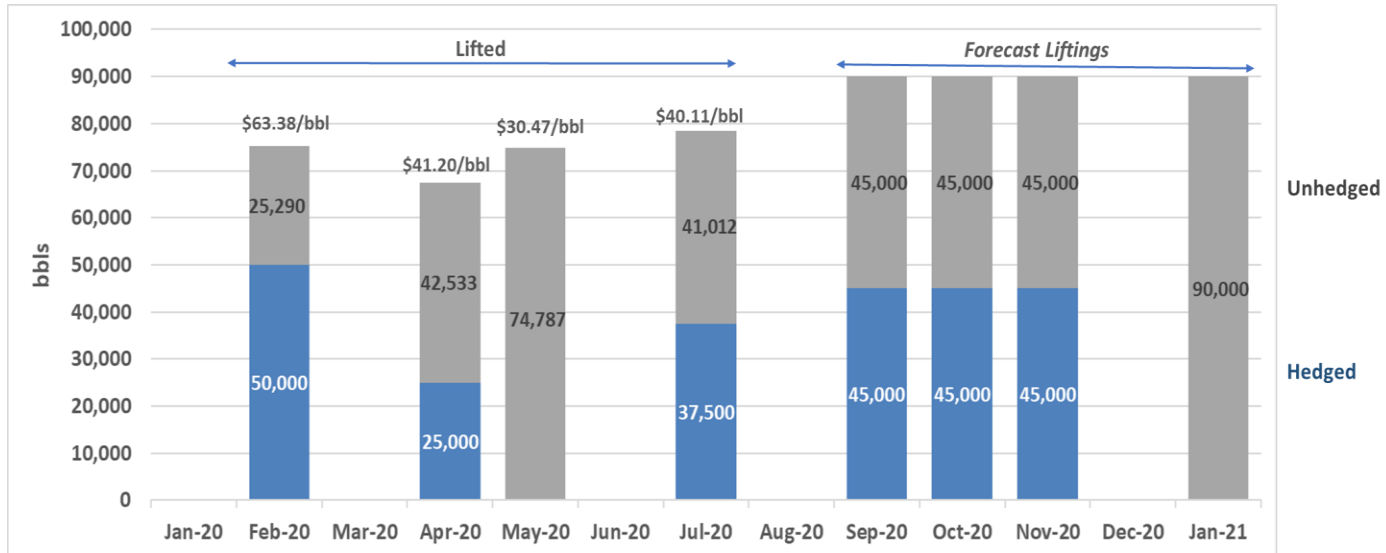
Tap has previously hedged 45,000 bbls to be lifted in September 2020 and a further 45,000 barrels to be lifted in October 2020.

Tap Executive Chairman, Mr Chris Newton said *"In oil markets characterized by uncertainty and volatility, we are pleased to be able to protect 50% of Manora's enhanced post development drilling cashflows against downside oil price risks while retaining oil price upside for investors against the 50% unhedged volumes. The Tap Board believes the implemented swap and option configuration of the hedges provides the most cost effective oil price risk management structure for Tap shareholders"*

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 next Manora crude oil lifting is 300,000 barrels, (90,000 barrels net to Tap) scheduled for the first week of September 2020. Current crude oil inventory on board the Manora FSO is circa 350,000 barrels gross.

The diagram below updates actual and forecast lifting volumes, hedge positions and realised prices.



- February to July post hedge realised 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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