



## ASX ANNOUNCEMENT

20 November 2020

ASX:TAP

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### Commodity Hedge Program

Tap Oil Limited (Tap or the Company) advises that it has entered into commodity hedge contracts with BP Singapore Pte Limited ("BPS") to cover the scheduled January 2021, February 2021 and March 2021 Manora crude oil liftings.

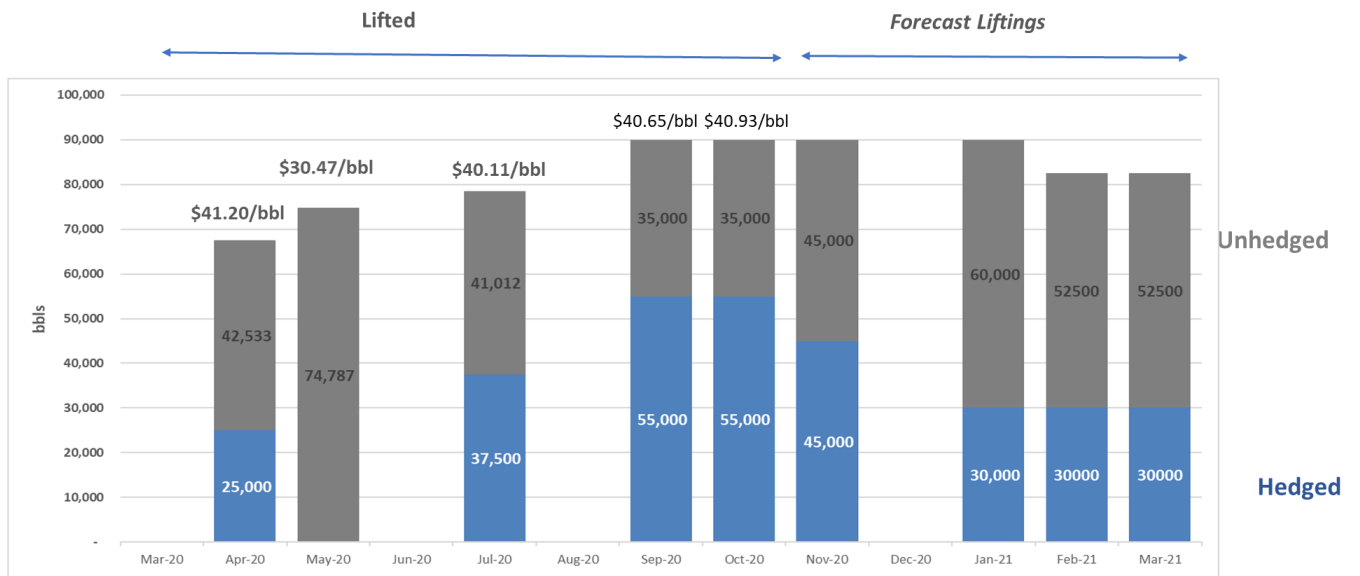
Details regarding the first Quarter CY2021 crude oil hedges with BPS are as follows: -

- 30,000 bbls of swaps in January 2021 at a fixed Dubai crude oil price of US\$42.20/bbl
- 30,000 bbls of swaps in February 2021 at a fixed Dubai crude oil price of US\$42.20/bbl
- 30,000 bbls of swaps in March 2021 at a fixed Dubai crude oil price of US\$42.20/bbl

Tap Executive Chairman, Mr Chris Newton said *"With oil markets remaining uncertain and volatile, we are pleased to be able to provide a first tranche layer of hedging to protect Manora's Q1 CY2021 cashflows against downside oil price risks while retaining oil price upside for investors. We will continue to look for market opportunities to add further tranche hedge layers over the coming months. The Tap Board believes a 60% hedged / 40% unhedged ratio, provides the appropriate balance to manage oil price risk for Tap shareholders in the current market."*

Hedging has been implemented against Dubai crude, the reference against which Manora crude is priced. 2020 Year to date Dubai has traded at a US\$0.20 / bbl premium to Brent when Manora crude was lifted.

The November 2020 Manora crude oil lifting for 299,977 barrels, (89,993 barrels net to Tap) was lifted on 6 November 2020. The next lifting is scheduled between 4 - 6 January 2021. The diagram below updates actual and forecast lifting volumes, hedge positions and realised post hedge prices.



- March to October post hedge realised prices as noted in US\$ / bbl
- Volume and schedule post October 2020 subject to production and market

Authorised by the Board of Tap Oil Limited

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