

ASX ANNOUNCEMENT

11 July 2018

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Manora Oil Field Reserves & Resources Upgrade and Increased Production

Highlights

- Recent drilling results at Manora included both the successful appraisal of the primary objective in the 490-60 sands as well as new oil discoveries in the 300 and 500 series sands
- The campaign encountered total net oil pay of ~636 feet
- New discoveries have added gross 2P Reserves of 0.9 MMSTB (0.3 MMSTB net) and gross 2C Contingent Resources of 1.5 MMSTB (0.5 MMSTB net)
- MNA-20 and MNA-21 produced initial combined test rates of ~3,000 bopd gross, with expected production of ~2,500 bopd gross to take total field production to ~8,300 bopd, representing a significant increase in field production (~6,000 bopd in June)
- A development plan for the 300 series sands will be prepared and will likely form part of the 2019 development drilling campaign
- Forecast economic life of the Manora Oil Field based on 2P + 2C production has been extended to at least December 2024
- Increased production rates and 2P Reserves from the recent drilling campaign represent high margin barrels given the low-cost of tie-back to existing infrastructure
- Manora has experienced strong historical operating margins resulting in strong cash flow generation, and Tap Oil will continue to experience a strong cash build underpinned by Manora production

Tap Oil Limited (**Tap Oil** or the **Company**) provides the following update on the Manora Oil Field in the G1/48 concession, located in the Gulf of Thailand (Tap Oil 30% interest). MP G1 (Thailand) Limited (**Mubadala** or the **Operator**) is the operator of the G1/48 concession.

On 20 May 2018, the Operator began a four well exploration, appraisal and development drilling campaign. On 20 June 2018, Tap Oil announced the completion of the final well in the drilling campaign with a total net pay of ~636 feet penetrated from both known and new sands.

Manora-8ST1, MNA-20 and MNA-21 were all successful in appraising their primary objectives, with the Manora-8 exploration well requiring further analysis to understand the implications of the findings. New discoveries were made by the Manora-8ST1 appraisal well

in the 300 and 500 series sands, which were immediately brought into production by the MNA-20 development well.

The Manora-8ST1 appraisal well commenced drilling on 28 May 2018 and reached final total depth of 2,458 metres Measured Depth Rotary Table (**MDRT**) on 30 May 2018. Multiple oil bearing zones were encountered with total net pay of 307 feet. The main objective 490-60 sand was well developed with 86 feet pay, similar to the MNA-18 well. Other 400 sands encountered 7 feet pay.

The new oil discoveries from the Manora-8ST1 well were made in the 300 and 500 series sands, which encountered 106 feet pay and 108 feet pay respectively. Good porosity, pressure and permeability were encountered in the new sands. The 500 sands are considered to be new Reserves and the 300 sands new Contingent Resources in the Manora Oil Field.

Following completion of the Manora-8ST1, the rig moved to the Manora Oil Field platform to commence the MNA-20 and MNA-21 development wells. The MNA-20 and MNA-21 wells had an initial combined test rate of 2,926 bopd gross, with the Operator subsequently confirming the expected production level from the wells of ~2,500 bopd gross, to take current production to ~8,300 bopd gross. The MNA-20 well was completed in the 490-60 series sands and the 500 series sands, where petrophysical interpretation of well logs from Manora-8ST1 shows 169 feet net pay in the 500 sands.

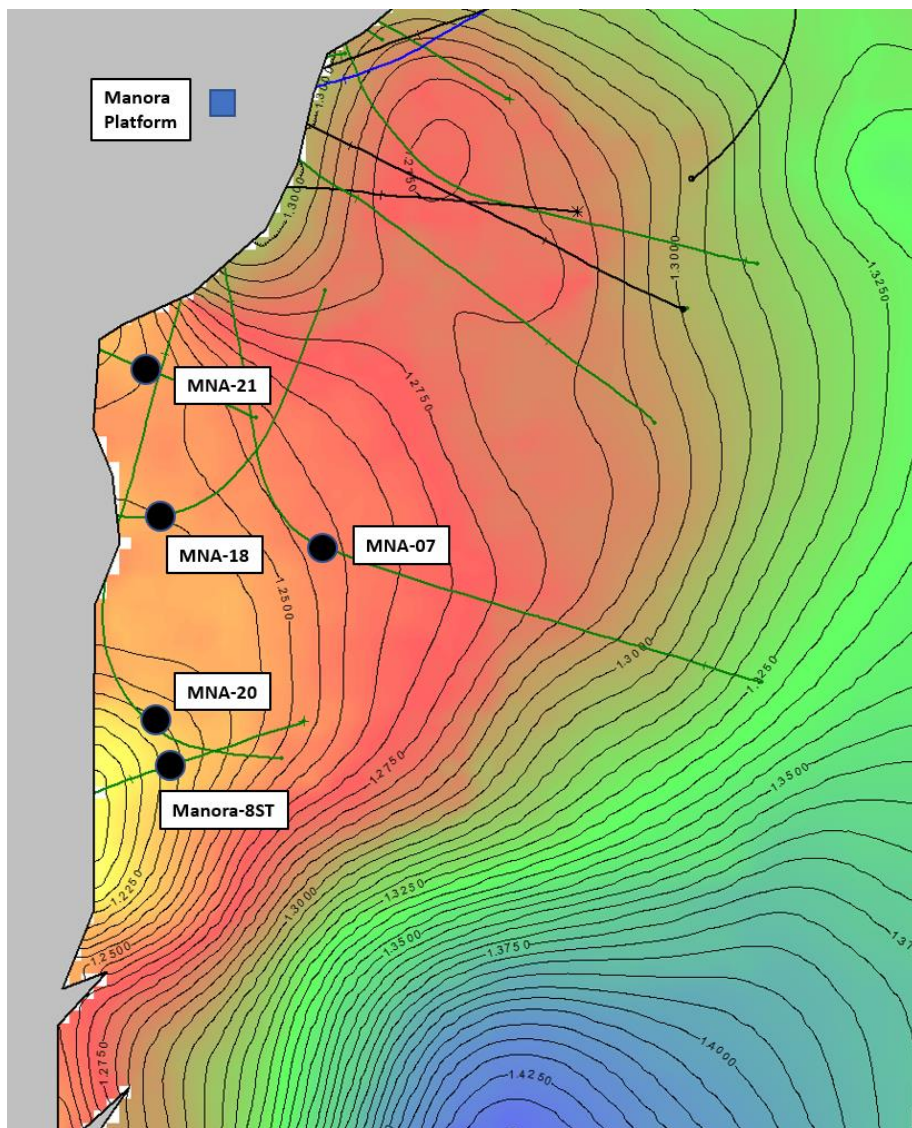


Figure 1: Manora Oil Field well locations on time map at 490-60 level

Manora Reserves and Resources attributed to new discoveries

Oil Reserves (500 Sands)

The full range of new Reserves found in the east fault block 500 sands by the Manora-8ST and MNA-20 wells drilled in 2Q18 are:

MMSTB Case	Gross Field (100%)			Tap Oil share (30%)		
	Low (1P)	Mid (2P)	High (3P)	Low (1P)	Mid (2P)	High (3P)
STOIP	1.6	3.0	5.4	0.5	0.9	1.6
EUR Oil	0.5	0.9	1.6	0.1	0.3	0.5

The Reserves model uses a probabilistic addition of four sands. Data collected from well logs and pressure measurements show these sands have good porosity and permeability as found in the currently producing 490-60 sand found in MNA-18. The drive mechanism for these sands is a strong water drive. The sands have been completed in the MNA-20 and MNA-21 development wells as per the approved well completion plan.

The reference point for reserve booking is the sales meter on the outlet of the Manora Princess Floating Storage and Offloading (FSO) vessel.

Contingent Resources (300 Sands)

The full range of new Contingent Resources found in the east fault block 300 sands by the Manora-8ST and MNA-20 wells drilled in 2Q18 are:

MMSTB Case	Gross 100% Field			Tap Oil share (30%)		
	Low (1C)	Mid (2C)	High (3C)	Low (1C)	Mid (2C)	High (3C)
STOIP	6.0	7.5	9.2	1.8	2.2	2.7
EUR Oil	1.2	1.5	1.9	0.4	0.5	0.6

The basis for determining Contingent Resources are the analysis of well logs, pressure gradient analysis in some oil sands and the analogy to the same properties found in the exploration well Manora-3 where oil samples were recovered by a formation wireline tester. The model uses a probabilistic addition of four sand models. The Resources are contingent upon the joint venture completing a development plan and budget to exploit the new Resources. When this is completed the Contingent Resources will be moved to Reserve category.

Tap Reserves and Resources following the new discoveries

Reserves at 30 June 2018

MMbbl Case	Proved Oil	Proved & Probable Oil
	1P	2P
Thailand – Developed	1.0	1.9
Thailand – Undeveloped	0.2	0.2
Thailand – Total	1.2	2.1

2C Contingent Resources at 30 June 2018

Unit	Oil	Gas	Condensate
	MMbbl	PJ	MMbbl
Thailand	1.1	-	-
Australia	-	128.8	0.4
Total	1.1	128.8	0.4

Forward Production Plan

The MNA-20 and MNA-21 wells have been completed with electric submersible pumps and brought into production at initial test rates of 1,578 bopd and 1,348 bopd respectively. The MNA-20 well has four selective completions to produce the 490-60 and 500 sands. The MNA-21 well has three selective completions to produce the 490-60 and 500 sands.

Tap Oil will be working with the Operator to come up with a development plan for the 300 sands. Since these are shallow and at some distance from the platform the most likely scenario is to drill horizontal wells completed with sand screens. Tap Oil believes that three wells will be required for a development, which could start during the 2019 development drilling program. The additional development of the 300 sands is estimated to extend beyond the fixed period of the FSO contract, which expires at 31 July 2021. Use of the FSO vessel beyond that date is at a lower operating rate which will enhance the field economics.

Person compiling information about hydrocarbons

The Reserve and Contingent Resource information in this announcement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Denis Bouclin B.A.Sc (Hons), M.A.Sc (Engineering), P.Eng., who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Bouclin is a part-time employee of the Company, with more than 25 years relevant experience in the petroleum industry and is a member of The Association of Professional Engineers and Geoscientists of Alberta (**APEGA**) and The Society of Petroleum Engineers (**SPE**).

Reserves and Contingent Resources have been estimated using both probabilistic and deterministic methods. Tap Oil is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of Reserves and Contingent Resources contained in this announcement.

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