

# Supplementary Bidder's Statement

for an

# UNCONDITIONAL ON- MARKET CASH TAKEOVER OFFER

by

**RISCO ENERGY INVESTMENTS (SEA) LIMITED**

to acquire all of your ordinary shares in

**TAP OIL LIMITED**

(ACN 068 572 341)

**FOR \$0.070 CASH PER SHARE**

This document is important and you are encouraged to read it. If you are in doubt as to how to respond to the Offer, consult your legal, financial or other professional adviser.

The Offer Period commences in accordance with section 635 of the Corporations Act and will close at the end of trading (4.00pm, Sydney time) on 3 July 2018, unless withdrawn or extended.

Broker to the Offer



Legal Adviser



## Contents

1. Important Notices.....	3
2. Supplementary Information in Relation to Offer.....	4
3. Approval of Supplementary Bidder's Statement.....	8
Annexure A. Announcement of Extension of Offer Period.....	9
Annexure B. Supplementary Broker Announcement.....	11

## 1. IMPORTANT NOTICES

This document is a supplementary bidder's statement (**Supplementary Bidder's Statement**) prepared pursuant to section 643 of the Corporations Act in relation to the on-market takeover bid by Risco Energy Investments (SEA) Limited (**Risco**) to acquire all of the ordinary shares in Tap Oil Limited (ACN 068 572 341) for \$0.070 cash per share.

This Supplementary Bidder's Statement supplements, and should be read together with, the Bidder's Statement dated 2 May 2018.

This Supplementary Bidder's Statement is dated 16 May 2018. A copy of this Supplementary Bidder's Statement was lodged with ASIC on 16 May 2018. ASIC takes no responsibility for the content of this Supplementary Bidder's Statement.

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement. This Supplementary Bidder's Statement prevails to the extent of any inconsistency.

## **2. SUPPLEMENTARY INFORMATION IN RELATION TO OFFER**

### **2.1. Extension of Offer Period**

The Offer Period is extended and is now scheduled to close (unless extended or withdrawn in accordance with the Corporations Act) on 4 July 2018.

### **2.2. Certainty of the Offer Price**

While the price of shares trading on a stock exchange is obviously subject to fluctuation, the Tap Share price on ASX may fall following close of the Offer Period. In addition, Tap Shares currently trade at low volumes on ASX. The average daily trading volume for Tap Shares over the 5 trading days prior to the Announcement Date was 191,899 Tap Shares. Trading volumes did increase in the 3 trading days immediately following the Announcement Date but have since reverted to volumes more consistent with those prior to the Announcement Date. If you do not accept the Offer, there is no certainty that you would be able to liquidate your entire Tap Shareholding following close of the Offer.

### **2.3. Risks of Holding**

As announced by Tap on ASX on 30 April 2018 and further detailed by Tap on ASX on 3 and 7 May 2018, Tap has approved a drilling program in the Manora oil field. Risk associated with drilling include environmental risks, cost overrun risks and geological risks. The probability of success of new wells is generally low. If you do not accept the Offer and Tap is unsuccessful in its drilling program, Tap share price may remain depressed or may continue to fall.

### **2.4. Profile of Risco**

Risco is an energy investment vehicle incorporated in the British Virgin Islands (BVI) and primarily managed in Singapore. Risco's sole investment is Tap. Risco is managed on a day to day basis by Mr Tom Soulsby (as CEO), and he is a former director of Tap, a position he resigned on 31 January 2018. As is evident from Risco's substantial holding notices, Risco's director is a corporation which is an external service provider. Mr Chris Newton, the current chairman of Tap, is a consultant to Risco. Given the possible conflict of interest arising from Mr Newton's role as director of Tap, he has not had any involvement with the Offer (including prior to the Announcement Date) on behalf of Risco.

The "Risco branded group" was founded by Mr Soulsby and Mr Newton in 2010 and it now focuses on the oil and gas sector in Southeast Asia. Since inception, the "Risco branded group" has invested in 7 oil and gas projects in Indonesia, Philippines, Thailand, and the USA with a combined total of 15 contract areas. Each Risco-branded entity has different ownership and has no legal relationship with each other except for the use of the 'Risco' name. Each Risco branded entity is managed or advised by Tom Soulsby and Chris Newton.

In the upstream oil and gas sector, the "Risco branded group" has two active investments in Asia via Australian listed companies - Tap and Lion Energy Limited.

### **2.5. Suncastle Equities Inc. (Suncastle).**

Suncastle currently holds 68.01% of the shares in Risco and is its controlling shareholder. Accordingly, Suncastle has Voting Power in Tap equal to Risco's Voting Power, and Relevant Interests in Risco's Tap Shares. Other than Suncastle, Risco has 3 shareholders, none of which has 20% or more of Risco's shares. One of these shareholders is partially owned by Tom Soulsby. Other than Suncastle, no person's holding of Risco shares (directly or indirectly), via Suncastle or otherwise, gives them a Relevant Interest in Tap Shares.

Suncastle is an investment vehicle incorporated in the British Virgin Islands (BVI) and ultimately beneficially owned by 7 individual investors, one of whom is Tom Soulsby, who acquired his interest in

Suncastle subsequent to the date of the Original Bidder's Statement. Suncastle's sole investment is Risco.

As at the date of this Bidder's Statement and at all times since Risco became a substantial holder of Tap, no person controls, or has controlled, Suncastle, or has, or has had, more than 20% Voting Power in Suncastle.

Accordingly, as at the date of this Bidder's Statement Suncastle is the ultimate controller of Risco. In connection with the Offer, on 1 May 2018 Mr Tom Soulsby entered into a Cooperation Deed with Suncastle under which he has agreed to provide funding to Suncastle (whether in the form of equity or debt) to assist Suncastle in being able to provide funding to Risco for the purpose of Risco acquiring all of the Shares not already owned by Risco under the Offer.

Under the terms of the Cooperation Deed Mr. Soulsby and Suncastle also acknowledge that nothing in the Cooperation Deed confers on either party:

- (a) any power to exercise, or control the exercise of, a right to vote attached to shares in which the other party holds or otherwise has a Relevant Interest; or
- (b) any power to dispose of, or control the exercise of power to dispose of, Shares in which the other party holds or otherwise has a Relevant Interest.

The Cooperation Deed is attached to the substantial holder notices of Risco and Mr Soulsby released on ASX on 3 May 2018.

The form of Mr Soulsby's funding to Suncastle will be provided having regard to the applicable requirements and restrictions in the Corporations Act (including, without limitation, the restrictions contained in section 606). This may restrict Mr Soulsby's ability to provide funding in the form of subscriptions for voting shares in Suncastle, and as a result his funding will be provided by way of non-voting equity or debt (as is permitted under the Cooperation Deed).

## **2.6. Risco's interests in Tap Securities**

Risco has not acquired any Tap shares since the announcement of the Offer.

## **2.7. Other intentions**

Risco withdraws its proposal that, following close of the Offer, Tap (depending on the level of acceptances under the Offer) conduct a review of its operations, assets, structure and employees.

Other than as set out or referred to in section 4 of the Bidder's Statement and section 2.7 of this Supplementary Bidder's Statement, it is the present intention of Risco to procure that Tap will:

- (a) generally continue the business of Tap;
- (b) continue to undertake the previously announced strategy of the Board in respect of the Australian and Thai assets, described as a "simple, lower risk, moderate return strategy targeting value maximisation at Manora and monetisation of the Australian portfolio" in the Chairman's letter of Tap's 2017 Annual Report; and
- (c) continue the employment of Tap's present employees.

## **2.8. Price of Tap Shares**

The last recorded sale price of Tap Shares on ASX on 1 May 2018, being the trading day prior to the Announcement Date, was \$0.061.<sup>1</sup>

During the period between the Announcement Date and 15 May 2018 (being the last trading day prior to the date of this Bidder's Statement):

- (a) the highest recorded sale price of Tap Shares on ASX was \$0.075 on 3, 4 and 8 May 2018; and
- (b) the lowest recorded sale price of TAP Shares on ASX was \$0.072 on 2 May 2018.

## **2.9. Risco Funding Arrangements**

Risco has obtained a loan facility from Suncastle, which Risco may draw to the extent required to satisfy its obligations to pay the Offer Consideration. The maximum amount of the loan facility is equal to the maximum amount of the Offer Consideration referred to in section 5.1 plus an amount in respect of transaction costs of Risco. The key terms of the loan facility are as follows:

- Lender: Suncastle
- Borrower: Risco
- Amount: \$23.3 million
- Drawdown conditions: no conditions precedents for the utilization of the loan, but funds are to be used solely for the purchase of Tap's shares and ancillary costs
- Availability period: 18 months from 23 April 2018
- Interest rate: 10% p.a.
- Repayment: on demand by Suncastle from the end of the availability period

Mr Tom Soulsby has entered into a Cooperation Deed with Suncastle under which he has agreed to provide funding to Suncastle (whether in the form of equity or debt) to assist Suncastle in being able to provide funding to Risco for the purpose of Risco acquiring all of the Shares not already owned by Risco under the Offer. The Cooperation Deed is attached to the substantial holder notices of Risco and Mr Soulsby released on ASX on 3 May 2018.

## **2.10. Additional Information**

Amongst others, the modification to section 636(3) of the Corporations Act as set out in paragraph 5(d) of ASIC Class Order 13/521 to include references to certain statements lodged with ASIC or ASX without obtaining the consent of the party making the lodgement. The relevant statements were respectively taken from:

- Tap's annual report for the year ended 31 December 2017 released on ASX on 5 April 2018;
- Tap's announcement released to ASX on 30 April 2018 titled 'Manora Oil Field – Manora 8 Exploration Well';

---

<sup>1</sup> The closing price of Tap Shares on ASX on 15 May 2018, the last trading day prior to the date of this Bidder's Statement was \$0.074. The Offer was announced on 2 May 2018.

- Tap's announcement released to the ASX on 3 May 2018 titled 'Manora-8 Exploration Well Update';
- Tap's announcement released to the ASX on 7 May 2018 titled 'Update to the four well back-to-back exploration, appraisal and development drilling campaign commencing 16 May 2018';
- A 'Notice of change of Interests of substantial holder' (ASIC Form 604) of Risco dated 3 May 2018 and released on ASX on 3 May 2018;
- A 'Notice of change of Interests of substantial holder' (ASIC Form 604) of Tom Soulsby dated 3 May 2018 and released on ASX on 3 May 2018; A 'Notice of change of Interests of substantial holder' (ASIC Form 604) of Northern Gulf Petroleum Holdings Limited (among others) dated 20 March 2018 and released on ASX on 21 March 2018; and
- A 'Notice of ceasing to be a substantial holder' (ASIC Form 605) of Prudential Plc and its subsidiary companies dated 20 March 2018 and released on ASX on 22 March 2018.

### **3. APPROVAL OF SUPPLEMENTARY BIDDER'S STATEMENT**

This Supplementary Bidder's Statement has been approved by the sole director of Risco.

**Dated 16 May 2018**

**Signed** on behalf of Risco Energy Investments (SEA) Limited

A handwritten signature in black ink, appearing to be 'T. Soulsby', written in a cursive style.

**Tom Soulsby, Chief Executive Officer**



**ANNEXURE A.        ANNOUNCEMENT OF EXTENSION OF OFFER PERIOD**

## ASX Announcement - 16 May 2018

### RISCO ENERGY INVESTMENTS (SEA) LIMITED EXTENDS THE OFFER PERIOD IN RELATION TO ITS UNCONDITIONAL ON-MARKET TAKEOVER OFFER TO ACQUIRE ALL TAP OIL LIMITED SHARES FOR \$0.070 CASH PER SHARE

Risco Energy Investments (SEA) Limited (**Risco**) has made an offer (**Offer**) under an unconditional on-market bid for all of the ordinary shares (**Tap Shares**) in Tap Oil Limited ACN 068 572 341 (**Tap**), as set out in the Bidder's Statement dated, and lodged with the Australian Securities and Investments Commission (**ASIC**) on 2 May 2018.

#### Extension of Offer Period

Risco gives notice under section 649C of the *Corporations Act 2001* (Cth), that Risco has replaced the Bidder's Statement with a Replacement Bidder's Statement dated 16 May 2018 (**Replacement Bidder's Statement**) under which (among other changes to disclosure with respect to the Offer) the Offer Period is extended so that the Offer Period ends at the close of trade on the ASX on 4 July 2018 (unless further extended or withdrawn).

#### Lodgement with ASIC

A copy of this notice will be lodged with the ASIC on 16 April 2018.

ASIC takes no responsibility for the contents of this notice.

The Replacement Bidder's Statement was provided to ASIC, ASX and Tap on 16 May 2018.

Signed for and on behalf of Risco:



Tom Soulsby  
Chief Executive Officer  
Risco Energy Investments (SEA) Limited

**ANNEXURE B. SUPPLEMENTARY BROKER ANNOUNCEMENT**

ASX Announcement

For Immediate Release

**Extension to Offer Period in relation to Risco Energy Investments (SEA) Limited's unconditional on-market takeover bid for Tap Oil Limited ACN 068 572 341**

Further to today's announcement of an extension under section 649C of the Corporations Act 2001 of Risco Energy Investments (SEA) Limited's (**Risco**) on-market takeover bid for all of the ordinary shares (**Tap Shares**) in Tap Oil Limited ACN 068 572 341 (ASX:TAP) (**Tap**) (**Offer**), Morgans Financial Limited ACN 49 010 669 726 / AFSL No. 235410 (the **Broker**), on behalf of Risco, extends the Offer Period for all Tap Shares to the close of trade on the ASX on 4 July 2018 (unless further extended).

From the date and time of this announcement until the close of trading on ASX on 4 July 2018 (being the end of the Offer Period under the Replacement Bidder's Statement) (unless the Offer is withdrawn or extended in accordance with the Corporations Act), the Broker (on behalf of Risco) will accept at the Offer Price every fully paid ordinary share in Tap Tap Shares offered to the Broker on-market up to a maximum of 319,003,609 Tap Shares (being all of the Tap Shares on issue at the date of this announcement not held by Risco) and any additional Tap Shares which are issued during the Offer Period as a result of the exercise or conversion of any existing convertible securities.

The Offer Price is \$0.070 per Tap Share.

The Offer Period is now due to close at the close of trade on the ASX on 4 July 2018 (unless further extended).

**Settlement and Brokerage**

Payment for Tap Shares sold to Risco will be made on a T + 2 settlement basis in accordance with the usual ASX Settlement Operating Rule for ASX trading.

Any brokerage or other fees charged by brokers acting for holders of Tap Shares wishing to sell their shares will be the sole responsibility of the accepting Tap shareholders.

**Acceptance**

As the Offer will be an on-market offer, accepting shareholders may only accept the Offer on-market through brokers which are members of the ASX. All Tap Shares to be purchased by Risco under the Offer will be purchased on-market only during Trading Days.

**Tap Shares**

The Tap Shares the subject of the Offer are fully paid ordinary shares in the capital of Tap which are on issue as at the date of the Bidder's Statement, and any other Tap Shares that are issued before the end of the Offer Period as a result of the exercise or conversion of any existing convertible securities.

Immediately before making this announcement:

- as far as Risco is aware, there are 425,967,534 Tap Shares on issue, all of which are quoted on the ASX;
- Risco and its associates have relevant interests in 106,963,925 Tap Shares, which represents approximately 25.11% of the current issued share capital of Tap; and

- Risco and its associates have voting power in approximately 25.11% of the current issued share capital of Tap.

Signed for and on behalf of the Broker

Yours faithfully,

**Morgans Financial Limited**

A handwritten signature in black ink, appearing to read 'Sam Street'. The signature is stylized with large, sweeping loops for the first and last letters.

Sam Street  
Director, Corporate Finance