

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

Morgans Financial Limited (ABN 49 010 669 726), AFSL 235410 has been appointed as the broker for Risco Energy Investments (SEA) Limited and will stand in the market and accept Tap Shares offered to it at the Offer Price from 10am (Sydney time) ~~2 May 2018~~ from the Announcement Date.

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 ~~on 17 May 2018~~ in accordance with section 635 of the Corporations Act and will close at the end of trading (4.00pm, Sydney time) on ~~18 June~~ 4 July 2018, unless withdrawn or extended.

Broker to the Offer

Legal Adviser



IMPORTANT DATES

<u>Original Bidder's Statement lodged with ASIC</u>	<u>2 May 2018</u>
Announcement Date	2 May 2018
Bidder's Statement lodged with ASIC	<u>216 May 2018</u>
Commencement of Offer Period	10am (Sydney time) 17 May 2018
Offer Period scheduled to close (unless extended or withdrawn in accordance with the Corporations Act)	4 pm (Sydney time) on 18 June <u>4 July</u> 2018

IMPORTANT NOTICES

Bidder's Statement

This Bidder's Statement is a replacement Bidder's Statement given by Risco Energy Investments (SEA) Limited to Tap Oil Limited (ACN 068 572 341) under Part 6.5 of the Corporations Act (as modified by ASIC Class Order [CO 13/528]) and relates to the Offer (Bidder's Statement).

This Bidder's Statement is dated 16 May 2018 and replaces the original Bidder's Statement lodged with ASIC on 2 May 2018 (the Original Bidder's Statement).

A copy of this Bidder's Statement was lodged with ASIC on 216 May 2018 along with a Supplementary Bidder's Statement and a copy of this Bidder's Statement marked to show all changes from the Original Bidder's Statement.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

You should read this Bidder's Statement in its entirety.

Investment decisions

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 8 along with certain rules of interpretation which apply to this Bidder's Statement.

Forward-looking statements

This Bidder's Statement includes information that is historical in character and forward-looking statements.

Any forward-looking statements relate to future matters and are subject to various inherent risks and uncertainties.

Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Tap is no guarantee of future performance. Neither Risco nor any other person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any ~~forward~~ forward looking statement, except to the extent required by law. Any ~~forward looking~~ forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Information regarding Tap

The information contained in this Bidder's Statement on Tap and Tap Shares has been prepared by Risco using publicly available information. None of that information has been independently verified by Risco. Accordingly, Risco does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information, or assumes any responsibility for the accuracy or completeness of such information.

Tap has not reviewed or approved the information in this Bidder's Statement and has not provided Risco with any information for the purposes of disclosure in this Bidder's Statement. Further information relating to Tap's business may be included in Tap's Target's Statement which it must provide to Tap Shareholders in response to this Bidder's Statement.

Foreign jurisdictions

The distribution of this Bidder's Statement and the making of the Offer may be restricted by the laws of jurisdictions outside of Australia, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

Privacy statement

Risco has collected your information from the Tap register of members for the purpose of making the Offer. The type of information Risco has collected about you includes your name, address, contact details and information on your shareholding in Tap. Without this information, Risco will be hindered in its ability to carry out the Offer. The Corporations Act requires the name and address of shareholders to be held in a public register. Your

information may be disclosed on a confidential basis to Risco and its external service providers (such as Boardroom Pty Limited, registry to the Offer and providers of print and mail services), and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Risco or Boardroom Pty Limited, please contact them at the addresses set out in the corporate directory on page 34 of this Bidder's Statement.

How to accept

To accept the Offer, follow the instructions set out in page 5 of this Bidder's Statement.

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Letter from Risco's Chief Executive Officer

216 May 2018

Dear Tap Shareholder

Offer to acquire all of your shares in Tap Oil Limited

On behalf of Risco Energy Investments (SEA) Limited (**Risco**), I am pleased to present you with this unconditional cash offer to acquire all of your Tap Shares for \$0.070 per Tap Share (the **Offer**).

The Offer provides you with an opportunity to realise cash for your Tap Shares at a premium to the prices at which Tap Shares have traded on ASX over the 5 months prior to the announcement of the Offer.¹

The Offer Price of \$0.070 per Tap Share represents a premium of:

- 14.8% to the closing price of Tap Shares on 1 May 2018 (being the last day of trading prior to the announcement of the Offer);
- 27.9% to the 30-day VWAP at 1 May 2018 of Tap Shares of \$0.055; and
- 29.6% to the price at which M&G Investment Management Limited, the 3rd largest shareholder of Tap prior to its sell-down, sold the majority of its Tap Shares in the market in March 2018.

The Offer may only be accepted by selling your Tap Shares on-market on ASX. Risco has appointed Morgans Financial Limited to act as its broker and accept Tap Shares offered to it at the Offer Price from 2 May 2018 until the end of the Offer Period. A summary of how to sell your Tap Shares is set out page 5 of this Bidder's Statement.

As an on-market bid, the Offer is unconditional and provides you with a simple cash exit from your investment in Tap, with the Offer Consideration being provided to you in two ASX trading days following your acceptance of the Offer (ie. T+2).

The Offer Period is scheduled to end at the close of trading on ASX on 18 June 2018, unless it is extended or withdrawn in accordance with the Corporations Act.

Further information

Detailed information in respect of the Offer is set out in this Bidder's Statement. Tap will shortly send you a Target's Statement containing Tap's formal response to the Offer.

If you have any questions in relation to the Offer, please contact your legal, financial, tax or other professional advisers.

Yours sincerely,

Tom Soulsby

Chief Executive Officer

¹ 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.

Risco Energy Investments (SEA) Limited

How to accept the Offer

Tap Shareholders may sell their Tap Shares to Risco on-market by offering to sell some or all of their Tap Shares on ASX at the Offer Price on and from the Announcement Date until the end of the Offer Period.

Morgans Financial Limited will stand in the market to acquire, on behalf of Risco, all Tap Shares offered at the Offer Price during normal trading on ASX on and from the Announcement Date until the end of the Offer Period.

1. ISSUER SPONSORED HOLDINGS

If your Tap Shares are held in an Issuer Sponsored Holding (such holdings will have Securityholder Reference Numbers beginning with an “I”), to sell your Tap Shares to Risco, you must instruct a broker (which may include Morgans Financial Limited where they are your existing broker) to sell your Tap Shares at the Offer Price during the Offer Period.

2. CHESS HOLDINGS

If your Tap Shares are held in a CHESS Holding (such holdings will have Holder Identification Numbers beginning with an “X”), to sell your Tap Shares to Risco, you must instruct your controlling participant (ie. your existing broker) to sell your Tap Shares at the Offer Price during the Offer Period.

3. BROKERS OR CONTROLLING PARTICIPANTS

If you are a Broker or Controlling Participant, acceptances of the Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

* * *

Beneficial owners of Tap Shares registered in the name of a nominee, trust company or broker should contact that nominee for assistance in accepting the Offer.

No forms need to be completed to accept the Offer.

Details of the Offer

The following details of the Offer are qualified by the information contained in the rest of this Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your Tap Shares.

1.	What is the Offer?	<p>Risco is offering to purchase all of your Tap Shares under an on-market takeover bid</p> <p>For each of your Tap Shares you are being offered \$0.070 cash. This is known as the Offer Consideration or the Offer Price.</p>
2.	Who is making the Offer?	<p>The Offer is being made by Risco Energy Investments (SEA) Limited. See section 1 for more details about Risco.</p>
3.	What is the Closing Date for the Offer?	<p>The Offer closes at the end of trading on ASX (4.00pm, Sydney time) on Monday, 18 June 4 July 2018.</p> <p>Risco may, at its sole discretion and in accordance with the Corporations Act, extend the Offer Period. The Offer Period will be automatically extended if Risco's Voting Power in Tap increases to more than 50% in the last 7 days of the Offer Period. In that case, the Offer Period will then end 14 days after Risco's Voting Power increases to more than 50%</p>
4.	What are the terms of payment of the Offer Consideration?	<p>The usual rules for settlement of on-market transactions on ASX will apply respect of acceptance of the Offer. If you accept the offer, you will be paid your Offer Consideration on a T+2 basis (ie. on the 2nd trading day after the day you accept the Offer on-market).</p>
5.	What are the conditions of the Offer?	<p>The Offer is unconditional.</p>
6.	How does the Offer apply to Performance Rights and Retention Rights?	<p>The Offer will not extend to the acquisition of any Performance Rights or Retention Rights currently on issue, or any other securities convertible into Tap Shares that may become on issue during the Offer Period. However, the Offer will extend to all Tap Shares that are issued at any time prior to the close of the Offer Period as a result of conversion of Performance Rights or Retention Rights that were on issue prior to the Announcement Date.</p>

7.	Can the Offer be withdrawn?	<p>Risco may withdraw the Offer in respect of any Offers that are unaccepted at any time:</p> <ul style="list-style-type: none">• With the written consent of ASIC, subject to the conditions (if any) specified in that consent;• Where a Prescribed Occurrence occurs, if at the time it occurs Risco's Voting Power in Tap is at or below 50%; or• Upon the occurrence of an Insolvency Event in relation to Tap (regardless of Risco's Voting Power in Tap). <p>Notice of withdrawal of the Offer would be provided by Risco to ASX.</p>
8.	Can the Offer be varied?	<p>Risco may vary the Offer in accordance with the Corporations Act, including by increasing the Offer Price. Any Tap Shareholder who has accepted the Offer on the terms set out in this Bidder's Statement would not receive the benefit of any subsequent variation to the Offer.</p>
9.	How do I accept the Offer?	<p>See page 5 of this Bidder's Statement.</p>
10.	Can I accept for part of my Tap shareholding?	<p>Yes. You can sell all or some of your Tap Shares to Risco under the Offer.</p>
11.	What happens if I do not accept the Offer?	<p>You will remain a Tap Shareholder and will not receive the Offer Consideration.</p>
12.	What are the tax implications of acceptance?	<p>Section 6 contains a general summary of the major likely Australian tax consequences for Tap Shareholders who accept the Offer. However, you should consult your financial, tax or other professional adviser on the tax implications of acceptance, in light of your own particular circumstances.</p>
13.	Will I need to pay brokerage, stamp duty or GST if I accept the Offer?	<p>You should check with your broker or nominee holder who would accept the Offer on your behalf whether any brokerage or other fee will be payable by you in accepting the Offer.</p> <p>No stamp duty or GST will be payable on acceptance of the Offer.</p>

Why you should accept the Offer

1. The Offer represents a significant premium to Tap's recent and historical trading prices

Under the Offer, Tap Shareholders will receive \$0.070 for every Tap Share held.

This Offer Price represents a 27.9% premium to the volume weighted average price of \$0.055 over the last 30 trading days up to and including 1 May 2018. The price for Tap Shares as at closing on May 1 ~~is~~(being the day before the announcement of the Offer) was \$0.061.²

During the three months ended 1 May 2018 (being the last trading day on the ASX prior to the date of ~~this~~the Original Bidder's Statement):

- (a) the highest recorded sale price for Shares on ASX was \$0.062 on 16 April 2018; and
- (b) the lowest record sale price for Shares on ASX was \$0.051 on 9 March 2018.

2. Accepting the Offer allows you to realise immediate value for your Tap Shares

The Offer is for 100% cash consideration. The Offer is unconditional and provides an opportunity for an immediate exit from your investment in Tap Shares. Over the last three months, the stock has generally been thinly traded with the exception of one trading day on 20 March 2018. ~~The Offer Period commences on 17 May 2018, at 10am (Sydney time), however you~~You may sell your Tap Shares to Risco immediately. Morgans Financial Limited will stand in the market on behalf of Risco to acquire Tap Shares offered to it on ASX at the Offer Price on and from the Announcement Date.

3. Certainty of offer price

To the extent you accept the Offer, you will no longer be exposed to the risks associated with holding Tap Shares. The Offer Price is fixed during the Offer Period and provides certainty as opposed to future uncertain trading prices. The graph in ~~Section X~~below demonstrates the decrease in the Tap Share price ~~since~~between 1 May 2016 and 1 May 2018 (the last trading day before the Offer was announced).



² 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..

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 last 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.

4. Risks of holding

(a) Risks of being a minor shareholder

As the Offer is unconditional, all offers accepted by Shareholders will be settled immediately on a normal T+2 basis. If you do not accept the Offer:

- (i) you may be left with a small shareholding;
- (ii) the Shareholder spread after the Offer is completed may be less than required under the ASX Listing Rules; and
- (iii) the ASX may choose to suspend or de-list Tap in which case, the liquidity in Tap Shares may be severely impacted.

(b) Compulsory acquisition

Where the Corporations Act permits, the Bidder intends to exercise its rights to compulsorily acquire the remaining shares at the Offer Price and you may be paid later than accepting Shareholders.

(c) Liquidity risk

Depending on the level of acceptances the Bidder receives under the Offer, the market for Tap Shares may become even less liquid than at present. This could make it more difficult for you to sell your Tap Shares at an attractive price in the future.

(d) Commodity price risk

If you do not accept the offer, you remain exposed to oil price volatility. Tap revenues and profits are affected by oil prices and a sustained decline in oil prices may severely depress Tap share price in the future.

(e) Drilling risk

As announced by Tap on ASX on 30 April 2018 and further detailed by Tap in an announcement made 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.

5. The Offer is the only takeover offer presently available for your Shares

The Offer is the only takeover offer presently available for all Tap Shares as at the date of this Bidder's Statement. The Offer represents a liquidity opportunity for Shareholders to sell all

their Shares for the Offer Price. As at the date of this Bidder's Statement, the Bidder is not aware of any other party intending to make a takeover offer for Tap Shares.

1. Profile of Risco

1.1 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, and a position he resigned on 31 January 2018. As is disclosed in 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 of companies 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.

The 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.

1.2 Suncastle Equities Inc. (Suncastle)

Suncastle currently holds 68.01% of the shares in Risco and therefore controls 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 a number of different 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 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. It likely that this funding will be provided by way of subscriptions of Suncastle shares as acceptances are received under the Offer.

~~As a result of acceptances under the Offer occurring and Mr Soulsby subscribing for shares in Suncastle as a result, Mr Soulsby's shareholding percentage (and Voting Power) in Suncastle may exceed 20%. If Mr Soulsby's Voting Power in Suncastle exceeds 20%, Mr Soulsby will obtain Relevant Interests in the Tap Shares in which Risco and Suncastle have Relevant Interests, due to the operation of section 608(3)(a) of the Corporations Act. As at the date of this Bidder's Statement, Mr Soulsby has no Relevant Interest in any Tap Shares.~~

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. Profile of Tap

2.1 Disclaimer

The information in this section 2 concerning Tap has been prepared based on publicly available information (which has not been independently verified). Risco does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Tap in this Bidder's Statement should not be considered comprehensive.

Further information relating to Tap may be included in its Target's Statement in relation to the Offer, which will be sent to you directly by Tap.

2.2 Overview

Tap Oil Limited is an independent oil & gas exploration and production company with interests in South East Asia and Australia. Headquartered in Perth, Western Australia, Tap was incorporated on 14 March 1995 and listed on the Australian Securities Exchange (ASX:TAP) in September 1996.

In 2010 Tap acquired a 30% interest in the G1/48 concession in Gulf of Thailand which includes the Manora oil field. The Manora oil field is located offshore in the Gulf of Thailand and is operated by Mubadala Petroleum (Thailand) Ltd. The field is located approximately 80 kilometres offshore of Prachuap Khiri Khan Province. The development of the Manora oil field commenced in 2012 and the first oil was achieved in November 2014.

Tap also has interests in multiple exploration permits and retention leases in the Carnarvon Basin, north west Western Australia.

2.3 Publicly available information

Tap is a company listed on the ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. Copies of announcements made by Tap to ASX are available on the ASX website: www.asx.com.au. In addition, Tap is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Tap may be obtained from, or inspect as, an ASIC office. Further information about Tap can be obtained on its website: <http://www.tapoil.com.au>.

3. Information about Tap securities

3.1 Disclaimer

The information in this section 3 concerning the securities of Tap (other than sections 3.6 to 3.9) has been prepared based on a review of publicly available information (which has not been independently verified). Risco does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Tap and the Tap Group in this Bidder's Statement should not be considered comprehensive.

Further information relating to Tap may be included in its ~~Tap's~~Target's Statement in relation to the Offer, which will be sent to you directly by Tap.

3.2 Capital structure

As at the date of this Bidder's Statement, Tap has the following securities on issue:

- 425,967,534 Tap Shares (quoted on ASX);
- 10,915,535 Tap Performance Rights (unquoted); and
- 1,024,544 Tap Retention Rights (unquoted).

Tap Performance Rights

Long term incentive (**LTI**) awards have been made by Tap in the form of rights to Tap Shares (**Performance Rights**) which have a vesting timeframe of three years. The number of rights that vest will be based on the Tap's performance over the same three years.

In January 2017, the Board adopted a revised performance benchmark for vesting. Vesting of up to 100% of the Performance Rights depends upon Tap's relative total shareholder return (**RTSR**). The RTSR performance hurdles required to achieve increasing levels of vesting are set by the Board to apply from 1 January of the relevant year.

Vesting characteristics of the performance rights are as follows:

- performance measurement period is three years, which is consistent with the typical time cycle for an exploration program;
- performance is based on differences in RTSR as measured from the end of one preceding period to the end of the current (three years) assessment period. The RTSR uses the 30-day VWAP of the Company's shares up to and including the last day of each measurement period; and
- RTSR will be assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In January 2017, the Board determined a peer group of 14 petroleum industry companies which are listed on the ASX and whose market capitalisation ranged from approximately A\$7 million to A\$306 million (at 31 December 2016).

Tap Retention Rights

Retention Rights are issued to employees pursuant to the terms of the share rights plan upon or as soon as practical after commencement of employment. Such rights vest if the employee remains employed by Tap for 3 years.

3.3 Substantial shareholders

Based on information lodged with ASX or known to Risco, as at 47 May 2018, the substantial shareholders of Tap (excluding Risco, Suncastle and Mr Tom Soulsby – see section 3.6 below) are as follows.

Substantial shareholder	Number of Tap Shares	Voting Power in Tap
Mr Chatchai Yenbamroong*	108,793,064	25.54%
Northern Gulf Petroleum Holdings Limited and each of its related bodies*	108,793,064	25.54%

* These substantial holdings are in respect of the same Tap Shares.

3.4 Recent share price performance

The last recorded sale price of Tap Shares on ASX on 1 May 2018, being the trading day prior to the ~~date of this Bidder's Statement~~ Announcement Date, was \$0.061.³

During the 3 months ended 1 May 2018 (being the trading day prior to the ~~date of this Bidder's Statement~~ Announcement Date):

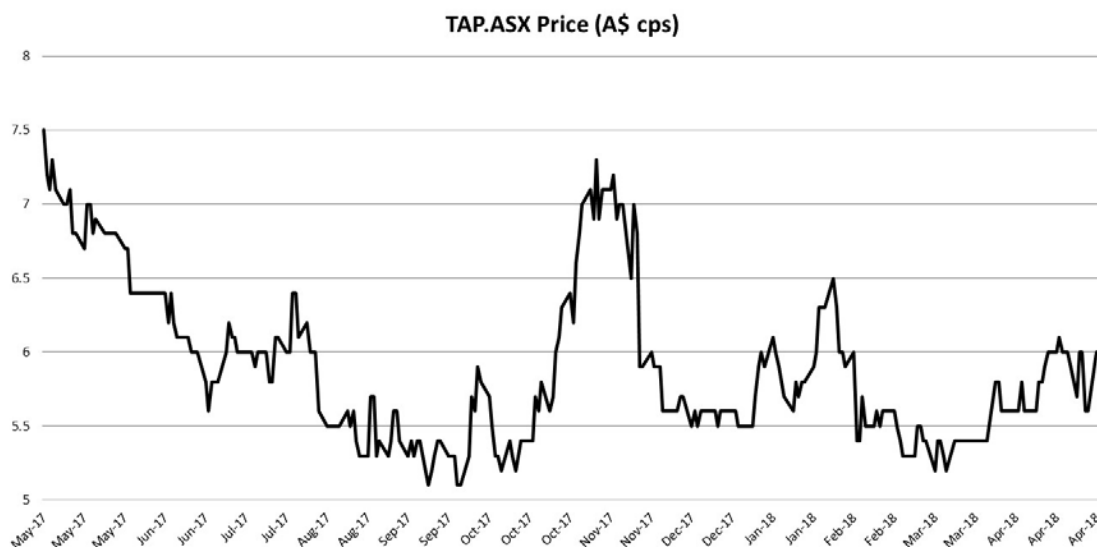
- (a) the highest recorded sale price for Tap Shares on ASX was \$0.062 on 16 April 2018; and
- (b) the lowest recorded sale price for Tap Shares on ASX was \$0.051 on 9 March 2018.

The closing prices of Tap Shares on ASX over the 12 months prior to the ~~date of this Bidder's Statement~~ Announcement Date are shown in the chart below.

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.

³ 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.



3.5 Dividend history

Tap has never paid dividends.

3.6 Risco's interests in Tap securities

As at the date of this Bidder's Statement:

- (a) Risco's Voting Power in Tap was 25.11%;
- (b) Risco had a Relevant Interest in 106,963,925 Tap Shares; and
- (c) Risco did not have a Relevant Interest in any Tap Performance Rights or Retention Rights.

~~As Suncastle controls Risco, Suncastle has Voting Power in Tap equal to Risco's, and Relevant Interests in the Tap Shares held by Risco. Mr Tom Soulsby, by virtue of the Cooperation Deed he has entered into with Suncastle (see section 1.2), is an associate of Suncastle in relation to Tap, and accordingly has Voting Power in Tap equivalent to the percentage of Tap Shares that Suncastle has a Relevant Interest in. However, as at the date of this Bidder's Statement, Mr Soulsby does not have a Relevant Interest in any Tap Shares (also see section 1.2 in this regard).~~

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

3.7 Dealings in Tap securities

Except as described below, neither Risco nor any of its Associates has provided, or agreed to provide, consideration for a Tap Share under a purchase or agreement to purchase during the 4 months before the date of this Bidder's Statement.

Description of acquisition	Date of Acquisition	Number of Tap Shares
On-market purchase by Risco for \$0.054 per Tap Share	20 March 2018	12,000,000
On-market purchase by Risco for \$0.054 per Tap Share		775,000

Description of acquisition	Date of Acquisition	Number of Tap Shares
	21 March 2018	

3.8 No collateral benefits

Except as described in section 3.7, neither Risco nor any of its Associates has in the four months before the date of this Bidder's Statement, given, offered to give or agreed to give a benefit which is not offered to all Tap Shareholders under the Offer to another person which was likely to induce the other person (or an associate) to accept the Offer or dispose of Tap Shares.

3.9 No escalation agreements

Neither Risco nor any of its Associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

4. Intentions

4.1 Introduction

This section 4 sets out Risco's intentions in relation to:

- (a) the continuation of the business of Tap;
- (b) any major changes to the business of Tap; and
- (c) the future employment of the present employees of Tap.

These intentions are based on the information concerning Tap, its business and the general business environment which is known to Risco at the time of preparation of this Bidder's Statement, ~~which is limited to publicly available information.~~

Chris Newton is the ~~chairman~~Chairman of Tap and Risco's nominee on the Tap Board. Tom Soulsby is CEO of Risco and former non-executive director of Tap. He was replaced by Mr Newton as Risco's nominee on the Tap Board on 31 January 2018. As a result of Mr Newton's directorship and Mr Soulsby's former directorship of Tap, information about Tap may as a matter of law be imputed to or known by Risco. However, Risco ~~considers that it has no such~~is not aware of any information that is material to the price or value of Tap Shares that is not in the public domain. ~~Further, no such information has been used by Tap to form any intentions to seek changes to Tap's business or the future employment of the present employees of Tap.~~

~~Following the close of the Offer, and depending on the level of acceptances under the Offer, Tap will conduct a review of the operations, assets, structure and employees of Tap in light of the information available to it at that time. Final decisions will only be made after that review and in light of all material facts and circumstances. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change.~~

Statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change.

4.2 Intentions upon acquisition of 90% or more of all Tap Shares

This section 4.2 sets out Risco's current intentions if Risco acquires Relevant Interests in 90% or more of the Tap Shares and it is entitled to proceed to compulsory acquisition of the remaining Tap Shares under the Corporations Act.

If that occurs, it is intended that:

- (a) Risco would proceed with compulsory acquisition of the outstanding Tap Shares in accordance with Part 6A.1 of the Corporations Act;
- (b) to the extent that any Tap Performance Rights and Retention Rights have not vested, converted or been exercised into Tap Shares and have not lapsed during the Offer Period, Bidder may also proceed with compulsory acquisition of the outstanding Tap Performance Rights in accordance with Chapter 6A of the Corporations Act, or alternatively pursue other arrangements in relation to those;
- (c) arrange for Tap to be removed from the Official List of ASX; and

-
- (d) subject to the Corporations Act and Tap's constitution, replace all members of the Tap Board with nominees of Risco (Risco's nominees have not yet been identified by Risco). Final decisions on the selection of Risco's nominees will be made in light of the circumstances at the relevant time.

4.3 Intentions where Tap is a partly-owned controlled entity

This section 4.3 sets out Risco's present intentions if Tap becomes a controlled entity of Risco, but Risco is not entitled to proceed to compulsory acquisition of the remaining Tap Shares under Part 6A.1 of the Corporations Act.

If that occurs, it is intended that Risco would subject to the Corporations Act and Tap's constitution, seek to appoint that number of nominees to the Tap Board such that the proportion which Risco's nominees represent of the total number of Tap Directors equals or ~~exceeds~~ Risco's proportionate ownership interest in Tap (Risco's nominees have not yet been identified by Risco). Final decisions on the selection of Risco's nominees will be made in light of the circumstances at the relevant time.

ASX guidance indicates that ASX would approve an application for an ASX-listed company to be removed from the Official List of ASX without the need for approval by the company's shareholders if:

- the bidder and its related bodies corporate own or control at least 75% of the target shares and the takeover offer has remained open for at least 2 weeks after reaching the 75% level;
- excluding the bidder and its related bodies corporate, the number of target shareholders having holdings with a value of at least \$500 is fewer than 150;
- the target applies for removal from the Official List of ASX no later than 1 month after the end of the takeover offer period; and
- the bidder foreshadowed in its bidder's statement that it intended, if it secured control of the target, to cause the target to apply for removal from the Official List of ASX.

In this circumstances, Risco would intend for Tap to apply for removal from the Official List of ASX.

4.4 Further acquisition of Tap securities

Risco may, at some later time, acquire further Tap securities in a manner consistent with the Corporations Act.

4.5 Compulsory acquisition at a later time

If Risco becomes entitled at some later time to exercise general compulsory acquisition rights under the Corporations Act in respect of Tap securities, it may exercise those rights.

4.6 Other intentions

Other than as set out or referred to in this section 4, it is the present intention of Risco to procure that Tap will:

- (a) generally continue the business of Tap;

-
- (b) ~~support~~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.

4.7 Limitations on intentions

The intentions and statements of future conduct set out in this section 4 must be read as being subject to:

- (a) the law (including the Corporations Act) and the ASX Listing Rules, including in particular the requirements of the Corporations Act and the ASX Listing Rules in relation to conflicts of interest and 'related party' transactions given that, if Risco obtains control of Tap but does not acquire all of the Tap Shares, Risco will be treated as a related party of Tap for these purposes; and
- (b) the legal obligation of the Tap directors at the time, including any nominees of Risco, to act in good faith in the best interests of Tap and for proper purposes and to have regard to the interests of all Tap Shareholders.

5. Sources of Offer Consideration

5.1 Maximum cash consideration

The consideration for the acquisition of Tap Shares to which the Offer relates will be satisfied wholly in cash, and if the Offer is accepted in respect of all Tap Shares not held by Risco, will be approximately \$23.2 million (assuming all Performance Rights and Retention Rights are converted during the Offer Period).

5.2 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 entered into on 23 April 2018 and amended on 14 May 2018 are as follows:

- Lender: Suncastle
- Borrower: Risco
- Amount: \$23.3 million
- Drawdown conditions: ~~none~~ 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: ~~3~~ 18 months from 23 April 2018
- Interest rate: 10% p.a.
- Repayment: on demand by Suncastle from the end of the availability period.

As detailed in section 1.2, 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.

The loan facility from Suncastle is supported by a bank guarantee and standby letter of credit (**SBLC**) procured by Suncastle in favour of Risco which Risco may call upon if Suncastle does not provide the funds under the loan facility for any reason (and which Risco has no reason to believe that Suncastle will not provide the funds which Risco seeks to draw under the facility).

The details of the bank guarantee / SBLC obtained in favour of Risco are as follows:

- \$13.3 million irrevocable first demand bank guarantee from UBS AG Singapore Branch, valid for 3 months from 23 April 2018
- \$10 million irrevocable first demand SBLC from JPMorgan Chase Bank, N.A valid from 2 May 2018 to 27 July 2018

I Based on the above, Risco considers it has a reasonable basis for believing, and it does believe, that it will be able to pay the consideration required to be provided to Tap Shareholders who accept the Offer and to meet all other obligations associated with the Offer.

6. Australian tax considerationsTax Considerations

6.1 Introduction

The following is a summary of the potential Australian income tax consequences generally applicable to the Tap Shareholder who disposes of Tap Shares under the Offer. This summary is based on the law and practice in effect as at the date of this Bidders Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Tap Shareholder.

In particular, the summary is only applicable to Tap Shareholders who are Australian residents for income tax purposes and hold their Tap Shares on capital account for income tax purposes. This summary does not apply to Tap Shareholders who hold their Tap Shares in the course of carrying on a business of trading and dealing in securities (i.e. on revenue account).

All Tap Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident Tap Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their Tap Shares.

6.2 Tax consequences of the disposal of Tap Shares

(a) CGT consequences on the disposal of Tap's Shares

A Tap Shareholder who accepts the offer and whose Tap Shares are subsequently transferred to Risco, is taken to have disposed of their Tap Shares for Australian CGT purposes.

Shareholders would ordinarily make a capital gain equal to the amount (if any) by which the Offer consideration exceeds the cost base that the Tap Shareholder has for the Tap Shares. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, the amount should be included in the Tap Shareholders taxable income.

A Tap Shareholder would ordinarily make a capital loss equal to the amount (if any) that the capital proceeds received on the disposal of Tap Shares are less than the reduced cost base of the Shareholders Tap Shares. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

(b) Cost base of Taps Shares generally

The cost base of Taps shares would generally be equal to the amount the relevant Tap Shareholder paid to acquire the Tap Shares, which includes certain incidental costs (such as brokerage) of the acquisition.

(c) Income tax implications

No portion of the Offer Price paid by Risco should be treated as a dividend for tax purposes.

The Offer Price should form the capital proceeds that Tap Shareholders receive for the disposal of their Tap Shares for CGT purposes.

(d) CGT discount

Any Tap Shareholder who is an individual, the trustees of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain provided that;

- The Tap Shares were acquired at least twelve months before disposing them to Risco
- The Tap Shareholder did not choose to index the cost base of the Tap Shares (if indexation was available to the Shareholder)

If accessible, the CGT discount should allow the Shareholder to discount the capital gain by 33 1/3 per cent. The remaining 66 2/3 per cent of the capital gain should be included in the taxable income of that complying superannuation entity. This is subject to the capital gain not constituting exempt current pension income.

Please note that the CGT discount is applied to capital gains after the application of any available capital losses.

The CGT discount is not available to a Tap Shareholder that is a company.

7. ~~Additional information~~Information

7.1 Consents

Each of Suncastle and Mr Soulsby has consented to the inclusion in this Bidder's Statement of:

- each statement it has made; and
- each statement which is said to be based on a statement it has made,

in the form and context in which the statements appear and has not withdrawn that consent before the time of lodgement of this Bidder's Statement with ASIC.

The following persons have given and have not, before the time of lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to be named in this Bidder's Statement in the form and context in which they are named:

- Morgans Financial Limited as broker for Risco in respect of the Offer;
- Jones Day as legal adviser to Risco; and
- Boardroom Pty Limited as registry for the Offer.

None of Morgans Financial Limited, Jones Day or Boardroom Pty Limited has made any statement that is included in this Bidder's Statement, or any statement on which a statement in this ~~Bidder's~~ Bidder's Statement is based.

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';
- 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.

As required by ASIC Class Order 13/521, Risco will, on request during the Bid Period, provide within 2 business days of the request, a copy of any such announcement (or part) free of charge to any Tap Shareholder.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains trading data sourced from IRESS, Bloomberg and Thomson Reuters without their consent.

Each person named in this section 7.1:

- does not make, or purport to make, any statement in this Bidder's Statement other than those statements made in the capacity and to the extent that the person has provided its consent, as referred to above; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Bidder's Statement other than as described.

7.2 Other material information

Except as disclosed in this Bidder's Statement, there is no other information that:

- (a) is material to the making of the decision by a Tap Shareholder whether or not to accept the Offer; and
- (b) is known to Risco,

which has not previously been disclosed to Tap Shareholders.

8. Definitions and ~~interpretation~~ Interpretation

8.1 Definitions

The following definitions apply in this Bidder's Statement ~~and in the Acceptance Form~~, unless the context requires otherwise.

Announcement Date means 2 May 2018, being the date on which the Offer was announced. A copy of the announcement is attached as Annexure A.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12(2) of the Corporations Act, where Tap is the 'designated body'.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

Bid Period means the period commencing on the date of this Bidder's Statement and ending at the end of the Offer Period.

Bidder's Statement means this document, being the statement of Risco under Part 6.5 of the Corporations Act relating to the Offer.

CHESS means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

CHESS Holding means a holding of Tap Shares on the CHESS Subregister of Tap.

CHESS Subregister has the meaning given in the ASX Settlement Operating Rules.

Control has the meaning given to that term in section 50AA of the Corporations Act, and **Controlled** has a corresponding meaning.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules. Usually a person's Controlling Participant is another person, such as a broker, with whom the first person has a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).

Corporations Act means the *Corporations Act 2001* (Cth).

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

Holder Identification Number means the number used to identify ~~an~~ a Tap Shareholder on the CHESS Subregister of Tap.

Insolvency Event means an event described in section 652C(2) of the Corporations Act.

Issuer Sponsored Holding means a holding of Tap Shares on the Issuer Sponsored Subregister of Tap.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

Offer or **Risco's Offer** means, as the context requires, the on-market takeover offer for Tap Shares contained in this Bidder's Statement.

Offer Consideration or **Offer Price** means \$0.070 for each Tap Share.

Offer Period means the period during which the Offer will remain open for acceptance.

Prescribed Occurrence means an event described in section 652C(1) of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Risco means Risco Energy Investments (SEA) Limited, a British Virgin Islands Company.

Securityholder Reference Number means the number allocated by Tap to identify a Tap Shareholder on the Issuer Sponsored Subregister of Tap.

Suncastle means Suncastle Equities Inc., a British Virgin Islands Company.

Tap means Tap Oil Limited (ACN 068 572 341).

Tap Board means the board of directors of Tap and a 'Tap Director' means any director of Tap comprising part of the Tap Board.

Tap Directors means a director of Tap.

Tap Share means a fully paid ordinary share issued in the capital of Tap.

Tap Shareholder means a person registered in the register of members of Tap as a holder of one or more Tap Shares.

Target's Statement means a statement of Tap under Part 6.5 of the Corporations Act relating to the Offer which was released on the ASX by Tap on 15 May 2018 titled "Target's Statement".

VWAP means the volume weighted average price.

8.2 Interpretation

The following rules of interpretation apply in this Bidder's Statement ~~and in the Acceptance Form~~, unless the context requires otherwise.

- (a) Headings are for convenience only and do not affect interpretation.
- (b) The singular includes the plural and conversely.
- (c) A reference to a section or Annexure is to a section of, or annexure to, this Bidder's Statement.
- (d) A gender includes all genders.
- (e) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (f) A reference to a person, corporation, trust, partnership, unincorporated body or association or other entity includes any of them.

-
- (g) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
 - (h) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
 - (i) A reference to any instrument or document includes any variation or replacement of it.
 - (j) A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act (being, if any special meaning is given for the purposes of Chapter 6 or 6A of the Corporations Act or a provision of those chapters, that special meaning).
 - (k) A reference to time is a reference to time in Sydney, Australia.
 - (l) Mentioning anything after **includes, including, for example**, or similar expressions, does not limit what else might be included.
 - (m) A reference to **\$** is a reference to the lawful currency of Australia.
 - (n) A reference to **you** is to a person to whom the Offer is (or is deemed to be) made.

9. Approval of Bidder's Statement

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

Dated 216 May 2018

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

Tom Soulsby, Chief Executive Officer

Annexure A – Announcement of Offer

ASX Announcement – May 2, 2018

RISCO ENERGY INVESTMENTS (SEA) LIMITED ANNOUNCES UNCONDITIONAL ON-MARKET TAKEOVER OFFER TO ACQUIRE ALL TAP OIL LIMITED SHARES FOR \$0.070 CASH PER SHARE

Risco Energy Investments (SEA) Limited (**Risco**) is pleased to announce an unconditional on-market takeover bid to acquire all of the ordinary shares in Tap Oil Limited ACN 068 572 341 (ASX:TAP) (**Tap**) (**Tap Shares**) for \$0.070 cash per share (**Offer**).

The Offer price of \$0.070 per share values Tap's share capital at approximately \$29.8 million¹. The Offer price represents a:

- 14.8% premium to the closing price of \$0.061 per Tap Share on the Australian Securities Exchange (ASX) on the last trading day before this announcement; and
- 27.9% premium to the 30-day volume weighted average price (**VWAP**) of Tap Shares on the ASX to the last trading day prior to this announcement of \$0.055.

The Offer is an unconditional cash offer and details of the Offer are set out in the bidder's statement, a full copy of which is attached to this announcement (**Bidder's Statement**).

Risco has appointed Morgans Financial Limited, ABN 49 010 669 726 / AFSL 235410 (the **Broker**) to act as its on-market broker and accept Tap Shares offered to it at the offer price of \$0.070 per share from today until the end of the Offer period. Further details are set out in the ASX announcement made by the Broker earlier today.

Risco CEO, Tom Soulsby said: *"the Offer provides shareholders with an opportunity to realise cash for their shares in Tap at a premium to the prices at which those shares have traded on ASX over the 5 months prior to the announcement of the Offer. As an on-market bid, the Offer is unconditional and provides you with a simple cash exit from your investment in Tap, with the Offer Consideration being provided to you in two ASX trading days following your acceptance of the Offer."*

In accordance with the *Corporations Act 2001* (Cth), the Bidder's Statement will be lodged with the Australian Securities and Investments Commission and sent to Tap today. It is expected that the Bidder's Statement will be despatched to Tap shareholders within 2 weeks.

A handwritten signature in black ink, appearing to read "T. Soulsby", with a stylized flourish at the end.

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

¹ Based on 425,967,534 Tap Shares on issue

Annexure B – Broker Announcement

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2018

2 May 2018

**ASX ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

Risco Energy Investments (SEA) Limited - unconditional on-market takeover bid for Tap Oil Limited ACN 068 572 341

In accordance with section 6.1.1 of the *ASIC Market Integrity Rules (ASX Market) 2010*, Morgans Financial Limited, ABN 49 010 669 726 / AFSL 235410 (the **Broker**) announces that it will, on behalf of Risco Energy Investments (SEA) Limited (**Risco**), pursuant to section 635 of the *Corporations Act 2001* (Cth) (**Corporations Act**), offer to acquire on-market at \$0.070 per share (**Offer Price**) all of the fully paid ordinary shares in Tap Oil Limited ACN 068 572 341 (ASX: TAP) (**Tap**) (**Tap Shares**) which are listed for quotation on the official list of the Australian Securities Exchange (**ASX**) that exist or will exist at any time during the Offer Period (as defined below) (**Offer**).

From the date and time of this announcement until the close of trading on ASX on 18 June 2018 (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 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.

Terms of the offer

As the Offer is an on-market bid, it is unconditional and payment of the consideration will be by way of cash. The key features of the Offer are:

- it is an on-market, unconditional cash offer of \$0.070 per Tap Share;
- the Broker will purchase Tap Shares offered to it on-market at the Offer Price, from today until the conclusion of the Offer Period; and
- the Offer Period (as defined below) may be extended and the Offer Price may be increased in accordance with the Corporations Act.

Morgans Financial Limited

Level 28 367 Collins Street Melbourne VIC 3000 | PO Box 304 Flinders Lane VIC 3000 Australia

Telephone +61 3 9947 4111 www.morgans.com.au

ABN 49 010 669 726 AFSL 235410 A Participant of ASX Group A Professional Partner of the Financial Planning Association of Australia
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Acquisition from announcement

Risco has appointed the Broker as its broker to purchase all of the Tap Shares on-market that exist or will exist from today until the conclusion of the Offer Period during the official trading days of the ASX (**Trading Days**). The Broker has been instructed to purchase, at the Offer Price, Tap Shares offered for sale during the Trading Days in the period from the date of this announcement until the end of the Offer Period.

Offer Period

The Broker will stand in the market on behalf of Risco and accept Tap Shares offered to it at the Offer Price from the date and time of this announcement. However, the Offer will officially be made during the period commencing 10:00am on 17 May 2018 (being the first Trading Day after the end of the 14 days after the date of this announcement) and ending at the close of trading on the ASX on 18 June 2018 (**Offer Period**) unless extended or withdrawn by Risco in accordance with the Corporation Act.

Risco reserves the right to withdraw unaccepted Offers in the limited circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act, at any time before the end of the Offer Period.

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.

Variation of Offer

Risco may vary the Offer in the limited circumstances permitted by, and in accordance with Part 6.6 of the Corporations Act, at any time before the end of the Offer Period.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a bidder's statement will be sent to Tap and lodged with each of the ASX and Australian Securities and Investments Commission (**ASIC**) today. A copy of the bidder's statement will also be sent to Tap shareholders prior to commencement of the Offer Period.

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.

Morgans Financial Limited

Level 28 367 Collins Street Melbourne VIC 3000 | PO Box 304 Flinders Lane VIC 3000 Australia

Telephone +61 3 9947 4111 www.morgans.com.au

ABN 49 010 669 726 AFSL 235410 A Participant of ASX Group A Professional Partner of the Financial Planning Association of Australia

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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', with a stylized 'S' and 'S' at the beginning.

Sam Street
Director, Corporate Finance

Morgans Financial Limited

Level 28 367 Collins Street Melbourne VIC 3000 | PO Box 304 Flinders Lane VIC 3000 Australia

Telephone +61 3 9947 4111 www.morgans.com.au

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Annexure C - Announcement of Extension of Offer Period

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Annexure D – Supplementary Broker Announcement

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Corporate Directory

Bidder

Risco Energy Investments (SEA) Limited

Morgan & Morgan Building Pasea Estate Road Town Tortola
British Virgin Islands

Broker to the Offer

Morgans Financial Limited

Level 29, 123 Eagle Street
(GPO Box 202)
Brisbane QLD 4000, Australia

Legal Adviser

Jones Day

Aurora Place
Level 41, 88 Phillip Street
Sydney NSW 2000, Australia

Registry for the Offer

Boardroom Pty Limited

Level 12, 225 George St
Sydney NSW 2000, Australia