

ASX ANNOUNCEMENT

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ASX:TAP

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Commodity Hedging Program

Tap Oil Limited (**Tap** or **the Company**) advises that it has entered into further commodity hedging instruments with BP Singapore Pte Limited covering 55,312 barrels of Manora crude oil due to be lifted between May 2019 and December 2019. This represents approximately 20% of anticipated Manora sales in May 2019 and 12.5% of anticipated Manora sales volumes during the July to December 2019 period.

Hedging has been implemented against Dubai crude, the reference against which Manora crude is priced.

The hedging is designed to protect against oil price falls below US\$60.00/bbl while retaining exposure to price increases up to US\$81.00/bbl.

The following has been contracted:

- 40,312 bbls of buy puts at Dubai US\$60.00/bbl for the scheduled lifting months during the period from July to December 2019
- 40,312 bbls of sell calls at a strike price of Dubai US\$81.00/bbl for the same months

In addition, an oil lifting of circa 250,000 bbls gross (75,000 bbls Tap share) is scheduled for the second week of May 2019 and Tap has arranged 15,000 bbls of swaps at a Dubai price of US\$72.60/bbl.

Combined with the volumes that were hedged on 12 April 2019, the total portfolio that has been hedged to date are as follows:

- 120,938 bbls of buy puts/sell calls bringing the total hedged between July 2019 and December 2019 to 37.5% of anticipated liftings at an average put strike price of US\$60.00/bbl and average call strike price of US\$77.00/bbl.
- 45,000 bbls of the May 2019 cargo being 60% of the volume hedged at an average swap price of \$70.27/bbl.

Investor enquiries

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