

## ASX ANNOUNCEMENT

30 September 2019

ASX:TAP

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### **Manora 2019 Exploration Drilling Program and Prospective Resource Estimates**

- **1-2 well exploration drilling program plus a contingent side-track scheduled to spud in November 2019.**
- **Final investment decision on the drilling program anticipated in October 2019.**
- **Combined best estimate (P50) Prospective Resources independently estimated at 1.13 MMSTB, net to Tap.**
- **Tap has budgeted US\$1.6 million of expenditure, net pre-tax, for a potential drilling program comprising two wells plus a side-track.**
- **All prospects are within 5km of the Manora platform and success will leverage Manora production and storage infrastructure.**

Tap Oil Limited (**ASX:TAP**) (**Tap** or the **Company**) is pleased to announce Prospective Resource estimates for Manora near field exploration prospects being considered for drilling in the 2019 exploration drilling program to be undertaken in the G1/48 (Manora) licence area. Tap has a 30% working interest in the Mubadala Petroleum operated G1/48 licence, located in the Gulf of Thailand. The 2019 exploration drilling program is expected to spud in November 2019 and will comprise one to two exploration wells, plus a contingent side-track.

Tap and the Operator, Mubadala Petroleum, expect to make a final investment decision on the program and well trajectories etc. in October 2019.

Tap, on a dry hole basis, has budgeted US\$5.4 million gross (US\$1.6 million net pre-tax) for a potential program of two wells plus one side-track.

The Prospective Resource assessment was undertaken by Discover Geoscience in their capacity as an independent technical expert using data and information provided by Tap.

Estimates of Prospective Resources net to Tap (30%) are tabulated below.  
The Prospective Resources have been adjusted for risk\*.

<b>Prospect</b>	<b>Low Estimate MMstb P90</b>	<b>Best Estimate MMstb P50</b>	<b>High Estimate MMstb P10</b>
<b>Inthanin</b>	0.03	0.23	1.02
<b>Yothaka</b>	0.07	0.4	1.38
<b>Krissana</b>	0.05	0.5	2.51
<b>Combined**</b>	<b>0.15</b>	<b>1.13</b>	<b>4.91</b>

#### **Cautionary statement**

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

\*The individual zones in each prospect were combined probabilistically by incorporating the risk of each zone.

\*\*Prospective Resources in this Table have been estimated probabilistically at prospect level but combined arithmetically to provide the portfolio number. The aggregate P90 may be a very conservative estimate and the aggregate P10 may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

These “near field” prospects are located in close proximity to Manora’s discovered producing reservoirs. The development of these volumes would take advantage of existing infrastructure and operating capability. The Inthanin prospect could be developed by deviated wells directly from the Manora platform. Development of the Yothaka – Krissana cluster would require investment in a new wellhead platform tied back to the Manora platform where the oil would be processed and stored on the existing FSO.

The assessment of the chance of discovery and the chance of development associated with the Prospective Resources is tabulated below.

<b>Prospect</b>	<b>Geological POS</b>	<b>Development POS</b>
<b>Inthanin</b>	54%	47%
<b>Yothaka</b>	45%	10%
<b>Krissana</b>	53%	19%

Each prospect has multiple stacked reservoir objectives with largely independent geological risks. This independence, when consolidated, drives the high geological success rates and is supported by the quality 3D seismic data and proven petroleum system in close proximity to Manora.

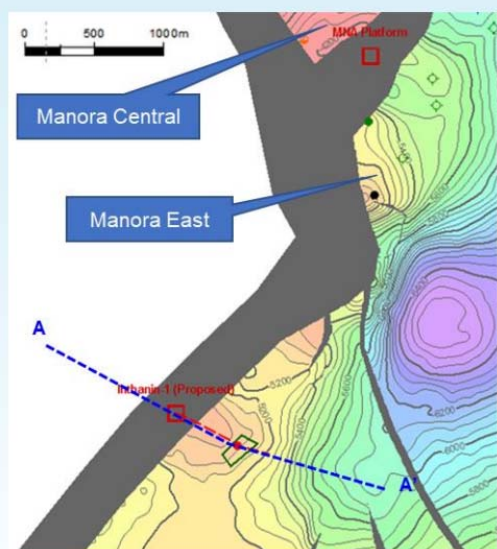
The Development Probability of Success (**POS**) is the probability of achieving the minimum economic pool size for development to be economically viable. These are shown above on a stand-alone basis for each prospect and do not incorporate the contribution one could have to a clustered development such as Yothaka-Krissana, for example.

Tap's Executive Chairman, Mr Chris Newton said *"the planned exploration drilling campaign is consistent with Tap's strategy to focus its resources and capability on incremental investment opportunities in and around the Manora Oil Field. That strategy is driven by infrastructure, knowledge and fiscal leverage and enabled by the continued downward trend in drilling costs achieved by the Operator, Mubadala Petroleum. The US\$1.6 million pretax budgeted cost of the exploration drilling was considered reasonable in light of Tap's cash position. However, success would be material given the combined P50 success case of 1.1 MMSTB for a program of two wells plus a side-track equals Tap's 1P Reserves at 31 December 2018"*.

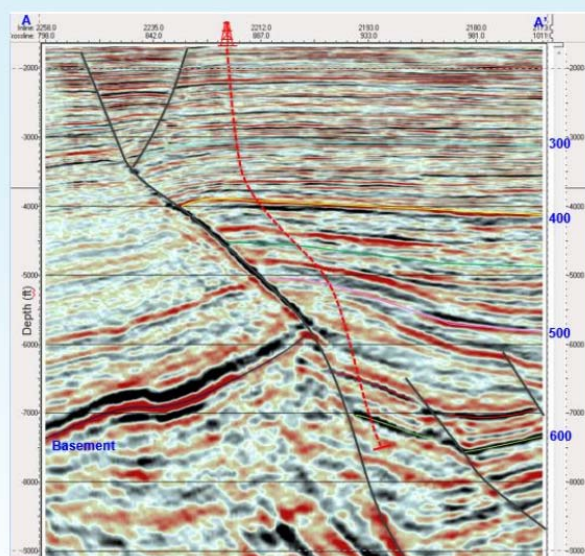
### Inthanin Prospect Summary

The Inthanin prospect trap is a three-way dip closure with the added possibility of a larger combination trap at the 500 sands level. The target reservoirs are fluvial at the 400 and 500 level and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed by fault juxtaposition or facies change. The charge originates from the same kitchen as the Manora east fault block (EFB) involving short vertical and lateral migration for the lacustrine reservoirs. For the 400 and 500 reservoirs lateral and vertical migration is envisaged from the Manora EFB which is full to spill and interpreted to spill up dip into Inthanin. The main risk is lack of reservoir for the lacustrine sands, vertical seal for the fluvial sands and lateral seal for the 500 level combination trap.

Depth Structure at Top 500 Series Sands



Seismic Line Through Inthanin Well Location



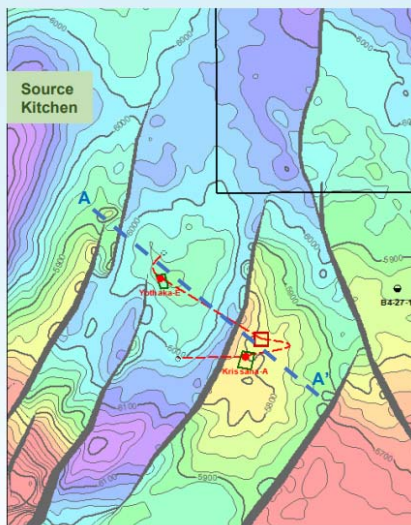
## Yothaka & Krissana Prospect Summary

The Krissana prospect trap is a three-way dip closure at all sand levels. The target reservoirs are fluvial at the 300, 400 and 500 levels and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed by juxtaposition against the fault. The charge originates from the same kitchen as the Manora east fault block (EFB). There would be short vertical and lateral migration for the lacustrine reservoirs and vertical and lateral migration for the fluvial reservoirs. The main risk is lack of reservoir for the lacustrine, and fault seal for the fluvial reservoirs.

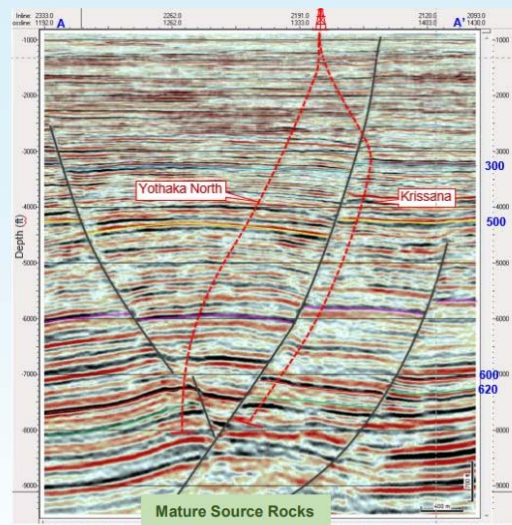
The Yothaka prospect traps are an inverted flower structure at the 600 level and a faulted four-way dip closure at the 500 level. The target reservoirs are fluvial at the 500 level and lacustrine at the 600 level. The top seal is lacustrine shale and intra-formational clay. The lateral seal is formed in part by juxtaposition against the faults. The charge originates from the same kitchen as the Manora east fault block (EFB). There would be direct migration for the lacustrine reservoirs and short vertical migration for the fluvial 500 reservoirs. The main risk is lack of reservoir and lateral seal for the lacustrine sequence, and seal for the fluvial sequence.

The likely drilling strategy would be to drill the Yothaka prospect and, subject to the results, side-track the well from the same surface location to test the adjacent Krissana prospect.

Depth Structure at Top 500 Series Sands



Seismic Line Through Yothaka - Krissana Well Location



In accordance with the ASX Listing Rules, the Company confirms the following:

- The estimates in this announcement are reported as at 20 September 2019 (Listing Rule 5.25.1);
- The Prospective Resource estimate has been reported according to the Company's economic interest in the Resource under production-sharing contracts and risked-service contracts (100%) and is reported net of any overriding royalties (Listing Rule 5.25.5);

- The probabilistic method was used to prepare individual prospect Prospective Resources estimates (Listing Rule 5.25.6);
- The types of permits or licences held by the Company in respect of the Prospective Resource estimate is the G1/48 permit in the Gulf of Thailand (Listing Rule 5.35.1);
- A brief description of the basis on which the Prospective Resources are estimated and the further exploration activities planned, are contained in the body of this announcement (Listing Rule 5.35.2);
- The Operator's assessment of the chance of discovery and the chance of development associated with the Prospective Resource estimate is contained in the body of this announcement (Listing Rule 5.35.3); and
- The Company has reported risked estimates (Listing Rule 5.35.4).

### **Qualified Petroleum Reserves and Resources Evaluator Statement**

*In accordance with the ASX Listing Rules, information in this announcement that relates to Prospective Resources has been reviewed and signed off by Julia Davies, an employee of Discover Geoscience. Information that relates to the Prospective Resources is based on and fairly represents, information and supporting documentation prepared by or under the supervision of Julia Davies. She has provided written consent to the form and context in which the information that relates to the Prospective Resources and Reserves presented. Julia Davies qualifications include: MSc, Geology from University of London and BSc Geology (Hons) from Cardiff University. She has 30 years of operating company experience obtained through multiple multinational companies. Julia is a member of AAPG, PESA, EAGE, AIPN and SPE.*

### **Investor enquiries**

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