Tap Oil Limited
ABN 89 068 572 341

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29 September 2020

TAP OIL LIMITED – LETTER TO SHAREHOLDERS REGARDING GENERAL MEETING

Tap Oil Limited (Tap or **the Company**) will be holding a general meeting of shareholders at 10:00am (WST) on 29 October 2020 (**Meeting**) via a virtual-only (online) meeting.

In accordance with temporary modifications to the *Corporations Act 2001 (Cth)* under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be sending hard copies of the Meeting's notice of meeting and accompanying explanatory statement (**Notice of Meeting**). Instead, the Notice of Meeting can be viewed and downloaded from the following website link: http://www.tapoil.com.au/site/Investor-Centre.

In addition, in light of the ongoing nature of the COVID-19 pandemic, the Meeting will be held as a virtual-only (online) meeting and Shareholders will not be able to physically attend the Meeting.

Although Tap understands and respects the importance of the Meeting to Shareholders, Tap takes seriously its responsibility to its Shareholders, employees and the wider community to slow the spread of COVID-19 by avoiding environments of heightened risk.

The Meeting will proceed as detailed in the Notice of Meeting and the Meeting will be made accessible to Shareholders via a live video conference facility. Instructions to join the video conference will also be published on the ASX and Tap's website.

Shareholders will be able to participate in the Meeting by:

1. voting their Shares prior to the Meeting by lodging the proxy form attached to the Notice by no later than 10:00am (Perth time) on Tuesday, 27 October 2020, being not later than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting;

2. submitting questions in advance of the Meeting by emailing the questions to info@tapoil.com.au by no later than 10:00am (Perth time) on 27 October 2020. The Chairman of the Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the Meeting. However, there may not be sufficient time available to address all of the questions raised. Please note that individual responses will not be sent to Shareholders; and

3. attending virtually via the online platform by entering https://agmlive.link/TAP20 into a browser on your computer or online device and entering your details when prompted. Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode; and Proxyholders will need their proxy code which Link Market Services will provide via email prior to the Meeting.

Once registered, shareholder/proxyholders will be able to lodge their vote in real time and ask questions using the virtual meeting platform on https://agmlive.link/TAP20.

A copy of your personalised proxy form is enclosed for your convenience. Please complete and return the attached proxy form to the Company's share registry, Link Market Services Limited:

By post:	Tap Oil Limited, c/- Link Market Services Ltd, Locked Bag A14, Sydney South NSW 1235
By fax:	+61 2 9287 0309.
Online:	Proxy votes may also be lodged online using the following link: https://investorcentre.linkmarketservices.com.au/Login.aspx/Login?issuer=TAP. Enter your Holder Identification Number (HIN)/ Security Reference Number (SRN) (which is shown on the front of your proxy form), postcode, security code (shown on the screen), tick the terms and conditions box and select 'Login'. Click on 'Voting' tab and follow the prompts.

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Link Market Services on 1300 650 320.

The situation is constantly evolving and the Company will continue to closely monitor guidance from the Federal and State Government for any impact on the proposed arrangements for the Meeting. If any changes are required, the Company will advise Shareholders by way of announcement on ASX and the details will also be made available on our website at www.tapoil.com.au.

Tap thanks its Shareholders for their understanding during this difficult time.

Authorised by the Board of Tap Oil Limited.

Chris Newton
Executive Chairman

Investor enquiries

Link Market Services
Share Registry
Phone: 1300 650 320

NOTICE OF GENERAL MEETING

10:00am (WST)
29 October 2020
Held virtually from 190 St Georges Terrace,
Perth, Western Australia

Notice of General Meeting

Notice is given that a general meeting of Tap Oil Limited (ABN 89 068 572 341) (**Company**) will be held virtually from 190 St Georges Terrace, Perth, Western Australia on 29 October 2020 at 10:00am (WST) (**General Meeting**).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes the business to be considered at the General Meeting.

Business of the meeting

1. Resolution 1: Delisting from Australian Securities Exchange (ASX)

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, for the purpose of ASX Listing Rule 17.11 and for all other purposes, Shareholders approve the Company's removal from the Official List of the ASX on a date to be decided by ASX (being a date no earlier than one month after the date this resolution is passed), and that the Directors be authorised to do all things reasonably necessary to give effect to the delisting of the Company from the ASX."

2. Resolution 2: Approval of equal access off-market buy-back

To consider and, if thought fit, to pass the following ordinary resolution:

"*That, subject to Resolution 1 being passed, for the purposes of section 257C(1) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders authorise and approve an off-market share buy-back of up to a total of two hundred and thirty million fully paid ordinary shares in the Company (representing approximately 53.7% of the Company's issued ordinary shares as at 28 September 2020), on the terms described in the Explanatory Statement.*

3. Resolution 3: Variation to terms of Retention Rights issued to Chris Newton, a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purposes of section 195(4) of the Corporations Act, section 208 of the Corporations Act, and ASX Listing Rule 10.14, and for all other purposes, shareholders approve the variation of the terms of 1,826,023 Retention Rights held by Mr Chris Newton (or his nominee), a Director of the Company, which were set out in the notice of meeting dated 15 April 2019 and approved by shareholders on 25 May 2019, on the terms described in the Explanatory Statement."

4. Resolution 4: Variation to terms of Performance Rights issued to Chris Newton, a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purposes of section 195(4) of the Corporations Act, section 208 of the Corporations Act, and ASX Listing Rule 10.14, and for all other purposes, shareholders approve the variation of the terms of 1,826,023 Performance Rights held by Mr Chris Newton (or his nominee), a Director of the Company, which were set out in the notice of meeting dated 15 April 2019 and approved by shareholders on 25 May 2019, on the terms described in the Explanatory Statement."

5. Resolution 5: Variation to terms of Performance Rights issued to Dr David King, a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purposes of section 195(4) of the Corporations Act, section 208 of the Corporations Act, and ASX Listing Rule 10.11, and for all other purposes, shareholders approve the variation of the terms of 915,000 Performance Rights held by Dr David King (or his nominee), a Director of the Company, which were set out in the notice of meeting dated 21 April 2020 and approved by shareholders on 21 May 2020, on the terms described in the Explanatory Statement."

6. Resolution 6: Variation to terms of Performance Rights issued to Zane Lewis, a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purposes of section 195(4) of the Corporations Act, section 208 of the Corporations Act, and ASX Listing Rule 10.11, and for all other purposes, shareholders approve the variation of the terms of 915,000 Performance Rights held by Mr Zane Lewis (or his nominee), a Director of the Company, which were set out in the notice of meeting dated 21 April 2020 and approved by shareholders on 21 May 2020, on the terms described in the Explanatory Statement."

7. Resolution 7: Variation to terms of Performance Rights issued to Kamarudin Baba, a Director of the Company

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, subject to Resolution 1 being passed, for the purposes of section 195(4) of the Corporations Act, section 208 of the Corporations Act, and ASX Listing Rule 10.11, and for all other purposes, shareholders approve the variation of the terms of 915,000 Performance Rights held by Mr Kamarudin Baba (or his nominee), a Director of the Company, which were set out in the notice of meeting dated 21 April 2020 and approved by shareholders on 21 May 2020, on the terms described in the Explanatory Statement."

Voting Exclusion Statements

Resolutions 3 & 4 - Variation to terms of Retention Rights and Performance Rights issued to Chris Newton, a Director of the Company

The Company will disregard any votes cast in favour of Resolution 3 and Resolution 4 by or on behalf of:

(a) Mr Chris Newton (or his nominee) or a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or

(b) an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

(b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and

(ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 5, 6 & 7 – Variation to terms of Performance Rights issued to Non-Executive Directors of the Company

The Company will disregard:

- *any votes cast in favour of Resolution 5 by or on behalf of Dr David King (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons);*
- *any votes cast in favour of Resolution 6 by or on behalf of Mr Zane Lewis (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons); and*
- *any votes cast in favour of Resolution 7 by or on behalf of Mr Kamarudin Baba (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons).*

However, this does not apply to a vote cast in favour of Resolution 5, Resolution 6 or Resolution 7 by:

(a) *a person as proxy or attorney for a person who is entitled to vote on that Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*

(b) *the chair of the meeting as proxy or attorney for a person who is entitled to vote on that Resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*

(c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*

  (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*

  (ii) *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Voting Prohibition Statement

Resolutions 3, 4, 5, 6 & 7 – Variations to terms of Rights issued to Directors

In accordance with section 224 of the Corporations Act, a vote on a Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

(a) *it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and*

(b) *it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.*

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all resolutions.

Other Business

To transact any other business as may be brought before the General Meeting.

By Order of the Board

Chris Newton
Executive Chairman
29 September 2020

The Notice of Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Determination on entitlement to attend and vote

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the persons eligible to vote at the General Meeting are those registered Shareholders of the Company at 5:00pm (WST) on 27 October 2020. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Voting in Person

You will not be able to physically attend the Meeting. However, you may virtually attend and participate in the Meeting (including voting on the Resolutions) via the online virtual platform, in respect of which further details are set out below.

Virtual Participation in the Meeting

In accordance with the temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, a meeting of shareholders of a company may be held using one or more technologies that give all persons entitled to attend a reasonable opportunity to participate without being physically present in the same place. Accordingly, in light of the ongoing and developing nature of the COVID-19 pandemic, the Company has decided to enable people to virtually attend and participate in the Meeting online.

Shareholders who wish to participate in the Meeting online may do so from their computer or online device, by entering this URL into their browser: https://agmlive.link/TAP20. Shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), which is printed at the top of their voting form. Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting. Attending the Meeting online enables Shareholders to view the Meeting live and to cast votes on the Resolution at the appropriate times whilst the Meeting is in progress.

Once registered, shareholder/proxyholders will be able ask questions using the virtual meeting platform on https://agmlive.link/TAP20. You may also ask a question with regards to the business of the Meeting, please submit your question in writing to info@tapoil.com.au at least 48 hours before the commencement of the Meeting. The Chairman of the Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the Meeting. However, there may not be sufficient time available to address all of the questions raised. Please note that individual responses will not be sent to Shareholders

Further information on how to participate virtually in the Meeting is set out in the instructions to be published on the ASX and Tap's website in the week prior to the Meeting.

Please note that if you have previously submitted a Proxy Form, your online attendance at the Meeting will revoke your proxy's authority to vote, unless you inform the Company otherwise prior to commencement of the Meeting, in which case, your authority to vote at the Meeting is suspended while your proxy is present. Consequently, for your vote to count, you will need to use the voting button in the Link Meeting software at the time the Chair calls a poll. More information regarding participating in the Meeting online can be found by visiting the Company's ASX announcements platform (ASX:TAP).

Voting by Proxy

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received by the Company's Share Registry by no later than 10:00am (WST) on 27 October 2020. Proxy Forms received after that time will be invalid. Proxy Forms must be received before that time via any of the following methods:

- lodge online at www.linkmarketservices.com.au, instructions as follows:

  Select 'Investor Login' and enter Tap Oil Limited or the ASX code TAP in the Issuer name field, your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website;

- by hand to Link Market Services, 1A Homebush Bay Drive, Rhodes NSW 2138;
- by mobile device by scanning the QR code on your proxy form or entering the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding;
- by post to Tap Oil Limited, c/- Link Market Services Ltd, Locked Bag A14, Sydney South NSW 1235; or
- by fax to +61 2 9287 0309.

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. A proxy can be an individual or body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.

If a Shareholder is entitled to cast two or more votes they may appoint up to two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or the number of votes each may exercise, each proxy may exercise half the votes.

Proxies are reminded that they must cast all directed proxies as directed. Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you hold your Shares beneficially and have received these materials through your broker, nominee holder or through another intermediary, please complete and return the Proxy Form in accordance with the instructions provided to you by your broker, nominee holder or other intermediary.

How the Chair of the Meeting will vote undirected proxies

The Chair intends to vote all available undirected proxies in favour of each Resolution. Shareholders should refer to the information above in relation to the voting restrictions (located at the end of the Notice) that may affect their proxy appointments for Resolutions 3 to 7.

Important information concerning Proxy Votes on remuneration related resolutions

The Remuneration Report set out in the Company's Annual Report to Shareholders for the year ended 31 December 2020 and announced on ASX on 31 March 2020 identifies key management personnel for the year ended 31 December 2019. Their closely related parties are defined in the *Corporations Act 2001 (Cth)* and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the Remuneration Report, any other key management personnel whose remuneration details are included in the Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolutions 3, 4, 5, 6 and 7, provided however that the chair may vote undirected proxies on Resolutions 3, 4, 5, 6 and 7 on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

Corporate Representatives

A corporate Shareholder may elect to appoint an individual to act as its representative at the Meeting in accordance with section 250D of the Corporations Act. An appointment of a corporate representative must be in writing, be signed by the corporate Shareholder and must include the representative's name. The instrument of appointment must be lodged with the Company and/or the Company's Share Registrar, Link Market Services, by no later than the start of the Meeting.

Appointment of corporate representative documents are available online athttps://www.linkmarketservices.com.au/corporate/resources/forms.html.

Enquiries

Shareholders are invited to contact Link Market Services on 1300 650 320 if they have any queries in respect of the matters set out in this Notice.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Tap Oil Limited (ABN 89 068 572 341) (**Tap or the Company**) in connection with the business to be conducted at the General Meeting and should be read in conjunction with the accompanying Notice of Meeting.

ORDINARY BUSINESS

1. Resolution 1: Delisting from Official List of ASX

1.1. Overview

As announced on 29 September 2020, the Board has determined to pursue the removal of the Company from the Official List of the Australian Securities Exchange (**ASX**), pursuant to ASX Listing Rule 17.11 (**Delisting**).

The Company now seeks approval from Shareholders for the Delisting.

The Company has previously obtained in-principle advice from ASX in relation to the proposed Delisting advising that, upon receipt of a formal application for the removal of the Company from the Official List of the ASX pursuant to Listing rule 17.11, ASX would be likely to remove the Company on a date to be determined by ASX in consultation with the Company and subject to compliance with the following conditions:

(a) that the Company's removal from the Official List of ASX is approved by special resolution of ordinary security holders of the Company at a general meeting;

(b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List must include a statement, in form and substance satisfactory to ASX, setting out:

   (i) a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;

   (ii) that if shareholders wish to sell their Shares on ASX, they will need to do so before the Company is removed from the Official List, and if shareholders do not sell their Shares, details of the processes that will exist after the Company is removed from the Official List to allow a shareholder to dispose of their holdings and how they can access those processes;

(c) the removal shall not take place any earlier than one month after shareholder approval is obtained; and

(d) that the full terms of ASX's decision is announced to the market immediately upon the Company's directors resolving to seek removal of the Company from the Official List of ASX,

(together, the **Delisting Conditions**).

In accordance with the Delisting Conditions:

(a) Resolution 1 seeks Shareholder approval via a special resolution for the Delisting;

(b) this Explanatory Statement includes the statements that are conditions of ASX's approval of the Delisting; and

(c) the Company released the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List in its announcement dated 29 September 2020.

The Company will provide a further announcement to the market once the formal Delisting application has been approved by ASX.

The proposed Delisting is considered by the Directors to be in the best interests of the Company for the reasons set out in this Explanatory Statement, particularly at section 1.2.

The Delisting may be perceived to have some disadvantages for Shareholders. Possible disadvantages are set out in section 1.3.

The Board recommends that Shareholders seek legal, financial and tax advice about the potential impact of Resolution 1, including the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

1.2. Summary of key reasons for seeking approval to delist and related advantages

The Directors consider that the Delisting is in the best interests of Shareholders as the benefits of delisting outweigh any benefits of the Company's continued listing. The Directors' key reasons for pursuing the Delisting and recommending Shareholders approve the Delisting are as follows:

(a) Low levels of trading liquidity

There is no liquid market in the Company's Shares on ASX.

Over the past 12 months (to 28 September 2020) only 70,622,509 Shares traded, representing 16.54% of the total shares on issue, with a total value of $7,134,137.

Between 1 August 2020 and 28 September 2020 only 7,090,066 Shares traded, representing 1.66% of Tap's total Shares on issue as at 28 September 2020. Monthly trading volumes in Tap Shares in 2020 have been consistently less than 2% of Tap's total Shares on issue.

The low level of liquidity has resulted in limited trading opportunities for Shareholders who wish to exit their holdings.

(b) Concentrated shareholding

The two largest Shareholders, being Risco Energy Investments (SEA) Limited (and its related bodies corporate) (**Risco Energy**) and Northern Gulf Petroleum Holdings Limited (and its related bodies corporate) (**Northern Gulf**), respectively hold 194,458,071 (45.41% of Shares on issue) and 104,558,682 (24.42% of Shares on issue).

The Company's top 20 Shareholders hold 82.74% of the Shares on issue (as at 4 September 2020).

Given the current and likely future levels of concentration of shareholdings and shareholder spread, an orderly and liquid market is unlikely.

(c) Large number of unmarketable parcels

Of the 1,886 Shareholders, 520 Shareholders (approximately 27.57%) hold less than a marketable parcel of ordinary shares (being 6,666 shares as at 28 September 2020). This contributes to a low level of trading liquidity.

(d) No intentions to access capital markets

Tap does not have any requirement to raise capital either currently or in the foreseeable future and in fact paid a maiden dividend in Q4 2019 of 2.5 cps totalling US$7.4 million. Tap generated US$22.9 million in operating cash flow in 2019 and has positive operating cashflow at current oil prices (Opex / bbl of circa US$26.62 / bbl). At the half-year ended 30 June 2020, Tap reported cash reserves of US$26.65 million.

(e) Costs and administrative burden associated with being listed

Given the low level of trading of Shares on the ASX, and the Company not having any present intention to access the capital markets via ASX, the Company considers that the financial, administrative and compliance obligations and costs associated with maintaining an ASX listing are no longer justified nor is the high level of compliance costs in the best interests of all Shareholders.

If the Company is delisted, the Directors expect that the Company will save the following expenses each year:

ASX listing fees	$33,514
Other ASX compliance and regulatory costs	$20,000
Audit and insurance costs	$20,000

Total	$73,514

The above does not include any allocation of the cost of management's time taken up by matters associated with being listed.

If the Company is delisted, the Directors do not expect that the Company will incur any material additional expenses each year.

1.3. Potential disadvantages of the Delisting

The Directors have considered the potential disadvantages to the Company of Delisting, particularly:

(a) Shareholders' ability to sell Shares and realise their investment in the Company may be diminished

After the Delisting Date, Shares will no longer be traded on ASX and will only be capable of sale by private transaction, therefore, the liquidity of Shares will be directly affected and likely to be further diminished. As noted in section 1.2(a) above, the ASX market for Shares has been illiquid over the last 12 months, which the Directors consider has negatively affected the value of Shares.

In order to provide Shareholders with the opportunity to realise their investment, the Company proposes to conduct an equal access off-market buy-back which is the subject of the shareholder approval sought under Resolution 2 of this Notice. In the event Resolution 2 is approved by Shareholders, Shareholders will be provided the opportunity to participate in the Buy Back (refer to section 2 for further details).

After the Delisting, the Directors may consider additional measures designed to provide Shareholders with a liquidity opportunity in order to realise their investment in the Company.

(b) If the Company is delisted, it will have more limited means by which it can raise capital by the issue of securities

An unlisted company does not have the ability to raise capital from the issue of securities by means of limited disclosure fundraising documents. Therefore, the main means for the Company (as an unlisted company) to raise equity funds will be by way of an offer of securities pursuant to a full form prospectus or by way of a placement of securities to sophisticated and professional investors and other investors who do not require a prospectus. Balanced against these considerations is the fact that the Company presently has sufficient capital for its needs in any event and is not proposing any fundraising in the immediate future.

(c) If the Company is delisted, the Listing Rules will no longer apply

The reduction of obligations associated with a listing on ASX may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of Shares by the Company, requirements concerning significant changes to the Company's activities and relief from requirements to address ASX Corporate Governance Principles and Recommendations. The absence of continued restrictions in these areas may be perceived to be a disadvantage to some Shareholders, particularly minority Shareholders. These matters are further explained in section 1.5 below.

1.4. What approvals are required for the Delisting?

The Delisting is conditional on satisfying the ASX imposed Delisting Conditions. Details of ASX's in-principle approval for the Delisting and the Delisting Conditions attaching to that approval are described in section 1.1 above. The Delisting Conditions include that the Delisting is approved by a special resolution of Shareholders.

Accordingly, Resolution 1 is being put to Shareholders as a special resolution. Resolution 1 will be passed if at least 75% of the votes cast in person or by proxy by Shareholders at the Meeting who are entitled to vote on Resolution 1 are cast in favour of Resolution 1.

1.5. The effect of delisting

If Shareholders approve Resolution 1, the Company will be removed from the Official List on a date to be decided by ASX (**Delisting Date**). The Delisting Date will be no earlier than one month after the date such Shareholder approval is obtained.

Set out below is an indicative timetable for the Company's removal from the Official List. The timetable has been prepared on an indicative basis only and may be subject to change. After the General Meeting a further announcement will be made in respect to the timetable for the Delisting.

Event	Date
General Meeting	29 October 2020
Suspension Date (date on which Shares are suspended from trading on ASX (subject to Shareholder approval of Resolution 1))	11 December 2020
Delisting Date (date on which Delisting is expected to take effect)	Close of trading on 16 December 2020

To provide Shareholders with the opportunity to realise their investment, the Company will conduct an off-market equal access buy-back (if Resolutions 1 and 2 are passed) allowing Shareholders the potential opportunity to participate and realise value for a portion of their holdings (see section 2 for more information).

After the Delisting Date, Shares will only be capable of sale by private transaction. This may present difficulties to selling Shareholders.

Set out below is additional information that may be useful to Shareholders:

(a) Effect of Delisting on issued Share capital

The Company currently has 428,198,262 fully paid ordinary Shares on issue as at the date of this Notice. There are no other classes of shares on issue in the Company other than the Shares. The Delisting will, of itself, have no impact on the number of Shares on issue. However, if both Resolution 1 and Resolution 2 are passed, the number of Shares on issue may be reduced in the manner set out in section 2.3 due to the implementation of the proposed Buy Back. In addition, as announced on 29 September 2020, the Company is undertaking a non-marketable parcel buy back facility which may also reduce the number of Shares on issue depending on how may Shareholders holding less than a marketable parcel opt-out of the facility.

(b) Control on the Company

The Delisting process will not cause the cancellation or transfer of Shares, therefore, the Delisting (of itself) will have no impact on the current control structure of the Company. However, if Resolution 2 is passed, the number of Shares on issue will be reduced in the manner set out in section 2.3 – where the maximum potential effect of the Buy Back on the control of the Company is set out in section 2.6.

Risco Energy and Northern Gulf (and their related bodies corporate) (the Company's two substantial holders) have indicated they support the proposed Delisting and intend to direct their votes in favour of Resolution 1.

(c) Effect of Delisting on assets, liabilities and creditors

The Directors consider that the Delisting will not adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when they fall due. As noted above, the Directors consider the Delisting will result in certain cost savings for the Company. Notwithstanding this, in the event that Resolution 2 is passed, the Company's cash assets will be reduced in the manner set out in section 2.3 through the implementation of the Buy Back.

(d) Business post Delisting

Following Delisting, the Company will conduct its business as usual.

(e) Ongoing disclosure and reporting obligations under the Corporations Act

While the ASX Listing Rules will cease to apply to the Company, Shareholders will retain the protections afforded to them under the Corporations Act. The Company will continue to be subject to its obligations under the Corporations Act and the Company's Constitution, including:

(i) while the Company has 100 or more Shareholders (ie is an "unlisted disclosing entity"), the Company will still be required to give continuous disclosure of material matters in accordance with the Corporations Act by filing notices with ASIC under section 675 of the Corporations Act and the Company will still be required to lodge annual audited and half-yearly financial statements in accordance with the requirements of the Corporations Act, however if the Company ceases to be an unlisted disclosing entity there will be no ongoing requirement for the Company to give continuous disclosure of material matters under section 675 or lodge half-yearly financial statements reviewed by an auditor but as a public company it will continue to be required to lodge annual audited financial statements;

(ii) while the Company has 50 or more Shareholders, the acquisition and control of Shares will continue to be subject to the takeover provisions in Chapter 6 of the Corporations Act;

(iii) as a public company, the restrictions on the giving of a financial benefit to a related party of the Company under Chapter 2E of the Corporations Act will continue to apply; and

(iv) the majority of the provisions of the Constitution will not be affected by the Company ceasing to be listed and there is no present proposal to change the Company's Constitution following the Delisting.

(f) Trading in the Company's Shares

Prior to the Company's Delisting, if Shareholders desire to sell their Shares on ASX, Shareholders will need to do so before the Company is removed from the Official List.

Shareholders may also wish to participate in the Buy Back (see section 2 for details).

After the Suspension Date (refer to the table in Section 1.5 for details) Shareholders seeking to sell their Shares will have the capacity to conduct off-market transfers of their Shares to a willing third party purchaser subject to and in accordance with rule 4 of the Company's Constitution. Such a market may not be liquid and Shareholders will be personally responsible for sourcing potential purchasers.

As indicated above, whole of company transactions where an offer is made to all shareholders, for example a takeover bid or a scheme of arrangement, would still be undertaken pursuant to the requirements in the Corporations Act. In the event of such a transaction, in line with regulatory requirements, Shareholders would receive all relevant information required to assess any such proposal.

After the Delisting, the Directors will continue to assess appropriate measures to enable Shareholders to realise the value of their investment in the Company.

1.6. What remedies may Shareholders pursue under the Corporations Act?

If a Shareholder considers the Delisting to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

If a Shareholder considers that the Delisting involves "unacceptable circumstances", they may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

1.7. What happens if Resolution 1 is or is not passed?

If Resolution 1 **is** passed the Company's Shares will be removed from official quotation on ASX (subject to ASX approval as noted above) and the Company will proceed with the Buy Back (subject to Resolution 2 being passed).

If Resolution 1 **is not** passed, unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Company's Shares would remain listed on ASX and the Company will not proceed with the Buy Back.

1.8. Directors' intention and recommendation

Each Director who is a Shareholder intends to vote in favour of Resolution 1.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 for the reasons set out in this Explanatory Statement.

1.9. No other additional information

Other than as set out in this Explanatory Statement, there is no other additional information that is known to the Directors that may reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of this Resolution 1.

2. Resolution 2: Approval of equal access off-market buy-back

2.1. Background

On 29 September 2020, the Company announced its intention to seek Shareholder approval to conduct an equal access off-market buy-back of up to two hundred and thirty million Shares (comprising in aggregate 53.7% of the issued Shares in the capital of the Company) (**Buy Back**). The Company currently has 428,198,262 Shares on issue as at the date of this Notice.

The Buy Back is conditional on obtaining Shareholder approval for the Delisting the subject of Resolution 1. In the event that Resolution 1 is not approved, Resolution 2 will not be put to a Shareholder vote.

The Company is seeking this approval to provide Shareholders with the opportunity to potentially realise some of their investment prior to the Delisting.

If the Delisting is implemented, the Company's Shares will no longer be tradeable on ASX and it will be more difficult for a Shareholder to dispose of their Shares. The Buy Back provides all Shareholders the opportunity to potentially realise some or (subject to the two hundred and thirty million share cap on the Buy Back, described in further detail below) all of their investment in the Company.

2.2. What is a buy-back?

Under a buy back a company buys back its own shares from its shareholders who elect to participate in the buy back offer. Any shares bought back must then be cancelled in accordance with the Corporations Act, with the result that the total number of the Company's shares on issue is reduced by the number of shares bought back from participating Shareholders.

2.3. What is an equal access scheme?

An equal access scheme is a type of buy back. Section 257B of the Corporations Act prescribes that, in an equal access scheme:

(a) the offers under the scheme must relate only to ordinary shares;
(b) the offers must be made to every person who holds ordinary shares to buy back the same percentage of their ordinary shares;
(c) all of those persons must have a reasonable opportunity to accept offers made to them;
(d) buy back agreements must not be entered into until a specified time for acceptances of offers has closed; and
(e) the terms of the offers must be the same.

The Buy Back proposed by the Company is an equal access scheme for the purposes of the Corporations Act.

2.4. Why is Resolution 2 conditional?

Resolution 2 is conditional on Shareholders approving Resolution 1. That is, the Buy Back will not, if approved by Shareholders, proceed if Shareholders do not approve the Company's removal from the Official List.

Having regard to the impact that Delisting (if approved by Shareholders) would have on the Company (this is discussed in detail in section 1.5), the Directors consider that Shareholders should be afforded the opportunity to either remain as Shareholders of the Company following its Delisting or to exit their investment in the Company in whole or (where a Scale Back applies) in part. The Buy Back has been proposed for this purpose and accordingly is only proposed to go ahead in the event that the Delisting is approved by Shareholders.

2.5. Overview of the Buy Back

The relevant features of the Buy Back (should it proceed) are as follows:

Number of Shares to be bought back	The maximum number of Shares that the Company will buy back off-market will be 230,000,000 (two hundred and thirty million) Shares (being approximately 53.7% of the issued Shares in the Company as at the date of this Notice of Meeting).

Number of Shares currently on issue	428,198,262 fully paid ordinary Shares as at the date of this Notice.
Buy Back offer price	The Buy Back price is $0.078 per Share (**Buy Back Price**). This represents a 2.42% premium to the 30-day volume weighted average price of Tap Shares traded on ASX up to the date of announcement of the Buy Back. In determining the Buy Back Price, the Directors have sought to balance the interests of those Shareholders who wish to participate in the Buy Back with those Shareholders who wish to retain their Shares in the Company. The Board has also sought to ensure that the Company remains properly funded to continue its activities and invest in its operations as may be required.
Current Share price	To provide an indication of the recent market price of the Company's Shares, the closing price on 28 September 2020 was $0.075. The highest and lowest market sale prices for the Company's Shares on the ASX during the previous three months were as follows:

Month	Low	High
September	$0.074	$0.079
August	$0.07	$0.08
July	$0.075	$0.09

Options available to Shareholders	If the Buy Back is approved, the Company will invite Shareholders to sell some or all of their Shares back to the Company at the Buy Back offer price. All Shares bought back under the Buy Back would be cancelled. Participation in the Buy Back is completely voluntary and Shareholders can elect whether to sell some, all or none of their Shares under the Buy Back. A Shareholder who does not wish to participate in the Buy Back does not need to do anything. If a Shareholder does not participate in the Buy Back the number of Shares that they hold in the Company will remain the same but their percentage shareholding in the Company will increase if other Shareholders elect to participate in the Buy Back. Shareholders may continue to sell their Shares on-market, unless and until they make an Application under the Buy Back. It is possible that Shares may trade on-market above or below the Buy Back Price from time to time. The Ex-Entitlement Date for the Buy Back is 17 November 2020. Shares acquired after the Ex-Entitlement Date will not confer any entitlement to participate in the Buy Back. Shareholders should consult their own tax advisor for specific taxation advice in connection with participation in the Buy Back in order to assess the impact on their own particular circumstances. Further details of the Buy Back procedure are set out below.
Buy Back Procedure	In the event that Resolutions 1 and 2 are approved at the Meeting, the Buy Back will be implemented as follows: (a) Shareholders who hold Shares on the Buy Back Record Date (expected to be 19 November 2020) will be sent the Buy Back Offer Documents, which will include a personalised Application Form to participate in the Buy Back. These documents will be dispatched to Shareholders by post on the Open Date (expected to be 24 November 2020). (b) The Buy Back will be open to Shareholders from the Open Date until the Closing Date (expected to be 10 December 2020) (**Offer Period**). The Company may extend the Offer Period, but does not presently intend to do so. If the Closing Date is changed, the change will be announced to the ASX. (c) At any time during the Offer Period, a Shareholder can submit an Application Form to accept the Buy Back in respect of some or all of their Shares. (d) Trustees or nominees who hold a parcel of Shares on account of more than one beneficial holder will be able to accept the Buy Back in whole or in part on behalf of some or all underlying beneficial holders on whose behalf they hold Shares. Arrangements relating to instructions between registered Shareholders and underlying beneficiaries on whose behalf Shares are held are matters to be determined between the relevant trustee/nominees and beneficiaries.

	(e) The Company will only accept and process Application Forms lodged by registered Shareholders and will not engage in correspondence with underlying beneficial owners. An Application Form can be revoked by lodging a Withdrawal Form. (f) Notwithstanding the submission of an Application Form prior to the Closing Date, no agreement to buy back Shares under the Buy Back is formed and Applications are conditional in all respects until 5:00pm (WST) on the Closing Date. (g) All Shares for which a valid Application Form has been received and accepted by the Company before the Closing Date (and in respect of which no Withdrawal Form has been lodged) will, subject to the application of any Scale Back (discussed in this section 2.5 below), be cancelled on the Buy Back Date (expected to be 11 December 2020). (h) Proceeds of the Buy Back are expected to be distributed to participants on the Payment Date (expected to be on or as close as practicable to 11 December 2020). The timetable for the Buy Back in section 2.7 is indicative only. Subject to law, the Company reserves the right to amend this indicative timetable without prior notice to Shareholders.
Time frame	If Resolution 2 is approved by Shareholders, the Buy Back will commence no earlier than 24 November 2020 (following the General Meeting and the close of the Non-marketable Parcel Facility) and will end prior to the Delisting (if Resolution 1 is passed). The Directors reserve the right to withdraw the Buy Back early in their absolute discretion and subject to the ASX Listing Rules.
Potential scale back	The Company has capped the total Shares available to be bought back under the Buy Back at 230,000,000, which equates to 53.7% of the issued Shares in the Company as at the date of this Notice of Meeting). In the event that the Company receives Applications in excess of the maximum number of Shares it has offered to buy back under the Buy Back, the number of Shares bought back from each Shareholder who has accepted the Buy Back in respect of some or all of their Shares will be reduced by the same proportion to ensure that the Company does not buy back in excess of 230,000,000 Shares in aggregate under the Buy Back. The percentage scale back will operate on the number of Shares in respect of which a Shareholder has lodged Applications under the Buy Back. If a scale back results in there being less than a whole number of Shares which would be bought back from a Shareholder, the number of Shares bought back from that Shareholder will be rounded down to the nearest whole number of Shares.
Cancellation of Buy Back Shares	Section 257H of the Corporations Act requires that a company must not dispose of the shares it buys back, and that immediately after the registration of the transfer of bought-back shares to the company, the shares are cancelled. Shares purchased by the Company under the Buy Back are proposed to be cancelled on 11 December 2020 in accordance with the indicative timetable in section 2.7 (which may be subject to change).
Reasons for the Buy Back	If the Delisting is implemented, the Company's Shares will no longer be tradeable on ASX and it will be more difficult for a Shareholder to dispose of their Shares. The Buy Back provides all Shareholders the opportunity to potentially realise some or (subject to the 230,000,000 Share cap on the Buy Back, described in further detail below) all of their investment in the Company.
Independent Expert's Report	The Company has engaged Bentleys Corporate Finance (WA) Pty Ltd (**Bentleys**) to prepare an independent report (**Independent Expert's Report**) to assist Shareholders to understand the value of the Company's Shares and assets and opine on whether the Buy Back is fair and reasonable for Shareholders for the purposes of assisting Shareholders decide on how to vote on the Buy Back. Bentleys has also engaged RISC Advisory Pty Ltd to prepare an independent technical report that provides a review of the technical assumptions of the Company's Manora Project and forms part of the Independent Expert's Report prepared by Bentleys. The Independent Expert's Report is set out in Annexure A of this Explanatory Statement. Shareholders are encouraged to read the Independent Expert's Report. Bentleys has concluded that having regard to the value of the Shares, the Buy Back Price, the advantages and disadvantages of the Buy Back, available alternatives and the consequences of Shareholders not approving the Buy Back, the Buy Back is fair and reasonable to Shareholders in the absence of any superior alternative.

Financial effect of the Buy Back on the Company	**Share numbers and share capital** The Company has 428,198,262 Shares on issue as at the date of this Notice of Meeting. If the Buy Back is approved, the Company will, under the Buy Back, offer to buy back up to 230,000,000 (two hundred and thirty million) Shares, comprising 53.7% of the Company's issued capital. Shares that are bought back will be cancelled. The Buy Back may therefore reduce the number of Shares on issue from 428,198,262 to a minimum of 198,198,262 Shares. However, the precise number of Shares which are cancelled as part of the Buy Back will depend on the number of Shares the Company ultimately purchases. **Assets, liabilities and creditors** As at the date of this Notice of Meeting, the Company has approximately USD$26.656 million in available cash. If the Buy Back is approved by Shareholders, the Company will, under the Buy Back, offer to buy back up to 230,000,000 Shares. The Company's cash assets would decrease to the extent that Shareholders elect to participate in the Buy Back. The maximum decrease in the Company's cash assets (assuming the Company buys back 100% of the Shares permitted under the Buy Back) would be approximately USD$12,558,000 (excluding costs), based on the Buy Back Price and a AUD to USD exchange rate of $0.70 as at 28 September 2020. Notwithstanding the reduction in cash, the Directors do not consider the Buy Back will adversely affect the Company's capacity to meet its existing and anticipated obligations and pay its debts as and when they fall due.
Source of funds	The Buy Back will be funded by the Company's available cash reserves (including those generated by the Company's operations following Shareholder approval). The Directors have determined that the Buy Back will not materially prejudice the Company's ability to pay its creditors.
Independent Directors' commentary regarding the Buy Back	The independent Directors of the Company are comprised of Mr Zane Lewis and Dr David King (**Independent Directors**). This section sets out the commentary of the Independent Directors regarding the Buy Back. ASIC Regulatory Guide 110 recommends that commentary of this nature be provided by the independent directors of a company undertaking a significant share buy-back. **Recommendation to vote in favour** The Independent Directors consider that the Buy Back is an appropriate option for the Company and its Shareholders, which responds to the different objectives of Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote in favour of Resolution 2. This recommendation has been made by the Independent Directors having regard to the advantages and disadvantages associated with the Buy Back, which are set out below. Although the Independent Directors recommend that Shareholders vote in favour of and approve the Buy Back, they make no recommendation to Shareholders as to whether they should accept the offer to buy-back their Shares. Such a decision is a matter for each Shareholder to determine having regard to their own individual circumstances and if appropriate or required, after taking into account professional and financial advice and the contents of this Explanatory Statement (including the Independent Expert's Report).
Advantages and disadvantages of the Buy Back	Advantages of the Buy Back include: • Eligible Shareholders have the opportunity to exit all or part of their investment in the Company prior to the proposed Delisting; • all Eligible Shareholders have an equal opportunity to participate and also have flexibility to tailor the level of their participation to suit their individual circumstances; • participating Shareholders will not have to pay brokerage or appoint a stockbroker to sell their Shares pursuant to the Buy Back; • Shareholders who sell all of their Shares (subject to Scale Back) will avoid ongoing exposure to the risks associated with an investment in the Company, including no guarantee of growth, lack of diversification, potentially illiquid investment, material project abandonment liabilities, equity price risks and general economic risks; • all other things being equal, Eligible Shareholders will have the opportunity to sell some or all of their Shares at a price which is likely to be above the market price that would be available on the ASX (taking into account the likely impact of that selling activity on the prevailing market price). Given the historical illiquidity of the Shares, there is no

	guarantee that Shareholders could achieve such a return on-market if the Buy Back does not proceed; • the Buy Back should enable Eligible Shareholders to sell a significant volume of Shares which may otherwise be difficult to do via the ASX due to recent trading levels in the Company's Shares; • Bentleys has determined that having regard to the value of the Shares, the Buy Back Price, the advantages and disadvantages of the Buy Back, available alternatives and the consequences of Shareholders not approving the Buy Back, the Buy Back is fair and reasonable for Shareholders, in the absence of any superior alternative. See section 8.2 of the Independent Expert's Report for the Bentleys' assessment of the advantages of the Buy Back; • implementation of an off-market buy-back is simple and cost effective; and • share buy-backs promote a more efficient capital structure. Disadvantages of the Buy Back include: • there will be a reduction in available cash levels of up to USD$13.27 million and thus the Company's ability to use that cash will be commensurately reduced. The Company will also incur some expenses relating to printing, mailing and share registry costs. These expenses are not considered material; • the Buy Back would, if approved and to the extent that Shareholders participate in it, result in the cancellation of Shares in the Company and therefore impact on the control of the Company. If there is significant participation in the Buy Back, this will lead to an increase in the voting power of any substantial Shareholders in the Company who elect not to participate in the Buy Back. As at the date of the Notice of Meeting, Risco Energy (and its related bodies corporate) and Northern Gulf (and its related bodies corporate) have voting power over approximately 45.41% and 24.42% of the total issued capital of the Company respectively. Neither of these major Shareholders have indicated whether they will participate in the Buy Back. Assuming the maximum number of Shares (ie. 230,000,000 Shares) are bought back after completion of the Buy Back and only one of the major shareholders participate in the Buy Back, either Risco's voting power would increase above their current levels to approximately 98.11% or Northern Gulf's voting power would increase above their current levels to approximately 52.75%; • Shareholders who participate in the Buy Back may have their Applications Scaled Back; • Shareholders who sell their Shares under the Buy Back will forego, to the extent they sell down their Shareholding, any benefits of remaining a holder of Shares. This includes, for example, the right to benefit from any future value realization by the Company and the right to exercise any vote on resolutions considered by members at general meeting; and • if Shareholders participate in the Buy Back, there will be a reduction in the number of Shares on issue which may decrease liquidity of the Company's Shares traded on the ASX. Further, if the Delisting proceeds, the Company's Shares will no longer be available for trading on the ASX and will be illiquid. Refer to section 8.2 of the Independent Expert's Report for the Independent Expert's assessment of the disadvantages of the Buy Back.
Tax implications	Approval of Resolution 2 will not result in any tax implications for Shareholders if they do not sell their Shares. However, if a Shareholder chooses to participate in the Buy Back by selling their Shares then that Shareholder should obtain specific tax advice on the treatment of the sale of their Shares taking into account their particular circumstances.
Intentions of major Shareholders and effect on control	As at the date of this Notice, the Company's major Shareholders have not confirmed their intentions or otherwise to participate in the Buy Back or the extent of any potential participation. Consequently it is not possible for the Company to definitively determine the control outcomes of the Buy Back. The potential control impact of the Buy Back depending on the level of participation of the Company's major Shareholders is set out in section 2.6 below.

Director interests and participation in the Buy Back	As at the date of this Notice of Meeting, the Directors have the following interests in the ordinary Shares of the Company (directly and indirectly): Number of Shares Chris Newton 1,425,398 David King 85,000 Zane Lewis 85,000 Kamarudin Baba 85,000 Directors will be eligible to participate in the Buy Back subject to complying with the Company's Dealings in Securities Policy and subject to the terms of the Buy Back Offer (including the application of any Scale Back). As at the date of this Notice, each of the Directors intend to accept the Buy Back for all Shares held or controlled by them. No Director will receive any payment or benefit of any kind as a consequence of the Buy Back other than in their capacity as a Shareholder in the Company.
What approvals are required for the Buy Back?	**Corporations Act** The Corporations Act allows a company to buy back up to 10% of the minimum number of shares on issue at any time during the last 12 months without seeking approval of its shareholders. If a company wishes to buy back a greater number of shares by way of an equal access buy back, it must seek shareholder approval. Section 257C(1) requires that the terms of the buy back agreement be approved by an ordinary resolution passed at a general meeting of the company before the agreement is entered into or the agreement must be conditional on obtaining such an approval. Accordingly, Resolution 2 has been proposed for this purpose and will be approved if more than 50% of the total number of votes that are validly cast on Resolution 2 are in favour of it. It is important to note that a Shareholder who votes in favour of Resolution 2 does not have to participate in the Buy Back. Participation in the Buy Back is voluntary and at the discretion of Shareholders. **Listing Rules** Listing Rule 7.18 provides that if an entity seeks to reorganise its capital in any way, it must consult with the ASX to ensure an orderly market is maintained in its securities. The Company has consulted with the ASX in connection with the Buy Back as required by the Listing Rules.

2.6. The potential effect of the Buy Back on control of the Company

The Company's Shareholders with beneficial interests of 5% or above, according to notices filed by them, are set out in the table below, along with their pre-Buy Back shareholdings and voting power in the Company as at the date of the Notice of Meeting.

The major Shareholders' voting power in the Company post the Buy Back will only increase where they have elected not to participate under the Buy Back and other Shareholders have, thereby resulting in a reduction in the number of Shares on issue and an increase in their voting power post the Buy Back.

The table below shows these major Shareholders' post Buy Back shareholdings and maximum changes in voting power in the Company in two scenarios:

(a) Scenario 1 - where a particular major Shareholder does not participate in the Buy Back and other Shareholders (including at least one of the other major Shareholders) participate in the Buy Back up to the full cap of 230,000,000 Shares; and

(b) Scenario 2 – where all of the major Shareholders do not participate in the Buy Back, in which case only a maximum 129,181,509 Shares could be bought back, and other Shareholders participate in the Buy Back up to that maximum 129,181,509 Shares.

Substantial Shareholder	Pre Buy Back		Post Buy Back		
	Shares	**Voting power**	**Shares**	**Voting power Scenario 1**	**Voting power Scenario 2**
Risco Energy Investments (SEA) Limited (and its related bodies corporate)	194,458,071*	45.41%	194,458,071	98.11%	65.03%
Northern Gulf Petroleum Holdings Limited (and its related bodies corporate)	104,558,682*	24.42%	104,558,682	52.75%	34.97%

* Based on the Company's share register as at 28 September 2020.

If these major Shareholders partially participate in the Buy Back (assuming a pro rata participation), their voting power in the Company will not change post the Buy Back.

Shareholders should be aware that, if Risco does not participate in the Buy Back and all other Shareholders do, that will increase Risco's voting power to 98.11% and Risco may be able to exercise general compulsory acquisition and buy-out rights in accordance with Part 6A.2 of the Corporations Act in order to compulsorily acquire the remaining Shares.

2.7. Buy Back timetable

Event	Date
Notice of meeting dispatched to Shareholders	29 September 2020
General Meeting	29 October 2020
Ex-Entitlement Date for the Buy Back (Shares acquired on or after this date will not confer an entitlement to participate in the Buy Back)	17 November 2020
Buy Back Record Date (Date for determining entitlement to participate in the Buy Back)	5:00pm (WST) 19 November 2020
Dispatch of Buy Back Offer Documents and Application Form to Eligible Shareholders	24 November 2020
Opening Date	24 November 2020
Closing Date	10 December 2020
Announcement of the outcome of the Buy Back and details of any Scale Back	11 December 2020
Transfer to the Company of Shares bought back and cancellation of those Shares	11 December 2020
Payment of cash consideration	11 December 2020
Delisting Date (date on which the Delisting is expected to take effect)	Close of trading on 16 December 2020

Note: This timetable is indicative only and is subject to change. The Company will inform Shareholders of any change by ASX announcement.

2.8. Director voting intentions and recommendations

Each Director who is a Shareholder intends to vote in favour of Resolution 2. No Director will receive any payment or benefit of any kind as a consequence of the Buy Back other than in their capacity as a Shareholder in the Company.

In the event that this Resolution 2 is not approved by Shareholders, the Board may buy-back Shares within the 10/12 Limit.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 for the reasons set out in this Explanatory Statement.

2.9. No other material information

Other than as set out in this Explanatory Statement, and other than information previously disclosed to Shareholders, the Board is not aware of any other information which may reasonably be expected to be material to the making of a decision by Shareholders on whether or not to vote in favour of this Resolution 2.

3. Resolutions 3 to 7: Variation to vesting conditions of Retention Rights and Performance Rights issued to Directors

3.1. Background

The Company incentivises and rewards senior employees and Directors through the issue of performance and retention rights which, subject to the satisfaction of certain performance and vesting criteria, are exercisable into Shares.

As at the date of this Notice of Meeting, the Company has on issue 6,070,114 Performance Rights and 2,611,307 Retention Rights. Of those, the Directors hold the following Rights:

Director	Performance Rights	Retention Rights
Chris Newton	1,826,023	1,826,023
David King	915,000	-
Zane Lewis	915,000	-
Kamarudin Baba	915,000	-

The remaining Performance Rights and Retention Rights are held by senior employees of the Company.

The Performance Rights have vesting conditions that are linked to the Company's trading price on the ASX. Accordingly, if Shareholders approve Resolution 1 and the proposed Delisting occurs, it will be impossible for the Company to calculate whether the vesting criteria have been satisfied in the future, which will prevent the vesting of those Performance Rights into Shares.

In addition, the Retention Rights have vesting conditions that are linked to the period of service of the holder of those Rights. After the Delisting, Retention Rights may no longer be considered an attractive incentive for employees, given the difficulty to realise the value of any vested Rights that have been exercised into Shares.

In light of the above, the Board has resolved to amend the vesting conditions of the Performance Rights and Retention Rights so that, subject to Resolution 1 and Resolutions 3 to 7 (as applicable) being passed:

- 50% of the Performance Rights and the Retention Rights will automatically vest on approval of the Delisting; and
- 50% of the Performance Rights and the Retention Rights will lapse.

The Rights granted to senior employees, including Mr Chris Newton, have been issued under the Company's Share Rights Plan approved by Shareholders at the 2019 Annual General Meeting. The Rights granted to Directors (other than Mr Chris Newton) have been issued on the same terms as the Company's Share Rights Plan.

The terms and conditions of the Share Rights Plan are summarised in the notice of meeting for the Company's 2019 Annual General Meeting announced on 21 April 2019.

Under the Share Rights Plan, the Board may at any time by resolution, and with the consent of a participant under the Share Rights Plan, amend any of the vesting conditions. The Board has sought the consent of participants to amend the vesting conditions in respect of the Rights.

The Board considers the amendments to be appropriate balancing the reasons for the issue of the Rights against the impact of the Delisting on the holders of the Rights.

Following Shareholder approval, the holders of Performance Rights and Retention Rights (inclusive of the Directors) are expected to exercise those Rights into Shares prior to the Delisting Date.

Directors' material personal interest

As each of the Directors has a material personal interest in the outcome of Resolutions 3 to 7, they have been unable to form a quorum of uninterested Directors by which to resolve to amend the terms of the Performance Rights and Retention Rights.

The Company is therefore seeking the approval from its Shareholders in accordance with section 195(4) of the Corporations Act in order that the Shareholders may approve the amendments to the vesting conditions.

The Company is also seeking approval from its Shareholders in accordance with section 208 of the Corporations Act (Chapter 2E approval), Listing Rule 10.11 and Listing Rule 10.14.

3.2. Reasons for seeking Shareholder approval

(a) Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Relevantly, there is an exception if the company first obtains the approval of its shareholders in a general meeting in circumstances where certain requirements specified in Chapter 2E in relation to the convening of that meeting have been met.

A "Related Party" is defined broadly in section 228 of the Corporations Act and includes, relevantly, a director (or proposed director) of a public company and any entity that is controlled by a director of the public company.

A "Financial Benefit" for the purposes of the Corporations Act is also defined broadly. The amendment to the vesting conditions of the Performance Rights and the Retention Rights constitutes the giving of a financial benefit under the Corporations Act to the Directors.

(b) Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Dr King and Messrs Newton, Lewis and Baba each have a material personal interest in the outcome of Resolutions 3, 4, 5, 6 and 7 (as applicable). The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue of amending the vesting conditions of the Performance Rights and Retention Rights to Shareholders.

(c) Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, and in doing so must provide the information specified in Listing Rule 10.15.

The amendments to the vesting conditions of the Performance Rights and Retention Rights will have the effect of issuing securities on new terms to Mr Newton under the Company's Share Rights Plan. Accordingly, Shareholder approval is sought under Listing Rule 10.14.1 in connection with Resolution 3 and Resolution 4.

(d) Listing Rule 10.11

Listing Rule 10.11 requires that an entity must obtain the approval of its shareholders to issue securities to a Related Party and in doing so must provide the information specified in Listing Rule 10.13, unless an exception applies.

The amendments to the vesting conditions of the Performance Rights will have the effect of issuing securities on new terms to the Non-Executive Directors. Accordingly, Shareholder approval is sought under Listing Rule 10.11 in connection with Resolution 5, Resolution 6 and Resolution 7.

3.3. Technical information required by Chapter 2E and ASX Listing Rule 10.15 for Resolution 3 and 4

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed amendments to the vesting conditions of the Performance Rights and Retention Rights issued to Mr Newton:

(a) the related party is Mr Newton (or his nominee) and he is a related party by virtue of being a Director of the Company, or, in the case of his nominee, an entity associated with a Director of the Company;

(b) no securities are to be issued, however the vesting conditions of the Rights currently held by Mr Newton, comprising 1,826,023 Retention Rights and 1,826,023 Performance Rights, are being amended;

(c) the current total remuneration package currently payable to Mr Newton is set out in the table below:

Director	Annual Remuneration
Mr Chris Newton	US$470,514[1]

1. This comprises annual Director fees of US$45,675, Consulting Fees of US$248,000, a short-term incentive of US$61,920 and a share based payment expense of US$114,919. Effective 1 May 2019, Mr Newton's Consultancy Agreement fee increased from US$248,000 to US$252,000 which would have a resulting increase to Mr Newton's FY2020 total remuneration package.

2. Other than as noted in footnote 1 and subject to the valuation of Mr Newton's Retention Rights and Performance Rights the subject of Resolutions 3 and 4, Mr Newton's remuneration for FY2020 is not expected to materially change from his FY2019 remuneration.

(d) no amount is payable by Mr Newton as the Rights have already been issued;

(e) since the Share Rights Plan was last approved by Shareholders on 15 May 2019, the only person referred to in ASX Listing Rule 10.14 who has received securities under the Plan is Mr Chris Newton, who received 2,096,173 Performance Rights and 2,096,173 Retention Rights for nil consideration, following Shareholder approval on 15 May 2019 (the Company notes other senior executives have received rights under the Plan);

(f) the terms and conditions of the Rights will remain on the same terms as those approved by Shareholders at the 2019 Annual General Meeting held on 15 May 2019 and the 2020 Annual General Meeting held on 21 May 2020, other than, subject to Shareholder approval:

   (i) the Retention Rights will no longer be subject to the requirement that Mr Newton remain an employee or consultant of Tap on the testing dates (being 31 March 2020, 31 March 2021 and 31 March 2022), rather 50% of Mr Newton's Retention Rights will automatically vest and the remaining 50% of Mr Newton's Retention Rights will automatically lapse upon Shareholder approval being obtained for Resolution 1; and

   (ii) the Performance Rights will no longer be subject to a Relative Total Shareholder Return or an Absolute Total Shareholder Return testing criteria (which will not be possible to test following Delisting), rather 50% of Mr Newton's Performance Rights will automatically vest and the remaining 50% of Mr Newton's Performance Rights will automatically lapse upon Shareholder approval being obtained for Resolution 1;

(g) if Shareholders approve the amendments to the vesting conditions of the Retention Rights and Performance Rights the subject of Resolution 3 and Resolution 4, and assuming 50% of the Rights issued to Mr Newton vest and become exercisable into Shares and no other equity securities are issued or exercised, this will dilute the shareholdings of the Company's existing Shareholders by approximately 0.42% (based on the Company's issued Share capital as at 27 September 2020). The actual dilution will depend on the Company's capital structure at the time of issue;

(h) The Rights are not currently (and will not be) quoted on the ASX and as such have no readily ascertainable market value. Each of the Rights grants the holder on exercise a right to one Share in the Company for no consideration. Accordingly, the Rights may have a present value at a particular date, which will depend on the prevailing market price of a Share in the Company, and the likelihood of the vesting conditions being able to be satisfied.

Mr Newton's Retention Rights and Performance Rights were valued by an independent accountant at the time of issue for accounting purposes in the amount of $174,636 for the Retention Rights and $105,080 for the Performance Rights. That would value 50% of the Retention Rights and Performance Rights at $139,858. This valuation relied on assumptions including a discount factor being applied to recognise the fact that all or some of the vesting conditions may not actually be satisfied in the future. See page 9 of the notice of annual general meeting dated 21 April 2020 for further information regarding the valuation of the Rights.

As the terms of the Rights have been amended to include a vesting condition that 50% of the Rights will vest and become exercisable upon obtaining Shareholder approval for the Delisting pursuant to Resolution 1, the Directors consider that the value of the Rights is $136,951, based on the assumption that the underlying value of each Share is $0.075 being the closing price of Shares on the ASX on 28 September 2020;

(i) Mr Newton is the only Director currently entitled to participate in the Share Rights Plan;

(j) there are no taxation consequences for the Company arising from the amendment to the terms of the Rights (including fringe benefits tax);

(k) the terms of the Rights will, subject to Shareholder approval, be varied with effect from the General Meeting;

(l) the terms of the Share Rights Plan are summarised in the Company's notice of annual general meeting dated 15 April 2019;

(m) no loan was provided to Mr Newton with respect to the Rights; and

(n) voting exclusion statements in respect of Resolutions 3 and 4 are included in this Notice of Meeting.

If Shareholders do not approve Resolution 1 and Resolution 3, there will be no changes to the terms of Mr Newton's Retention Rights, and he will continue to hold his existing Retention Rights on their current terms.

If Shareholders do not approve Resolution 1 and Resolution 4, there will be no changes to the terms of Mr Newton's Performance Rights, and he will continue to hold his existing Performance Rights on their current terms.

3.4. Directors' recommendation

The Directors (other than Mr Newton) consider the amendment to the vesting conditions of the Rights issued to Mr Newton under the Share Rights Plan to be appropriate, having regard to the position of the Company, the effect of the Delisting on the ability for the rights to vest, Mr Newton's duties and responsibilities as Executive Chairman of the Company, and the proposed Delisting the subject of Resolution 1.

The Directors (other than Mr Newton, who declines to make a recommendation because of his interest in Resolutions 3 and 4) recommend that Shareholders vote in favour of Resolutions 3 and 4.

3.5. Information required by Chapter 2E of the Corporations Act and Listing Rule 10.13 for Resolutions 5, 6 and 7

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed amendments to the vesting conditions of the Performance Rights held by the Non-Executive Directors, Dr David King and Messrs Baba and Lewis:

(a) the related parties are the Non-Executive Directors, Dr David King and Messrs Baba and Lewis (or their respective nominees), and they are related parties by virtue of being Directors of the Company or, in the case of a nominee, an entity associated with a Director of the Company;

(b) no securities are to be issued, however, the vesting conditions of the 915,000 outstanding Performance Rights currently issued to each of Dr David King and Messrs Baba and Lewis are to be amended;

(c) the terms and conditions of the Performance Rights held by Dr King and Messrs Baba and Lewis (or their respective nominees) remain on the same terms as those approved by Shareholders the 2020

Annual General Meeting held on 21 May 2020, other than, subject to Shareholder approval, the Performance Rights will no longer be subject to a Relative Total Shareholder Return or Absolute Total Shareholder Return testing criteria (which will not be possible to test following Delisting), rather 50% of the Performance Rights held by each of Dr King and Messrs Baba and Lewis will automatically vest and the remaining 50% of the Performance Rights held by each of Dr King and Messrs Baba and Lewis will automatically lapse upon Shareholder approval being obtained for Resolution 1;

(d) no amount is payable by Dr King and Messrs Baba and Lewis (or their respective nominees) as the Performance Rights have already been issued;

(e) no loan will be provided to Dr King and Messrs Baba and Lewis, or their respective nominees with respect to the Performance Rights;

(f) the annual remuneration (by way of non-executive director fees) currently payable to Dr King and Messrs Baba and Lewis is set out below:

Director	Annual Remuneration
Dr David King	US$45,675
Mr Kamarudin Baba	US$45,675
Mr Zane Lewis	US$45,675

(g) if Shareholders approve the amendments to the vesting conditions of the Performance Rights the subject of Resolutions 5, 6 and 7, and assuming 50% of the Performance Rights on issue vest and become exercisable into Shares and no other equity securities are issued or exercised, this will dilute the shareholdings of the Company's existing Shareholders by approximately 0.32% (based on the Company's issued Share capital as at 28 September 2020). The actual dilution will depend on the Company's capital structure at the time of issue;

(h) The Performance Rights are not currently (and will not be) quoted on the ASX and as such have no readily ascertainable market value. Each of the Performance Rights grants the holder on exercise a right to one Share in the Company for no consideration. Accordingly, the Performance Rights may have a present value at a particular date, which will depend on the prevailing market price of a Share in the Company, and the likelihood of the vesting conditions being able to be satisfied.

The Performance Rights were valued by an independent accountant at the time of issue for accounting purposes in the amount of $47,565 per Non-Executive Director. That would value 50% of the Performance Rights at $23,783 per Non-Executive Director. This valuation relied on assumptions including a discount factor being applied to recognise the fact that all or some of the vesting conditions may not actually be satisfied in the future. See page 12 of the notice of annual general meeting dated 21 April 2020 for further information regarding the valuation of the Rights.

As the terms of the Performance Rights have been amended to include a vesting condition that 50% of the Rights will vest and become exercisable upon obtaining Shareholder approval for the Delisting pursuant to Resolution 1, the Directors consider that the value of the Rights is $102,937, based on the assumption that the underlying value of each Share is $0.075, being the closing price of Shares on the ASX on 28 September 2020;

(i) the primary purpose of the issue of the Performance Rights to the Non-Executive Directors is to provide a performance linked incentive component to motivate and reward the Non-Executive Directors performance, each of whom is a related party of the Company in their respective roles as Directors;

(j) there are no taxation consequences for the Company arising from the amendment to the vesting conditions of the Performance Rights (including fringe benefits tax);

(k) voting exclusion statements in respect of Resolutions 5, 6 and 7 are included in the Notice of Meeting;

(l) with the exception of Dr King in respect of Resolution 5, Mr Baba in respect of Resolution 6 and Mr Lewis in respect of Resolution 7, none of the current Directors has a personal interest in the outcomes of Resolutions 5, 6 or 7; and

(m) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5, 6 and 7.

If Shareholders do not approve Resolution 1 and Resolution 5, there will be no changes to the terms of De King's Performance Rights, and he will continue to hold his existing Performance Rights on their current terms.

If Shareholders do not approve Resolution 1 and Resolution 6, there will be no changes to the terms of Mr Baba's Performance Rights, and he will continue to hold his existing Performance Rights on their current terms.

If Shareholders do not approve Resolution 1 and Resolution 7, there will be no changes to the terms of Mr Lewis' Performance Rights, and he will continue to hold his existing Performance Rights on their current terms.

Directors' recommendation

The Directors (other than Dr King, Messrs Baba and Lewis for Resolutions 5, 6 and 7 respectively) consider the amendments to the vesting conditions of the Performance Rights is appropriate, having regard to the position of the Company and the duties and responsibilities of the Non-Executive Directors of the Company.

The Directors consider the amendments to the vesting conditions of the Performance Rights are appropriate given the vesting conditions will not be able to be satisfied once the Company is delisted. In addition, the vesting of only 50% of the Performance Rights and the lapsing of the remaining 50% of the Performance Rights is appropriate in the circumstances.

The Directors (other than Dr King, Messrs Baba and Lewis for Resolutions 5, 6 and 7 respectively, who decline to make a recommendation on their respective resolutions) recommend that Shareholders vote in favour of Resolutions 5, 6 and 7.

GLOSSARY

Annual Report	means the Company's annual report for the year ended 31 December 2019.
Application	An application by a Shareholder to participate in the Buy Back in respect of some or all of their Shares, made under a valid Application Form.
Application Form	the form to be lodged by a Shareholder to sell Shares to the Company under the Buy Back, which form will be despatched to Shareholders as described in the Explanatory Statement.
ASX	means ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.
ASX Listing Rules	means the Listing Rules of ASX.
Bentleys	means Bentleys Corporate Finance (WA) Pty Ltd (ACN 627 405 350).
Board	means the board of Directors of the Company.
Buy Back	has the meaning given in section 2.1 of the Explanatory Statement.
Buy Back Date	has the meaning given in section 2.5 of the Explanatory Statement.
Buy Back Offer Documents	the offer documents including the Application Form and (if applicable, the Withdrawal Form) to be sent to Eligible Shareholders on 24 November 2020.
Buy Back Price	has the meaning given in section 2.5 of the Explanatory Statement.
Buy Back Record Date	has the meaning given and determined in accordance with section 2.7 of the Explanatory Statement.
Chair	means the person appointed to chair the Meeting.
Closing Date	has the meaning given and determined in accordance with section 2.7 of the Explanatory Statement.
Company or **Tap Oil**	means Tap Oil Limited (ABN 89 068 572 341).
Constitution	means the Company's constitution.
Corporations Act	means the *Corporations Act 2001* (Cth).
Delisting	has the meaning given in section 1.1 of the Explanatory Statement.
Delisting Condition	has the meaning given in section 1.1 of the Explanatory Statement.
Delisting Date	is the date set out in section 1.5 of the Explanatory Statement.
Director	means a director of the Company.
Eligible Shareholders	Shareholders who are listed on the Register on the Buy Back Record Date (being 5.00pm (WST) on 19 November 2020).
Ex-Entitlement Date	has the meaning given and determined in accordance with section 6.4 of the Explanatory Statement.
Explanatory Statement	means this Explanatory Statement attached to the Notice of Meeting.
General Meeting or Meeting	means the general meeting of Shareholders convened by this Notice to be held on 29 October 2020 at 10:00am, or any adjournment thereof.
Independent Expert's Report	means the report attached to this Explanatory Statement at Annexure A.
Independent Directors	means Zane Lewis and Dr David King, both Non-Executive Directors of the Company.

Key Management Personnel	has the same meaning as in Australian accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.
Non-marketable Parcel Facility	the opt-out buy back facility as announced by the Company on 29 September 2020 pursuant to which the Company will buy-back Shares from Shareholders holding less than A$500 worth of Shares as at 28 September 2020.
Notice or **Notice of Meeting**	means the Notice of Meeting and this accompanying Explanatory Statement.
Offer Period	has the meaning given in section 2.5 of the Explanatory Statement.
Official List	means the official list of the ASX.
Open Date	has the meaning given and determined in accordance with section 2.7 of the Explanatory Statement.
Payment Date	has the meaning given and determined in accordance with section 2.7 of the Explanatory Statement.
Performance Right	means a performance right granted under, or pursuant, to the terms of the Plan.
Plan	means the Tap Oil Share Rights Plan, last approved by Shareholders on 15 May 2019.
Proxy Form	means the proxy form accompanying the Notice.
Related Party	has the same meaning as given to that term in section 228 of the Corporations Act.
Remuneration Report	means the remuneration report forming part of the directors' report in the Company's 2019 Annual Report.
Resolution	means a resolution set out in the Notice.
Retention Right	means a retention right granted under, or pursuant, to the terms of the Plan.
Right	means a Performance Right and/or a Retention Right.
Scale Back	a proportionate reduction in the number of Shares to be bought back from each Eligible Shareholder below the number of Shares for which acceptances have been received under the Buy Back to ensure that the Company does not buy back in excess of 230,000,000 Shares in the aggregate under the Buy Back. See section 2.5 for further details.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a person, corporation or body holding a Share on the Tap Oil Limited share register.
VWAP	means volume-weighted average price.
Withdrawal Form	the form of that name provided by the Registry on request by a Shareholder and which is used to withdraw or amend a previously submitted Application.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

ANNEXURE A – INDEPENDENT EXPERT'S REPORT ON BUY BACK

TAP OIL LIMITED

Independent expert's report

11 September 2020

Advisors Accountants Auditors

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ('FSG') provides important information to assist you, as a retail client, in making a decision as to your use of the general financial product advice provided by Bentleys Corporate Finance (WA) Pty Ltd ABN 58 627 405 350 Australian Financial Services Licence No: 512495 ('us', 'our', 'we' or 'Bentleys Corporate Finance').

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence;
- how we are remunerated;
- any relevant associations or relationships we have; and
- how complaints are being handled, our dispute resolution process and how you can access them.

Financial services we are licensed to provide

Bentleys Corporate Finance holds an Australian Financial Services Licence which authorises us to provide general financial product advice in relation to securities to retail and wholesale clients. An authorised representative is authorised by Bentleys Corporate Finance to provide general financial product advice on Bentleys Corporate Finance's behalf.

General financial product advice

We have been engaged by Tap Oil Limited ('Client') to provide general financial product advice in the form of an independent expert's report ('Report') in relation to the proposed off-market buy-back of its shares.

We have been engaged to provide this Report in connection with a financial product of another person/entity. Our Report includes details of the nature and circumstances of our engagement and the identity of the person/entity who has engaged us. Although you have not engaged us directly, a copy of the Report is provided to you as a retail client because of your connection to the Client either as a security holder or for other reasons for which you have been provided a copy of this Report. We are not acting for any person other than the Client.

Our Report contains only general financial product advice. We do not provide personal financial product advice. Accordingly, this advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs before you act on the general financial product advice contained in our Report.

Remuneration and other benefits for our services

Bentleys Corporate Finance charges fees for preparing reports. These fees are agreed with and paid by the Client. Fees are agreed either on a fixed fee or time cost basis. In this case, we will receive a fee of approximately A$28,000 (exclusive of GST) for preparing this Report. This fee is not contingent upon the success or otherwise of the proposed transaction.

Other than the fees referred to above, Bentleys Corporate Finance and its directors and officers, representatives, related entities, affiliates or associates will not receive any other fee or benefit in connection with the provision of this Report. Our directors and officers, representatives and employees receive a salary, a performance bonus or profit share depending on their level of seniority.

Referrals

We do not pay commissions or provide other benefits to anyone who refers prospective opportunities or clients to us in connection with this Report.

Information about us and our relationships

Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd, a professional firm which is an independent member of the Bentleys network of accountants and business advisers providing corporate finance and advisory, business advisory, accounting and auditing services ('Bentleys Network'). The Bentleys Network is a network of independent accounting firms located throughout Australia, New Zealand and China that trade as 'Bentleys'. All members of the Bentleys Network are affiliated only and are separate legal entities. The members are not in partnership, nor are they part of a worldwide partnership.

The members of the Bentleys Network do not accept responsibility or liability for the actions or inactions of any member firm of the Bentleys Network. This Report has been prepared by Bentleys Corporate Finance and is the responsibility of Bentleys Corporate Finance. The liability of Bentleys Corporate Finance, if any, is limited to the contents of this Report.

Entities of the Bentleys Network may have provided, and may continue to provide, a range of tax, audit and advisory services to the Client and receive fees for those services. Bentleys Corporate Finance has received a fee of $4,000 plus GST for preparing valuations of performance rights and retention rights for Tap Oil in June 2020 for audit purposes. Over the past two years, no professional fees, other than those that have been disclosed in this Report, have been previously received from the Client.

Complaints and dispute resolution

If you have any concerns regarding our report or service, please contact us. As a holder of an Australian Financial Services Licence, we are required to have a complaints handling system for persons whom we provide general financial product advice. Our complaints handling process is designed to respond to your concerns promptly and equitably.

Our contact details are:

Complaints Officer
Bentleys WA
PO Box 7775
Cloisters Square WA 6000
Phone: (08) 9226 4500

If you are not satisfied with how we respond to your complaint, you may contact the Australian Financial Complaints Authority ('AFCA'). Bentleys Corporate Finance is a member of AFCA. AFCA is an external dispute resolution scheme that provides an alternative avenue for the investigation of complaints lodged against financial services providers who provide services to retail and small business clients.

The contact details for AFCA are:

GPO Box 3, Melbourne, Victoria, 3001
Phone: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

Bentleys
THINKING AHEAD

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11 September 2020

The Directors

Tap Oil Limited

Level 2, 190 St Georges Terrace

PERTH WA 6000

Dear Directors

Independent Expert's Report

Introduction

Tap Oil Limited ('Tap Oil' or 'the Company') intends to seek shareholders' approval to undertake an off-market buy-back of up to 230 million shares (being approximately 53.7% of the issued shares of the Company) at a fixed buy-back price of A$0.0780 per share ('Buy-back' or 'Proposed Transaction'). This will be followed by the delisting of Tap Oil from the Official List of the Australian Securities Exchange ('ASX') ('Delisting').

Tap Oil is seeking to provide its shareholders with the opportunity to potentially realise some of their investment prior to delisting the Company, since following the Delisting, Tap Oil's shares will no longer be tradeable on the ASX and it will be more difficult for shareholders to dispose of their shares.

As the Buy-back involves an equal access share buy-back of over 10% of Tap Oil's shares within a 12-month period (that is, exceeding the 10/12 limit), the Company will require shareholders' approval for the Buy-back. This is to be approved by the passing of an ordinary resolution at a general meeting of the Company, in accordance with section 257C of the Corporations Act 2001 Cth ('Corporations Act').

Bentleys Corporate Finance (WA) Pty Ltd ('us', 'our', 'we' or 'Bentleys') has prepared an independent expert's report ('this Report') providing an opinion on whether the Proposed Transaction is fair and reasonable. This independent expert's report has been requested by Tap Oil to assist the Company with its disclosure to its shareholders ('Shareholders') and to enable it to comply with Div 2 of Pt 2J.1 (buy-back provisions) of the Corporations Act.

This Report is to be included in the notice of meeting and explanatory memorandum ('Notice of Meeting'), which will be distributed to the shareholders of the Company, to assist them in their decision whether or not to approve the Proposed Transaction.

Dollar amounts are in United States dollars ('USD' or 'US$') or in Australian dollars ('AUD' or 'A$') as indicated throughout this Report.

Purpose of this Report

Section 257A of Division 2 of the Corporations Act states that a company may buy back its own shares if the buy-back does not materially prejudice the company's ability to pay its creditors and if the company follows the procedures laid down in Division 2.

Equal access share buy-backs of over the 10% limit in a 12-month period (the 10/12 limit) requires shareholders' approval by an ordinary resolution passed at a general meeting of the company, in accordance with section 257C of the Corporations Act. The company is required to provide shareholders with a notice of meeting document setting out all information known to the company that is material to the decision of how to vote on the resolution.

An independent expert's report is not mandatory but the directors of Tap Oil have requested the preparation of this independent expert's report to assist the Company with its disclosure to shareholders and to enable it to comply with Div 2 of Pt 2J.1 (buy-back provisions) of the Corporations Act.

This Report is prepared in accordance with the guidance of Australian Securities Investments Commission's ('ASIC') Regulatory Guide 111 Content of expert report ('RG 111'), Regulatory Guide 112 Independence of experts ('RG 112') and Regulatory Guide 110 Share Buy-backs ('RG 110').

This Report is to be included in the Notice of Meeting, which will be distributed to all shareholders of the Company, and has been prepared to assist Shareholders in their decision on whether or not to approve the Proposed Transaction.

Basis of assessment

RG 111 provides guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act. Whilst RG 111 focuses on reports prepared for transactions under Chapters 2E, 5, 6 and 6A of the Corporations Act, whether they are required by the Corporations Act or are commissioned voluntarily, the principles may also be relevant to independent expert reports commissioned for other purposes, including selective capital reduction or selective buy-backs under Chapter 2J of Division 2 of the Corporations Act.

RG 111 states that if a company proposes to buy-back a significant percentage of securities or the holdings of a major shareholder, it should consider providing an independent expert report with a valuation of the shares as guided by RG 110 paragraphs RG 110.18 and RG 110.20.

RG 110.18 sets out what ASIC expects a company to provide when disclosing information to shareholders with a notice of meeting. This includes a report by its independent directors about whether shareholders should vote in favour of the buy-back, particularly regarding how much the company is paying for the shares, and an independent expert's report with a valuation of shares.

Whilst RG 110.18 only refers to an independent expert's report containing a valuation of shares, the structure of the Buy-back, which is on a proposed fixed price offer of A$0.0780 per share is, in substance, not dissimilar to a tender offer or takeover bid even though it is not a control transaction and the legal mechanism to effect the transaction may be different. Therefore, we have taken the form of analysis to be substantially the same as for a takeover bid, concluding with an opinion on whether the Proposed Transaction is 'fair and reasonable'.

RG 111.10 states that the 'fair and reasonable' phrase is not regarded as a compound phrase. There should be a separate assessment of whether the transaction is 'fair' and 'reasonable'.

An offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities, the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

An offer is 'reasonable' if it is 'fair' but it might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for security holders to approve the proposed transaction.

Conduct of our assessment

Accordingly, we have assessed the Proposed Transaction as being:

- 'fair' if the cash consideration to be paid to shareholders participating in the Buy-back is equal to or greater than the value of a Tap Oil share (on a minority interest basis) before Proposed Transaction; and
- 'reasonable' if it is fair, or despite not being fair, after considering other significant factors, we believe there are sufficient reasons for Shareholders to approve the Proposed Transaction, in the absence of any alternative offers.

Our valuation is based on a fair market value defined as 'the estimated amount for which an asset should exchange on the date of valuation between a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

Our valuation is conducted in accordance with Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

Summary of opinion

In our opinion, the Proposed Transaction is fair and reasonable to Shareholders in the absence of any superior alternative.

Notwithstanding that we provide a summary of our conclusion below, it should be noted that our opinion should be read in conjunction with this Report in its entirety.

Fairness

We determined the value of a Tap Oil share (on a minority interest basis) before the Proposed Transaction to be in the range of A$0.0665 to A$0.0898 with a midpoint of A$0.0779 per share. The cash consideration is proposed to be offered at a fixed buy-back price of A$0.0780 per share.

Since the cash consideration to be received by shareholders participating in the Buy-back is within the range of the value of a Tap Oil share (on a minority interest basis), and approximately equal to its midpoint value, before the Proposed Transaction, we conclude that the Proposed Transaction is fair.

Reasonableness

We assessed that the Proposed Transaction is reasonable because it is fair.

We summarise the following significant factors which also provide sufficient reasons for Shareholders to approve the Proposed Transaction, in the absence of any superior alternative:

- low levels of trading of the Company's shares have resulted in an illiquid trading market for the Company's shares on the ASX; which limits trading opportunities for shareholders who wish to exit their investment in Tap Oil;

- the presence of two cornerstone investors that together hold 69.87% of the Company makes Tap Oil a less attractive takeover target and reduces the chances of a takeover offer to be received by the shareholders of the Company, so for shareholders who view this as a disadvantage may find it advantageous to exit their investment at this point;
- the Buy-back provides shareholders with the opportunity to potentially realise some, or all, of their investment prior to delisting the Company, since following the Delisting, Tap Oil's shares will no longer be tradeable on the ASX and it will be more difficult for shareholders who do not participate in the Buy-back to dispose of their shares in the future;
- given the low levels of trading in the Company's shares and the Company not having any present intention to access capital markets via ASX, the financial, administrative and compliance obligations and costs associated with maintaining a listing on the ASX are no longer justified as they reduce profits and returns for the shareholders of the Company;
- shareholders who participate in the Buy-back, however, will no longer be able to benefit from any potential future returns of the Company; and
- the Proposed Transaction may have different tax implications for different shareholders, depending on their individual circumstances, and shareholders are required to seek their own tax advice on the tax implications of the Buy-back relating to their own circumstances.

Section 8.2 of this Report contains further details on the advantages and disadvantages of the Proposed Transaction, as well as the consequences of Shareholders not approving the Proposed Transaction.

Other matters

This Report has been prepared specifically for the shareholders of the Company, at the request of the directors of the Company, and we consent for this Report to be included in the Notice of Meeting which will be distributed to all shareholders of the Company. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

Please refer to the Financial Services Guide ('FSG') provided by Bentleys Corporate Finance, which is included in this Report.

Yours faithfully

BENTLEYS CORPORATE FINANCE (WA) PTY LTD

Evelyn Tan
Director

Chris Nicoloff
Authorised Representative

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1 Proposed Transaction

1.1 Background

Tap Oil plans to undertake an off-market buy-back of up to 230 million shares (being approximately 53.7% of the issued shares of the Company) at a fixed buy-back price of A$0.0780 per share. Subject to shareholders' approval, the Company will be delisted from the Official List of the ASX and will become a public unlisted company.

As the Buy-back involves the off-market share buy-back of over 10% of Tap Oil's shares within a 12-month period (that is, exceeding the 10/12 limit), the Company will require shareholders' approval for the Buy-back. This is to be approved by the passing of an ordinary resolution at a general meeting of the Company, in accordance with section 257C of the Corporations Act. The Proposed Transaction is conditional upon Tap Oil obtaining shareholders' approval for the Delisting.

In accordance with section 257C(2) of the Corporations Act, the Notice of Meeting sets out all the information known to the Company that is material to the decision of how to vote on the resolution.

1.2 Rationale for the Buy-back

Tap Oil is seeking to provide its shareholders with the opportunity to potentially realise some, or all, of their investment prior to delisting the Company, since following the Delisting, Tap Oil's shares will no longer be tradeable on the ASX and it will be more difficult for shareholders to dispose of their shares.

The directors have provided the following key reasons for pursuing the delisting of Tap Oil from the ASX:

- Low levels of trading of the Company's shares have resulted in an illiquid trading market for the Company's shares on the ASX; which limits trading opportunities for shareholders who wish to exit their investment in Tap Oil;
- The concentrated shareholdings of Tap Oil's two largest shareholders is approximately 70% of the total shares on issue and the Company's top 20 shareholders hold approximately 83% of the total shares on issue; this limits shareholder spread and liquidity of the Company's shares, reducing the likelihood of an orderly and liquid market;
- There is a large number of unmarketable parcels (parcels of shares worth A$500 or less) which contributes further to a low level of trading liquidity in the trading of the Company's shares;
- Tap Oil does not have any immediate requirement to raise further capital nor access capital markets in the foreseeable future given its current strong cash reserve; and
- Given the low levels of trading in the Company's shares and the Company not having any present intention to access capital markets via ASX, the financial, administrative and compliance obligations and costs associated with maintaining a listing on the ASX are no longer justified.

There are potential disadvantages of the Delisting, further details are set out in the Notice of Meeting.

2 Overview of the Company

2.1 Background

Tap Oil is a Perth-based company, incorporated in 1995, and listed on the ASX. Tap Oil engages in oil and gas exploration and production business in Asia. The Company completed its exit from its Australian and New Zealand portfolio during the financial year ended 31 December 2019 to focus on its key production asset, its 30% interest in the Manora Oil Field, located within the G1/48 Concession situated offshore in the Gulf of Thailand ('Manora Oil Field' or 'the Project').

The Company's 30% interest in the Manora Oil Field is held through its wholly owned subsidiary, Tap Energy (Thailand) Pty Ltd, which in turn is in a joint venture ('JV') with MP G1 (Thailand) Limited who holds 60% interest. MP G1 (Thailand) Limited, who is also the operator of the Manora Oil Field, is a subsidiary of Mubadala Petroleum Limited ('Mubadala Petroleum') ('the Operator'). The remaining 10% interest is held by Northern Gulf Petroleum.

As disclosed on the ASX on 12 March 2020, Northern Gulf Petroleum agreed to transfer its 10% shareholding to the Operator. We understand that approval of the transfer was recently granted by the Thailand government.

2.2 Manora Oil Field

The Manora oil field is located in the G1/48 concession of the Gulf of Thailand. The field is located approximately 80km from the coast of Thailand, offshore of Prachuap Khiri Khan Province. The Manora oil field was discovered in November 2009 with field development being approved in July 2012. Production commenced on 11 November 2014 with first lifting on 25 December 2014.

Two development wells, MNA-18 and MNA-19 were successfully drilled in 2017 and in April 2018, drilling was approved of the Manora-8 exploration well and the Manora-8ST1 appraisal well. In May 2018, the Company also approved for drilling, two additional development wells, MNA-20 and MNA-21.

During 2019, the 300 series reservoirs, were developed and put into production with the first two horizontal wells drilled. The 400, 500 and 600 series were targeted in late 2019 through a three well Manora nearfield exploration program with the two wells and a side-track being commercially unsuccessful. Only sub-commercial quantities of oil were discovered in the 600 series sands at Yothaka-East-1.

The JV has recently completed a successful four well development drilling program and a two well workover program.

Reserves at 31 December 2019 (millions of barrels, MMbbl) as determined by Netherland, Sewell & Associates, Inc ('NSAI'):

Manora Oil Field	Proved Oil (1P)	Proved plus Probable Oil (2P)	Proved plus Probable plus Possible Oil (3P)
Developed	0.95	1.30	1.64
Undeveloped	0.29	0.41	0.55
Total	**1.24**	**1.71**	**2.19**

Source: ASX announcements, Company's annual report

2.3 Directors and management

The board of directors of Tap Oil are:

- Mr Chris Newton (Executive Chairman)
- Mr Kamarudin Baba (Non-executive Director)
- Dr David King (Non-executive Director)
- Mr Zane Lewis (Non-executive Director)

2.4 Shareholders and other security holders

The top twenty shareholders of Tap Oil are set out as follows.

Shareholding as at 4 September 2020	Number of shares	% shareholding
Top 20 shareholders		
Hazel Resources Limited[1]	194,458,071	45.44%
Northern Gulf Petroleum Holdings Limited[2]	104,558,682	24.43%
Newmek Investments Pty Ltd	10,370,695	2.42%
HSBC Custody Nominees (Australia) Limited	5,973,308	1.40%
Tintern (Vic) Pty Ltd	5,900,000	1.38%
Mr Bonson Lam	3,720,000	0.87%
Mrs Herawati Koosasi	3,165,944	0.74%
T S Rai 2 Pty Ltd	2,500,001	0.58%
Mr Barnaby Colman Caddick	2,381,143	0.56%
Weswood Pty Ltd	2,287,628	0.54%
Royal Sunset Pty Ltd	1,859,639	0.44%
J P Morgan Nominees Australia Pty Limited	1,839,908	0.43%
Miss Anna Czarnocka	1,800,000	0.42%
Mr Edward Marian Czarnocki	1,800,000	0.42%
Mr Troy John Hayden	1,710,403	0.40%
Mr Daven Kurl	1,537,895	0.36%
Kleber Pte Ltd	1,425,398	0.33%
Mrs Maria Czarnocka	1,170,000	0.27%
Mr Peter Joseph Ley	1,100,000	0.26%
Launch Energy Pty Ltd	1,000,000	0.23%
	350,558,715	81.92%
Other shareholders	77,384,547	18.08%
Total issued capital	427,943,262	100.00%
Vested performance rights[3]	255,000	
Total issued capital including vested performance rights	428,198,262	
Shareholding concentration		
Top 5 shareholders	321,260,756	73.69%
Top 10 shareholders	335,315,472	78.36%
Top 20 shareholders	350,558,715	81.92%

Shareholding as at 4 September 2020	Number of shares	% shareholding
Directors' interests		
Mr Chris Newton (Kleber Pte Ltd)	1,425,398	0.33%
Mr Kamarudin Baba	85,000	n/a[3]
Dr David King	85,000	n/a[3]
Mr Zane Lewis	85,000	n/a[3]

[1] Hazel Resources Limited has changed its name to Risco Energy Investments (SEA) Limited.

[2] Represents a consolidated shareholding interest of Northern Gulf Petroleum Holdings Limited (and its related bodies) with a total associated shareholding of 104,558,682 shares, which equates to 24.43% of the Company's currently issued capital.

[3] 255,000 Directors' performance rights vested on 22 May 2020 but the shares have not yet been issued.

Source: Company's share register, Company's securities register

The shareholding range of the Tap Oil shares are set out as follows.

Shareholding Range as at 4 September 2020	Number of holders	Number of shares[1]	% shareholding
Holding ranges			
1 - 1,000	127	33,293	0.01%
1,001 - 5,000	233	795,062	0.19%
5,001 - 10,000	569	4,535,935	1.06%
10,001 - 100,000	783	24,196,893	5.65%
100,001 and above	182	398,382,079	93.09%
Total	1,894	427,943,262	100.00%

[1] Does not include the 255,000 shares that have vested under the performance rights to Directors but not yet issued

Source: Company's share register

Other securities issued by Tap Oil are set out as follows.

Other securities as at 4 September 2020	Number of rights
Performance Rights	
Performance Rights vesting 31-Dec-20	2,939,777
Performance Rights vesting 1-Jan-21	713,807
Performance Rights vesting 31-Dec-21	2,167,224
Performance Rights vesting 31-Dec-22	249,306
	6,070,114
Retention Rights	
Retention Rights vesting 31-Mar-21	1,184,777
Retention Rights vesting 31-Mar-22	1,177,224
Retention Rights vesting 31-Mar-23	249,306
	2,611,307
Total other securities	**8,681,421**

Source: Company's securities register

The Company is seeking a variation to the vesting conditions of the performance and retention rights issued to directors and employees. Subject to the Delisting and Buy-back resolutions being passed, 50% of the performance rights and 50% of the retention rights will automatically vest on approval of the delisting of the Company and the residual 50% of the performance rights and retention rights will lapse.

On this basis (where 50% of the performance and retention rights vest and convert to shares), the number of shares of the Company would increase by 4,340,711 to 432,538,973 (this includes the 255,000 shares to be issued in relation to the Directors' performance rights that have vested).

2.5 Share price information

The historical share price movements and trading volumes for Tap Oil are shown in the graph below.

Source: Capital IQ

Price sensitive announcements made to the market by Tap Oil during this period are highlighted below.

Date	Summary
05 July 2019	Tap Oil announced that it had entered into a commodity swap with BP Singapore Pte Limited covering 30,000 barrels or Manora crude at US$61.00/bbl. This represented 37% of the Manora sales cargo that was lifted in July 2019.
09 July 2019	Tap Oil announced that the Manora Joint Venture partners approved the drilling of 3 development wells in the 2019 development drilling campaign. Tap budgeted US$3.13 million (net to Tap) for the entire three well program.
30 July 2019	Tap Oil reported cash receipts from oil sales for the June quarter of US$11.79 million. The Company's cash position as at the end of the June quarter was US$31.54 million; an increase of US$6.2 million from the previous quarter.
05 August 2019	Tap Oil announced an update on the drilling results of the development wells, MNA-24H and MNA-23H, as well as the re-starting of drilling operations on the MNA-22 well.

Date	Summary
20 August 2019	Tap Oil announced the completion of drilling in both the MNA-23H and MNA-24H wells and their handover to production operations. The MNA-22H well was suspended and to be completed with a work over rig at a later date.
09 September 2019	Tap Oil announced that it had signed a sale and purchase agreement ('SPA') with Kensington Energy Pty Ltd. ('Kensington Energy'), a privately owned Australian oil and gas investment company to sell its residual Australian and New Zealand portfolio. The transaction resulted in Tap Oil booking a profit on the sale of US$2.58 million after tax reflecting the difference in the consideration and fully written down value of the WA-72-R and the WA-25-L provisions.
30 September 2019	Tap Oil announced the Prospective Resource estimates being considered for drilling in the 2019 exploration drilling program. The 2019 exploration drilling program was expected to spud in November 2019 and would comprise one to two exploration wells, plus a contingent side-track. Tap Oil and the Operator, Mubadala Petroleum, expected to make a final investment decision on the program and well trajectories in October 2019.
30 October 2019	Tap Oil announced that Mubadala Petroleum and Tap Oil approved the drilling of the three firm exploration wells and an appraisal side-track contingent upon exploration success. The first well in the program, Inthanin -1 was expected to spud in the last week of November 2019 and would be followed by Yothaka East-1 and Krissana-1. A contingent side-track, into the Yothaka structure would be dependent upon the results of the Yothaka East-1 and Krissana-1 exploration wells.
30 October 2019	Tap Oil reported that cash receipts from oil sales for the September quarter were US$9.89 million. The Company's cash position as at the end of the September quarter was US$30.89 million; a decrease of US$0.66 million from the previous quarter.
28 November 2019	Tap Oil announced that the Inthanin-1 well spudded on 20 November 2019 and reached a total depth of 2,528m on 24 November 2019. It was noted that the sand series was very poorly developed and following the completion of plug and abandon operations, the Ensco 115 jackup drilling rig would move to drill the Yothaka East-1 well.
5 December 2019	Tap Oil announced that the Yothaka East-1 well spudded on 28 November 2019 and reached a total measured depth of 3,367m on 3 December 2019. The joint venture partners responded to the well results with a revised forward plan: • The 620 series sands would be immediately appraised via a side track from Yothaka East. • The Krissana exploration prospect, immediately east of Yothaka East, would now not be drilled given the lack of show in the fluvial sequence (400 and 500 series sands) in Yothaka East that were a primary objective at Krissana.
6 December 2019	Tap Oil announced that the Board had approved the payment of a maiden dividend of A$0.025 per share (A$2.5 cents per share). The dividend would be fully franked totalling A$10.64 million (US$7.29 million) based on the 425.5 million shares on issue at the time.
30 January 2020	Tap Oil reported cash receipts from oil sales for the December quarter were US$9.47 million. The Company's cash position as at the end of the December quarter was US$26.66 million; a decrease of US$4.22 million from the previous quarter, reflecting the US$7.36 million dividend payment paid on 31 December 2019.

Date	Summary
11 March 2020	Tap Oil provided an update on its Proved Reserves (1P), Proved plus Probable Reserves (2P), Proved plus Probable plus Possible (3P) and Contingent Resources (2C) estimates as of the evaluation date of 31 December 2019. All estimates were quoted as net Tap share.
12 March 2020	Tap Oil announced that Northern Gulf Petroleum agreed to transfer its 10% shareholding in the G1/48 Manora block to the operator Mubadala Petroleum G1 (Thailand) Limited. As a joint venture party, Tap Oil consented to this transfer. Upon finalisation of the transfer, the interests in the Concession were: Tap Energy (Thailand) Pty Limited 30% and MP G1 (Thailand) Limited 70% and Operator.
24 April 2020	Tap Oil advised that, with the outbreak of COVID-19, the Company had taken proactive precautionary measures to prioritise and protect the health and safety of its staff, contractors, and local communities and to protect the continuity of the business. 1H 2020 oil sales were partly protected by hedging however these hedges rolled off and there was no protection for future sales. To optimise cashflow, Tap Oil and Mubadala Petroleum reviewed the 2020 work program and budget for Manora and either cancelled or deferred noncritical expenditure originally planned for 2020, while at the same time implemented production optimisation opportunities. The 2020 Manora work program and budget in total was reduced by US$4.2 million (net saving to Tap Oil).
30 April 2020	Tap Oil reported cash receipts from oil sales for the March quarter were US$10.09 million. The Company's cash position as at the end of the March quarter was US$28.95 million; an increase of US$2.29 million from the previous quarter.
14 May 2020	Tap Oil announced that after rigorous technical and commercial assessment of a number of portfolio opportunities, Mubadala Petroleum, and Tap Oil agreed to drill, complete and put on production three wells in the Manora 2020 development drilling campaign.
16 June 2020	Tap Oil announced that following commercial evaluation and technical assessment including reservoir modelling, Mubadala Petroleum, and Tap Oil agreed that ongoing production optimisation would be enhanced by an additional well in the highly productive 490-60 sands of the Manora's Eastern Fault Block.
14 July 2020	Tap Oil announced successful completion of its 2020 development drilling and workover program at the Manora Oil Field and an increase in gross production capacity by approximately 4,500 barrels of oil per day.
24 July 2020	Tap Oil reported cash receipts from two liftings (after hedges) for the June quarter were US$5.07 million at an average price of US$35.63 per barrel. This was on the back of average oil production from the Manora Oil Field of 4,515 barrels of oil per day (Tap Oil's share of 1,355 barrels of oil per day). Tap Oil also announced the likelihood of having to recognise an impairment (subject to audit) in respect of the carrying value of the Manora Oil Field asset.
31 August 2020	Tap oil released its Half Year Report and Appendix 4D which showed a 46% reduction in revenue from continuing operations from the previous corresponding period and an after tax loss of US$17.77 million for the half year ended 30 June 2020.
2 September 2020	Tap Oil announced that it had entered into additional commodity hedge contracts with BP Singapore Pte Limited to cover the scheduled September and October 2020 Manora crude oil lifting for:10,000 barrels of swaps in each of the two months at a fixed Dubai crude oil price of US$43.70 per barrel.

Source: ASX announcements

An analysis of the trading activity of the Company's shares for the 12-month period up to the approximate date of this Report is summarised in the table below.

Period	Volume weighted average price ('VWAP')	Average number of shares outstanding (million)	Total shares traded over the period (million)	% shares traded	% traded per week
1 week	A$0.0753	427.943	0.519	0.12%	0.12%
1 month	A$0.0758	427.943	3.461	0.81%	0.20%
2 months	A$0.0749	427.943	7.712	1.80%	0.20%
3 months	A$0.0790	427.943	11.939	2.79%	0.21%
6 months	A$0.0784	427.875	26.526	6.20%	0.24%
12 months	A$0.1013	426.877	74.185	17.38%	0.33%

Source: Capital IQ, Bentleys's analysis

From our analysis in the table above, we note that the percentage of the Company's shares traded per week varied over different periods. Taking the percentage of shares traded per week over a 12-month timeframe as our basis, we can reasonably consider that Tap Oil's share is an illiquid stock.

We also note that the top five shareholders hold almost 74% of the total issued capital and the top 20 shareholders hold approximately 82% of the total issued capital. This shareholder concentration has implications on the liquidity of the Company's stock since a large portion of Tap Oil shares is held by a few substantial holders.

2.6 Financial information

2.6.1 Statement of financial performance

The table below summarises the historical audited statements of financial performance (also referred to as 'income statement' or 'P&L') of Tap Oil for the financial years ('FY') ended 31 December 2017 ('FY17'), 31 December 2018 ('FY18'), 31 December 2019 ('FY19') and for the half year ('HY') ended 30 June 2020 ('HY20').

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial Year ended 31-Dec-2017 US$ '000s	Financial Year ended 31-Dec-2018 US$ '000s	Financial Year ended 31-Dec-2019 US$ '000s	Half Year ended 30-Jun-2020 US$ '000s
Revenue				
Revenue from continuing operations	44,772	48,384	41,906	8,332
Derivative/hedge gain/(loss)	-	(4,200)	80	1,098
Operating revenue	44,772	44,184	41,986	9,430
Cost of goods sold	(38,719)	(34,210)	(31,269)	(10,393)
Gross profit	6,053	9,974	10,717	(963)
Other revenue	190	3,063	29,976	243
Expenses				
Administration expenses	(3,415)	(2,169)	(1,969)	(982)
Finance costs	(1,150)	(866)	(2,219)	(790)
Impairment losses and write-downs	(3,079)	(1,601)	(2,732)	(9,377)
Restoration provision (increase)/decrease	(249)	2,515	(10)	-
Other expenses	(54)	(661)	(351)	-
Total expenses	(7,947)	(2,782)	(7,281)	(11,149)

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial Year ended 31-Dec-2017	Financial Year ended 31-Dec-2018	Financial Year ended 31-Dec-2019	Half Year ended 30-Jun-2020
Profit/ (Loss) before tax	(1,704)	10,255	33,412	(11,869)
Income tax expense	(12,887)	2,992	906	(5,905)
Profit/ (Loss) for the year after income tax	(14,591)	13,247	34,318	(17,774)
Other comprehensive income				
Unrealised loss on cash flow hedge	(513)	2,242	-	-
Foreign currency translation differences - foreign operations	1,213	(237)	455	38
Foreign exchange differences reclassified to profit and loss on disposal of subsidiaries	-	-	(26,604)	-
Total comprehensive profit / (loss) for the year	**(13,891)**	**15,252**	**8,169**	**(17,736)**

Source: Tap Oil's audited financial statements for the financial years ended 31 December 2017, 31 December 2018, 31 December 2019 and reviewed financial statements for the half year ended 30 June 2020

We note that Tap Oil's auditor included an emphasis of matter in the financial report for the financial year ended 31 December 2019. The auditor outlined the impact of the COVID-19 outbreak as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. No adjustments were made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

Tap Oil's results for the half year ended 30 June 2020 confirmed the twin economic shocks of significantly lower oil prices and the COVID-19 pandemic, which largely impacted the Company's business in this half year period. Tap Oil committed to supporting government and community efforts to limit the impact of the pandemic and ensure business continuity by implementing a series of measures to protect the health and safety of its people, enabling it to continue operations at the Manora Oil Field over this period.

We note the following in relation to the statement of financial performance of the Company:

- Revenue, comprising oil sales from Manora Oil Field, decreased by US$6.48 million in FY19 from FY18 mainly due to the lower volume of oil sold (0.63 MMbbl in FY19 compared to 0.68 MMbbl in FY18) at a lower average oil price of US$66.90 per barrel in FY19 compared to US$65.07 per barrel in FY18. This was partially offset by lower hedging losses (US$0.08 million gain in FY19 compared to US$4.20 million loss in FY18). Revenue for the half year to 30 June 2020 was further impacted by lower average oil prices and the natural decline from wells and production curtailment in May 2020 due to oil marketing issues and floating storage and offloading ('FSO') vessel storage limitations.
- Other revenue of US$29.98 million for FY19 comprised royalties received of US$0.04 million, interest received of US$0.52 million and gain on sale of subsidiaries (its Australia/New Zealand asset portfolio) of US$29.41 million. The movement in other revenue between FY18 and FY19 of US$26.91 million predominately related to the gain on sale of subsidiaries which included a cumulative US$26.6 million recycled from foreign currency translation reserve.
- Cost of sales were seen to decrease year on year. Cost of sales of US$31.27 million for FY19 comprised Manora Oil Field production costs net of inventory movements of US$10.15 million, depreciation of capitalised development costs of US$14.39 million, government royalties of US$3.19 million and other Manora Oil Field production costs of US$3.54 million. Cost of sales reduced by US$2.94 million between FY18 and FY19 mainly due to a successful trend of Manora Oil Field drilling cost reductions, reflecting cost and operational efficiencies achieved by the Operator. Cost of sales for HY20 was disproportionately impacted by a higher depreciation of capitalised development costs.

- Administration expenses for FY19 of US$1.97 million reduced year on year and comprised predominantly other employee benefit expenses and other expenses in FY19. This was achieved by a reduction in head count, reduction in total Directors' fees, some strategic outsourcing, and a clear strategy to focus on the Manora Oil Field. Tap Oil's corporate structure was also seen to reduce resulting in lower associated administration and compliance costs.
- Finance costs include the recognition of interest expense from lease accounting and notional interest from unwinding discount on restoration provisions.
- Costs of drilling unsuccessful wells during the period which were demonstrated to be uncommercial, were reflected in the recognition of US$2.73 million exploration impairment losses for FY19. The impairment loss of A$9.377 million in HY20 was largely due to the impact of the global decline in oil price and the increase in the abandonment provision arising from a review of cost estimates by a third party.
- The twin economic shocks of significantly lower oil prices and the COVID-19 pandemic resulted in a net loss after tax of A$17.77 million in HY20.

2.6.2 Statement of financial position

The table below summarises the historical audited statements of financial position (also referred to as 'balance sheet') of Tap Oil as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020.

Consolidated Statement of Financial Position	As at 31-Dec-2017 US$ '000s	As at 31-Dec-2018 US$ '000s	As at 31-Dec-2019 US$ '000s	As at 30-Jun-2020 US$ '000s
Current assets				
Cash and cash equivalents	7,753	21,186	26,663	26,656
Trade and other receivables	6,567	5,689	5,957	2,562
Inventories	6,255	7,856	4,975	6,863
Current tax assets	61	-	66	66
Held for sale assets	472	-	-	-
Other current assets	343	251	368	51
Total current assets	21,451	34,982	38,029	36,198
Non-current assets				
Property plant and equipment	40,837	30,466	24,503	28,998
Exploration and evaluation assets	143	281	-	-
Deferred tax assets	6,056	9,449	5,905	-
Lease assets	-	-	15,520	-
Total non-current assets	47,036	40,196	45,928	28,998
Total assets	**68,487**	**75,178**	**83,957**	**65,196**
Current liabilities				
Trade and other payables	8,000	5,129	7,482	7,323
Current tax liability	-	15	-	-
Provisions	1,001	1,345	62	77
Lease liabilities	-	-	4,513	4,987
Liabilities relating to held for sale assets	211	-	-	-
Other financial liabilities	2,593	-	-	404
Total current liabilities	11,805	6,489	12,057	12,791

Consolidated Statement of Financial Position	As at 31-Dec-2017 US$ '000s	As at 31-Dec-2018 US$ '000s	As at 31-Dec-2019 US$ '000s	As at 30-Jun-2020 US$ '000s
Non-current liabilities				
Provisions	24,602	21,275	12,698	16,458
Lease liabilities	-	-	10,967	5,321
Total non-current liabilities	24,602	21,275	23,665	21,779
Total liabilities	**36,407**	**27,764**	**35,722**	**34,570**
Net assets	**32,080**	**47,414**	**48,235**	**30,626**
Equity				
Issued capital	141,624	141,624	141,591	141,720
Share options reserve	3,526	3,526	3,526	3,526
Share rights reserve	3,289	3,371	3,508	3,506
Foreign currency translation reserve	56,885	56,648	30,499	30,537
Cash flow hedge reserve	(2,242)	-	-	-
Profit reserve	72,940	72,940	65,488	65,488
Accumulated losses	(243,942)	(230,695)	(196,377)	(214,151)
Total equity	**32,080**	**47,414**	**48,235**	**30,626**

Source: Tap Oil's audited financial statements for the financial years ended 31 December 2017, 31 December 2018, 31 December 2019 and reviewed financial statements for the half year ended 30 June 2020

We note that Tap Oil's auditor included an emphasis of matter in the financial report for the financial year ended 31 December 2019. The auditor outlined the impact of the COVID-19 outbreak as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. No adjustments were made to the financial statements as at 31 December 2019 for the impacts of COVID-19.

We note the following in relation to the statement of financial position of the Company:

- Cash and cash equivalents increased from US$21.19 million as at 31 December 2018 to US$26.66 million as at 31 December 2019. The movement was reflected through the inflow of US$28.42 million from operating activities against utilisation of US$9.68 million for the payment of property, plant and equipment, exploration assets, restoration expenditure, disposal of subsidiaries and proceeds received from the sale of permits. The Company also completed a payment of share buy-back for US$0.03 million, repaid lease liability of US$5.71 million and paid out a maiden dividend payment of A$0.025 per share totalling US$7.45 million. The movements, in addition to the impact of exchange rate fluctuations held in foreign currencies, resulted in an overall increase in cash and cash equivalents of US$5.48 million. There was minimal movement in its cash position between 31 December 2019 and 30 June 2020.
- Trade and other receivables of US$5.96 million as at 31 December 2019 comprised of trade receivables relating to oil sales from Manora Oil Field of US$5.31 million, the Company's share of joint operations' receivable of US$0.56 million and other receivables of US$0.08 million. There were no trade receivables balance as at 30 June 2020 but a US$1.5 million bond collateral to enable the Company to enter into hedging instruments, US$0.953 million joint operations' debtors and other receivables of US$0.109 million.
- Inventories as at 31 December 2019 were valued at US$4.98 million and comprised oil in storage recorded at net realisable value of US$2.44 million and materials and consumables recorded at cost (on a first in first out basis) of US$2.54 million. The inventories balance reduced by US$2.88 million between 31 December 2018 and 31 December 2019 mainly due to a decrease of JV consumables.

- Property, plant and equipment as at 31 December 2019 comprised development expenditure and office improvements, furniture and equipment at net book value of US$24.46 million and US$0.05 million respectively. Development expenditure comprised an opening gross carrying amount of US$259.29 million, additions of US$4.40 million and accumulated depreciation of US$239.23 million. Property, plant and equipment balance as at 30 June 2020 increased by US$4.495 million in spite of an impairment loss of US$9.377 million that was recognised.
- Lease assets as at 31 December 2019 of US$15.52 million predominately related to the FSO vessel and office premises. The historical cost of the lease asset of US$19.55 million net off against accumulated depreciation of US$4.03 million resulted in a net carrying amount of US$15.52 million as at 31 December 2019. These assets had previously been classified as operating leases and were recognised in FY19 to comply with AASB 16 requirements.
- Trade and other payables increased by US$2.35 million between 31 December 2018 and 31 December 2019 against increased expenses. Trade and other payables of US$7.48 million as at FY19 comprised trade payables of US$0.67 million and the Company's share of joint operations' payable of US$6.82 million. The Company's share of joint operations' payable increased to US$7.06 million as at 30 June 2020.
- Current provisions as at 31 December 2019 of US$0.06 million fully reflected employee benefits provisions. There was a decline from the balance as at 31 December 2018 of US$0.11 million due to the reduction in head count.
- Non-current provisions of US$12.70 million related to restoration costs provision of US$12.69 million and the remainder of the provision related to non-current employee benefits. The provision for restoration costs primarily comprised amounts related to the Manora Oil Field. The decrease in restoration cost provision of US$9.81 million between 31 December 2018 and 31 December 2019 predominantly related to the liability extinguished due to sale of permit of US$10.80 million offset against an increase resulting from re-measurement of the provision and unwinding of discount totalling US$1.16 million. The increase in non-current provisions between 31 December 2019 and 30 June 2020 was due to an increase in the abandonment provision arising from a review of cost estimates by a third party.
- Current and non-current lease liabilities were US$4.51 million and US$10.97 million respectively as at 31 December 2019. The ending lease liability amounts predominately related to the FSO vessel and office premises and had a carrying amount as at 31 December 2019 of US$15.40 million and US$0.08 million respectively. These liabilities were recognised in FY19 to comply with AASB 16 requirements.
- Issued capital of US$141.59 million as at 31 December 2019 decreased by US$0.03 million from US$141.62 million as at 31 December 2018 due to a share buy-back.
- Foreign currency translation reserve decreased by US$26.15 million from 31 December 2018 resulting in a balance of US$30.5 million as at 31 December 2019. The movement related to foreign exchange differences reclassified to profit and loss on disposal of subsidiaries of US$26.6 million offset by exchange differences arising on translating operations of US$0.46 million.
- Profit reserve balance decreased by US$7.45 million from 31 December 2018 resulting in a balance of US$65.49 million as at 31 December 2019. The movement related to a maiden dividend payment of A$0.025 per share, approved by the Board in December 2019.

3 Overview of the industry

3.1 The crude oil industry

A severe impact on global economic activity has resulted from the COVID-19 pandemic as lockdowns and widespread international closures come into effect. As a result of this health crisis, the global economy is projected to contract sharply by –4.9% in 2020 however projected to grow by 5.4% in 2021 in the case of a baseline scenario, which assumes that the pandemic fades in the second half of 2020.

The baseline projection rests on key assumptions; in economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply chains) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity and the economy. The forecast assumes that financial conditions remain around current levels.

Emerging Asia is projected to be the only region with a positive growth rate in 2020 (1.0%), however this is more than 5 percentage points below its average in the previous decade. Some economies such as India and Indonesia are forecast to grow 1.9% and 0.5% respectively, while others such as Thailand are forecast to experience large contractions (–6.7%).

The deterioration of the global economic outlook as the pandemic spreads and the breakdown of the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters ('OPEC+') agreement among oil suppliers has in effect, impacted commodity prices significantly.

As the pandemic spread, from mid-January to end-March, base metal prices fell about 15%, natural gas prices declined by 38%, and crude oil prices dropped by about 65% (a fall of about $40 a barrel). Oil prices will remain lower than the 2019 average price per futures markets reflecting; persistently weak demand due to required isolation, lockdowns, widespread closures to slow the spread of the virus; and a high global crude oil stock. These developments are expected to weigh heavily on oil exporters with undiversified revenues and exports along with the shock from domestic infections, tighter global financial conditions, and weaker external demand. At the same time, oil-importing countries will be seen to benefit from this unprecedented upheaval.

Source: IMF, World Economic Outlook, April 2020, IMF, World Economic Outlook, June 2020

3.2 The South East Asian Oil Industry

Southeast Asia is a very diverse and dynamic region. However, one of the key common elements that policy makers across different countries have been intensifying their efforts over is to ensure a secure, affordable and more sustainable pathway for the energy sector as demand for fuel, especially for oil, continues to dominate road transport demand. Policy makers are keen to facilitate investment in fuel and power supply and infrastructure, while focusing also on efficiency. Potential benefits of a well-managed expansion of the region's energy system, in terms of improved welfare and quality of life for its citizens, are huge.

Demand for fuel, especially for oil, has far outpaced production from within the region and Southeast Asia as a whole is now on the verge of becoming a net importer of fossil fuels for the first time. Southeast Asia's forecasted oil demand is expected to surpass 9 million barrels per day (mb/d) by 2040, up from 6.5 mb/d currently.

An increasing demand will also lead to a widening gap between indigenous production and the region's projected oil and gas needs resulting in a ballooning energy trade deficit. Southeast Asia is projected to register a net deficit in payments for energy trade of over $300 billion per year, almost entirely due to imports of oil, by 2040. This would also imply and result in growing strains on government budgets, especially if subsidy policies that shield consumers from paying market-based energy prices remain in place.

The large increase and dependence in imports also raises energy security concerns. The region's overall dependence on oil imports, which is around 65% currently, is forecasted to exceed 80% in 2040.

Source: **www.ieg.org** Southeast Asia Energy Outlook 2019

3.3 Global impact on current price trends

Oil prices declined 7.3% between August 2019 and February 2020, falling from US$57.60[1] to US$53.40[1], before further declining by 39.6% in March to US$32.30[1] as the COVID-19 outbreak abruptly reversed a positive trend. In China, oil demand recovered fast in March-April and India's demand rose sharply in May. Crude prices rose in May to the highest in three months as demand began to recover and global supply fell sharply. Prices have seen a slight increase in June 2020.

The fall in prices was initially driven by worries about the impact of COVID-19 on oil demand in China, being the world's second-largest consumer of oil, and subsequently deepened during the quarter as the virus spread and more countries imposed both internal lockdowns and international travel restrictions. The largest factor driving the collapse in oil prices has been the sharp reduction in demand arising from the unprecedented drop in transport in many countries - the transportation sector accounts for more than 60% of oil demand.

The resulting slowdown in economic growth will also reduce global oil consumption as oil has a relatively high-income elasticity of demand.

Oil prices have been further battered by the collapse and subsequent approval of production agreements among OPEC+ members. The breakdown of the OPEC+ production agreement in early March exacerbated the ongoing fall in oil prices, with a decline of 24% the day after the announcement. In mid-April, the group agreed on historically large production cuts of 9.7mb/d however, the announcement did little to regain positive market sentiment, given the uncertainty of demand and worries the announced supply cuts would be insufficient. Further output cuts from OPEC+ and from other non-OPEC producers saw global oil production fall by 12 mb/d in May. OPEC+ decided on 6 June to extend their historic output cut of close to 10 mb/d through July to further stabilise markets.

Oil prices are expected to recover only very gradually from their current low levels, before picking up more strongly in 2021. An expected plunge in oil demand of almost 10% (9.3mb/d) has been forecasted, which would be unprecedented in history; the largest prior decline was in 1980 when oil demand fell by 4%. Against this drop, the production cuts by OPEC and its partners may be insufficient, with a major surplus expected in 2020 Q2, which will likely overwhelm storage capacity and cause widespread shutdowns of production among other producers, particularly in the U.S. and Canada.

As demand recovers in 2021, prices are expected to rise however they may do so to a level lower than previously forecast. The recovery could be affected by downside risks, predominantly relating to a slower end to the pandemic than predicted as this would lead to much lower demand than currently forecast. The other major downside risk would be a deeper-than expected recession based on the global impact of the pandemic.

Upside risks predominantly relate to production and are more likely to affect the outlook in 2021. Because of uncertain demand, there could be substantially weaker investment in new production. A greater shutdown of production this year could also further reduce future production capacity. Should demand recover more quickly next year, it could result in a sharper bounce-back in prices and OPEC+ could also agree to deepen their production cuts, which would provide some support to prices in the second half of 2020 and into 2021.

[1] IMF average petroleum spot price, which is based on UK Brent, Dubai Fateh, and West Texas Intermediate, equally weighted, unless otherwise specified.

Source: IMF, World Economic Outlook, April 2020, **www.worldbank.org** Commodity Markets Outlook, April 2020

3.4 Future of Oil Demand and Prices

As of June 2020, oil futures contracts indicate rising Brent and WTI crude oil prices over the next four years. Uncertainty is elevated however, given the unpredictable course of the pandemic future oil prices can recover in many different ways. While the oil market remains fragile, the recent modest recovery in prices suggests that the first half of 2020 is ending on a more optimistic note.

Other non-pandemic issues such as the escalating tensions between the United States and China on multiple fronts including trade wars, frayed relationships among the OPEC+ coalition of oil producers (as disclosed through the breakdown of the OPEC+ agreement), and global widespread social unrest, pose additional challenges to the global economy. In addition, current low inflation and high debt (particularly in advanced economies) and lengthened weak aggregate demand could lead to further disinflation and debt service difficulties that, in turn, weigh further on activity and the economy.

In the longer-term, the pandemic and other risks could have lasting impacts on commodity demand and supply, affecting both commodity exporters and importers. Impacts could include a shift towards remote working which may reduce travel and hence demand for oil, while a preference for near-shoring and the retrenchment and disruption of global value chains could cause a persistent shift in the configuration of supply chains and associated commodity demand. Emerging and developing economies' policymakers in both commodity-exporting and commodity-importing economies should take advantage of these shifts to reduce commodity market distortions and focus on creating efficiencies going forward.

Source: IMF, World Economic Outlook, April 2020, IMF, World Economic Outlook Update, June 2020, **www.worldbank.org** Commodity Markets Outlook, April 2020, **www.ieg.org** Oil Market Report – April 2020, **www.ieg.org** Oil Market Report – June 2020

4 Valuation approach

4.1 Basis of valuation

For the purpose of our opinion, our assessment is based on the fair value definition of 'the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'. Any special value or amount that reflects particular attributes of an asset that are only of value to a special purchaser (because of advantages arising from its ownership that would not be available to other purchasers) is not taken into account in our determination of fair value.

4.2 Valuation methodologies

Our valuation approach is based upon the guidance of RG 111. We considered a range of valuation methodologies in assessing the value of Tap Oil, having regard also to paragraph 111.69 of RG 111 which sets out the following valuation methodologies to be considered:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, and the estimated realisable value of any surplus assets;
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities should 100% of the securities be available for sale; and
- any recent genuine offers received.

We have classified the valuation methodologies set out under RG 111 under three main categories, namely:

- intrinsic value methodologies
- market based methodologies; and
- asset based methodologies.

Different methodologies apply more appropriately for different companies depending on their earnings or cash flow profile, the life span of the earnings or cash flows, the nature of activities or business of a company as well as the availability of information.

A description of the various valuation methodologies and their application is included in Appendix 3.

4.3 Valuation method adopted

4.3.1 Primary valuation methodology

We have assessed the equity value of Tap Oil using the sum-of-parts approach which requires the aggregation of the fair market values of the various assets and liabilities of the company, where different valuation methodologies were adopted for different assets.

We adopted the discounted cash flow ('DCF') method to value the Manora Oil Field due to its finite life and irregular cash flows. To obtain the equity value of Tap Oil, we aggregated the value of Tap Oil's 30% interest in the Manora Oil Field with the fair market values of other assets and liabilities of the Company that were not already included in the discounted cash flow value of the Manora Oil Field. Tap Oil's other assets and liabilities were valued using a net asset on a going concern value ('NAV') method.

The sum-of-parts approach we adopted, using a combination of the DCF method and the NAV method, provided us with the value of the equity of Tap Oil on a controlling interest basis. Given that the Proposed Transaction is an off-market buy-back of Tap Oil's shares, the minority interest value is more relevant to Shareholders. Therefore, we applied a minority discount on our sum-of-parts valuation to obtain a value on a minority interest basis.

In undertaking our valuation of the Manora Oil Field using the DCF method, we engaged the services of an independent petroleum consultant, RISC Advisory Pty Ltd ('RISC'). RISC was engaged by Bentleys Corporate Finance to undertake an independent technical specialist review ('ITSR') of, and prepare a report on, the technical assumptions and inputs to the economic life of mine model for the Manora Oil Field ('Financial Model').

Bentleys Corporate Finance also instructed RISC to consider the value of any mineral resources not included in the Financial Model, as well as the value of evaluation and exploration assets of Tap Oil.

RISC has reviewed the reserves/resources in accordance with the Petroleum Resources Management System and the Australian Code for Public Reporting of Technical Assessments (PRMS) and Valuations of Mineral Assets (VALMIN Code 2015).

4.3.2 Secondary valuation methodology

As a cross check to our primary valuation methodology, we performed a trading history analysis of the quoted market prices of Tap Oil's shares and compared the value we obtained from this methodology with the equity value of Tap Oil that we obtained using the sum-of-parts approach (on a minority interest basis).

5 Valuation of Tap Oil

5.1 Value based on our primary valuation methodology

We assessed the equity value of Tap Oil using the sum-of-parts approach, which is a combination of utilising the DCF method to value Tap Oil's 30% interest in the Manora Oil Field and the NAV method to value Tap Oil's other assets and liabilities.

Our estimate of the value of Tap Oil based on our primary valuation methodology is summarised in the table below.

Valuation	Reference	Low A$'000	Mid A$'000	High A$'000
Value of Tap Oil's 30% interest in the Manora Oil Field	5.2	13,293	18,293	23,293
Add: Value of resources not included in the Financial Model	5.3	-	-	-
Less: Present value of corporate costs	5.4	(5,978)	(5,978)	(5,978)
Add: Value of other assets and liabilities	5.5	27,312	27,312	27,312
Equity value		34,627	39,627	44,627
Number of shares on issue ('000s)	2.4	428,198	428,198	428,198
Performance rights vested ('000s)	2.4	4,341	4,341	4,341
Total adjusted number of shares ('000s)		432,539	432,539	432,539
Value per share (controlling basis), A$		0.0801	0.0916	0.1032
Minority interest discount	5.6	17%	15%	13%
Value per share (minority interest basis), A$		0.0665	0.0779	0.0898

Source: Bentleys's analysis

We assessed that the value per Tap Oil share, on a minority interest basis, is calculated to be in the range of A$0.0665 and A$0.0898 with a midpoint of A$0.0779.

The following sections set out the basis upon which we have arrived at our valuation.

5.2 Value based on DCF analysis

The DCF analysis is used to place a value on an asset based on the future free cash flows of the asset. This methodology is based on the cash flow generating ability of the asset and the fair value measured by the future free cash flows discounted to their present value at an appropriate discount rate.

5.2.1 Basis of forecasts

Tap Oil provided us with the Financial Model containing six-year cash flows from December 2019 to November 2025. The Financial Model contained nominal post-tax cash flow forecasts of the Manora Oil Field ('Manora Forecast Cash Flows'). The Manora Forecast Cash Flows are denominated in USD reflecting 100% ownership.

The Manora Forecast Cash Flows were prepared based on:

- reported resources and reserves as at 31 December 2019 with no additional resources assumed;
- production and lifting schedules, operating costs and capital expenditure (including decommissioning expenditure) estimates provided by Tap Oil's joint venture partner, Mubadala Petroleum; and

- oil prices for Manora Oil Field based on Brent Crude Oil forward curve, analyst consensus and hedging currently in place.

RISC undertook an independent technical specialist review of the technical assumptions and inputs to the Financial Model. In particular, RISC reviewed the following key assumptions:

- reserves and resources estimates
- production and lifting schedules;
- operating costs; and
- capital expenditure including decommissioning expenditure.

A copy of RISC's ITSR report is provided in Appendix 5 of this Report.

We undertook an analysis of the assumptions supporting the Manora Forecast Cash Flows and the adjustments to the technical inputs that RISC made to the Financial Model by engaging in the following:

- working with RISC to review the basis and rationale for the technical assumptions and inputs to the Financial Model, including the adjustments made by RISC;
- holding discussions with the management of Tap Oil to understand the basis and rationale for their assumptions used in the Financial Model;
- conducting independent research on certain non-technical assumptions such as oil prices, exchange rates, and discount rate; and
- undertaking limited analytical procedures (which did not constitute an audit or review of the forecasts/projections) on the mathematical accuracy of the Financial Model.

The analysis that we undertook was limited to the extent of satisfying ourselves that the Manora Forecast Cash Flows were not prepared on an unreasonable basis in order for us to provide an opinion on the value of Tap Oil for the purpose of this Report.

Any forecast information prepared by the Company is based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of the Company's control.

Our work does not constitute an audit or review, and accordingly, we do not express any assurance nor provide any opinion on the reasonableness of the underlying assumptions. We do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. This Report cannot be relied upon to disclose irregularities, including fraud, or other illegal acts and errors that may occur.

5.2.2 Future free cash flows

Revenue

Revenue from the Manora Oil Field is a function of production and oil prices.

Production assumptions

RISC conducted an independent analysis on the production profile provided by Tap Oil and found the forecast to be conservative and more in line with the 1P exponential decline forecast. The forecast provided to RISC had decreases and increases in oil rate that they were unable to reconcile.

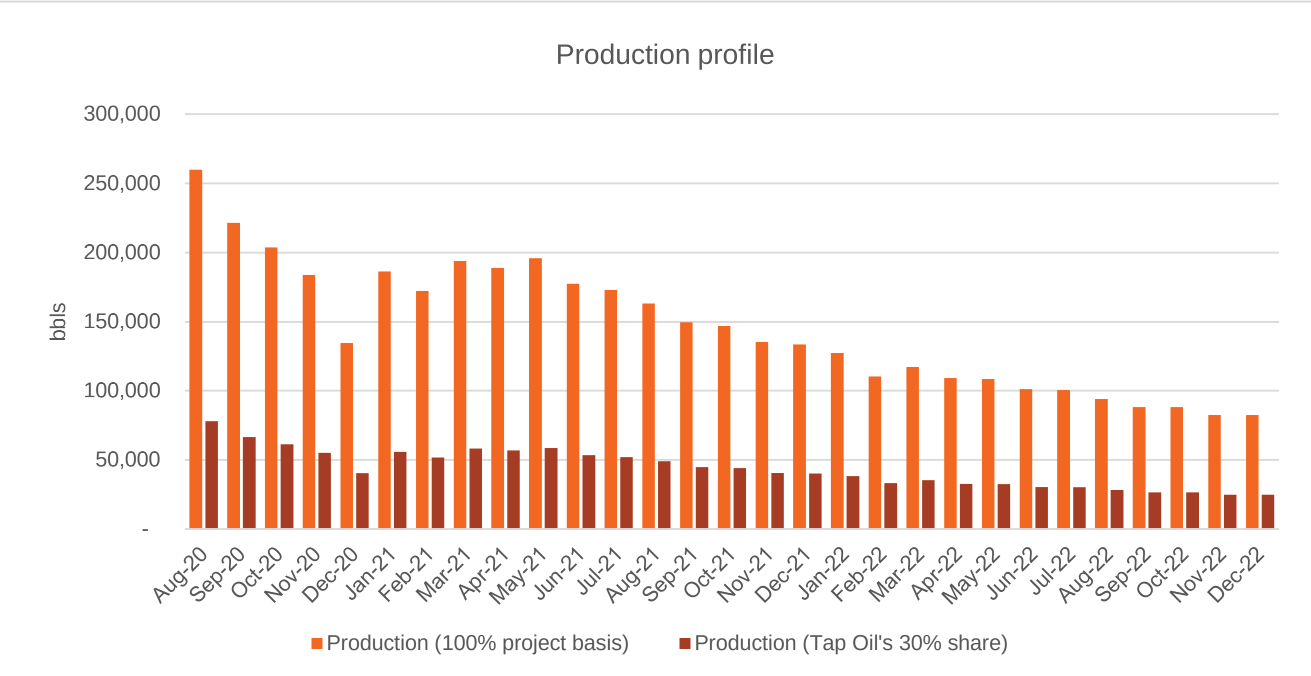
RISC's forecasting methodology generates a smoother decline. RISC has estimated the downtime for electric submersible pumps based on historical information on the frequency of pump failures and incorporated this into its forecast.

RISC (and the Operator) consider that the production rate will increase for the following reasons:

- capital expenditure will be committed in the fourth quarter of 2020 to resolve the water handling bottlenecking issue that currently limits production; the debottlenecking should increase capacity from January 2021 which will accelerate oil recovery from both infill wells and existing wells, leading to an increase in production rate; and
- four infill wells have been drilled; RISC supported the Operator's forecasts for these wells.

RISC's production forecast from the Manora Oil Field is more in line with the 2P level of confidence with a revised economic cut-off date of December 2022. Accordingly, our valuation of the Manora Oil Field was adjusted to take into account forecast cash flows from 1 August 2020 to 31 December 2022.

The following chart shows the production profile of the Manora Oil Field on a 100% project basis as well as Tap Oil's 30% share based on RISC's revised production profile.



Source: RISC's ITSR, Financial Model

Price assumptions

Oil from the Manora Oil Field ('Manora Oil') is sold at a premium to Brent Crude Oil. The price of Manora Oil is calculated by aggregating the price differential between Brent Crude Oil versus Dubai Crude Oil (which is reflected by Platts pricing) and the price differential between Dubai Crude Oil and Manora Oil.

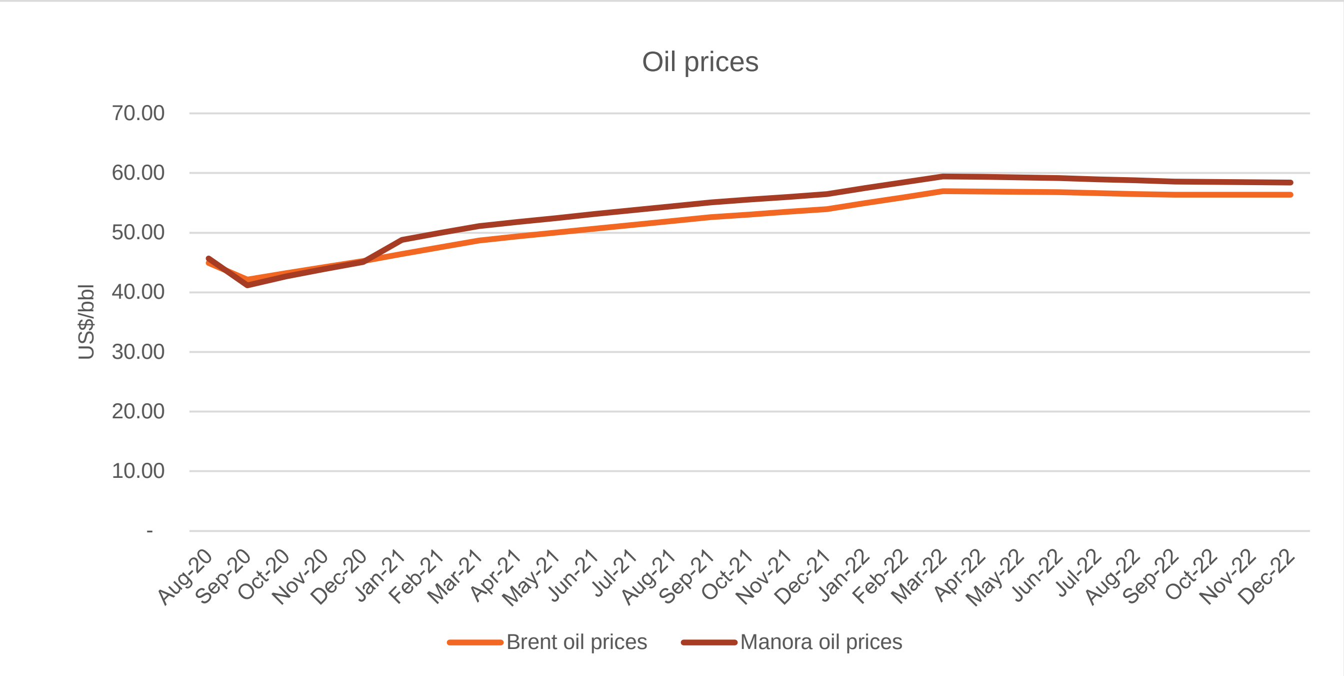
The price differential between Brent Crude Oil versus Dubai Crude Oil was obtained from the futures quotes provided by a leading industry group offering a diverse derivatives marketplace for traders.

The price differential between Dubai Crude Oil and Manora Oil was estimated based on historical premiums and the positive correlation between Brent Crude Oil prices and the differential. That is, the price differential between Dubai Crude Oil and Manora Oil is higher when Brent Crude Oil prices are higher.

A price differential of US$1.00 per barrel ('bbl') was used from January 2021.

Tap Oil has a hedging programme that has put in place two oil price hedges for 55,000 barrels to be lifted in September 2020 and a further 55,000 barrels to be lifted in October 2020, bringing the amount hedged in each of the two months to 60% of its scheduled lifting volumes.

The forecast Brent Crude Oil prices was obtained from analysts' consensus forecasts which have been expressed in nominal terms. The following chart shows the Manora Oil price relative to the Brent Crude Oil price used over the economic life of the Manora Oil Field.



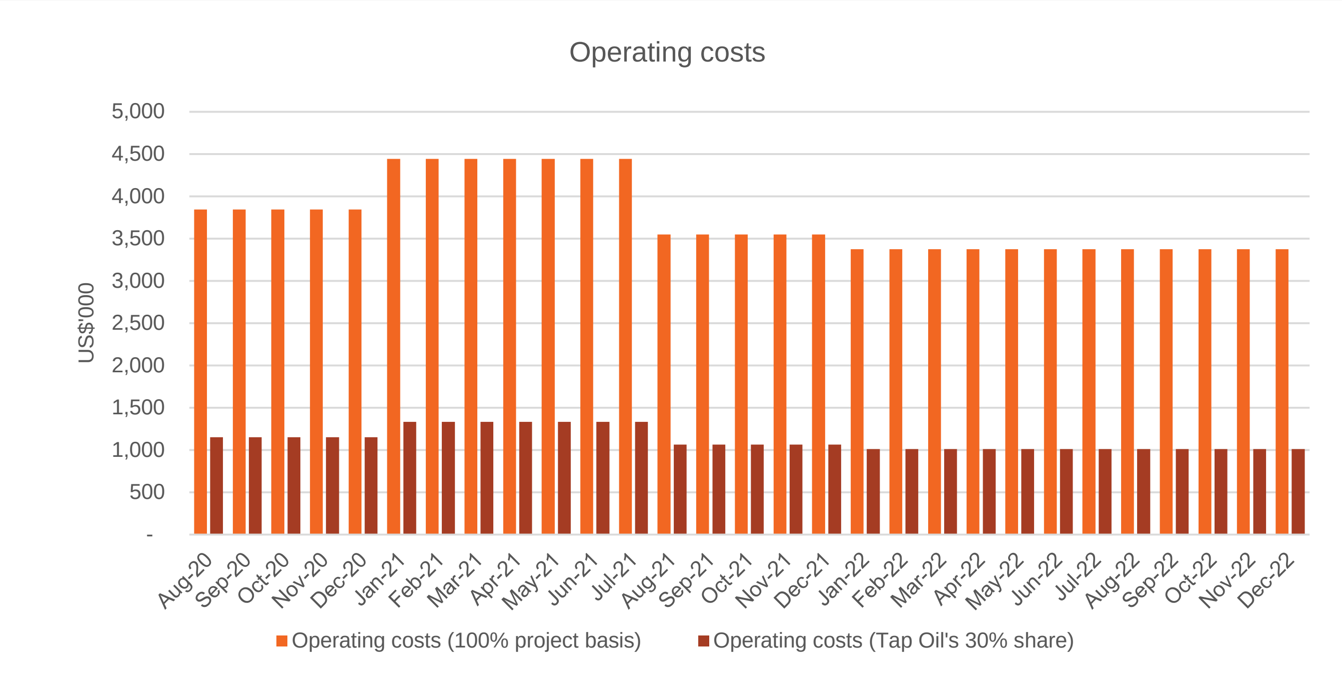
Source: Bentleys's research, Tap Oil

Operating costs

The Manora Cash Flow Forecasts include the following operating costs:

- operations support (comprising largely FSO lease and operation)
- platform expenses
- well services and workovers
- engineering and technical support
- general and administration expenses and overheads.

The following chart shows the operating costs for the Manora Oil Field on a 100% project basis and Tap Oil's 30% share on a nominal basis.

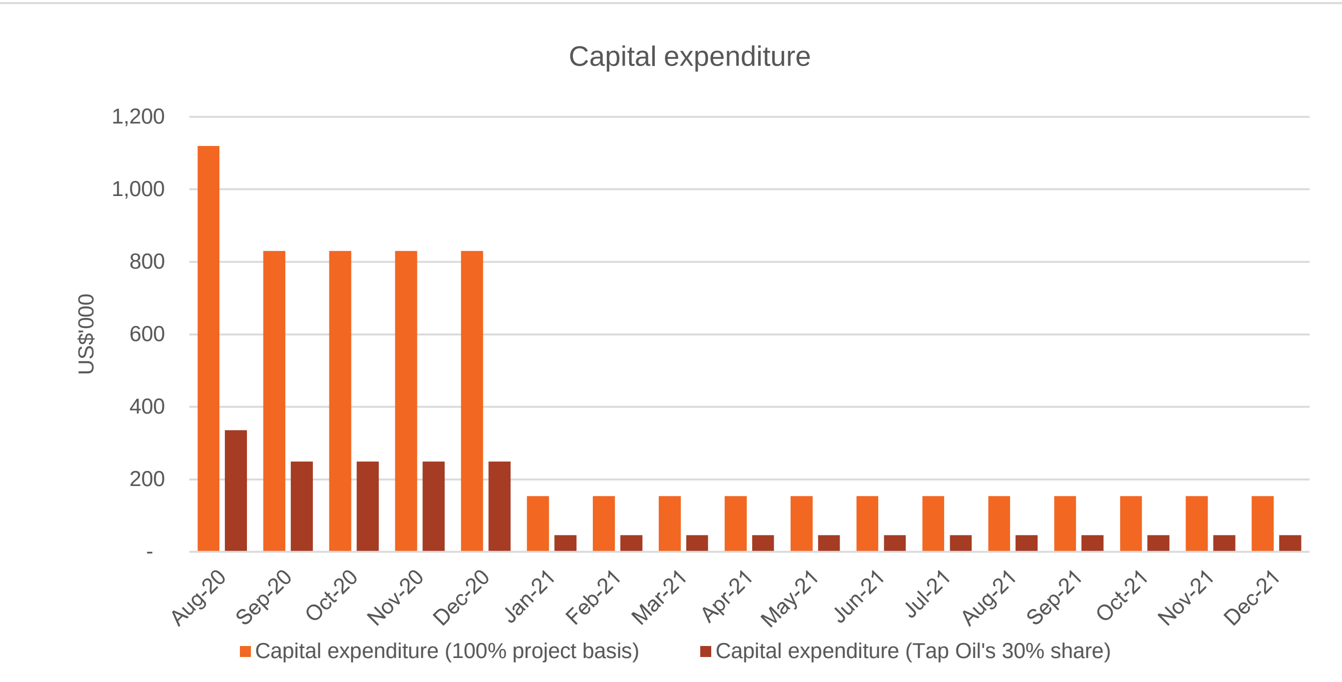


Source: RISC's ITSR, Financial Model

The reduction in operating costs from August 2021 reflects the reduction in FSO lease that expires at the end of July 2021 with the daily lease and operating costs reducing from US$52,000 per day to US$23,000 per day. The FSO lease and operation is a significant component of operating costs.

Capital expenditure

The following chart shows the capital expenditure (excluding decommissioning costs), for the Manora Oil Field on a 100% project basis as well as Tap Oil's 30% share on a nominal basis.



Source: RISC's ITSR, Financial Model

The majority of the capital expenditure in August 2020 reflects the remaining costs of establishing wells and flowlines from the wellhead to the process equipment, which had commenced in June 2020. Costs incurred from August 2020 to December 2020 also include the spending on resolving the water injection debottlenecking issue. Following which, there is minimal spend in the 2021 calendar year and no capital costs are envisaged in 2022 as this has been assumed to be the final year of production.

Decommissioning costs estimated by the Operator is US$49 million on the whole of project basis. RISC has added a contingency of 15% to bring the total decommissioning costs to US$56.5 million. Tap Oil's share of the decommissioning costs is estimated to be US$16.95 million, which has been assumed to be outlaid throughout the 2023 calendar year.

Hedging

Tap Oil has a hedging programme that has put in place two oil price hedges for 55,000 barrels to be lifted in September 2020 and a further 55,000 barrels to be lifted in October 2020, bringing the amount hedged in each of the two months to 60% of its scheduled lifting volumes. Due to higher forecast in oil prices, these hedges are expected to result in a negative adjustment to the revenues calculated based on the forecast oil prices above.

Oil inventory

A small amount of oil inventory remaining on the FSO is assumed to be sold at the economic cut-off date, which is 31 December 2022. This amount, net of royalty is expected to be approximately US$0.55 million before discounting to present value.

Exploration costs

A small amount of exploration costs included in the Manora Forecast Cash Flows reflects administration cost that the Operator will incur until December 2020. No actual exploration programme or activity is actually conducted.

Working capital

Working capital requirements have been taken into account in the Financial Model based on a 30-day debt collection and no payment terms for creditors.

Tax

The taxation regime of Thailand for petroleum companies includes a petroleum income tax ('PIT') and a special remuneratory benefit ('SRB').

Taxation on income from petroleum operations is imposed by the Petroleum Income Tax Acts ('PITA'). Companies taxed under the PITA are exempt from taxes and duties on income imposed under other revenue codes and laws in Thailand. Petroleum companies under a concession are taxed at the rate of 50% of their annual net profit from petroleum operations.

SRB is an additional profits tax introduced by the amendment to the Petroleum Act 1989. SRB is applied on a marginal scale based on income per metre of well drilled.

The Financial Model includes these tax calculations but under the forecast profitability of the operations, no tax is payable under both the PIT and SRB.

Residual value

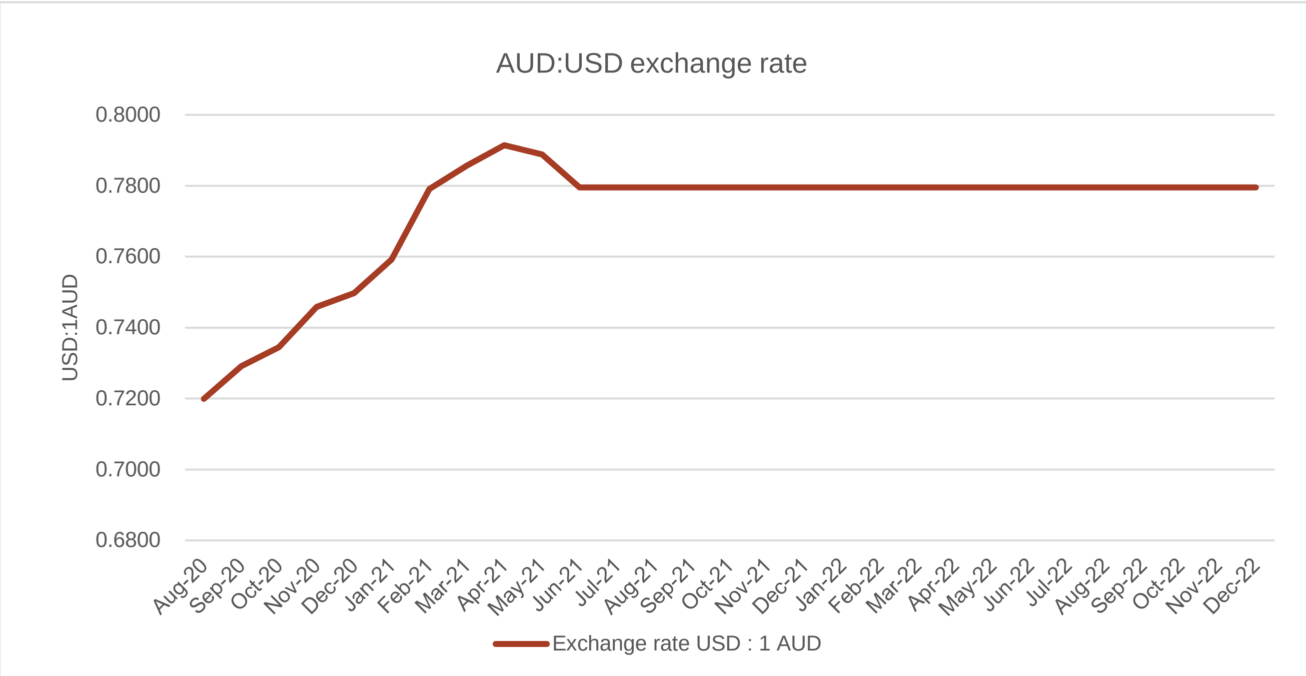
The Manora Oil Field has a finite project life and the only residual value, following decommissioning, would potentially be the re-sale value of any remaining plant and equipment as well as some JV consumables.

We have enquired with independent specialists and assessed that the residual value of such plant and equipment, if any, would be minimal. Therefore, we have not allocated any residual value to such plant and equipment. However, we have assumed that the JV consumables may be sold at the end of the production period.

A level of consumables is maintained by Tap Oil to ensure that spare parts are available for use at short notice. The cost of replenishing these consumables to enable a consistent level to be maintained during the production period is included in the forecast operating costs. At the end of the production period, we have assumed that 50% of the JV consumables can be sold to the Operator, Mubadala Petroleum, at 40% of its cost. This is not an unreasonable assumption considering that Mubadala Petroleum operates a number of other oil fields in Thailand and may be a ready buyer. The Company also confirmed that it has sold consumables to the Operator in the past.

Foreign exchange

The Manora Forecast Cash Flows are denominated in USD. To arrive at a value of Tap Oil's 30% interest, we converted all the USD cash flows to AUD using forecast rates we obtained from various industry sources up to June 2021 and then flat-lined the forecast exchange rates at that level thereafter.



Source: Various industry sources, Bentleys's analysis

5.2.3 Discount rate

We considered the cash flows on an unleveraged basis so the relevant discount rate is the weighted average cost of capital ('WACC'). We used an Australian WACC to discount Australian dollar cash flows.

In selecting our discount rate, we considered the following:

- the rate of returns for oil and gas companies listed on the ASX (using comparable betas and the capital asset pricing model); and
- the risk profile of Tap Oil.

We selected a nominal, post-tax discount rate of between 9.0% and 10.5% with a midpoint of 9.75% per annum to discount Tap Oil's Forecast Cash Flows to obtain the net present value ('NPV').

Details of our discount rate calculation are set out in Appendix 4.

5.2.4 Sensitivities

In view of the significant uncertainty in the forecast cash flows, we conducted sensitivity analyses on our valuation by varying the following inputs:

- Brent Crude Oil price of ± 20%;
- Production of ± 20%;
- Exchange rate of ± 20%;
- Capital expenditure of ± 20%;
- Operating expenditure of ± 20%;
- Decommissioning costs of ± 20%; and
- Discount rate by an absolute/numerical change of ± 3%.

Change	Oil Price	Production	Exchange Rate	Capital Expenditure	Operating Costs	Decommissioning Costs
Sensitivities	NPV (A$'000s)	NPV (A$'000s)	NPV (A$'000s)	NPV (A$'000s)	NPV (A$'000s)	NPV (A$'000s)
20%	29,434	29,453	15,324	17,969	11,791	14,642
16%	27,728	28,233	15,836	18,033	13,091	15,372
12%	26,023	25,182	16,385	18,098	14,392	16,102
8%	23,908	22,886	16,974	18,163	15,692	16,832
4%	21,120	20,589	17,608	18,228	16,992	17,563
0%	18,293	18,293	18,293	18,293	18,293	18,293
-4%	15,465	15,996	19,035	18,358	19,593	19,023
-8%	12,638	13,700	19,842	18,423	20,894	19,753
-12%	9,810	11,404	20,722	18,487	22,194	20,483
-16%	6,983	9,107	21,685	18,552	23,467	21,214
-20%	4,155	6,811	22,746	18,617	24,450	21,944

Source: Bentleys's analysis

	Discount rate						
Change	12.75%	11.75%	10.75%	9.75%	8.75%	7.75%	6.75%
NPV (A$'000)*	18,583	18,495	18,398	18,293	18,178	18,053	17,919

* the atypical positive correlation between discount rate and NPV is due to the profile of the Manora Forecast Cash Flows where the remaining economic life of the Project is short and negative cash flows from decommissioning costs are heavily weighted at the back end

Source: Bentleys's analysis

Based on the assumptions outlined above, and the sensitivity analyses we conducted, we assessed the value of Tap Oil's 30% share of the Manora Oil Field to be in the range of A$13.29 million to A$23.29 million with a midpoint of A$18.29 million.

5.3 Other resources not included in the Financial Model

RISC has considered the production level for the Manora Oil Field based on the reported reserves and has considered this in light of the 1P, 2P and 3P reserves. RISC assessed that there is no remaining value in these reported reserves that are not included in the Financial Model.

RISC has also considered other undeveloped discoveries and any remaining exploration potential in the surrounding areas of the Manora Oil Field. RISC has concluded that there is negligible value, if any, in these mineral assets.

5.4 Corporate costs

Tap Oil's corporate costs are currently running at around US$2 million per year. These costs are anticipated to decrease to US$1.70 million after the Company is delisted while the Manora Oil Field is still in production. After the economic cut-off date when production ceases at the end of December 2022, only a skeleton arrangement will be required to manage the decommissioning phase of the project. This is assumed to be US$0.60 million per year.

We converted these corporate costs at the forecast AUD:USD exchange rates and discounted these costs at the discount rate of 9.75% per annum to present value.

5.5 Other assets and liabilities

We made adjustments to the value of other assets and liabilities of Tap Oil that were not included in our DCF analysis, to arrive at the equity value of the Company.

Other assets and liabilities	Notes	As at 30-Jun-2020 US$ '000s	Adjustments US$ '000s	Adjusted value US$ '000s	Adjusted value* A$ '000s
Current assets					
Cash and cash equivalents	1	26,656	(2,941)	23,715	32,878
Trade and other receivables	2	2,562	(28)	2,534	3,513
Inventories	3	6,863	(6,863)	-	-
Current tax assets		66	(66)	-	-
Other current assets	4	51	(6)	45	62
Total current assets		36,198	(9,904)	26,294	36,454
Non-current assets					
Property plant and equipment	5	28,998	(28,998)	-	-
Total non-current assets		**28,998**	**(28,998)**	**-**	**-**
Total assets		**65,196**	**(38,902)**	**26,294**	**36,454**
Current liabilities					
Trade and other payables	7	7,323	(810)	6,513	9,030
Provisions	8	77	4	81	112
Lease liabilities	6	4,987	(4,987)	-	-
Other financial liabilities	9	404	(404)	-	-
Total current liabilities		12,791	(6,197)	6,594	9,142

Other assets and liabilities	Notes	As at 30-Jun-2020 US$ '000s	Adjustments US$ '000s	Adjusted value US$ '000s	Adjusted value* A$ '000s
Non-current liabilities					
Provisions	10	16,458	(16,458)	-	-
Lease liabilities	6	5,321	(5,321)	-	-
Total non-current liabilities		21,779	(21,779)	-	-
Total liabilities		**34,570**	**(27,976)**	**6,594**	**9,142**
Net assets		**30,626**	**(10,926)**	**19,700**	**27,312**

*converted to AUD at an exchange rate of 0.72 USD: 1 AUD as at 31 July 2020.

Source: Management accounts for one month to 31 July 2020, Bentleys's analysis

Note 1

Adjustments were made to reflect Tap Oil's cash position as at 31 July 2020.

Note 2

Adjustments were made to reflect Tap Oil's trade and other receivables balance as at 31 July 2020, as well as excluding receivables for the month of July 2020 since the collection of these receivables is included in our DCF analysis.

Note 3

Inventories consist of liquid inventory and JV consumables. The liquid inventory is taken into account in our DCF analysis as the oil inventory on the FSO is sold at the end of the economic life of the Project. The residual value of the JV consumables is also considered in our DCF analysis. Therefore, we removed the entire inventory balance from the value of other assets and liabilities.

Note 4

Other assets relate to prepayments and other assets which are not included in our DCF analysis and are therefore to be separately included in other assets and liabilities adjustments. Adjustments were made to reflect Tap Oil's other assets balance as at 31 July 2020.

Note 5

Property plant and equipment are implicit in our DCF analysis as they are assets required to generate revenue and cash flows for the Project. They are therefore excluded from the value of other assets and liabilities.

Note 6

Right-of-use asset and lease liability are recognised to comply with AASB 16 in relation to leases which had previously been classified as operating leases. The cost of these operating leases are included in our DCF analysis and are therefore excluded from the value of other assets and liabilities.

Note 7

Adjustments were made to reflect Tap Oil's trade and other payables balance as at 31 July 2020.

Note 8

Current provisions reflect employee entitlements. Adjustments were made to reflect the provisions balance as at 31 July 2020.

Note 9

Other financial liabilities reflect hedge liabilities which are considered in our DCF analysis and are therefore excluded from the value of other assets and liabilities.

Note 10

Non-current provisions reflect decommissioning costs which are accounted for in our DCF analysis and therefore do not need to be separately included in other assets and liabilities adjustments.

We considered that, given the nature of the Manora Forecast Cash Flows and the historical performance in the Project tracking forecast, we do not expect there to be a material difference in value between 31 July 2020 (the cut-off date for our valuation) and the approximate date of this Report.

5.6 Minority interest

Minority interest discount is calculated on the inverse of the control premium. Australian studies indicate that the premiums required to obtain control of companies range from between 20% and 40%. In assessing a control premium that a potential acquirer is likely to pay for Tap Oil, we considered the relative attractiveness of the Company as a target for a potential acquirer, including the knowledge that a large portion of the value of Tap Oil is attributed to cash held in the Company.

We assessed that a control premium of between 15% and 20% for Tap Oil's shares would be appropriate. Accordingly, the minority interest discount was calculated as the inverse of this control premium.

5.7 Carrying value of the asset

The carrying value of the Project on Tap Oil's balance sheet as at 30 June 2020 was US$29.00 million in property, plant and equipment, US$6.86 million in inventories (comprising oil in storage and JV materials and consumables) and US$0.95 million of oil sales debtors (as assets). There were also non-current provisions of US$16.46 million relating to restoration costs and US$7.06 million in JV creditors. The implied net carrying value as at 30 June 2020 was US$13.29 million. This included an impairment of US$9.38 million taken to account as at 30 June 2020.

The value of Tap Oil's 30% interest in the Project is assessed to be in the range of A$13.29 million to A$23.29 million with a midpoint of A$18.29 million.

Therefore, we consider that the carrying value of the Project is not inconsistent with our valuation of Tap Oil's 30% interest in the Project using the DCF valuation approach.

6 Valuation cross check

6.1 Value based on share price analysis

As a cross check, we performed a share price trading history analysis of the quoted market prices of Tap Oil. The historical share price movements and trading volumes for Tap Oil for the 12-month period up to the approximate date of this Report is summarised in the graph below, together with the 1-week, 1-month, 2-month, 3-month, 6-month and 12-month VWAPs in the table following.

Source: Capital IQ

Period	Volume weighted average price	Average number of shares outstanding (million)	Total shares traded over the period (million)	% shares traded	% traded per week
1 week	A$0.0753	427.943	0.519	0.12%	0.12%
1 month	A$0.0758	427.943	3.461	0.81%	0.20%
2 months	A$0.0749	427.943	7.712	1.80%	0.20%
3 months	A$0.0790	427.943	11.939	2.79%	0.21%
6 months	A$0.0784	427.875	26.526	6.20%	0.24%
12 months	A$0.1013	426.877	74.185	17.38%	0.33%

Source: Capital IQ, Bentleys's analysis

Trading history analysis of quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, reflects all publicly available information. Based on the percentage of shares traded over the period we have analysed and that a large portion of Tap Oil shares is held by a few substantial holders, we have concluded that Tap Oil's share is not a liquid stock.

The quoted market prices of securities used in the trading history analysis usually reflect a minority interest value of a security.

Value per share	Low A$	Mid A$	High A$
Share price (on a minority interest basis)	0.0750	0.0775	0.0800

Source: Bentleys's analysis

The value of Tap Oil's shares, on a minority interest basis, under our trading history analysis approach is between A$0.0750 per share and A$0.0800 per share with a midpoint of A$0.0775 per share.

7 Summary of valuation

Our estimate of the fair values of a share in Tap Oil based on our primary and secondary valuation methodologies are summarised in the table below.

Value per share	Low A$	Mid A$	High A$
Sum-of-parts valuation (minority interest basis)	0.0665	0.0779	0.0898
Share price trading analysis (minority interest basis)	0.0750	0.0775	0.0800

Source: Bentleys's analysis

We note that the value we obtained under the primary approach using the sum-of-parts valuation method is consistent with the value we obtained under the secondary approach using the share price analysis, although the former approach resulted in a wider range of values.

Notwithstanding, it may be important to note the following:

- investors have given value to the franking credits (being A$65.1 million as at 31 December 2019 after payment of a dividend of US$7.45 million / A$10.65 million) that would not be reflected in the sum-of-parts valuation;
- there is very low level of trading liquidity in the shares of Tap Oil (that is, an absence of a sufficiently active trading market) and therefore, the share price may not reflect a fair market value of the Company's shares;
- investors' perception of the Manora Oil Field may have incorporated different views of oil prices, foreign exchange forecast for the conversion of USD cash flows to AUD cash flows, and outlook on the expected returns from the Project (as reflected by the discount rate);
- investors do not have access to all detailed project assumptions that make up the cash flow forecast that we have used in our DCF analysis and therefore could have made different project assumptions; and
- as at the date of our valuation, investors would not have been privy to the variation in the terms of the performance rights.

We have relied on the primary approach using the sum-of-parts valuation method to conclude on the fair value of a share in Tap Oil. We consider the share price analysis is supportive of the value we have ascribed to a share in Tap Oil based on our primary approach.

In our opinion, the fair value of one Tap Oil share, on a minority interest basis, is between A$0.0665 and A$0.0800 with a midpoint of A$0.0775.

8 Fair and reasonable' assessment

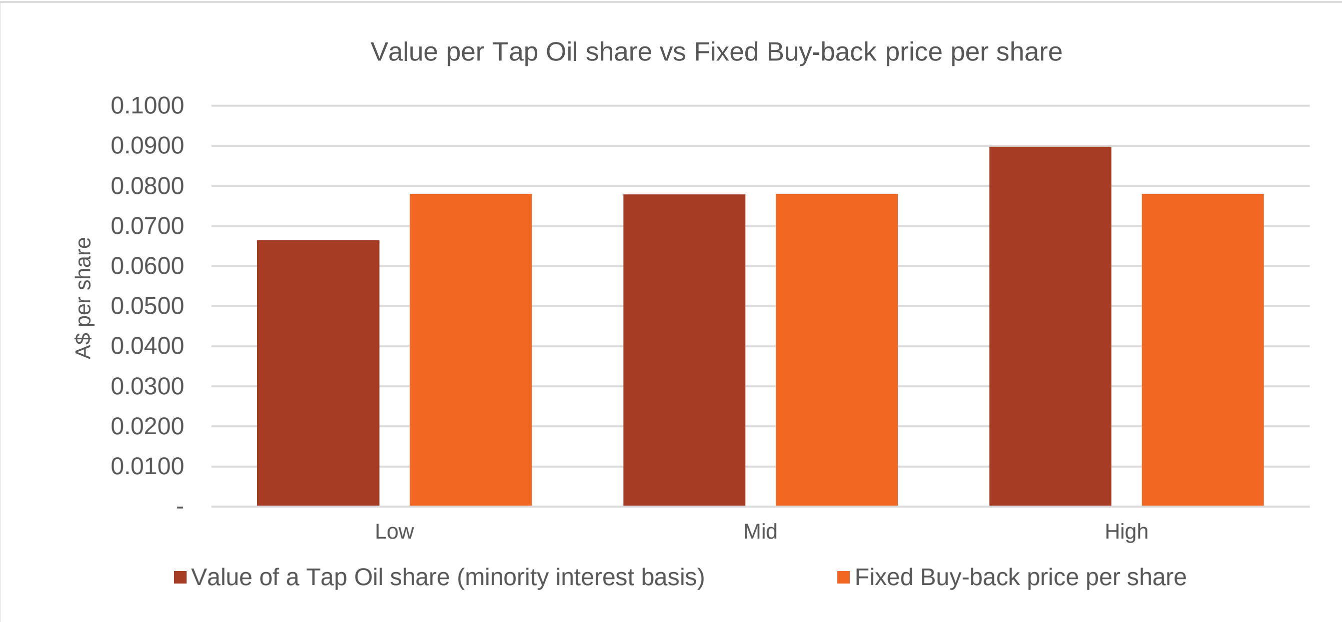
8.1 Fairness assessment

We determined the value of a Tap Oil share (on a minority interest basis) before the Proposed Transaction to be in the range of A$0.0665 to A$0.0898 with a midpoint of A$0.0779 per share. The cash consideration is proposed to be offered at a fixed buy-back price of A$0.0780 per share.

Fairness assessment	Low A$	Mid A$	High A$
Value of a Tap Oil share (minority interest basis)	0.0665	0.0779	0.0898
Fixed Buy-back price per share	0.0780	0.0780	0.0780

Source: Bentleys's analysis

Since the cash consideration to be received by shareholders participating in the Buy-back is within the range of the value of a Tap Oil share (on a minority interest basis), and approximately equal to the its midpoint value, before the Proposed Transaction, we conclude that the Proposed Transaction is fair.



Source: Bentleys's analysis

8.2 Reasonableness assessment

In accordance with RG 111, an offer is reasonable if it is fair. As set out above, the Proposed Transaction is fair. On this basis, we conclude that the Proposed Transaction is reasonable.

We have also considered the advantages and disadvantages of the Proposed Transaction, as well as the consequences of Shareholders not approving the Proposed Transaction.

8.2.1 Advantages

We consider the following advantages for Shareholders electing to participate in the Buy-back:

- low levels of trading of the Company's shares have resulted in an illiquid trading market for the Company's shares on the ASX; which limits trading opportunities for shareholders who wish to exit their investment in Tap Oil;
- the presence of two cornerstone investors that together hold 69.87% of the Company makes Tap Oil a less attractive takeover target and reduces the chances of a takeover offer to be received by the shareholders of the Company, so for shareholders who view this as a disadvantage may find it advantageous to exit their investment at this point;
- the Buy-back provides shareholders with the opportunity to potentially realise some, or all, of their investment prior to delisting the Company, since following the Delisting, Tap Oil's shares will no longer be tradeable on the ASX and it will be more difficult for shareholders who do not participate in the Buy-back to dispose of their shares in the future;
- given the low levels of trading in the Company's shares and the Company not having any present intention to access capital markets via ASX, the financial, administrative and compliance obligations and costs associated with maintaining a listing on the ASX are no longer justified as they reduce profits and returns for the shareholders of the Company;
- the future of Tap Oil is uncertain as the Company has disposed all its Australia / New Zealand asset portfolio and the Manora Oil Field is currently estimated to have a remaining production life of about two years and a large rehabilitation exposure thereafter; so shareholders who sell their shares will avoid the ongoing exposure to limited growth and to the risks associated with an investment in the Company;
- all eligible shareholders have an equal opportunity to participate and with the flexibility to tailor the level of their participation to suit their own individual circumstances;
- those shareholders who participate in the Buy-back can sell their shares without having to pay brokerage or appoint a stockbroker to sell their shares; and
- the Buy-back may have different tax implications for different shareholders - which may or may not be favourable - depending on their individual circumstances, and shareholders are required to seek their own tax advice on the tax implications of the Buy-back relating to their own circumstances.

8.2.2 Disadvantages

We consider the following disadvantages for Shareholders electing to participate in the Buy-back:

- shareholders who participate in the Buy-back, however, will no longer be able to benefit from any potential future returns of the Company;
- shareholders who participate in the Buy-back have to crystallise their investment at the fixed Buy-back price – which may result in a loss or gain on investment – and the acceleration to exit their investment in this manner may or may not be their preference; and
- there is a possibility for shareholders who elect to participate in the Buy-back to have their applications scaled back if the response to participating in the Buy-back exceeds 230 million shares.

8.2.3 Consequences of not approving the Proposed Transaction

If the Proposed Transaction is not approved, the Delisting will also not proceed. We consider the following consequences if Shareholders do not approve the Proposed Transaction:

- the level of trading of the Company's shares is likely to remain low, resulting in an illiquid trading market for the Company's shares on the ASX, thereby limiting trading opportunities for shareholders;
- the Company will have to continue to meet its financial, administrative and compliance obligations and costs associated with maintaining a listing on the ASX, reducing profits and returns for the shareholders of the Company;
- there is limited growth in the near future for Tap Oil as its sole asset, a 30% interest in the Manora Oil Field, is currently estimated to have a remaining production life of about two years and a large rehabilitation exposure thereafter; so shareholders will continue to bear the ongoing risk exposure, yet not benefiting from any corresponding growth prospects in the Company; and
- any new investment that Tap Oil decides to take on in the future may present a different risk exposure for its shareholders and that may no longer fit the risk profile of the shareholders; having to exit their investment in the Company later in the future may not be financially optimal for them by then.

8.3 Summary of opinion

In our opinion, the Proposed Transaction is fair and reasonable to Shareholders in the absence of any superior alternative.

Appendices

Appendix 1: Glossary of terms

Reference	Definition
A$ or $	Australian dollar
$m	Million dollars
%	Percent
1P	Proved Oil
2P	Proved plus Probable Oil
3P	Proved plus Probable plus Possible Oil
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollar
bbl(s)	Barrel(s) of oil
Bentleys Corporate Finance	Bentleys Corporate Finance (WA) Pty Ltd
Bentleys Network	A network of independent accounting firms located throughout Australia, New Zealand and China that trade as 'Bentleys'
Buy-back	The proposed off-market buy-back of up to 230 million shares at a fixed buy-back price of $0.0780 per share over a 12-month period by Tap Oil
Capitalisation of Earnings	Capitalisation of maintainable earnings analysis
CAPM	Capital asset pricing model
Client	Tap Oil Limited
the Company	Tap Oil Limited
Corporations Act	Corporations Act 2001 Cth
DCF	Discounted cash flow
Delisting	Delisting of Tap Oil from the Official List of the Australian Securities Exchange
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Financial Model	Economic life of mine model for the Manora Oil Field
FSG	Financial Services Guide
FSO	Floating storage and offloading
FY	Financial year(s)
FY17	Financial year ended 31 December 2017
FY18	Financial year ended 31 December 2018
FY19	Financial year ended 31 December 2019
HY	Half year
HY20	Half year ended 30 June 2020
ITSR	Independent technical specialist review
JV	Joint venture

Reference	Definition
m	million
mb/d	million barrels per day
MMbbl	Millions of barrels
Manora Forecast Cash Flows	Nominal post-tax cash flow forecasts of the Manora Oil Field
Manora Oil	Oil from the Manora Oil Field
Manora Oil Field	The Manora Oil Field located within the G1/48 Concession situated offshore in the Gulf of Thailand
Mubadala Petroleum	MP G1 (Thailand) Limited, a subsidiary of Mubadala Petroleum Limited, who holds 70% interest in the Manora Oil Field, who is also the operator of the Project
NAV	Net asset on a going concern value
Notice of Meeting	Notice of meeting and explanatory memorandum to be distributed to the shareholders of Tap Oil
NPV	Net present value
NSAI	Netherland, Sewell & Associates, Inc
Operator	MP G1 (Thailand) Limited, a subsidiary of Mubadala Petroleum Limited, who holds 70% interest in the Manora Oil Field, who is also the operator of the Project
our	Bentleys Corporate Finance (WA) Pty Ltd
PIT	Petroleum income tax
PITA	Petroleum Income Tax Acts
the Project	The Manora Oil Field located within the G1/48 Concession situated offshore in the Gulf of Thailand
Proposed Transaction	The proposed off-market buy-back of up to 230 million shares at a fixed buy-back price of $0.0780 per share over a 12-month period by Tap Oil
this Report	This independent expert's report prepared to provide a valuation opinion of Tap Oil in relation to the proposed off-market buyback of its shares
RG 110	ASIC Regulatory Guide 110 Share Buy-backs
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
RISC	RISC Advisory Pty Ltd
Shareholders	Shareholders of Tap Oil
SRB	Special remuneratory benefit
Sum-of-Parts	Sum-of-parts analysis where different business units or assets are modelled individually and added together
Tap Oil	Tap Oil Limited
Trading History	Trading history analysis of quoted market price of securities
us	Bentleys Corporate Finance (WA) Pty Ltd
US$ or USD	United States dollar
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
we	Bentleys Corporate Finance (WA) Pty Ltd

Appendix 2: Important Notice

Sources of information

This Report has been based on the following information:

- Drafts of Tap Oil's Notice of Meeting;
- Tap Oil's board resolution to proceed with the Buy-back on the terms agreed
- Historical audited financial statements of Tap Oil for three financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 and reviewed financial statements of Tap Oil for the half year ended 30 June 2020;
- Management accounts of Tap Oil for one month to 31 July 2020;
- Forecast cash flows over the economic life of the Manora Oil Field;
- ITSR report prepared by RISC Advisory Pty Ltd dated July 2020;
- Shareholder register, performance rights register and shareholder range report;
- Subscription based information sources including Capital IQ;
- Publicly available information; and
- Discussions with directors and/or management of Tap Oil.

Important notice to shareholders

This Report has been prepared specifically for the shareholders of the Company, at the request of the directors of the Company, to assist the shareholders of the Company in their decision whether or not to approve the Proposed Transaction.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

Please refer to the Financial Services Guide provided by Bentleys Corporate Finance, which is included in this Report.

Independence

Bentleys Corporate Finance has considered its independence in preparing this Report in accordance with ASIC's Regulatory Guide RG 112 and is of the opinion that it is independent of Tap Oil.

Limitations, declarations and qualifications

Limitations

The procedures to be performed in relation to the independent expert's report is limited exclusively to those which are set out in this Report. Neither an audit nor a review has been conducted and, accordingly, no assurance has been expressed. This Report cannot be relied upon to disclose irregularities, including fraud, other illegal acts and errors that may occur.

Bentleys Corporate Finance is also not implied to have conducted any due diligence procedures on behalf of the Company or Shareholders and provides no warranty or assurance in this regard.

Use of report

This Report has been prepared specifically for the shareholders of the Company and we consent to the issue of this Report in the form and context to which it is included the Notice of Meeting, which will be distributed to all shareholders of the Company. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

Bentleys Corporate Finance does not take any responsibility for the contents of the Notice of Meeting other than this Report.

Neither Bentleys Corporate Finance, Bentleys (WA) Pty Ltd, Bentleys, nor any member or employee thereof, undertakes responsibility to any person, other than to the Company and the Shareholders, in respect of this Report, including any errors or omissions howsoever caused.

Unless used for the purpose specified herein, this Report (or any part of them) must not be distributed or disclosed to any other third party without our prior written consent.

Reliance

Where our engagement requires us to form or express an opinion, provide an analysis or provide advice, the opinion, analysis or advice will relate to the information, events and circumstances at the date on which it is given, unless we expressly state otherwise.

This Report will be provided solely for the purpose set out in this document and may not be relied upon by any other third party outside of the objectives of our engagement above.

While we are responsible for forming and expressing an opinion based on information that has been prepared and provided by the management of the Company, with the oversight of those charged with governance, it does not relieve management or those charged with governance of their responsibilities.

Our engagement has been conducted on the basis that the Company's management, and those charged with governance, acknowledge and understand that they have responsibility for the completeness and accuracy of the information supplied to us, and without the intention of providing misleading information, or information that a reasonable person would consider likely to mislead, so as to influence our opinion or analysis in any way.

The statements and opinions included in this Report are provided in good faith and in the belief that they are not false, misleading or incomplete. In preparing this Report, Bentleys Corporate Finance has relied upon and considered the information provided to us after due inquiry to be reliable and accurate. We have no reason to believe that any of the information supplied to us was false or that any material information had been withheld from us.

Forecasts

Any forecast information used in the formation of our opinion, analysis are based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of our control.

Whilst we may have reviewed such forecast information with a reasonable level of enquiry or rigour, we do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. We disclaim any possible liability in respect of any forecast information.

Qualifications

Bentleys Corporate Finance holds an Australian Financial services Licence to issue this Report. Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd. The persons primarily involved in preparing and reviewing this Report were Evelyn Tan, Director and Representative of Bentleys Corporate Finance, and Chris Nicoloff, Authorised Representative of Bentleys Corporate Finance, and supported by other staff within Bentleys Corporate Finance. Both Evelyn and Chris have the necessary experience and professional qualifications appropriate for the preparation of this Report.

Appendix 3: Valuation methodologies

Intrinsic value methodologies

Discounted cash flow

Intrinsic value methodologies look at the inherent value of an asset or a business on its own. The most fundamental analysis used in assessing the inherent value of an asset or business is the discounted cash flow ('DCF') analysis.

The DCF analysis is used to place a value on an asset or a business based on the future free cash flows of the business. The future free cash flows are discounted to their present value at an appropriate discount rate. This approach is particularly applicable to assets or businesses with finite lives, experiencing growth, in a start-up phase, or experiencing irregular cash flows.

Usually, a cash flow forecast is provided for a limited period of time during the period of growth and uncertainty. Often, a terminal value for the asset or business may be calculated at the end of the forecast cash flow period, and is also discounted to its present value using the appropriate discount rate.

This discount rate, which is often called the weighted average cost of capital, represents the opportunity cost of capital, reflecting the expected rate of return that investors require from investments having equivalent risks. The weighted average cost of capital ('WACC') is commonly used in determining the market rates of return to both debt and equity holders.

The value obtained directly from the DCF analysis is a controlling interest value.

Sum-of-parts

At times, a sum-of-parts ('Sum-of-Parts') analysis is necessary for larger or more complex businesses where different business units or assets are modelled individually and added together.

A variant of the sum-of-parts analysis is also used when different business units or assets require the adoption of different valuation methodologies (not all necessarily valued using the DCF analysis) and requires the aggregation of the fair market values of the various assets and liabilities of the company.

The value obtained directly from the Sum-of-Parts analysis is usually a controlling interest value if all individual values modelled separately and added together are also on a controlling interest basis.

Market based methodologies

Market based methodologies estimate the fair market value of an asset or a business using precedent transactions, trading history or comparable company analyses. Market based methodologies are a form of relative valuation. They include:

- Capitalisation of maintainable earnings analysis;
- Trading history analysis of quoted market price of securities; and
- Precedent transactions analysis.

Capitalisation of maintainable earnings

The capitalisation of maintainable earnings ('Capitalisation of Earnings') analysis places a value on the business by estimating the maintainable earnings of a business, capitalised at an appropriate rate or earnings multiple, which reflects the business outlook, business risk, investor expectations, future growth prospects and other entity specific factors.

The Capitalisation of Earnings methodology is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

Maintainable earnings used in the valuation can be based on net profit after tax, earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or earnings multiple is adjusted to reflect which base is used for the maintainable earnings. This approach relies on the availability and analysis of comparable market data.

The value obtained from the Capitalisation of Earnings analysis is usually a controlling interest value if based on EBITDA or EBIT maintainable earnings and multiples.

Trading history

Trading history analysis of quoted market price of securities ('Trading History') is used where there is a ready market through which securities are publicly traded in an informed and liquid market. The most recent trading history of such securities provides evidence of the fair market value of the securities of a company and, in an efficient and liquid market, reflects all publicly available information.

The quoted market prices of securities used in the Trading History analysis usually reflect a minority interest value of a security.

Precedent transactions

Precedent transactions analysis is a form or relative valuation where the sale price evidence of other businesses or assets that have been recently sold or acquired in the same industry is used to place a value on a business or asset. As the sale prices obtained under this approach tend to represent the 'en-bloc' value of a business or asset, it may not be as applicable for larger and more complex businesses or businesses and assets that are not identical. Sale price evidence from precedent transactions can also become dated and may no longer reflect the current market over time.

Sale prices used in the precedent transactions analysis usually reflect a take-over premium and a controlling interest value.

Asset based methodologies

Asset based methodologies estimate the fair market value of a company based on the realisable value of its identifiable net assets. They include:

- Orderly realisation of assets method;
- Liquidation of assets method; and
- Net assets on a going concern method.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to security holders after payment of all liabilities (including realisation costs and taxation charges that may arise), assuming that the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except that the liquidation method assumes that the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate.

The 'net assets on a going concern basis' method estimates the market values of the net assets of an entity but does not take into account any realisation costs. The 'net assets on a going concern basis' approach is usually appropriate where the majority of the assets are cash, passive investments or for investment holding companies. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Appendix 4: Discount rate

The discount rate applied to forecast cash flows reflects the financial return that will be required before an investor would be prepared to acquire (or invest in) the business. The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. CAPM provides the required return on an equity investment. The weighted average cost of capital is commonly used in determining the market rates of return to both debt and equity holders.

Weighted average cost of capital (WACC)

The weighted average cost of capital represents the blended cost of each type of capital – most commonly debt and equity – weighted by each of their percentages and then added together. WACC is calculated by:

WACC	
WACC = (Ke * E/V + Kd (1-t) * D/V) where V = E + D)	
where:	
Ke = cost of equity	
Kd = cost of debt	
t = corporate tax rate	
E = market value of the firm's equity	
D = market value of the firm's debt	
V = total value of capital (equity plus debt)	
E/V = percentage of capital that is equity	
D/V = percentage of capital that is debt	

Cost of Equity (Ke)

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity as follows:

CAPM	
Ke = Rf + ßa (Rm - Rf)	
where:	
Ke = cost of equity	
Rf = risk free rate	
ß = beta of the security (geared)	
Rm = expected market return	
Rm - Rf = market risk premium	

The individual components of CAPM are discussed below.

Risk free rate (Rf)

The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received. The risk free rate is usually chosen as one that is on, or if not on, closest to but before, the Valuation Date. The 10-year government bond rate as at 8 September 2020 (on or around the date of our valuation) was 0.97%.

Market risk premium (Rm – Rf)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate which is dependent on the 10-year government bond rates. Market risk premium is typically about 6%.

Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Betas are normally either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into consideration the industry risk factors which make the operating risk of the company greater or less risky than comparable listed companies.

To make betas of different companies comparable we can obtain an asset beta by 'ungearing' the equity beta using the formula as follows.

$\beta a = \beta / (1+(D/E \times (1-t))$

The 2-year, 3-year and 5-year betas of comparable companies as at 30 June 2020 are set out in the tables below. We have excluded AASB 16 lease balances in our debt calculation for all the comparable companies and considered only borrowings in these debt balances.

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	2-Year Beta	R^2	Beta Un-geared
Tap Oil Limited	ASX: TAP	32.524	0.000	44.359	1.089	20.96%	1.089
Kina Petroleum Corporation	ASX: KPE	11.663	0.000	19.522	0.198	0.80%	0.198
Fitzroy River Corporation Limited	ASX: FZR	11.227	5.016	9.435	0.249	1.20%	0.181
Strike Energy Limited	ASX: STX	387.093	0.000	130.483	1.575	6.83%	1.575
Cue Energy Resources Limited	ASX: CUE	122.171	0.000	43.564	1.136	18.75%	1.136
Bass Oil Limited	ASX: BAS	6.684	0.000	3.434	1.027	1.66%	1.027
Metgasco Limited	ASX: MEL	12.477	0.000	14.623	1.496	12.36%	1.496
Horizon Oil Limited	ASX: HZN	71.691	40.053	120.007	1.111	14.15%	0.901
Helios Energy Limited	ASX: HE8	216.209	0.000	37.955	1.014	12.31%	1.014
Galilee Energy Limited	ASX: GLL	156.084	0.000	28.138	1.800	16.01%	1.800
Petsec Energy Ltd	ASX: PSA	8.370	22.512	-28.475	0.647	4.81%	1.449
Buru Energy Limited	ASX: BRU	36.726	2.000	44.784	1.117	21.34%	1.084
Otto Energy Limited	ASX: OEL	43.155	27.277	49.968	1.139	6.98%	0.824

	2-Year Beta	Beta Un-geared
Max	1.800	1.800
Min	0.198	0.181
Median	1.111	1.084
Mean	1.046	1.060
Median (betas with higher R^2)	1.127	1.112
Mean (betas with higher R^2)	1.292	1.251

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	3-Year Beta	R^2	Beta Un-geared
Tap Oil Limited	ASX: TAP	32.524	0.000	44.359	1.146	15.70%	1.146
Kina Petroleum Corporation	ASX: KPE	11.663	0.000	19.522	0.073	0.07%	0.073
Fitzroy River Corporation Limited	ASX: FZR	11.227	5.016	9.435	0.236	0.67%	0.172
Strike Energy Limited	ASX: STX	387.093	0.000	130.483	1.530	5.87%	1.530
Cue Energy Resources Limited	ASX: CUE	122.171	0.000	43.564	1.081	15.36%	1.081
Bass Oil Limited	ASX: BAS	6.684	0.000	3.434	0.927	1.14%	0.927
Metgasco Limited	ASX: MEL	12.477	0.000	14.623	1.281	8.91%	1.281
Horizon Oil Limited	ASX: HZN	71.691	40.053	120.007	1.177	11.22%	0.954
Helios Energy Limited	ASX: HE8	216.209	0.000	37.955	0.942	4.68%	0.942
Galilee Energy Limited	ASX: GLL	156.084	0.000	28.138	1.822	11.26%	1.822
Petsec Energy Ltd	ASX: PSA	8.370	22.512	-28.475	0.675	3.32%	1.511
Buru Energy Limited	ASX: BRU	36.726	2.000	44.784	1.089	15.01%	1.056
Otto Energy Limited	ASX: OEL	43.155	27.277	49.968	1.111	5.87%	0.804

Max	1.822	1.822
Min	0.073	0.073
Median	1.089	1.056
Mean	1.007	1.023
Median (betas with higher R^2)	1.146	1.112
Mean (betas with higher R^2)	1.263	1.251

Company Name	Exchange Ticker	Mkt Cap A$m	Debt A$m	Equity A$m	5-Year Beta	R^2	Beta Un-geared
Tap Oil Limited	ASX: TAP	32.524	0.000	44.359	1.064	8.49%	1.064
Kina Petroleum Corporation	ASX: KPE	11.663	0.000	19.522	0.167	0.17%	0.167
Fitzroy River Corporation Limited	ASX: FZR	11.227	5.016	9.435	0.230	0.36%	0.167
Strike Energy Limited	ASX: STX	387.093	0.000	130.483	1.309	5.03%	1.309
Cue Energy Resources Limited	ASX: CUE	122.171	0.000	43.564	0.837	7.40%	0.837
Bass Oil Limited	ASX: BAS	6.684	0.000	3.434	0.612	0.24%	0.612
Metgasco Limited	ASX: MEL	12.477	0.000	14.623	0.798	3.79%	0.798
Horizon Oil Limited	ASX: HZN	71.691	40.053	120.007	1.130	9.87%	0.916
Helios Energy Limited	ASX: HE8	216.209	0.000	37.955	0.696	2.45%	0.696
Galilee Energy Limited	ASX: GLL	156.084	0.000	28.138	1.237	4.54%	1.237
Petsec Energy Ltd	ASX: PSA	8.370	22.512	-28.475	0.512	1.77%	1.146
Buru Energy Limited	ASX: BRU	36.726	2.000	44.784	1.162	11.33%	1.126
Otto Energy Limited	ASX: OEL	43.155	27.277	49.968	1.075	4.91%	0.778

Max	1.309	1.309
Min	0.167	0.167
Median	0.837	0.837
Mean	0.833	0.835
Median (betas with higher R^2)	1.097	0.990
Mean (betas with higher R^2)	1.048	0.986

Source: CapitalIQ, Bentleys's analysis

Selected Beta (β)

In selecting an appropriate beta, we have considered the similarities and differences between the comparable companies selected above, the stability of the betas and their R-squared (R^2). R-squared is a measure of the percentage of an asset’s performance as a result of a benchmark. Therefore, the R-squared of the beta measures how reliable the beta is.

After this consideration, we selected an ungeared beta in the range of 1.00 to 1.25. As there is no debt assumed in the Company, the re-geared beta selected is also between 1.00 and 1.25 with a midpoint of 1.125.

Alpha (α)

Alpha is often used to adjust for specific risk, commonly known as an undiversifiable risk, to a security or an asset. CAPM assumes that, in a highly diversified portfolio, all specific company risks are diversified away and therefore does not include an alpha. However, in a singular asset, specific risk still remains and cannot be diversified away. Alpha is a subjective measure but is commonly acceptable in the range of 2% to 5%. This can be higher if the specific risk warrants it.

In this case, we adjusted for specific risk of 2% to reflect forecasting risk as well as a country risk premium of Thailand relative to Australia.

Cost of Equity

We have assessed the cost of equity to be:

Cost of equity	Low	Mid	High
Risk free rate, Rf (%)	0.97%	0.97%	0.97%
Geared beta, ß	1.000	1.125	1.250
Market risk premium (Rm - Rf) (%)	6.00%	6.00%	6.00%
Specific risk, α (%)	2.00%	2.00%	2.00%
Cost of equity, Ke (%)	8.97%	9.72%	10.47%

Source: RBA, Capital IQ, Bentleys's analysis

Cost of Debt (Kd)

Tap Oil does not currently carry any debt on its balance sheet and is likely to remain this way in the short to medium term future. This is not an unreasonable expectation considering the stage of its life cycle.

WACC

The capital structure of Tap Oil is assumed to be 100% equity as it does not currently carry any debt on its balance sheet. Therefore, the Company's cost of equity is also the Company's WACC.

Accordingly, the discount rate is assessed to be in the range of 9% to 10.5% with a midpoint of 9.75%.

Descriptions of the comparable companies are as follows.

Company Name	Business Description
Kina Petroleum Corporation (ASX:KPE)	Kina Petroleum Corporation engages in the acquisition and exploration of oil and gas assets primarily in Papua New Guinea. It holds interests in a range of oil and gas projects that cover an area of approximately 30,000 square kilometers located in onshore Papua New Guinea. Kina Petroleum Limited was founded in 2009 and is based in Sydney, Australia.
Fitzroy River Corporation Limited (ASX:FZR)	Fitzroy River Corporation Limited operates as an oil and gas investment holding company in Western Australia and the Gulf of Mexico. The company focuses on non-operational assets, such as royalties, free carried interests, and equity investments. It holds royalty interests in various permits in the onshore Canning Superbasin, Western Australia. The company was incorporated in 1996 and is based in Sydney, Australia.
Strike Energy Limited (ASX:STX)	Strike Energy Limited explores for and develops oil and gas resources in Australia. The company primarily focuses on the Southern Cooper Basin Gas Project located in South Australia. Its exploration permits and applications cover an area of approximately 9,232 square kilometers within the Cooper/Eromanga basin. Strike Energy Limited was founded in 1997 and is based in Thebarton, Australia.
Cue Energy Resources Limited (ASX:CUE)	Cue Energy Resources Limited explores for, develops, and produces petroleum. It explores for oil and gas through its projects located in Indonesia, Australia, and New Zealand. The company was founded in 1981 and is headquartered in Melbourne, Australia.
Bass Oil Limited (ASX:BAS)	Bass Oil Limited engages in the exploration and production of oil and gas in Indonesia. It primarily holds a 55% interest in the Tangai-Sukananti KSO production assets located in South Sumatra, Indonesia. The company was formerly known as Bass Strait Oil Company Ltd and changed its name to Bass Oil Limited in March 2017. Bass Oil Limited was incorporated in 1965 and is based in Melbourne, Australia.
Metgasco Limited (ASX:MEL)	Metgasco Limited engages in the exploration, evaluation, appraisal, and development of oil and gas in Australia. It also invests in and develops associated energy infrastructure. The company was incorporated in 1999 and is headquartered in West Perth, Australia.
Central Petroleum Limited (ASX:CTP)	Central Petroleum Limited engages in the development, production, processing, and marketing of hydrocarbons in Australia. It holds interests in various oil and gas properties comprising 188,767 square kilometers of exploration area located in the Amadeus, Southern Georgina, Wiso, and Surat Basins. The company was founded in 1998 and is headquartered in Brisbane, Australia.
Triangle Energy (Global) Limited (ASX:TEG)	Triangle Energy (Global) Limited engages in the exploration and production of oil and gas properties in Australia. It holds a 78.75% interest in Cliff Head Oil Field with a production license covering 72 square kilometers and the oil field covering 6 square kilometers, located in Perth Basin, Western Australia. The company also holds a 45% interest in the Xanadu-1 oil field and a 50% interest in the Mt Horner Production licence located in the Perth Basin, as well as an operating interest in the Reids Dome production licence in Queensland. Triangle Energy (Global) Limited is headquartered in West Perth, Australia.
Horizon Oil Limited (ASX:HZN)	Horizon Oil Limited, together with its subsidiaries, engages in the exploration, development, and production of oil and gas properties. It holds interest in the Block 22/12 oil field in Beibu Gulf, China, as well as engages in the exploration and evaluation of hydrocarbons; Maari/Manaia fields in New Zealand; and Stanley condensate/gas development and seven onshore permits in Papua New Guinea. Horizon Oil Limited is based in Sydney, Australia.
Helios Energy Limited (ASX:HE8)	Helios Energy Limited engages in the exploration and development of oil and gas properties in Australia and the United States. It holds 100% working interest (WI) in the Trinity Oil project covering 3,118 net acres; and 70% WI in the Presidio Oil project covering 48,577 net acres located in Texas, the United States. The company was formerly known as New Horizon Coal Limited and changed its name to Helios Energy Limited in April 2017. Helios Energy Limited is headquartered in West Perth, Australia.

Company Name	Business Description
Galilee Energy Limited (ASX:GLL)	Galilee Energy Limited, through its subsidiaries, engages in the exploration and production of oil and gas properties in Australia, the United States, and Chile. It primarily explores for coal seam gas. The company's flagship project is the Glenaras gas project located within the ATP 2019 permit, which covers an area of approximately 4000 square kilometers in western Queensland's Galilee Basin. Galilee Energy Limited was incorporated in 1994 and is based in Brisbane, Australia.
Petsec Energy Ltd (ASX:PSA)	Petsec Energy Ltd operates as an independent oil and gas exploration and production company. It holds working interests in various projects located in the shallow waters of the Gulf of Mexico and onshore Louisiana, the United States, as well as holds a 100% working interest in two blocks located in the Republic of Yemen. The company was founded in 1967 and is based in Sydney, Australia.
Buru Energy Limited (ASX:BRU)	Buru Energy Limited engages in the exploration, development, and production of oil and gas resources in Western Australia. The company operates through Oil, Gas, and Exploration segments. It holds interests in a portfolio of petroleum exploration permits covering an area of approximately 5.5 million gross acres located in Canning basin in the southwest Kimberley region of Western Australia. The company's principal property is the Ungani oil field project located onshore in the Canning Basin. Buru Energy Limited was founded in 2008 and is headquartered in Perth, Australia.
Otto Energy Limited (ASX:OEL)	Otto Energy Limited operates as an oil and gas exploration and production company in North America. The company's principal projects include its 50% interest in the South Marsh Island 71 project, which covers an area of 12.16 square kilometers. Its principal projects also comprise its 22.5% working interest in 4 leases totaling approximately 22,710 acres in the onshore Alaska North slope–Western blocks; and 8%-10.8% working interest in 54 leases covering 154,295 gross acres in the onshore Alaska North slope–Central blocks. The company was formerly known as Ottoman Energy Limited and changed its name to Otto Energy Limited in August 2006. Otto Energy Limited was founded in 2004 and is headquartered in Adelaide, Australia.

Appendix 5: RISC’s Independent Technical Specialist Review Report

decisions with confidence

Independent Technical Specialists Report on the Manora oilfield
Tap Oil Limited

July 2020

Private and Confidential

1. Executive Summary

Evelyn Tan, Director
Bentleys Corporate Finance
Level 3, 216 St George's Terrace
Perth, WA 6000, Australia

July 2020

Dear Independent Expert,

Independent Technical Specialist's Report on the Petroleum Assets of Tap Oil Limited

Bentleys Corporate Finance (WA) Pty Ltd (Bentleys) has been appointed by the Directors of Tap Oil Limited (TAP) as the Independent Expert in relation to valuation of TAP's shares in connection with a potential on market buy back of TAP shares by the company (the "Proposed Transaction").

To assist preparation of its Independent Expert Report in relation to the Proposed Transaction, Bentleys has provided instructions to RISC Advisory Pty Ltd (RISC) to prepare this document, an Independent Technical Specialist's Report in relation to the petroleum assets of TAP. The sole asset considered is TAPs 30% interest in the Manora field and nearby discoveries and prospects in Block G1/48 in the Gulf of Thailand.

This Independent Technical Specialist's Report documents our review of the petroleum reserves, resources and associated production and cost forecasts. We have reviewed estimates provided by TAP and made such adjustments that in our judgement were necessary to provide a reasonable assessment and reflect current information. We have prepared a scenario for valuation of the Manora field interest by Bentleys.

Reserves

The estimated 2P reserves in the Manora field at 1 June 2020 are shown in Table 1-1 and Table 1-2 respectively. Reserves have been evaluated in accordance with PRMS Guidelines.

Table 1-1: 2P reserves net to TAP as at 1 June 2020

Manora Field	Gross MMstb	Net MMstb
Total 2P	**4.83**	**1.45**

Notes to table:

1. The reference point for reserves estimation is the custody transfer point for the products. Reserves are stated as sales quantities net of fuel and flare;
2. All the above reserves and contingent resources are considered conventional;
3. MMstb is one million barrels. One barrel is 158.99 litres

The Manora field commenced production in 2014. As of the 31 May 2020 the Manora field's gross cumulative oil production was 17.1 MMstb oil. The average oil production rate in May 2020 was impacted by shutdowns at 3.7 Mstb/d with a water cut of about 82%.

Four wells have recently been drilled in the Manora field in 2020 and are being completed at the time this report was being written. RISC has developed Manora production and cost forecasts on the basis that no further wells are drilled and that water handling capacity is increased to 45,000 bwpd in 4Q 2020. The forecasts generated reflect the volumes that in our view can be classified as 2P reserves.

We forecast production will peak at 8,000 - 9,000 bopd when the infill wells come online. Additional liquid handling capacity will also increase production. RISCs mid case production forecast is shown in Figure 1-1.

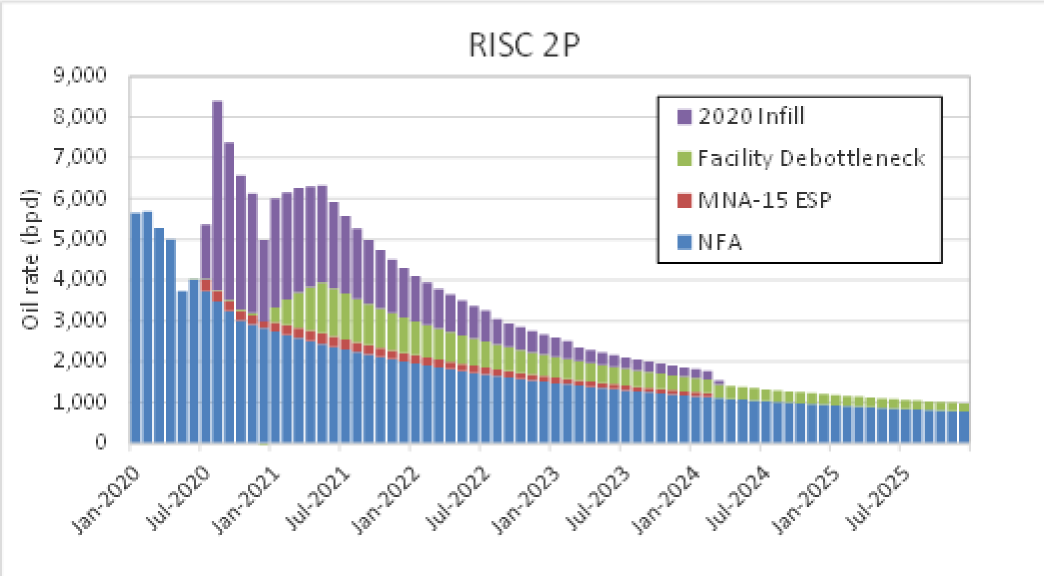


Figure 1-1 RISC 2P production forecast

Based on an oil price of $45/bbl Brent constant in real terms we forecast the economic limit will be reached at the end of 2022 at an oil production rate of approximately 2700 bpd. We note the economic limit is highly sensitive to oil price.

Gross and TAP's 30% share of projected total capital and operating expenditure from 1/1/20 for the Manora field 2P case is summarised below.

Table 1-2: Manora field capital and operating expenditure forecast (US$ million)

Project	Cost Type	Gross	Net
Manora field	Capital	24.3	7.3
	Operating	141.5	42.4
	Exploration	1.2	0.4
	Abandonment	56.5	16.95
	Total	**223.5**	**67.1**
Operating costs are to end 2022.			

Details of the production and cost profiles associated with the development and production of these resources are included in our report. The valuation of the Manora field is addressed in Bentley's report.

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2. Introduction

2.1. TAP's oil and gas properties

TAP's only oil and gas asset is the producing Manora oil field in Block G1/48 in the Gulf of Thailand.

The G1/48 concession lies at the northern end of the Gulf of Thailand within the Kra Basin. The block contains the Manora Production Area and retained acreage under a Reservation Area Agreement, Figure 2-1.

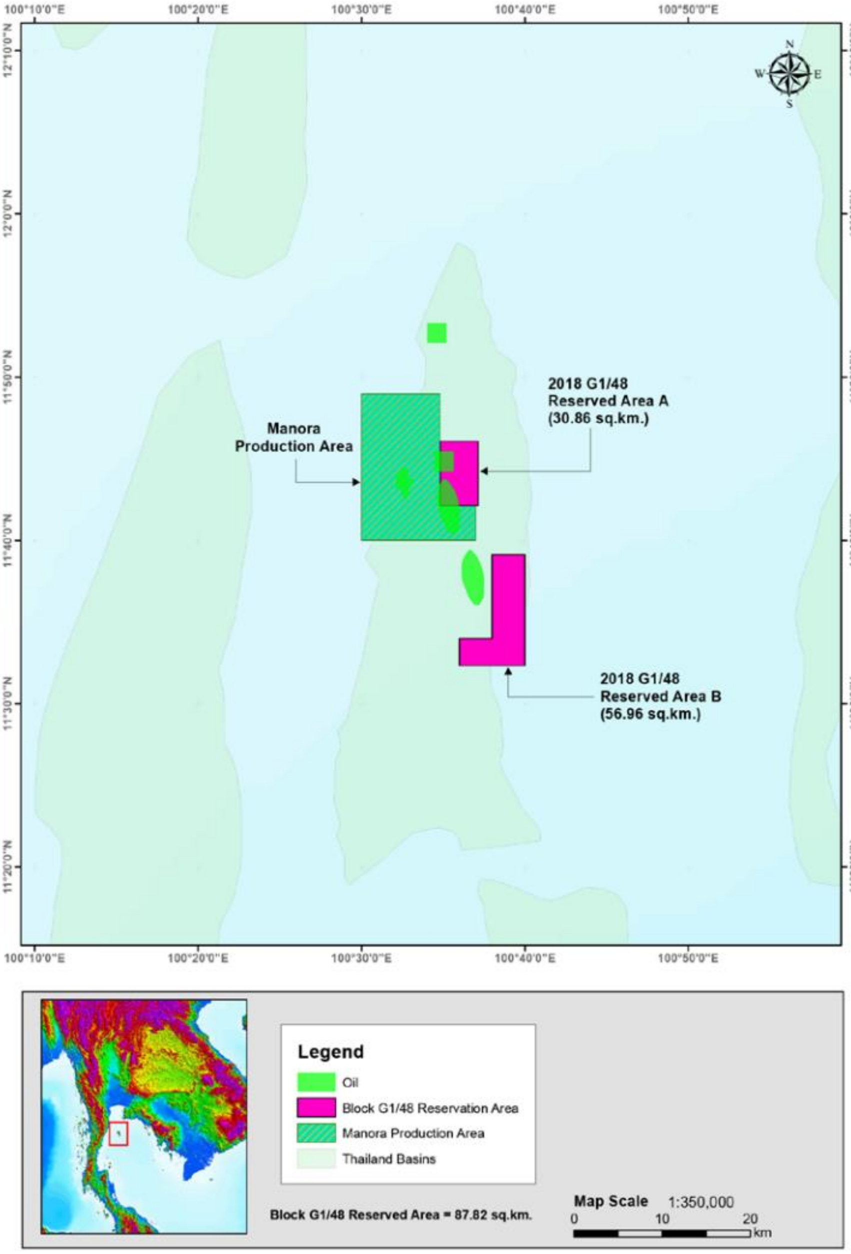

Figure 2-1: G1/48 Concession Location

The field lies in shallow water depth (44 m) around 220 km south of Bangkok. The field has been on production since late 2014.

Current concessionaires in the Joint Venture (JV) are:

- Mubadala Petroleum (Operator) 60%
- Tap Energy (Thailand) Pty Ltd 30%
- Northern Gulf Petroleum Pte Ltd 10%

Outside of the Manora Production Area, the G1/48 Joint Venture currently retains 77 km^2 under a five-year Reservation Area Agreement which expires in December 2020. There are two small discoveries in the Production Area which have not been developed because they are uneconomic at current oil prices. Three prospects were drilled in 2019, TAP advise the JV has no further plans to explore the block.

2.2. Terms of reference and basis of assessment

2.2.1. Terms of reference

This assignment has been conducted under the terms of our engagement with TAP dated 11 June 2020 and under the direction of Independent Expert, Bentleys. RISC's terms of reference are to provide:

- A brief report summarising our results, explaining the basis for our forecasts including key assumptions;
- Integrated production and cost forecasts in Excel in a format to be agreed with Bentleys;
- A statement of compliance that the valuations are prepared in accordance with the PRMS and/or VALMIN code as applicable to the asset;
- Consent to allow Bentleys to refer to and rely on our report to assist in determining the current fair market value of the asset.

2.2.2. Basis of assessment

The data and information used in the preparation of this report were provided by TAP and supplemented by public domain information. RISC has relied upon the information provided and has undertaken the evaluation on the basis of a review and audit of existing interpretations and assessments as supplied making adjustments that in our judgment were necessary. Our assessment for the producing assets is based on production data up to 31 May 2020.

RISC has reviewed the reserves/resources in accordance with the Society of Petroleum Engineers internationally recognised Petroleum Resources Management System (PRMS)[1] and the Australian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code 2015).

We have reviewed the production forecasts, development plans and costs prepared by the operator. The reserves presented in this report are based on long term mid-case oil price projections agreed with Bentleys.

Unless otherwise stated, all resources presented in this report are gross (100%) quantities with an effective date of 1 June 2020. Unless otherwise stated, all costs are in real terms with a reference date of 1 January 2020 (RT2020).

2.2.3. Exploration potential

There are two small undeveloped discoveries in the block – Manora 6 and Malida, located in the Production Area. TAP has advised these are uneconomic on a standalone basis and would require joint development with additional discoveries to commercialise. Remaining exploration potential in the G1/48 block appears

[1] SPE/WPC/AAPG/SPEE 2007 Petroleum Resources Management System

to be limited following disappointing results of three near field exploration wells in 2019 and the current oil price environment.

The highest ranked remaining prospect on the block is the DEF prospect. TAP advise the prospect requires an oil price of $54/Bbl to justify exploration investment and that there are no further plans to exploit the discoveries or drill further exploration wells in the block in the current oil price environment.

We therefore conclude there is negligible value in the G1/48 block outside the Manora field in the current oil price environment.

3. Manora Field

3.1. Manora geological structure

The main area of interest within Block G1/48 is in the south and this area is largely covered by good quality 3D seismic data, acquired as several 3D seismic surveys; North Kra 2007, Kinnaree 2010/11 and South Kra 2010. The North Kra 3D was reprocessed to PSDM in 2012. There is only sparse 2D seismic data in the north-western area of the block.

The Manora structure comprises two separate fault blocks (CFB and EFB) at significantly different structural levels, as shown in Figure 3-1 and Figure 3-2.

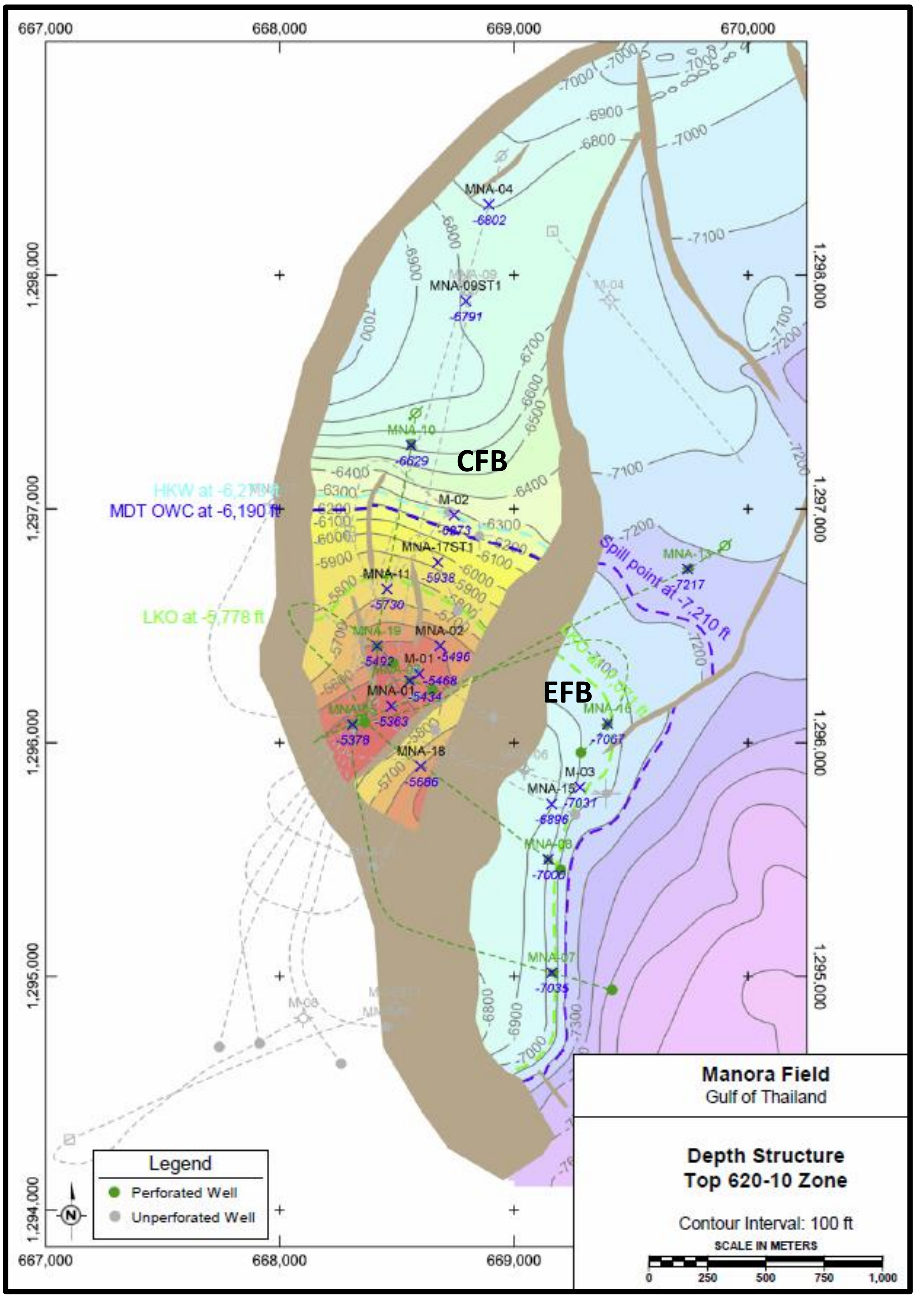

Figure 3-1: Manora Top 620-10 depth map

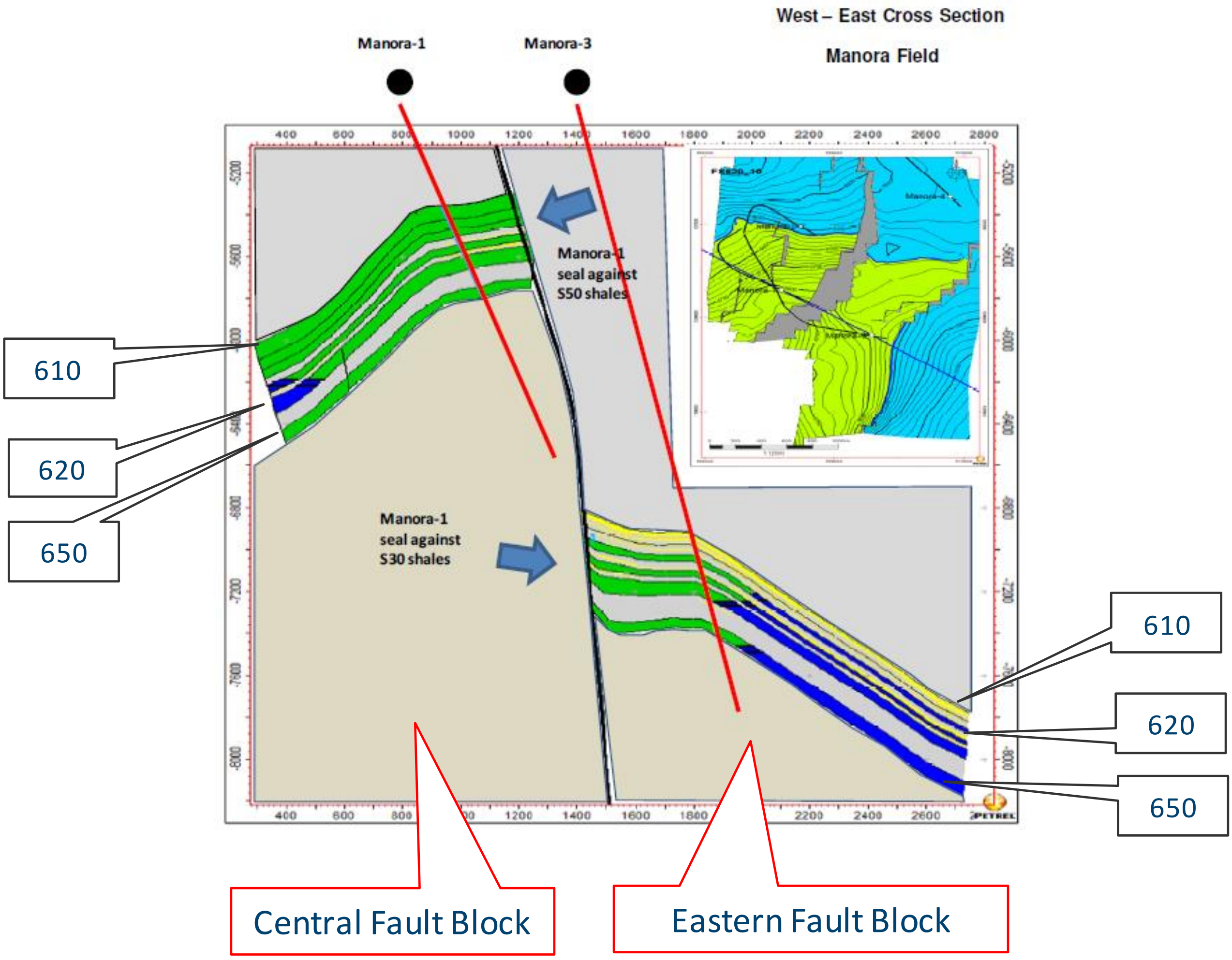

Figure 3-2: Manora trap configuration

The EFB appears full to spill, with the hydrocarbons migrating northwards and then up into the CFB. The CFB however is not full to spill, suggesting either a charge limitation or limit to seal capacity. Given that the height of the column is some 300 m and is the largest seen in Thailand, RISC views the latter more likely.

The 600 series of sands comprise six individual parasequences as identified by flooding surfaces capping the reservoir sands. They exhibit both a coarsening-upwards profile characteristic of lacustrine fan delta sandstones as well as the more typical fining-upwards profile seen in the fluvial facies. These reservoirs are relatively shallow, from 4,200-5,800 ft. TVDSS and consequently have high porosities and permeabilities, due to the shallow burial depths. Based on pressure measurements and OWCs, these parasequences combine to form three flow units. Correlation of the 600 series sands between wells and across the fault blocks is good, with lateral continuity of lithofacies.

The reservoir fluid is under-saturated oil with a low GOR and medium API. Reservoir oil viscosity in the 600 reservoirs is typically about 2 cp. The shallower 400 and 500 reservoirs have an estimated reservoir oil viscosity is about 6-8cp. The 300 reservoir has more viscous oil with 11-13 cp measured from a sample.

3.2. Production performance

The Manora field commenced production in November 2014. To date, a total of 16 oil producers and six water injectors including one side-track of a producer (MNA-17) have been completed.

As of the 31 May 2020, the Manora fields gross cumulative oil production was 17.1 MMstb oil. The average oil production rate in May 2020 was about 3.7 Mstb/d with a water cut of about 82%, although this was low due to maintenance shut-downs. Minor volumes of associated gas are utilized for platform fuel and flare with diesel used to add to fuel supply. Historical oil, water cut, GOR and water injection are is shown in Figure 3-3 as well as cumulative oil and water injection.

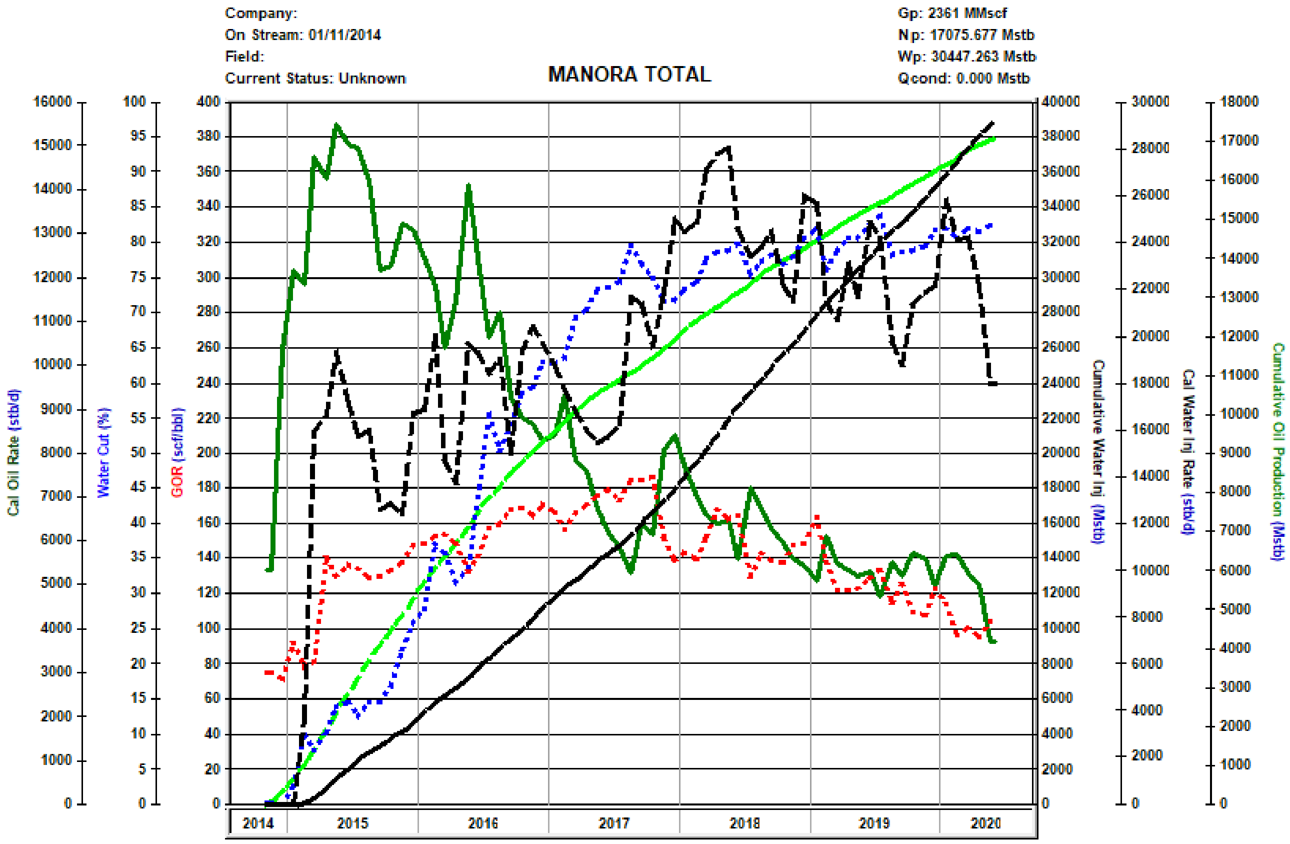

Figure 3-3: Manora gross oil, water and gas production history

Water injection started February 2015 and largely achieved voidage replacement, Figure 3-4. In recent years water injection has been slightly reduced to about 20,000 bpd due to injection well degradation.

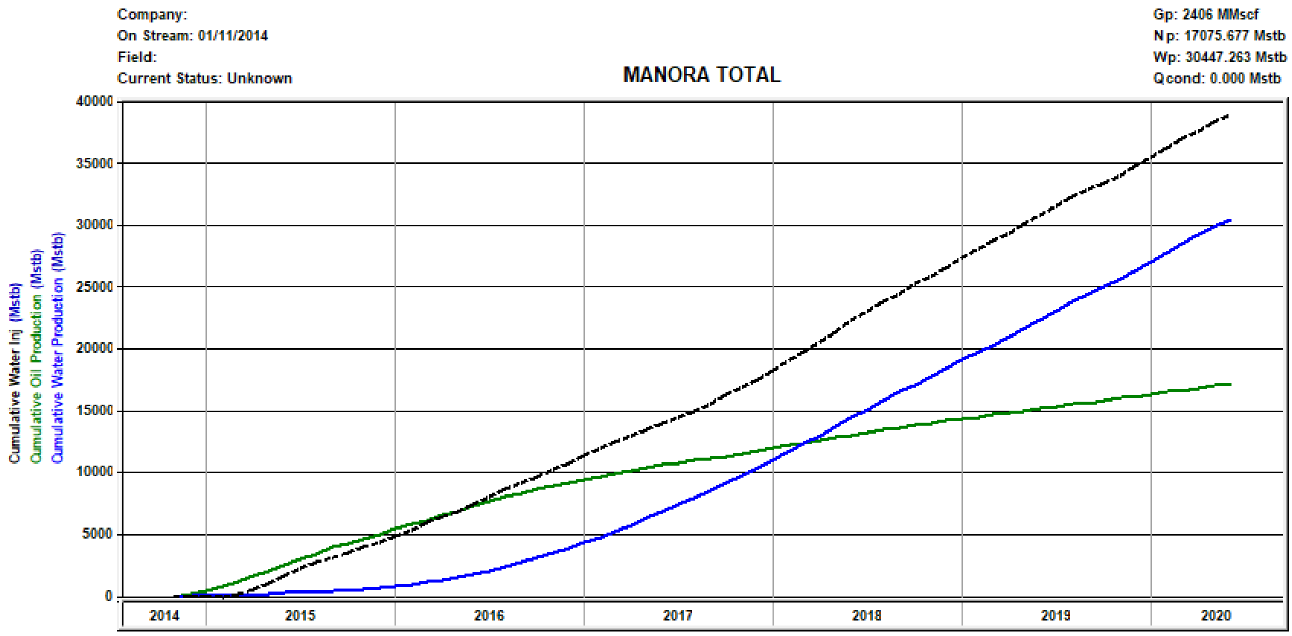

Figure 3-4: Manora Historic oil, water and water injection cumulatives

The field production performance to date has been characterised by increasing water cut and a number of electrical submersible pumps (ESP) failures. Infill drilling and workovers during 2016, 2017 and 2018 have been successful in increasing oil production rates and projected recovery. The benefit of infill wells in 2019 is less clear as their production was offset by ESP failures in MNA-11 and 19.

The majority of production to date has been from the 610, 620 and 650 reservoirs. These reservoirs are compartmentalised, and water injection has been implemented to improve oil recovery. Production performance of the East Fault Block 490-60 reservoir has indicated strong water drive and a similar drive mechanism is expected for the 500 reservoirs.

Three 2019 infill production wells were drilled. MNA-23 is a horizontal well completed on the 370-90 sand in the EFB. It started production at 750 bpd oil and the water cut has rapidly risen to 90%, Figure 3-4. Decline analysis by RISC indicates an ultimate recovery of around 0.2 MMstb in line with the Joint Venture's forecast.

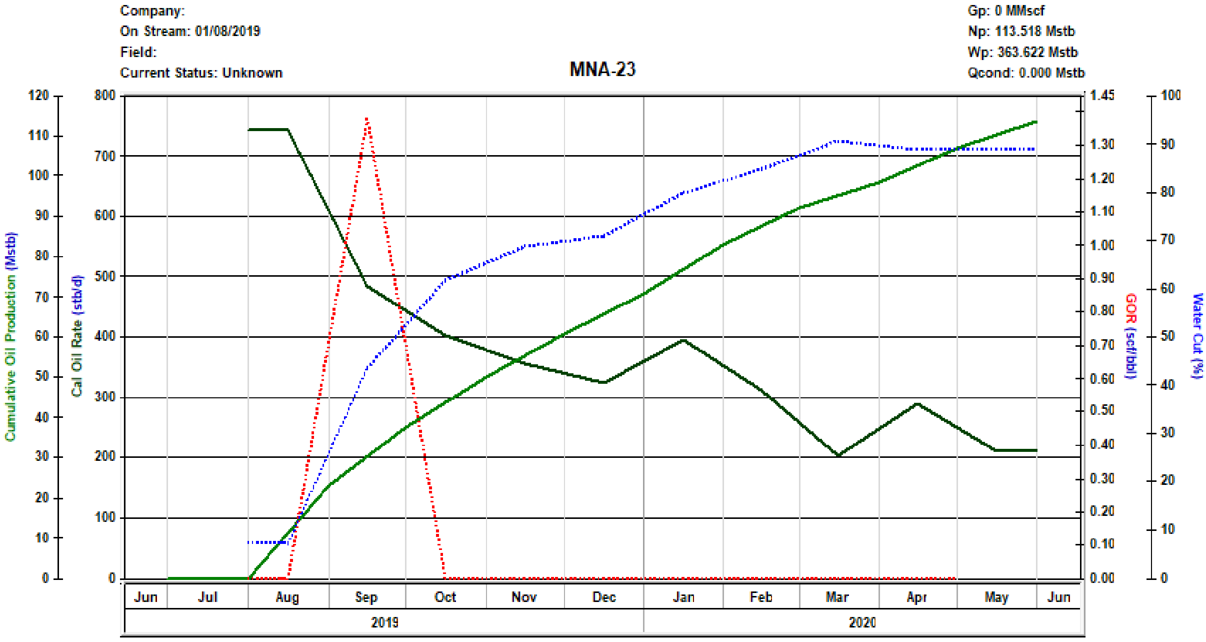

Figure 3-5: MNA-23 production history (2019 infill well)

MNA-24 is a horizontal well completed on the 490-60 sand in the EFB. It started production at 1000 bpd oil, produced 0.27 MMstb to date and the water cut has started to increase, Figure 3-6. Decline analysis by RISC indicates an ultimate recovery of around 0.6 MMstb in line with the Joint Venture's forecast.

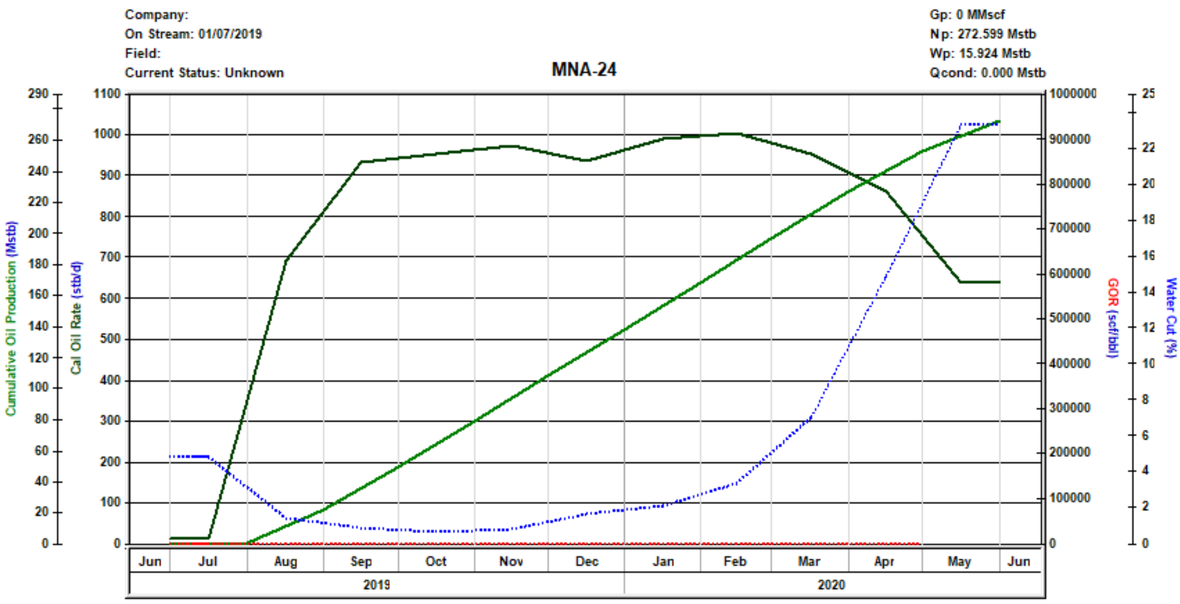

Figure 3-6: MNA-24 production history (2019 infill well)

MNA-22 is a deviated 2019 infill well in the EFB. It has cement bond issues and has recently been re-drilled as MNA-27 as part of the 2020 campaign.

Production availability to date has been mainly driven by ESP failures and has averaged about 90%.

In late 2017, increasing levels of H_2S were detected in the production system. Wellhead measurements indicate that this is mainly coming from wells MNA-01 and recently MNA-11. It is attributed to reservoir souring as a result of water injection. A number of studies and remedial actions are in progress and currently this issue is not materially impacting production rates. Additional costs required to manage the H_2S production are included in the projection described below.

3.3. Existing facilities

The Manora facilities include a single wellhead and processing platform (WPP) with 30 well slots that can accommodate a jack-up or tender assisted rig. The platform production wells utilise artificial lift with ESPs. Water injection, using a combination of treated seawater and produced water, provides reservoir pressure support. Oil is exported from the WPP to a leased disconnectable Floating Storage and Offtake (FSO) vessel which also provides normal field accommodation. The FSO is moored to a single point mooring and crude is exported from the FSO to offloading tankers in a tandem mooring configuration. The facilities design life is 20 years, thus the facilities will be approaching ‘middle age’ near anticipated end of field life (EoFL).

The facilities peak daily capacities based on design and actual production performance are:

- Oil - 17,000 bbl/d (design 15,000 bbl/d);
- Total liquids - 35,000 bbl/d (design 30,000 bbl/d);
- Produced water - 25,000 bbl/d (design 30,000 bbl/d);
- Water injection - 28,000 bbl/d (design 30,000 bbl/d).

Water production has been increasing and oil production is currently constrained by produced water handling capacity. The operator has initiated a project to increase produced water injection capacity by installing new booster pumps and other modifications in Q4 2020. This will increase produced water capacity to 45,000 bbl/d.

3.4. Manora production forecasts

RISC has conducted independent decline analysis for each Manora well and compared our forecast with the Joint Venture’s forecast. We consider the forecast to be conservative, more in line with our 1P exponential decline forecast. Our 2P forecast incorporates more hyperbolic decline.

The following activities are planned to enhance the no further activity (NFA) forecast:

- Replacement ESP and re-start of well MNA-15 in July 2020;
- Ongoing infill wells MNA-25, 26, 27 and 28 starting production in July-August 2020;
- Water handling debottlenecking with increased capacity from January 2021.

Table 3-1 shows the incremental oil production from these developments up to December 2025.

Table 3-1: Incremental initial production and oil recovery

Oil recovery from 1/1/2020	Incremental Oil (bpd)		Incremental EUR (MMstb)	
Activity	**RISC**	**G1/48 JV**	**RISC**	**G1/48 JV**
NFA			4.13	3.19
ESP replacement in MNA-15	268	314	0.24	0.44
MNA-25 Infill well	921	921	0.45	0.47
MNA-26 Infill well	1106	1106	0.26	0.27
MNA-27 Infill well	1382	1382	0.55	0.57
MNA-28 Infill well	1695	1695	0.43	0.43
Facility debottlenecking	1280	1600	0.92	0.64
Total			**6.97**	**6.01**

RISC has accepted the Joint Venture's estimate for the incremental recovery from the four 2020 infill wells. Figure 3-7 shows the cumulative oil production from each Manora well since field start-up.

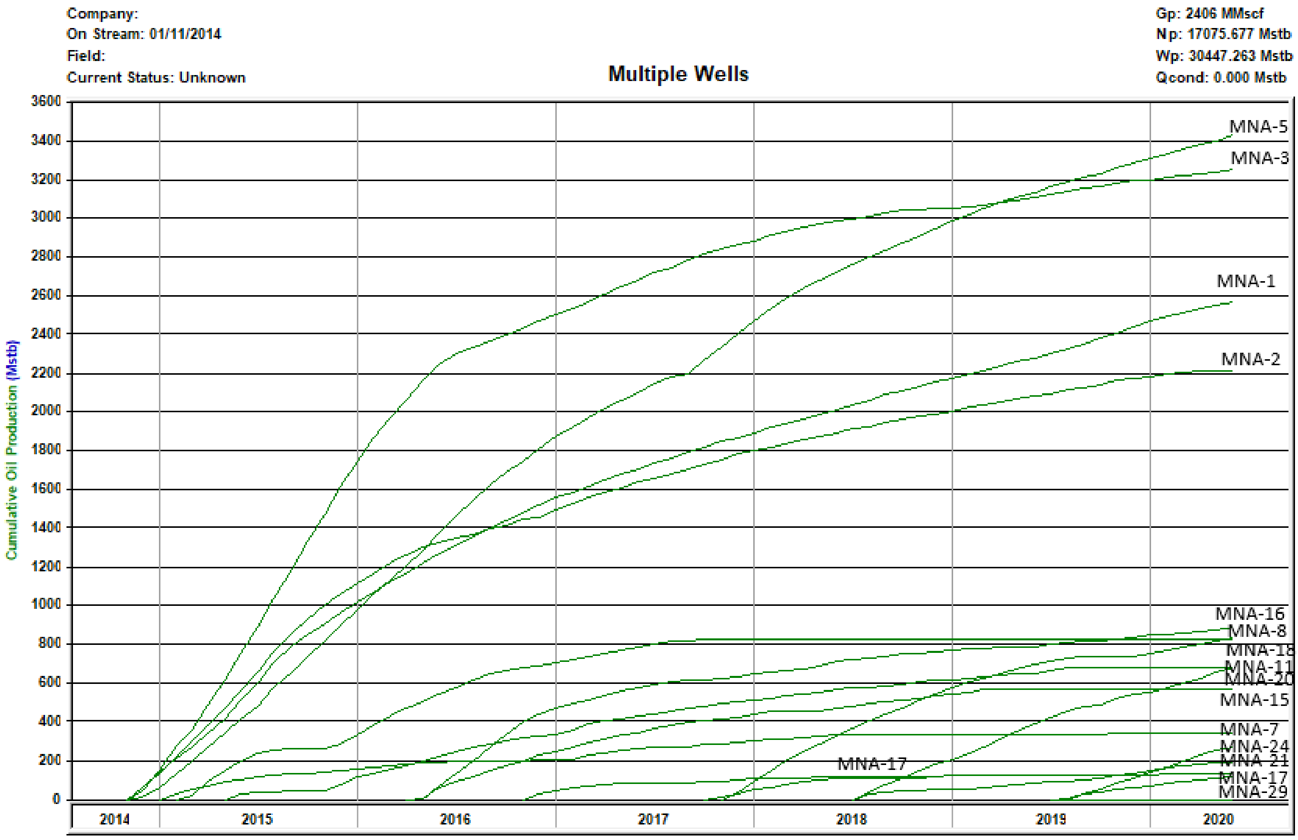

Figure 3-7: Cumulative oil production from each well since start-up

As shown on Figure 3-7;

- The first four wells have produced the most oil, recovering over 2 MMstb per well;
- Subsequent wells have recovered less than 1 MMstb per well;
- The two 2019 infill wells are as good as these latter wells and RISC estimate they will recover 0.2 and 0.6 MMstb each;
- The estimated initial rate and incremental oil recovery from the 2020 infill wells are consistent with historic wells.

Figure 3-8 shows RISC estimated 2P production forecast broken down by activity. Debottlenecking accelerates the oil recovery from the 2020 infill wells in addition to the accelerated recovery shown from existing wells.

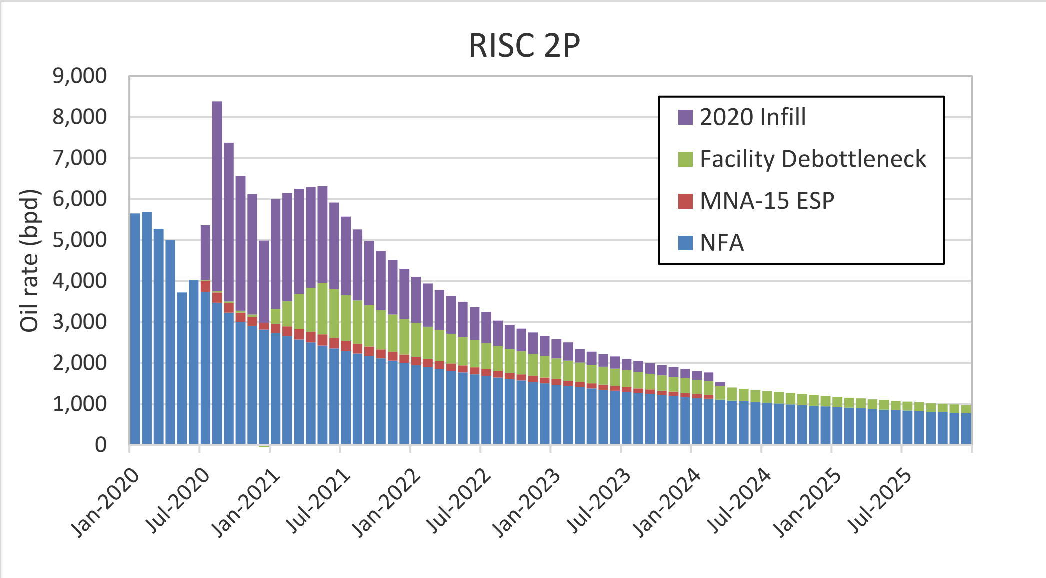

Figure 3-8: Manora 2P oil production forecast (RISC)

RISC's production forecast incorporates 13.4% downtime associated with ESP failures. From historic production, RISC estimate an average ESP run time of 2.4 years and average time to replace failed ESP of 115 days giving an average ESP downtime of 13.4%.

TAP have advised that production in July and August 2020 will be curtailed until a lifting, scheduled for 9-11 September, occurs. Our production forecasts reflect this constraint.

3.5. Capital, operating and abandonment costs

Remaining capital expenditure from 1/1/20 is estimated to be approximately $25 million gross. Most of this is for the four wells drilled in 2020 and the debottlenecking to increase water handling capacity.

This investment is required to achieve the 2P production forecast, gross costs are summarised in Table 3-2. No capital costs are envisaged in 2022 assuming this is the final year of production.

Table 3-2: Capital cost summary (gross)

Capex US$ million	2020	2021
Wells and flowlines	14.75	
Water Injection debottlenecking	4.2	

Capex US$ million	2020	2021
Other	3.5	1.85
Total	**22.5**	**1.9**

Operating costs include platform directs and operations support, well services and workovers, engineering and technical support, general and administration (G&A) and overheads. The Operator forecasts $52 million in 2020. FSO lease and operation is a significant component of operating costs. The initial hire period expires at end July 2021 with daily lease and operating costs reducing from $52k/d to $23k/d (gross).

This results in forecast operating costs reducing to approximately $49 million in 2021 including SG&A.

Costs are expected to further reduce in 2022 due to a whole year of reduced FSO costs and the assumption of no workovers as the field nears the end of economic life, this reduces operating costs to approximately $40 million in 2022. Our operating cost forecasts are summarised in the table below.

Table 3-3: Operating cost summary (gross)

Item	2020 US$ million	2021 US$ million	2022 US$ million
Platform	7.3	6.8	6.8
Operations Support (FSO)	32.5	28.1	21.8
Well services, workovers	3.5	5.5	3.5
Engineering and technical support	4.7	5.0	5.0
G&A and overheads	4.1	3.6	3.4
Total	**52.1**	**48.9**	**40.5**

Studies associated with exploration and appraisal activities are estimated to be $1.2 million in 2020, no expenditure is anticipated after this year. The Operator's cost estimate for Manora decommissioning is $49 million gross based on removal of all structures. We have not seen a detailed basis for the cost estimate. It appears this forecast is based partly on estimates for the nearby Jasmine field, which has a similar development concept and therefore provides a useful reference for Manora. However there is significant uncertainty associated with abandonment and decommissioning cost estimates. In the absence of a detailed report demonstrating how the estimate was derived we consider it is appropriate to add a contingency. Costs are summarised as follows:

Table 3-4 Decommissioning and P&A cost summary (gross)

Item	US$ million
Mothballing	3.0
Planning and engineering	0.8
FPSO Removal	13.7
Well P&A	11.0
Platform removal	18.6
Regulatory compliance	2.0
Contingency (15%)	7.4
Total	**56.5**

It is currently anticipated that decommissioning expenditure will be phased over 7-10 years. This is because the Joint Venture intends moth-balling the Manora platform until the nearby Jasmine field (also operated by Mubadala but in which TAP do not have an interest) is decommissioned. Some cost savings are anticipated by removing both platforms in a single campaign. Wells are assumed to be plugged and abandoned and the FSO removed 1-3 years after Manora production stops. The costs above reflect this assumption. However, there is provision in Thai regulations for payment of a decommissioning deposit guarantee prior to abandonment and decommissioning operations. TAP have advised that notification of the guarantee is expected this year. This sets in motion a process leading to anticipated payment of the cash backed guarantee in 2023. The valuation assumes TAP's share of the full decommissioning liability ($17 million) is paid in 2023.

4. Declarations

4.1. Terms of Engagement

This report, any advice, opinions or other deliverables are provided pursuant to the Engagement Contract agreed to and executed by the Client and RISC.

4.2. Qualifications

RISC is an independent oil and gas advisory firm. All of the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. We have completed over 2,000 assignments in 70+ countries for nearly 500 clients. Our services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been managed by Mr Simon Whitaker who is an employee of RISC. Mr Whitaker is a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers. He holds a BSc (Hons) Engineering Geology, University of Newcastle Upon Tyne, 1980, a MSc Petroleum Engineering, Imperial College of Science and Technology, 1981, and an MBA – International Business & Export Management, City University Business School, 1991. Mr. Whitaker has over 35 years' experience in the petroleum industry the sector.

4.3. Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

This Report has been prepared in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112.

4.4. Limitations

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes.

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. While every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability, except any liability which cannot be excluded by law, for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances or regulations that apply to these assets.

Whilst every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances, regulations that apply to this asset(s). RISC has also not audited the opening balances at the valuation date of past recovered and unrecovered development and exploration costs, undepreciated past development costs and tax losses.

We believe our review and conclusions are sound but no warranty of accuracy or reliability is given to our conclusions. Our review was carried out only for the purpose referred to above and may not have relevance in other contexts.

4.5. Use of advice or opinion and reliance

a) The Report is confidential and is for the Sole benefit of the Client. ***It may not be relied upon by any 3rd party.***

b) RISC grants permission for the report to be disclosed, on condition of confidentiality:

   i. to directors, officers, employees and contractors of the Client;
   ii. to its professional advisers on a non-reliance basis;
   iii. to a party in which the Client has a controlling interest on a non-reliance basis;
   iv. to the extent required by law; or
   v. as otherwise agreed to in writing by RISC in accordance with the Engagement Contract.

4.6. Independence

RISC makes the following disclosures:

- RISC is independent with respect to TAP and confirms that there is no conflict of interest with any party involved in the assignment.
- Under the terms of engagement between RISC and TAP, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.
- Neither RISC Directors nor any staff involved in the preparation of this report have any material interest in TAP or in any of the properties described herein.

4.7. Copyright

This document is protected by copyright laws. Any unauthorised reproduction or distribution of the document or any portion of it may entitle a claim for damages. Neither the whole nor any part of this report nor any reference to it may be included in or attached to any prospectus, document, circular, resolution, letter or statement without the prior consent of RISC.

4.8. Authorisation for release

This Report is authorised for release by Mr. Simon Whitaker, RISC Partner dated 10 July 2020.

S.P. Whitaker

Simon Whitaker

Partner

5. List of terms

5.1. Abbreviations

The following table lists abbreviations commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
1P	Equivalent to Proved reserves or Proved in-place quantities, depending on the context.
1Q	1st Quarter
2P	The sum of Proved and Probable reserves or in-place quantities, depending on the context.
2Q	2nd Quarter
2D	Two dimensional
3D	Three dimensional
4D	Four dimensional
3P	The sum of Proved, Probable and Possible reserves or in-place quantities, depending on the context.
3Q	3rd Quarter
4Q	4th Quarter
AFE	Authority for expenditure
bbl	US barrel
bbl/d	US barrels per day
Bcf	Billion (10^9) cubic feet
Bcm	Billion (10^9) cubic meters
BFPD	Barrels of fluid per day
BOPD	Barrels of oil per day
BTU	British thermal units
BOEPD	US barrels of oil equivalent per day
BWPD	Barrels of water per day
°C	Degrees Celsius
Capex	Capital expenditure
CAPM	Capital asset pricing model
CGR	Condensate gas ratio
CO_2	Carbon dioxide
cP	Centipoise
CPI	Consumer price index
DEG	Degrees
DHI	Direct hydrocarbon indicator
DST	Drill stem test
E&P	Exploration and production
EMV	Expected monetary value
EOR	Enhanced oil recovery
ESMA	European Securities and Markets Authority
ESP	Electric submersible pump

Term	Definition
EUR	Estimated ultimate recovery
F	Degrees Fahrenheit
FDP	Field development plan
FEED	Front end engineering and design
FID	Final investment decision
FM	Formation
FPSO	Floating production, storage and offtake unit
FWL	Free water level
FVF	Formation volume factor
GIIP	Gas initially in place
GJ	Gigajoules (10^9 J)
GOC	Gas-oil contact
GOR	Gas oil ratio
GRV	Gross rock volume
GSA	Gas sales agreement
GTL	Gas to liquid(s)
GWC	Gas water contact
H_2S	Hydrogen sulphide
HHV	Higher heating value
ID	Internal diameter
IRR	Internal rate of return
JV(P)	Joint venture (parties)
Kh	Horizontal permeability
km^2	Square kilometres
Krw	Relative permeability to water
Kv	Vertical permeability
kPa	Kilopascals (thousand Pascal)
Mstb/d	Thousand stock tank barrels per day
LIBOR	London inter-bank offered rate
LNG	Liquefied natural gas
LTBR	Long-term bond rate
m	Metres
MDT	Modular dynamic (formation) tester
mD	Millidarcies
MJ	Megajoules (10^6 J)
MMbbl	Million US barrels
MMscf(/d)	Million standard cubic feet (per day)
MMstb	Million US stock tank barrels
MOD	Money of the day (nominal dollars)
MOU	Memorandum of understanding
Mscf	Thousand standard cubic feet
Mstb	Thousand US stock tank barrels

Term	Definition
MPa	Megapascal (10^6 Pa)
mss	Metres subsea
MSV	Mean success volume
mTVDss	Metres true vertical depth subsea
MW	Megawatt
NPV	Net present value
NTG	Net to gross
ODT	Oil down to
OGIP	Original gas in place
OOIP	Original oil in place
Opex	Operating expenditure
OWC	Oil-water contact
P & A	Plug and Abandon (abandonment of wells)
PBU	Pressure build-up
PJ	Petajoules (10^{15} J)
POS	Probability of success
PRMS	Petroleum Resources Management System
PSC	Production sharing contract
PSDM	Pre-stack depth migration
PSTM	Pre-stack time migration
psia	Pounds per square inch pressure absolute
p.u.	Porosity unit
PVT	Pressure, volume and temperature
QA/QC	Quality assurance/ control
rb/stb	Reservoir barrels per stock tank barrel (at standard conditions)
RFT	Repeat formation tester
RT	Rotary table or real terms, depending on context
SC	Service contract
scf	Standard cubic feet (measured at 60 degrees F and 14.7 psia)
Sg	Gas saturation
Sgr	Residual gas saturation
SRD	Seismic reference datum lake level
SPE	Society of Petroleum Engineers
s.u.	Fluid saturation unit
stb	Stock tank barrels
STOIIP	Stock tank oil initially In place
Sw	Water saturation
TCM	Technical committee meeting
Tcf	Trillion (10^{12}) cubic feet
TJ	Terajoules (10^{12} J)
TLP	Tension leg platform
TRSSV	Tubing retrievable subsurface safety valve

Term	Definition
TVD	True vertical depth
US$	United States dollar
US$ million	Million United States dollars
WACC	Weighted average cost of capital
WHFP	Well head flowing pressure
WPC	World Petroleum Council
WTI	West Texas Intermediate

5.2. Definitions

The following table lists some definitions for terms commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS.
Discount Rate	The interest rate used to discount future cash flows into a dollars of a reference date
Expectation	The mean of a probability distribution.
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively if probabilistic techniques are used.
Possible Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Probable Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations as defined in the SPE-PRMS.
Proved Reserves	As defined in the PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90%

Term	Definition
	probability that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as “Proven”.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.
Working interest	A company’s equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms.

Tap Oil

ABN 89 068 572 341

LODGE YOUR VOTE

ONLINE
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X99999999999

SAMPLE

PROXY FORM

I/We being a member(s) of Tap Oil Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (AWST) on Thursday, 29 October 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4, 5, 6 & 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4, 5, 6 & 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

Resolutions	For	Against	Abstain*
1 Delisting from Australian Securities Exchange (ASX)			
2 Approval of equal access off-market buy-back			
3 Variation to terms of Retention Rights issued to Chris Newton, a Director of the Company			
4 Variation to terms of Performance Rights issued to Chris Newton, a Director of the Company			
5 Variation to terms of Performance Rights issued to Dr David King, a Director of the Company			
6 Variation to terms of Performance Rights issued to Zane Lewis, a Director of the Company			
7 Variation to terms of Performance Rights issued to Kamarudin Baba, a Director of the Company			

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AWST) on Tuesday, 27 October 2020,** being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

BY MOBILE DEVICE

QR Code

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link **www.linkmarketservices.com.au** into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

BY MAIL
Tap Oil Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX
+61 2 9287 0309

BY HAND
delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.

ONLINE
www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

SAMPLE