



Dear Fellow Shareholder

I am writing to you in relation to the recently announced proposal by Mr Chatchai Yenbamroong to replace all of Tap's existing directors (other than myself) with four of his nominees. Mr Yenbamroong is a Thai entrepreneur, a substantial shareholder in Tap Oil Limited (**Tap**) and one of his controlled entities is a joint venture participant in the Manora Oil Development in Thailand.

Mr Yenbamroong has not yet provided any reasons for seeking to reconstitute the Tap Board, and did not request Board representation from Tap before undertaking this course of action.

Together with his private Bermudan company, Northern Gulf Petroleum Holdings Limited, Mr Yenbamroong currently has voting control over approximately 19.98% of Tap shares, having recently increased his shareholding from approximately 6% through on-market trades.

Mr Yenbamroong is proposing to appoint 80% of the Tap Board when he only has voting control over 19.98% of Tap shares. The Tap Board is unanimous in its view that this is an opportunistic attempt by Mr Yenbamroong to take control of your Company without making a formal offer and paying a control premium to all Tap shareholders.

The Tap Board notes that Mr Yenbamroong's action coincides with the significant drop in the oil price and with Tap's recent announcement of potential cost overruns by the operator of the Manora Oil Development. The Tap Board is of the view that the Company's current share price does not reflect Tap's inherent value, particularly as the Manora oil field has now reached peak production of 15,000 bopd (gross). In this regard, the Tap Board notes that Mr Yenbamroong has an intimate knowledge of the value of the Manora Oil Development, through the joint venture interest of his controlled entity, Northern Gulf Petroleum Pte. Ltd. (**NGP**).

In October 2010 Mr Yenbamroong sold a 30% interest in the then undeveloped Manora oil field to Tap, and retained a 10% interest. Since that time, Tap has funded the development of its share of the Manora oil field, borne the development risk and also completed a US\$20 million carry of NGP. The Manora oil field is producing at peak production of 15,000 bopd (gross). It is at this time that Mr Yenbamroong is attempting to gain control of your Company without paying a premium.

You should also be aware that Mr Yenbamroong has several other interests in Tap in connection with the Manora transaction. A number of acquisition payments were agreed under the October 2010 contract, based on the achievement of project milestones. Following the commencement of Manora production, both Tap and NGP have commenced making payments to each other. The Tap Board is of the view that these contractual arrangements have the potential to give rise to conflicts of interests between Mr Yenbamroong's interests and those of other Tap shareholders. The Tap Board believes that these concerns would be exacerbated if



Mr Yenbamroong was to obtain control of the Tap Board through the appointment of his nominees.

As previously communicated to shareholders, the Tap Board is currently working through the challenges facing the Company that have resulted from the recent sharp decline in the oil price, which has adversely impacted the Company's revenues from the Manora Oil Development and its financial position generally. The recent successful modification to Tap's borrowing base debt facility with BNP Paribas and Siam Commercial Bank, together with the pro-active steps taken to defer non-essential expenditure, has provided the Company with additional financial capacity.

The Tap Board and management have been and are continuing to investigate all available options to manage the Company through this period. You may have seen we announced (5 March 2015) a formal Strategic Review process to look at all options, including potential asset sales (including the selling down of the Company's interest in Manora) and whole of Company proposals, to maximise value for all shareholders. Some of these options have the potential to unlock value for shareholders, especially through the utilisation of Tap's significant franking credit balance as part of any return of funds to shareholders.

Mr Yenbamroong has recently requested a copy of the Tap share register. We expect he will be writing to you separately to outline why he wants to replace three of the four directors of your Company. We also expect he will lay out his views for your Company, and what he would anticipate his nominated directors would do differently to the current Tap Board in order to combat the effects of the recent decline in the oil price. Mr Yenbamroong has given notice of his intention to call a meeting of shareholders himself, rather than to let Tap shareholders deal with this business at the 2015 Annual General Meeting of shareholders in the ordinary course.

Any meeting of shareholders convened by Mr Yenbamroong to consider these issues is likely to be held in late April / early May, being at least 2 months after notice was received of Mr Yenbamroong's intention to move resolutions to remove existing Tap directors. The Tap Board will provide a more detailed response to Mr Yenbamroong's proposal to shareholders when he provides further details of his proposal.

The Tap Board will continue to keep you advised of all material developments in relation to this matter.

The Tap Board is unanimous in its view that the current share price does not represent the value inherent in the Company. Shareholders should reject any attempt to acquire control of your Company, whether directly or indirectly, without the payment of an acceptable premium to all Tap shareholders.

We look forward to your continued support in maximising the value for all Tap shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Schwebel", with a horizontal line underneath.

Douglas Schwebel
Non-executive Director

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