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NORTHERN GULF STATUTORY DEMAND SET ASIDE

Tap Oil Limited (ASX: TAP) is pleased to provide an update on the outcome of the application to set aside the statutory demand filed by Northern Gulf Petroleum Holdings (NGPH).

On 14 April 2015, Tap Energy (Thailand) Pty Ltd (Tap's wholly owned subsidiary) received a statutory demand from NGPH demanding payment of US\$14,614,500 in satisfaction of the 31 December 2014 2P reserves deferred payment, which NGPH alleged was due and payable. Tap considered that the amount was not due and payable and that there was no proper legal basis for NGPH to make this demand. Tap also considered that this statutory demand comprised an abuse of the statutory demand process.

The application by Tap Energy (Thailand) Pty Ltd to set aside the statutory demand was heard in the Supreme Court of Western Australia on 26 August 2015. In a judgment delivered on the same day the Court determined that there was a genuine dispute in regards to the amount demanded by NGPH and as a result the Court set aside the statutory demand and ordered that NGPH pay costs in regards to the matter.

NGPH has up to 21 days in which to lodge any notice of appeal. For any appeal to be successful NGPH would have to demonstrate that the Supreme Court had erroneously set aside the statutory demand.

Tap's Managing Director/CEO Troy Hayden said:

"Tap is very pleased with the quick and conclusive judgement on this matter. We have remained confident that the 31 December 2014 Reserve Payment was always US\$1.3m and we look forward to concluding this matter, along with receiving our Carry repayment totalling approximately US\$9m from Mr Chatchai Yenbamroong. In this low oil price environment, Mr Yenbamroong's refusal to continue repaying the Carry amount is negatively impacting on the Company."

As announced on 20 August 2015, Tap Energy (Thailand) Pty Ltd has separately commenced arbitration proceedings against NGPH and other Northern Gulf companies in regards to settlement and set off of various disputed acquisition payments under the sale and purchase agreement for Tap's acquisition of its 30% interest in the G1/48 concession.

Tap asserts that as at 26 August 2015, the net amount owing to it by the Northern Gulf companies under that sale and purchase agreement is approximately US\$5.1 million (which amount includes \$0.5 million of the earn-out payable by Tap to NGPH). The arbitration process is expected to date approximately 12-18 months to complete.

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