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INDEPENDENT REPORT CALCULATES 13.6 MMSTB 2P RESERVES (GROSS) AT MANORA

- Independent Manora reserves report by NSAI as at 31 December 2015 complete
- NSAI estimates 11.2 MMSTB of 1P and 13.6 MMSTB of 2P gross reserves as at 31 December 2015

Tap Oil Limited (ASX:TAP) provides the following update on the estimation of the Manora reserves and resources as at 31 December 2015 undertaken by Netherland, Sewell & Associates, Inc. (**NSAI**), an independent reserves consultant.

The 31 December 2015 2P reserves report has now been completed by NSAI. It was compiled using the results of all the wells drilled to 31 December 2015 for the Manora Oil Development and includes production performance during 2015.

The range of NSAI's reserves estimates for the Manora Oil Development as at 31 December 2015 are:

Probabilistic	Gross 100% Field			Tap share (30%)		
	1P	2P	3P	1P	2P	3P
Oil Reserves at 31 Dec 2015 (MMSTB)	11.2	13.6	16.24	3.36	4.07	4.87

* Reserves are not adjusted for Risk

The estimates are net of cumulative production to 31 December 2015 of 5.46 MMSTB (net to Tap 1.64 MMSTB).

NSAI contingent resources estimates as at 31 December 2015

NSAI has calculated a best estimate 2C contingent resource of 5 MMSTB gross (1.5 MMSTB net to Tap). The contingent resource is broken down into additional reservoir volumes (gross 4 MMSTB; net to Tap 1.2 MMSTB) and extension volumes (gross 1 MMSTB; net to Tap 0.3 MMSTB). 55% of the additional reservoir's layer is due to updip volumes in the east fault block 620 reservoir which NSAI believes will not be drained from the existing wells. The extension layer refers to volumes contingent upon improved economic conditions.

Northern Gulf Petroleum Considerations

As previously disclosed, under the agreement relating to Tap's acquisition of its 30% interest in the G1/48 Concession and the Manora Oil Development from Northern Gulf Petroleum Holdings (**NGPH**) Tap is required to calculate a reserve payment to NGPH for the three years following commencement of Manora production.

On the basis of this 2015 NSAI report, Tap calculates an additional reserves payment of US\$4.60 million to NGPH during 2016 based on the Operator's 2P reserves estimate for the Manora oil field as at 31 December 2015 (**2P Reserves Deferred Payment**). This is in addition to the US\$1.31 million Reserves Deferred Payment calculated for the reserves as at 31 December 2014.

Under the agreement, Northern Gulf Petroleum Pte. Ltd (**NGP**) (a Singaporean company that is a subsidiary of NGPH and controlled by Mr Chatchai Yenbamroong), is also required to repay US\$10 million to Tap out of NGP's share of production from Manora. This is an ongoing repayment obligation as and when proceeds are received from each oil lifting.

After repaying approximately US\$1.03 million following proceeds of oil liftings to date, NGPH has ceased making any further repayments to Tap.

Tap has exercised its right to set-off this 2P Reserves Deferred Payment (and the earn-out payable under the agreement) against the amounts owing to it in respect of the repayment of the Tap Carry (described above). This set-off results in an amount owing to Tap of US\$2.40 million (excluding interest). Tap has also reserved its right to claim interest on this amount.

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Persons compiling information about hydrocarbons

The information in this announcement relating to oil reserves for the Manora Field, Gulf of Thailand as of 31 December 2015 are based on information in the Netherland, Sewell & Associates, Inc. (**NSAI**) report dated 3 February 2016 compiled by Mr Philip S. (Scott) Frost. Mr Frost is qualified in accordance with ASX Listing Rule 5.41 and has consented to the inclusion of such information in this announcement in the form and context in which it appears. Mr Frost is a full-time employee of NSAI, with more than 30 years relevant experience in the petroleum industry; is a member of the SPE; and is a licensed Professional Engineer in the State of Texas, United States of America.