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2015 FINANCIAL REPORT

Please find attached **Tap Oil Limited's** (ASX:TAP) Financial Report for the year ended 31 December 2015.

Copies of this report are available at the ASX and can be viewed on the Company's website www.tapoil.com.au under the heading "Investor Centre".

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Disclaimer

Certain statements contained in this announcement, including information as to the future financial or operating performance of Tap Oil Limited and its projects, are forward-looking statements. Such forward-looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Tap Oil Limited, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;*
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and*
- may include, among other things, statements regarding targets, estimates and assumptions in respect of production and prices, operating costs and results, capital expenditures, reserves and resources and anticipated flow rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.*

Tap Oil Limited disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "potential", "opportunity" and similar expressions identify forward-looking statements.

All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

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Persons compiling information about hydrocarbons

The reserve and contingent resource information in this report is based on information compiled by Mr Denis Bouclin B.A.Sc (Hons), M.A.Sc (Engineering), P.Eng., who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Bouclin is a part-time employee of the Company, with more than 25 years relevant experience in the petroleum industry and is a member of The Association of Professional Engineers and Geoscientists of Alberta (APEGA) and The Society of Petroleum Engineers (SPE).

Reserves and Contingent resources have been estimated using both probabilistic and deterministic methods. Tap is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

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.

Tap Oil Limited

ABN 89 068 572 341

Financial Report for the financial year ended 31 December 2015

**Financial Report
for the financial year ended
31 December 2015**

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Directors' Report

The Directors of Tap Oil Limited (**Tap** or the **Consolidated Entity**) submit herewith the annual financial report of the Company for the financial year ended 31 December 2015, in order to comply with the provisions of the Corporations Act 2001 (Cth).

1. Principal Activities

Tap's principal activities in the course of the financial year were oil and gas exploration, production and gas marketing. Tap's production is from its 30% interest in the Manora Oil Development in the Gulf of Thailand (Manora Oil Development).

2. Consolidated Results

Tap's revenue for 2015 was US\$102.2 million (2014: US\$26.8 million), of which US\$0.2 million (2014: US\$0.2 million) was interest revenue and royalties. Gross profit was US\$26.6 million (2014: US\$14.4 million). After impairment losses and write-downs of US\$68.6 million (2014: US\$78.1 million), the net loss before tax was US\$54.6 million (2014: US\$74.6 million); and the net loss after tax was US\$54.5 million (2014: US\$42.7 million). Net cash flows from operations were US\$52.3 million inflow (2014: US\$5.7 million inflow).

3. Dividends

The Directors of the Company do not recommend the paying of a dividend for the financial year.

Since the end of the previous financial year, no dividend has been paid or declared.

4. Review of Operations

4.1 Strategic Overview

Tap is a diversified oil and gas exploration and production company, with ongoing revenues and cash flow from the Manora Oil Development and its third party gas business. In the current oil price environment the Company is evaluating how best to work with its existing exploration and appraisal portfolio. Tap's strategic intent is to create value for shareholders through discovering, developing, acquiring, producing and selling oil and gas.

4.1.1 Production and Sales

	2015 '000 boe	2015 US\$'000	2014 '000 boe	2014 US\$'000
Production (net to Tap):				
Oil - Manora	1,493		148	
Sales (net to Tap):				
Oil - Manora	1,539	75,358	31	1,833
Commodity hedge gain		4,758		-
Oil revenue		80,115		1,833
Third Party Gas Sales – 3,395 TJ (2014: 3,483 TJ)	501	21,914	514	24,717
Total sales	501	102,029	545	26,550
Average realised oil price		US\$52.0/bbl		US\$58.9/bbl

Manora Oil Field – G1/48 Thailand

The Manora Oil field is located in the G1/48 concession offshore in the gulf of Thailand. Mubadala Petroleum operates the concession and the field. Tap reached FID on the Manora Oil Development on 23 July 2012 and production commenced on 11 November 2014 with the first lifting on 25 December 2014.

The Manora oil development has three key components. The platform, the Floating Storage Offloading (FSO) Unit and the development wells. Manora is a single well head platform with a four-leg platform jacket substructure with the topsides containing the production process and well head equipment. Pipelines and risers connect the platform to a leased FSO Unit. The FSO stores the crude oil and also serves as the accommodation hub.

The initial development plan included up to 15 development wells (10 producers and 5 injectors). Following a review in January 2015, the Manora joint venture agreed that two wells (one producer and one injector) were no longer required and two producer wells could be deferred until more production performance was obtained. These two deferred wells are budgeted to be drilled in 2016.

During the first quarter of 2015 all eleven Manora development wells were successfully completed (seven producers and four injectors) and the Atwood Orca jackup drilling rig moved off location in early April 2015.

Gross production for the year was 4,975 MSTB (Tap share 1,493 MSTB). The average gross production rate for 2015 was 13,630 bopd (Tap share 4,089 bopd). Cumulative field production to 31 December 2015 was 5.5 MMSTB gross (Tap share 1.64 MMSTB). Water breakthrough in the major central fault block reservoirs occurred in the second half of the year and water production levels, with the exception of MNA-05, are also slowly increasing. Water breakthrough in the east fault block wells occurred shortly after the start of production due to the wells' downdip location near the oil water contact.

Water injection commenced into the central fault block wells MNA-04, MNA-09ST1 and MNA-10 during February and March 2015 and into the east fault block well MNA-13 during April 2015. The injection system treats seawater combined with produced water. Cumulative injection during the year was 4.9 MMbbl gross or on average 15,666 bwpd gross during the last three quarters of 2015. All the reservoirs into which water has been injected have shown stabilised reservoir pressure above the oil bubble point pressure, demonstrating the benefit of water injection.

In the second half of 2015 workover operations were undertaken on three wells. Workovers were conducted on MNA-01 and MNA-08 to replace ESP systems that had failed. The workover on MNA-11 was to install an ESP in the well. The work on MNA-08 and MNA-11 also included successful acid stimulations of all zones.

There were 42 cargo liftings during the 2015 calendar year. In December 2015, Tap executed a twelve month contract to sell its share of Manora crude domestically in Thailand, at a discount to the Dubai US\$ crude oil price (Platts). These sales proceeds are received in Thai Baht (THB). Tap executes foreign exchange hedging to manage the USD/THB sales revenue exposure.

Reserves

Tap's reserves estimate (below) includes a decrease in 2P reserves (0.35MMSTB net to Tap), not related to production, due to economic conditions. In order to evaluate the field economic limit, an oil price at terminal conditions of US\$60/bbl was used. This is in contrast to the 31 December 2014 reserves report where a constant oil price of US\$75/bbl from 2016 onwards had been assumed.

On 15 February 2016, Tap advised that the 31 December 2015 joint venture 2P reserves report for Manora had been completed by Netherland, Sewell & Associates, Inc. (NSAI).

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

(MMSTB)	Gross 100% Field			Tap share (30%)		
Probabilistic	1P	2P	3P	1P	2P	3P
NSAI	11.2	13.6	16.24	3.36	4.07	4.87
Tap	9.97	13.2	16.2	2.99	3.96	4.86

* Reserves are not adjusted for Risk

Refer to section 7 Subsequent Events for more information on this NSAI report.

Health Safety and Environmental

During the second half year Mubadala Petroleum, the Operator of the Manora field, received the 2015 DMF SHE Award in the excellence category for safety, health and environmental management of the Manora field from the Ministry of Energy.

Third Party Gas

Tap has contracts with third parties where it buys gas from the John Brookes field and re-sells this gas to customers. Both the purchase and sale prices are CPI linked and fixed in AUD, thereby avoiding any exposure to changes in commodity prices. This gas is largely contracted and is expected to generate revenue of approximately A\$2.5 million per month through to at least the end of 2016.

Reported revenues from the gas contracts were lower in 2015 due to less favourable exchange rates. Australian dollar revenue for third party gas was higher than in 2014 due to a decrease in deferred delivery under take or pay arrangements (gas banking).

4.1.2 Exploration and Appraisal

As the focus was on the Manora development, 2015 was a relatively quiet year of exploration for Tap. Tap did not participate in any wells during the year.

Myanmar

Block M-07 Moattama Basin, Offshore Myanmar

The 13,000 km² block is located in the gas and condensate prone Moattama basin, offshore Myanmar (**Block M-7**). Block M-7 is 160 kilometres east of the 6.5 Tcf Yadana gas field, and 110 kilometres northeast of the 1.5 Tcf Zawtika gas field. The Moattama basin is Myanmar's most prolific offshore hydrocarbon province, with existing production from two offshore fields and a third field close to production commencement. Production is typically from stacked Miocene clastic reservoirs.

Tap Energy (M7) Pte Ltd and its local joint venture participant Smart E&P International Ltd signed a Production Sharing Contract with Myanmar Oil and Gas Enterprise for Block M-7 at an official ceremony in Myanmar on 26 August 2015 (**PSC**). Tap holds a 95% participating interest in Block M-7 and has assumed operatorship. Under the executed PSC, the JV partners have agreed to undertake an 18 month Preparation and Study Period which includes an Environmental and Social Impact Assessment (ESIA), followed by an option to proceed to a three-year commitment exploration work programme (ASX Release dated 27 August 2015).

Block M-7 is currently in the preparation period prior to entering the 12 month study period. Consultation Meetings as part of this phase have been held with Myanmar Government entities MOGE and MOECF and with regional Government Stakeholders in the Yangon Dawei and Ye Townships.

The seismic data was signed over from the MOGE Data centre to Tap on 8 January 2016.

Carnarvon Basin – Offshore Western Australia

WA-351-P

WA-351-P is an exploration permit in the offshore Carnarvon Basin, Western Australia. The permit contains the Tallaganda gas discovery drilled during the second quarter of 2012. The Tallaganda-1 well was a new field gas discovery in the Triassic Mungaroo Formation. The Tallaganda structure straddles both WA-351-P and WA-335-P to the south. The structure is well defined by modern 3D seismic data. Tap has booked 49 PJ as a 2C contingent resource (ASX release 29 January 2013).

As part of the retention lease process, the location application over the Tallaganda gas discovery was approved by NOPTA with effect from 10 July 2015 for a two year period. A suspension and extension application was approved by NOPTA on 19 November 2015, with Permit year 5 ending on 27 June 2016.

WA-290-P and WA-49-R

WA-290-P is an exploration permit in the offshore Carnarvon Basin, Western Australia. In early 2011, the Joint Venture drilled the Zola discovery and in August 2012, a retention lease, WA-49-R, was granted over the Zola and Antiope discoveries for a period of five years. The lease area covers two graticular blocks.

The Greater Zola Structure comprises several fault blocks along the Alpha Arch, south of the giant Gorgon gas field. A single fault block was tested by Zola-1 (the Zola fault block). Within the Greater Zola Structure, the Bianchi-1 discovery well was drilled in 2013 on an independent Triassic prospect some 6.4 kilometres north-northeast of the Zola-1 gas discovery and 20.8 kilometres south-southwest of the Gorgon-1 gas discovery.

Tap has booked a total of 64 PJ of net 2C contingent resource for the gas discoveries made in WA-49-R to date (includes the Zola, Bianchi and Antiope discoveries) (ASX release 26 February 2014).

WA-320-P and WA-155-P (Part II)

WA-320-P and WA-155-P (Part II) are exploration permits in the offshore Carnarvon Basin, Western Australia. The Palmerston prospect straddles both WA-320-P and WA-155-P (Part II).

In 2013, Tap farmed out a portion of its interest in both permits to JX Nippon Oil and Gas Exploration (Australia) Pty Ltd in exchange for a 5% carry on the Palmerston-1 well (up to a total well cost of US\$70 million). Post farmout, Tap retains a 9.778% equity in WA-320-P and 6.555% equity in WA-155-P (Part II).

Approximately 310 km² of multi-client 3D seismic data from the TGS "Huzzas MC3D seismic survey" was licensed by the WA-320-P Joint Venture in 2014. During 2015 the Huzzas 3D data was initially processed and is currently being reprocessed to enhance the data quality. This new seismic data will be used to assess the prospectivity of the permits and for planning of an exploration commitment well which is required to be drilled by Q4 2016 under current license conditions.

TL/2 and TP/7

The TL/2 production licence and TP/7 exploration permit are located in shallow water in the offshore Carnarvon Basin approximately 40 kilometres north-northeast of Onslow, Western Australia.

The Taunton oil field was discovered in 1991 and straddles the TL/2 and TP/7 permit boundaries. It was subsequently appraised by three additional wells which encountered oil in the Birdrong Sandstone. Tap has previously recognised a net 2C Contingent Resource of 0.9 MMstb for the Taunton field which is primarily in the Birdrong Sandstone reservoir (2014 Tap Annual Report).

In 2014 approval was granted for the variation of the TP/7 Year 3-5 work program (July 2014 – July 2017) to substitute the 3D seismic acquisition and well commitment with geotechnical studies. Development options for the Taunton field are being considered.

Offshore Thailand

In 2015 Tap held a 30% direct interest in G1/48 concession in the northern Gulf of Thailand. The concession is operated by Mubadala Petroleum. The Manora discovery in late 2009 opened up a new oil play in the northern Gulf of Thailand.

The G1/48 Joint Venture applied to the Thailand Department of Minerals and Fuels for a 1,338.84 km² Reservation Area within the expiring G1/48 concession which was approved on 11 December 2015. The remaining area of G1/48 outside of this Reservation Area was relinquished to the Government of Thailand.

During the year the Operator worked on an extensive review of the prospectivity of the G1/48 permit area, specifically focused on ranking prospects for potential exploration drilling in 2016.

Subject to further successful drilling to aggregate additional resource volumes, there may be potential to tie discoveries back to the Manora facility should sufficient volumes be proved.

On 28 December 2015 Tap's withdrawal from its 30% participating interest in the G3/48 concession in the northern Gulf of Thailand was officially approved by the Minister of Energy for Thailand. The effective date for the transfer of liabilities was January 2015.

Other Exploration

Vic/P67- Otway Basin, Offshore Victoria

On 11 February 2015, Tap advised WHL Energy Limited that it had elected not to exercise its option to acquire 10% of the Vic/P67 permit. The final seismic cost of US\$2,778,887 was paid to WHL on 31 March 2015. Tap has no further obligation or liability in respect of exploration permit Vic/P67.

SPA 5 AO and SPA 6 AO – Carnarvon Basin, Onshore Western Australia

On 23 February 2015, Tap advised Rusa Resources Pty Ltd of its withdrawal from the project. Tap has no further obligation or liability in respect of SPA 5 AO and SPA 6 AO.

4.2 Financial Summary

Tap's revenue for 2015 was US\$102.2 million (2014: US\$26.8 million), of which US\$0.2 million (2014: US\$0.2 million) was interest revenue and royalties. Gross profit was US\$26.6 million (2014: US\$14.4 million). After impairment losses and write-downs of US\$68.6million (2014: US\$78.1 million), the net loss before tax was US\$54.6 million (2014: US\$74.6 million); and the net loss after tax was US\$54.5 million (2014: US\$42.7 million).

Net cash flows from operations were US\$48.9 million inflow (2014: US\$5.7 million inflow).

Reported revenues from the gas contracts were lower in 2015 due to less favourable exchange rates. Australian dollar revenue for third party gas was higher than in 2014 due to a decrease in deferred delivery under take or pay arrangements (gas banking).

Manora revenues are higher due to the sale of 42 liftings comprising 1.5 million bbls while 2014 revenue relates to just the one lifting on 25 December 2014 following commencement of production on 11 November 2014. The average selling price for 2015 was US\$52.0/bbl.

Manora cash operating costs (excluding depreciation) for the first full year of production were US\$22/bbl (2014: US\$21/bbl).

Forming part of the cost of sales is the depreciation charged on a unit of production basis. The depreciation of US\$34.9 million (2014: US\$0.938 million) charged for the year ended 31 December 2015 relates to the Manora asset.

The exploration activities in 2015 are set out in the Strategic Overview in item 4.1 above. Following an evaluation at the end of 2015 the exploration impairment losses and write-downs recorded as at 31 December 2015 were

US\$20.9 million (2014: US\$57.2million). The property, plant and equipment impairment loss of US\$46.8 million recognised in 2015 (2014: US\$20.9 million) relates to the Manora development asset (US\$43.9 million) and the Airlie development asset (US\$2.8 million). The Manora impairment is substantially related to the decline in oil prices.

Administration costs were lower for the year at US\$5.2 million (2014: US\$6.7 million). There were staff reductions in 2014 which resulted in lower employee related costs in 2015.

5. Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name	Committee Memberships	Experience
D W Bailey <i>B.Bus (Acc), CPA, ACIS</i> Non-executive Director and Chairman Appointed 11 November 2009	Nominations Committee (Chair) Audit Committee Remuneration Committee Reserves Committee	Douglas Bailey is an accountant with over 35 years experience in the resources industry. He is a former CEO and Managing Director of Ashton Mining Limited and a former CFO of Woodside Petroleum Limited. Douglas is experienced in all commercial aspects of resource company financing, project development, acquisitions and administration.
T J Hayden <i>B.Econ, M.Fin</i> Managing Director/CEO Appointed 1 December 2010	Nominations Committee	Troy Hayden joined Tap in December 2010 after a 12 year career at Woodside Petroleum, where he held a number of key positions, including Acting CFO, Vice President of the USA Business Unit and Vice President of the Pluto Business Unit. Since leaving Woodside in 2008, Troy has undertaken a number of financial and commercial consulting projects working with First Quantum Minerals and QR National.
M J Sandy <i>B.Sc Hons (Geology)</i> Non-executive Director Appointed 22 June 2006	Audit Committee (Chair) Reserves Committee (Chair) Nominations Committee Remuneration Committee	Michael Sandy is a geologist with over 35 years experience in the resources industry with the past 30 years focused on oil and gas. Michael has worked for various oil and gas companies, including Oil Search and Novus Petroleum, during the last 25 years. Michael brings a wide mix of commercial and technical skills and experience which complement the skills of the other Board members of Tap.
D A Schwebel <i>PhD B.Sc (Hons) Geology</i> Non-executive Director Appointed 16 February 2012	Remuneration Committee (Chair) Audit Committee Nominations Committee Reserves Committee	Douglas Schwebel has over 35 years experience in the resources sector, having held various senior executive positions with ExxonMobil, including Exploration Director for its Australian upstream subsidiaries. His 26-year career with Exxon Mobil included exploration and resource commercialisation and strategy roles in Australia, the USA and Asia. Between 2008 and 2011, he was Chief Executive Officer of the privately owned Pexco NV and its Australian subsidiary Benaris International Pty Ltd. Dr Schwebel has also served as a Non-Executive Director on the Boards of Roc Oil Limited and Great Artesian Oil & Gas Limited, and is currently a Non-Executive Director of Beach Energy Limited.
T L Soulsby <i>B.Bus (Acc), Grad Dip (Asian Studies)</i> Nominee Director Appointed 1 January 2016	Reserves Committee (since 24 January 2016)	Tom Soulsby has over 25 years' experience in the oil and gas and resources sector spanning investment banking, corporate business development, and management and leadership roles. Tom was a founding Director at Indonesian-listed Energy Mega Persada in 2003 and until 2008, where he was responsible for the acquisition of assets which added 525 Mmboe to EMP's 2P reserves – a key growth driver for the company. Tom is presently a director of Risco Energy Investments Pte Ltd and is also a director of Lion Energy Limited.
C Newton <i>B.Sc (Geology), Grad Dip (App Fin)</i> Alternate Director for TL Soulsby Appointed 1 January 2016	Not applicable as an alternate.	Chris Newton has had a 37 year career in oil and gas covering the spectrum of the industry – from exploration, development, production and petroleum economics to strategic planning, business development and senior leadership. Chris has spent more than 25 years in senior resource industry roles in South East Asia. Chris was an active Director of the Indonesian Petroleum Association (IPA) between 2003 to 2008, including serving as President from 2004 to 2007. He remains active in the IPA and is also the oil and gas advisor to the Jakarta-based Castle Asia Group. Chris is currently a Director of Risco Energy Investments Pte Ltd and is also a director of Lion Energy Limited.

Directorships of other Listed Companies

Directorships of other listed companies held by Directors of the Company in the three years immediately before the end of the financial year are as follows:

Name	Company	Position	Commenced	Ceased
D W Bailey	St Barbara Limited	Director	January 2006	June 2015
M J Sandy	Equus Mining Limited (<i>formerly Caspian Oil and Gas Limited</i>)	Director	September 2005	February 2013
	Burleson Energy Limited	Chairman/ Director	May 2006	-
	Hot Rock Limited	Director	June 2007	September 2014
	MEO Australia Limited	Director	July 2015	-
D A Schwebel	Beach Energy Limited	Director	November 2012	-
T L Soulsby	Lion Energy Limited	Director	January 2014	-
C Newton	Lion Energy Limited	Director	January 2014	-

T J Hayden has not held any other listed company directorships in the last three years.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of the Board of Directors of Tap Oil Limited) held during the financial year and which each Director of the Company was eligible to attend and the number of meetings attended by each Director of the Company.

	Board of Directors		Audit and Risk Committee		Remuneration Committee		Reserves Committee		Nominations Committee	
Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
D W Bailey	23	23	3	3	2	2	5	5	1	1
T J Hayden	23	23	-	3 ⁽ⁱ⁾	-	2 ⁽ⁱ⁾	-	5 ⁽ⁱ⁾	1	1
M J Sandy	23	23	3	3	2	2	5	5	1	1
D A Schwebel	23	23	3	3	2	2	5	5	1	1

(i) Not a member of the committee but attended via invitation to all or part of meeting.

There were no changes made to the composition of the Board and the various Board committees during the year. Subsequent to the year end, Mr T L Soulsby joined the Board and appointed Mr C Newton as his alternate director. On 24 January 2016 Mr Soulsby was appointed to the Reserves Committee.

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares and rights of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares	Rights
D W Bailey	377,934	-
T J Hayden	2,347,653	5,000,000
M J Sandy	209,472	-
D A Schwebel	150,000	-
T Soulsby	Nil	-
C Newton	Nil	-

No Non-executive Directors of the Company have share rights.

Company Secretary

Michele Ryan BA (English), Dip Law, GIA (Cert) was appointed 13 August 2015. Ms Ryan also acts as the Company's General Counsel. She is admitted to practice as a solicitor in the Supreme Court of New South Wales and the High Court of Australia. Ms Ryan has extensive experience in the oil and gas industry, having previously worked at HESS Oil & Gas (Malaysia) and as counsel with international law firms, based in Sydney, Hong Kong and Mongolia, specialising in energy and resources and in particular oil and gas.

Section 203D & 249F Notices

On 27 February 2015 Tap received a notice from Mr Yenbamroong (Northern Gulf Petroleum Holdings Limited) under section 203D of the Corporations Act 2001 (Cth) of his intention to move resolutions at a meeting of Tap shareholders convened under section 249F of the Corporations Act 2001 (Cth) to reconstitute the Board of Tap. Despite providing notice of this intention, Mr Yenbamroong did not convene any meeting of Tap shareholders to consider his proposed resolutions.

On 23 December 2015, Tap announced that it had received another letter from lawyers acting on behalf of Mr Yenbamroong, Northern Gulf Petroleum Holdings Limited and its related bodies corporate (together "Mr Yenbamroong") stating that "their clients intend to call a meeting of shareholders pursuant to section 249F of the Corporations Act to (amongst other resolutions) remove some or all of Tap Oil's directors" and requesting certain Company information. No further details regarding the subject matter or timing of any purported meeting was provided.

Mr Yenbamroong refused Tap's requests to confirm if his 23 December 2015 letter is a simply a restatement of the spill announced on 27 February 2015, or a new spill. The Company also wrote to Mr Yenbamroong's lawyers with concerns that the 23 December 2015 letter does not constitute a valid attempt to give notice of intended resolutions to be put to any meeting called in that manner.

6. Changes in State of Affairs

During the financial year, there was no significant change in the state of affairs of the Consolidated Entity other than as referred to in the financial statements or notes thereto.

7. Subsequent Events

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years, except for the following:

a) NSAI/Reserves

On 15 February 2016, Tap advised that the 31 December 2015 2P reserves report for Manora had been completed by Netherland, Sewell & Associates, Inc. (NSAI).

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

(MMSTB)	Gross 100% Field			Tap share (30%)		
Probabilistic	1P	2P	3P	1P	2P	3P
NSAI	11.2	13.6	16.24	3.36	4.07	4.87
Tap	9.97	13.2	16.2	2.99	3.96	4.86

* 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.

Please refer to note 26 of the accompanying financial statements for information on the impact of the above on the financial statements at 31 December 2015 and the amounts payable to Northern Gulf in particular.

Tap's reserves estimate

Tap's reserves estimate (above) includes a decrease in 2P reserves (0.35 net to Tap), not related to production, due to economic conditions. In order to evaluate the field economic limit, an oil price at terminal conditions of US\$60/bbl was used. This is in contrast to the 31 December 2014 reserves report where a constant oil price of US\$75/bbl from 2016 onwards had been assumed.

b) Share Purchase Plan

As set out in e) below, the modifications and waivers to the BNP Facility are conditional upon there being a minimum cash injection of US\$5 million.

Tap had previously sought to raise approximately A\$4 million through the offer of shares to existing shareholders under the Share Purchase Plan announced on 16 December 2015. However, in light of the minimum equity injection required to achieve the modifications to the BNP Facility outlined above, the amount sought under that Share Purchase Plan will now not be sufficient to meet the requirements of the Company's debt providers.

As announced on 10 March 2016, the Share Purchase Plan has been terminated. Any funds received from shareholders that have subscribed for shares under the Share Purchase Plan will be refunded. Refer to the Company Update dated 14 March 2016 for further information on this.

c) Manora Cost Overruns

On 2 March 2015, Tap announced an unexpected capital expenditure increase of US\$28 million (US\$8.4 million Tap share) for the construction of the Manora Oil Development facilities relating to delays in hookup, commissioning and contractor claims. On 15 January 2016 an agreement was signed with Mubadala Petroleum (Operator), of the Manora Oil Development, for the settlement of the final capital costs of the Manora field facilities.

Tap has agreed to pay US\$5 million of the final disputed amount of US\$9.1 million as the final balance of the Manora Oil Development facilities capital expenditure. Payment of the US\$5 million will be made in two equal instalments on 30 September 2016 and 31 December 2016. The finalisation of the facilities costs eliminates exposure to any further related costs or claims thus providing greater certainty around the value of Manora.

Tap's financial statements as at 31 December 2015 include the additional US\$5 million in the carrying value for the Manora Oil Development (Property Plant and Equipment) of US\$76 million. The US\$5 million is included in Trade and other payables (Note 10).

As part of the settlement agreement, Tap also has extended time to pay US\$5 million of cash calls which will now be paid in equal instalments on 31 March 2016 and 30 June 2016.

d) Appointment of new Non-Executive Director and Alternate

On 16 December 2015, Tap announced the placement of 13.62 million shares to Risco Energy Investments (SEA) Limited (**Risco**). At the time the Board resolved to invite Mr Tom Soulsby, Risco's CEO, to join the Tap Board as a Non Executive Director with Mr Chris Newton, Risco's Director of Operations & Business Development, nominated as Mr Soulsby's alternate.

On 8 January 2016 Tap announced the appointment of Mr Tom Soulsby to the Tap Board, with Mr Chris Newton as his alternate, both effective 1 January 2016. Refer to section 5 above for more information on Mr Soulsby and Mr Newton.

e) BNP/Financing and liquidity

The prolonged period of low oil prices has significantly impacted the Company's revenue generated from its interest in the Manora oil field, as well as reducing the Company's borrowing capacity under its borrowing base debt facility with BNP Paribas and Siam Commercial Bank (**BNP Facility**).

The reduction in the borrowing capacity under the BNP Facility has resulted in accelerated debt repayment obligations arising under that facility. This has in turn impacted upon the Company's free cash flow and consequently the Company's ability to remain in compliance with the minimum liquidity requirement of US\$10 million under the BNP Facility whilst servicing these accelerated debt repayment obligations. This has placed significant strain on the Company's financial position.

The outstanding debt balance under the BNP Facility has been significantly reduced to approximately US\$36 million, with approximately US\$43 million having been repaid since 30 June 2015. A further repayment of US\$11 million is expected at the end of March 2016, which will further reduce the debt balance to approximately US\$25 million. A further US\$14.7 million in debt repayments are expected to be made during 2016, with the facility expected to be completely repaid by late 2017.

The Company has been in discussions with BNP Paribas and Siam Commercial Bank regarding a modification to the terms of the BNP Facility so as to reduce amounts required to be held by the Company by way of restricted funds. Whilst the Company held US\$20 million in cash as at 28 February 2016, access to US\$18 million of that amount is restricted and is held in BNP Facility accounts to comply with the requirements under that facility. Reducing the amounts required to be held as restricted funds will provide the Company with additional liquidity with which to service its ongoing working capital requirements.

To this end, the lead debt arranger BNP Paribas has advised that they have in-principle credit approval for reducing the minimum liquidity amount that needs to be held by the Company from US\$10 million to US\$3 million and for softening the debt sizing ratio requirements. These modifications are conditional on:

- Tap hedging 50% of forecast 1P Manora production for between 6 and 12 months;
- Tap raising a minimum of US\$5 million in additional capital;
- Credit approval being received from Siam Commercial Bank for these proposed modifications to the BNP Facility, which approval is expected to be forthcoming in the coming weeks; and
- Formal legal documentation being entered into to give effect to these changes to the BNP Facility.

In consideration for these modifications, Tap has agreed to pay its debt financiers an arrangement fee and to increase the margin payable (over Libor) on amounts outstanding under the BNP Facility.

The modifications proposed to be made to the BNP Facility are expected to significantly strengthen the Company's financial position and improve its ability to withstand further prolonged periods of low oil prices until the market improves.

Refer to note 1 – Going Concern of the accompanying financial statements for more information on Tap's current funding and financial position.

f) Cost reduction initiatives and Board changes

To ensure that the Company is able to continue to comply with the covenants in the BNP Facility, the Company has implemented a range of strategies including internal cost cutting, deferment of non-core activities and supporting the Operator's focus on the reduction of Manora operating costs. As part of these cost cutting initiatives the Company has decided to seek to divest its Australian exploration portfolio that has material outstanding commitments, and to farmout, defer or materially reduce the Company's expenditure in Myanmar. The Company has also significantly reduced its business development activities.

With the significantly reduced activities of the Company, the Company's staffing requirements have changed.

Mr Troy Hayden will step down as the CEO/Managing Director of the Company effective from 1 June 2016, but will remain in a part-time role as Managing Director/CEO, paid at a pro rata rate of his current annual salary, until a suitable replacement is found. Termination benefits paid to Mr Hayden will be made in accordance with his 2010 Employment Agreement as approved by shareholders in May 2011, and as amended and approved by shareholders in May 2013. This may represent an amount of up to A\$525,000 in total.

Staffing will also be reduced from 18 full time equivalent staff to 7 full time equivalent staff with staff reductions commencing in April 2016. The staff reductions are expected to reduce overheads by A\$1.7 million on an annualised basis.

Non-executive director Mr Mike Sandy has also notified the Company that he intends to retire at the Company's 2016 Annual General Meeting in May, after 10 years as a Non-Executive Director. A search is currently underway for an independent Director to replace Mr Sandy.

g) Renounceable Pro Rata Rights Issue

Tap proposes to undertake a pro rata renounceable rights issue of fully paid ordinary shares in the Company (New Shares) to raise up to A\$7.75 million (before costs) (Rights Issue). Under the Rights Issue, eligible shareholders will be able to acquire three (3) New Shares for every five (5) fully paid ordinary shares they hold at the record date at an offer price of 5 cents per New Share.

Funds raised from the Rights Issue are expected to satisfy one of the conditions to the restructure of the BNP Facility that the Company raise a minimum of US\$5 million in additional capital with the funds ultimately used for working capital purposes.

The Directors of Tap are pleased to provide support for the Rights Issue and have confirmed their intention to participate in the issue for their full entitlement.

The Company's major shareholders, Risco Energy Investments (SEA) Limited (Risco) and Northern Gulf Petroleum Holdings Limited (NGP), have each committed to subscribe for the full amount of their pro rata entitlement under the Rights Issue, being approximately A\$1.5 million each. Further, each of Risco and NGP have agreed to underwrite subscriptions up to approximately A\$1.6 million each. Patersons Securities Limited has agreed to underwrite subscriptions for the balance of the Rights Issue. The commitment by each of Risco and NGP to take up their entitlements under the Rights Issue in full, together with these underwriting arrangements, provides the Company with commitments for the full A\$7.75 million sought under the Rights Issue, and hence the necessary comfort that it will successfully raise the minimum US\$5 million in additional capital required to enable the restructure of the BNP Facility to proceed.

As Risco and NGP currently both hold approximately 19% of the Company's issued share capital, Shareholders should be aware that the participation of each of Risco and NGP in the Rights Issue, and in underwriting any shortfall in applications received by the Company under that Rights Issue, may have an impact on each of Risco and NGP's voting power in (and therefore control over) the Company. Before deciding to proceed with the Rights Issue and the proposed underwriting arrangements, the Company's Board (excluding Risco's nominee Mr Tom Soulsby) investigated a range of alternatives, but were ultimately of the view that in the current circumstances, the Rights Issue and underwriting arrangements (including the participation of Patersons Securities Limited in those underwriting arrangements) provided the most certain and advantageous fundraising structure for all Shareholders. Ultimately, the level of support for the Rights Issue will determine the shareholding of each of Risco and NGP post the completion of the Rights Issue.

Given the support provided by each of Risco and NGP to the Rights Issue, the Company has agreed to review the representation of each of these entities on the Company's Board. In relation to Risco, the Company has agreed that it will appoint a second nominee of Risco to the Board (taking the total number of Directors on the Board to six) if Risco's shareholding in the Company increases to 25% or more. In relation to NGP, the Company has agreed to appoint a nominee of NGP to the Board if NGP's shareholding in the Company increases to 25% or more, but such an appointment would be subject to the various outstanding commercial and corporate disputes between the Company and NGP having been satisfactorily resolved. In the event this occurs, the Company will review the number of Non Executive Director positions.

Refer to the Company Update released 14 March 2016 for more information on the Rights Issue.

8. Future Developments

The Consolidated Entity will continue to operate as an upstream oil and gas company involved in a number of projects ranging from exploration and appraisal through to development and production as well as gas marketing. The key focus as at the date of this report is the ongoing performance of Manora and the third party gas contracts.

In the current oil price environment the Company is reducing costs where possible and evaluating how best to work with its existing exploration and appraisal portfolio.

Disclosure of specific information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, such information has not been disclosed in this report.

9. Environmental Regulations

The Consolidated Entity's policy is to comply with, or exceed, its environmental obligations in each jurisdiction in which it operates. In Australia, the environmental obligations are regulated under both State and Federal law. In Myanmar the environmental obligations are regulated under national legislation with the aid of the Ministry of Environmental Conservation and Forestry (MOECF).

No known environmental breaches have occurred in relation to the Consolidated Entity's operations.

The National Greenhouse and Energy Reporting Act 2007 requires certain companies to report their annual greenhouse gas emissions and energy use. As at the date of this report, the Company is not required to submit a report in relation to this matter.

10. Share Rights

Details of issued share rights as at the date of this report are as follows.

All rights noted below vest after three years and expire after seven years, except a total of 850,362 retention rights were issued as a special award to certain key employees on 5 February 2015 (expiring 1 January 2022) for their performance in 2014 and for retention purposes. These rights vest on 1 July 2016 provided the person remains employed with the Company.

For more details, please refer to section 12.5 of this report.

Performance Rights		Retention Rights	
Number	Expiry date of rights	Number	Expiry date of rights
5,000,000	24-May-20	36,564	15-Jul-20
1,926,854	01-Jan-21	19,877	19-Aug-20
2,541,670	01-Jan-22	14,715	02-Sep-20
<u>3,863,746</u>	01-Jan-23	50,000	14-Oct-20
<u>13,332,270</u>		607,401	01-Jan-22
		61,287	12-Jan-22
		272,981	13-Jul-22
		<u>114,286</u>	1-Feb-23
		<u>1,177,111</u>	

11. Indemnification of Officers and Auditors

During the financial year, the Company paid a premium in respect of a policy insuring the Directors of the Company (as named above), the Company's secretaries and all executive officers of the Company and any related body corporate against a liability incurred as such a Director, secretary or officer to the extent permitted by the Corporations Act 2001. The policy of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

During the financial year, the Company entered into a deed of indemnity, insurance and access with Ms Michele Ryan. Subsequent to the year end, the Company entered into a deed of indemnity, insurance and access with Mr T L Soulsby and Mr C Newton. All other directors and current executives as listed above have previously entered onto a deed of indemnity, insurance and access with the Company. The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

12. Remuneration Report – Audited

Response to vote against 2014 Remuneration Report

At the Company's Annual General Meeting of Shareholders convened on 26 May 2015, 61.8% of votes were in favour of adoption of the 2014 Remuneration Report and 38.2% against.

As the majority required to pass this resolution was 75%, the motion was not carried and the Company received a "First Strike" against the Remuneration Report.

In these circumstances, the Corporations Act 2001 requires the Company to include in this year's Remuneration Report, an explanation of the Board's proposed action in response to that First Strike or, alternatively, if the Board does not propose any action, the Board's reason for such inaction.

In response to the First Strike, the Company has considered the views of shareholders expressed to senior executives in connection with the 2014 Remuneration Report.

Whilst the majority of shareholders supported the Report, Northern Gulf Petroleum voted against the adoption of the report. Northern Gulf Petroleum's 19.98% of total shares on issue represented approximately 34% of the votes cast and hence was able to defeat the resolution itself. In February 2015, NGP called a Board spill under s 203D of the Corporations Act and is currently in a commercial dispute with Tap under the agreement made at the time of Tap's acquisition of its interest in Manora.

Since the 2014 Annual General Meeting the Board has taken the following steps:

- There was no increase in Fixed Annual Remuneration (FAR) for any staff at the 31 December 2015 annual review. The Tap Leadership team have not had any salary increases since 31 December 2013.
- There was no increase in non-executive Directors' fees at the 31 December 2015 annual review. Non-executive Directors' fees have not increased since 2010.
- The Board exercised its discretion and determined that there would be no STI awards payable for 2015 despite the KPI performance supporting a 60% payment.
- There were no special awards made to staff as a result of exceptional individual performance in 2015.
- The 2015 Long Term Incentive Award (LTI) of performance rights to employees was scaled back significantly in order to stay under the 1.5% discretionary cap set by the Board.

The Board remains confident that the Company's remuneration policy and the level and structure of its senior executive remuneration are suitable for the Group and its shareholders and comparable with its peers.

Second Strike

In the event that at the 2015 Annual General Meeting, votes against adoption of the 2015 Remuneration Report are 25% or more, a Second Strike will occur.

Consequences of a Second Strike

Should a Second Strike occur, the Company is required to put a "spill" resolution to the AGM. In particular this requires a meeting of shareholders either at the same AGM, or at a general meeting of shareholders to be held within 90 days of the AGM, to vote on the re-election of all Non-Executive Directors. Further details of this process will be included in the 2015 Notice of Meeting.

This remuneration report is presented in the following sections:

- 12.1 Introduction
- 12.2 Key terms
- 12.3 Governance
- 12.4 Existing Remuneration Arrangements for Directors and Executives
- 12.5 Elements of Remuneration related to Performance
- 12.6 KMP Remuneration related to Performance
- 12.7 Other Elements of Director and Executive Remuneration

12.1 Introduction

The Directors of the Company have prepared this remuneration report to outline the overall remuneration strategy, policies and practices, which were adopted by the Company in 2015. An integral part of the company's remuneration strategy involves the Share Rights Plan initially approved by shareholders in 2010 and approved again in May 2013. The report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations.

Tap's Remuneration Policy is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attraction and retention of employees and management to pursue the Company's strategy and goals;
- (b) delivery of value-adding outcomes for the Company;
- (c) fair and reasonable reward for past individual and Company performance; and
- (d) incentive to deliver future individual and Company performance.

Remuneration consists of base salary, superannuation, short term incentives and long term incentives. Remuneration is determined by reference to market conditions and performance. Performance is evaluated at an individual level as well as the performance of the Company as a whole.

The remuneration policies and structure in 2015 were generally the same as for 2014.

12.2 Key Terms

Throughout this remuneration report, the following terms have the meaning indicated below:

Directors means the Managing Director/CEO and the Non-executive Directors.

Executives means the Managing Director/CEO and managers (including the Company Secretary) who report to the Managing Director/CEO.

Executive Directors means any Directors who are also executives. For this report, the only Executive Director was the Managing Director/CEO.

FAR means fixed annual remuneration or base salary (including superannuation).

Key Management Personnel or **KMP** is defined by AASB 124 Related Party Disclosures as all directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity.

KPI means key performance indicators determined by the Board.

LTI means long term incentive award which provides an incentive to deliver future Company performance.

STI means short term incentive award which provides a reward for performance in the past year.

12.3 Governance

12.3.1 The Remuneration Committee

The Remuneration Committee's role is to review and recommend remuneration for KMP, review remuneration policies and practices, Company incentive schemes and superannuation arrangements in accordance with the Remuneration Committee Charter.

The Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people.

The ASX Listing Rules and the Constitution require that the maximum aggregate amount of remuneration to be allocated among the Non-executive Directors be approved by shareholders in general meeting. In proposing the maximum amount for consideration by shareholders, and in determining the allocation, the Remuneration Committee takes account of the time demands made on Directors and such factors as fees paid to Non-executive Directors in comparable Australian companies.

The Remuneration Committee comprises a Non-executive Chairman and two Non-executive Directors. The Committee meets formally at least twice a year and also has numerous workshop sessions during the year. Executive Directors attend meetings as appropriate.

Remuneration arrangements for Directors and Executives are reviewed by the Remuneration Committee and recommended to the Board for approval. The Remuneration Committee considers external data and information and may engage independent advisers where appropriate to establish market benchmarks.

Remuneration arrangements are determined in conjunction with the annual review of the performance of Directors, Executives and employees of the Company. Performance of the Directors of the Company including the Managing Director/CEO, are evaluated by the Board (assisted by the Remuneration Committee). The Managing Director/CEO reviews the performance of Executives with the Remuneration Committee. These evaluations take into account criteria such as the achievement toward the Company's performance benchmarks and the achievement of individual performance objectives.

12.3.2 Individuals covered by the Remuneration Report

The detailed disclosures of the remuneration report relate to the KMP of the Company as defined in section 12.2 and listed below:

Non-executive Directors

- D W Bailey (Chairman)
- M J Sandy
- D A Schwebel
- T L Soulsby – appointed 1 January 2016
- C Newton (Alternate Director for T Soulsby) – appointed 1 January 2016

Executives - current

- T J Hayden (Managing Director/CEO)
- D J Rich (Chief Financial Officer)
- M T Ryan (General Counsel/Company Secretary) – appointed 13 August 2015
- A C Sudlow (Investor Relations and Commercial Manager)
- R M Somerville (Exploration Manager) – appointed 16 September 2015

Executives - former

- M J Williams (General Counsel/Company Secretary) – resigned 14 August 2015
- B M Ulmer (Engineering and Development Manager) – resigned 18 June 2014
- T M Schmedje (Exploration/New Ventures Manager) – resigned 4 July 2014

12.4 Existing Remuneration Arrangements for Directors and Executives

12.4.1 Overview of Executive Remuneration Structure

The remuneration arrangements for Directors and Executives of the Company for the year ended 31 December 2015 are summarised below.

The remuneration structure in place for 2015 applies to all employees including the Executive Director and Executives of the Company. The Company's remuneration structure has five elements:

- (a) FAR;
- (b) STI;
- (c) LTI;
- (d) retention incentives which encourage new employees to remain in employment for at least three years; and
- (e) special awards which reward individuals for meritorious achievements or retain individuals who are involved in a critical task that will extend more than one year.

Each of the STI, LTI, retention incentives and special awards are at risk. The elements are described below.

(a) Base Salary or Fixed Annual Remuneration (FAR)

The first step to attracting and retaining talented, qualified and effective employees is paying base salaries which are competitive in the markets in which the Company operates. The Company compiles competitive salary information on companies of comparable size in the oil and gas industry from various sources. Information is obtained from surveys conducted by independent consultants and national and international publications. In the past the Board has engaged independent advisors to review the remuneration levels paid to the Company's KMP. An advisor was not retained for the 2015 review.

FAR will be paid in cash and is not at risk other than by termination. Individual FAR is set each year based on job description, competitive salary information sourced by the Company and overall competence in fulfilling the requirements of the particular role.

(b) Short Term Incentive Awards (STI)

An STI award is assessed by a performance-based factor multiplied by a benchmark award for the individual's level in the Company multiplied by the individual's FAR. The STI award is usually made in cash and the amount of the payment is calculated by the following formula:

$$\text{Performance Factor} \times \text{STI Organisational Level Benchmark} \times \text{Individual's FAR}$$

An individual employee's performance factor is assessed against both the individual's performance and the Company's performance over the preceding year. A rating for individual performance is determined on a scale of 1 to 5 based on how well the individual performs against the individual's annual goals. The Company's performance is assessed against a set of corporate goals, which are in the form of KPIs, which are set by the Board for a given year. In 2015, the KPIs included the achievement of key strategic objectives set for the year, performance against budgeted earnings before interest, tax, depreciation, amortisation and exploration expenses (EBITDAX), asset management and 12 month relative total shareholder return against a peer group of companies. Each KPI is given a relative weighting and is assessed against threshold, good (target) and excellent benchmarks. The Board will vary KPIs each year to suit prevailing circumstances.

An individual's combined performance factor is determined from the assessment table below:

Annual Corporate KPI Performance	Performance Factors (%)				
	Individual Performance Ranking				
	5	4	3	2	1
< Threshold	0%	0%	0%	0%	0%
Threshold	0%	20%	50%	63%	75%
Good	0%	40%	100%	125%	150%
≥ Excellent	0%	60%	150%	188%	225%

Three STI organisational level benchmarks have been established as percentages of individual FARs. These three levels reflect the increased involvement at each level in the organisation's pursuit and achievement of the Company's goals. These benchmarks are set out below.

Organisational Level	Managing Director/CEO*	Management	Professional, Technical & Support
STI Organisational Benchmarks	20%	15%	12.5%

* Note that the Managing Director/CEO agreed to a variation of his employment contract where he is not entitled to STI awards until after 1 July 2016. Refer to paragraph 12.4.1(g) for more information.

Any award will be subject to the Company exceeding one or more fundamental performance hurdles determined by the Board on an annual basis. While a positive STI award might be assessed under a previously prescribed set of KPIs, circumstances within the year might see a reduction in the Company's ability or desire to pay such an award (for example due to an unexpected material reduction in the Company's cash flow or significantly poor share price performance). The Board, at its absolute discretion, reserves the right to withhold the making of any STI awards if it finds itself in such a position.

In light of the significant oil price reduction and its effect on the Company's cash flow and position, the Board exercised its discretion and determined that there would be no STI awards for 2015.

(c) Long Term Incentive Awards (LTI)

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

LTI awards are made in the form of rights to shares which will have a vesting timeframe of three years. The number of rights that vest will be based on the Company's performance over the same three years.

An LTI award will be made by way of the grant of performance rights as soon as practicable after each year-end. Grants of performance rights will be made each year with effect from 1 January.

The number of performance rights to be granted annually to each employee is calculated by the following formula:

$$\text{LTI Organisational Level Benchmark} \times \text{Individual's FAR} \div \text{Share Price}$$

Three maximum LTI organisational benchmarks have been established as percentages of individual FARs. These three levels reflect the increased involvement of each level in pursuing and achieving the Company's goals. These benchmarks are set out in the following table.

Organisational Level	Managing Director/CEO*	Management	Professional, Technical & Support
LTI Organisational Level Benchmarks	120%	70%	30%

* Note that the Managing Director/CEO agreed to a variation of his employment contract where he is not entitled to LTI awards until after 22 May 2016. Refer to paragraph 12.4.1(g) for more information.

The total number of performance rights granted is subject to being reduced proportionately so that the total number of performance rights is within:

- the Board's determined cap on the total number of performance rights which are issued as LTI awards in a given year; and
- any discretionary cap on the total number of rights on issue at any given time.

The calculation will use the 30-day volume-weighted average share price (VWAP) of the Company's shares preceding the first day of each measurement period.

The Board has established an initial guideline that the total number of performance rights to be issued in a single year will be capped at 1.5% of the fully paid issued capital of the Company as at the end of the prior year. In the event that the potential total number of performance rights exceeds the cap then all awardees receive a pro-rata reduced number of performance rights. This cap is at the discretion of the Board and may be altered depending on the prevailing context.

In February 2016, the Board approved the issue of 3,863,746 performance rights for the 2015 LTI award. The rights took effect from 1 January 2016. The number approved was scaled back to 3,863,746 in order to be under the policy guideline cap of 1.5% of the shares on issue.

The Board has also set a discretionary cap on the total number of rights on issue at any given time. This cap is currently set at 6% of the number of issued fully paid shares in the Company.

Vesting of up to 50% of the performance rights depends upon the Company's absolute total shareholder return (ATSR) over three years and up to 50% depends upon relative total shareholder return (RTSR). The ATSR and RTSR performance hurdles required to achieve increasing levels of vesting are set by the Board to apply from 1 January of the relevant year. For the 2015 grant of performance rights, the Board set the following ATSR and RTSR performance hurdles:

Assess 50% of Rights Against ATSR		Assess 50% of Rights Against RTSR	
Average Annual ATSR over 3 years	% of Rights which will vest after 3 years	Relative TSR (Relative Percentile Ranking of TSR against peers over 3 years)	% of Rights which will vest after 3 years
<5%	0%	<P50%	0%
=5%	12.5%	=P50%	12.5%
=15%	25%	=P62.5%	25%
≥25%	50%	≥P75%	50%

Note: For actual results between above benchmarks, the vesting of performance rights will be on a pro-rata basis.

The combination of ATSR and RSTR measures have been chosen to cover a range of outcomes which can deserve reward but may show up better under one measure but not under the other. The reward for strong absolute return is moderated in the event that there is a poorer relative return and the award for strong relative return is moderated in the event the absolute return is poorer. ATSR is used rather than earnings per share (EPS), as in the Board's view, EPS would shift the key focus away from the Company's long-term business which includes exploration. However, the Company has and does use an earnings measure as one of its short-term KPIs to ensure attention is paid to meeting forecast annual production and cost management targets.

Vesting characteristics of the performance rights are as follows:

- (i) performance measurement period is three years, which is consistent with the typical time cycle for an exploration program;
- (ii) performance is based on differences in ATSR and RTSR as measured from the end of one preceding period to the end of the current (three years) assessment period. The ATSR and RTSR use the 30-day VWAP of the Company's shares up to and including the last day of each measurement period; and
- (iii) RTSR will be assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In 2015, the Company used a group of approximately 30 petroleum industry companies (including Tap) which are listed on the ASX and whose market capitalisation ranged from approximately AUD7 million to AUD375 million (at 31 December 2014).

(d) Retention Incentives

Retention rights are issued to employees pursuant to the terms of the share rights plan upon or as soon as practicable after commencement of employment. Such rights vest if the employee remains employed by the Company for three years. The number of retention rights to be issued to a new employee is set at one of three levels reflecting the organisational level appropriate for the employee's initial job grade. These levels are outlined in the following table.

Organisational Level	Managing Director/CEO	Management	Professional, Technical & Support
Organisational Level Benchmarks (Retention)	Subject to employment contract negotiations	35%	15%

(e) Special Awards

The Board has the discretion to make special awards each year. Special awards can be in the form of cash, and/or performance rights and/or retention rights. Special awards are granted to individual employees or Executives who are judged by the Board to have made an extraordinary contribution to the current or future performance of the Company or who are expected to play a critical role in one of the Company's activities that could take two to three years to complete, and where retention of the individual's services is seen as an important determinant of the success to that activity.

Following the Board's review of the 2014 year, the Company issued 850,362 retention rights in 2015 as a special award to certain key employees for their performance in 2014 and for retention purposes. The retention rights have an 18 month vesting period. There was no special award made for the 2015 year (usually issued in the following year).

For the payment of the 2014 STI, the Board exercised its discretion and paid the STI in the form of retention rights rather than in cash. Thus on 5 February 2015 a special award of 958,298 retention rights were issued to employees for the 2014 STI. 804,564 vested on 1 January 2016 with the balance of 153,734 lapsing during 2015.

(f) Accounting for Options and Rights Granted to Employees

The values of the rights and options are expensed to profit and loss over the vesting period. No options were granted in 2015 and there are none on issue.

Performance rights granted in 2015 are valued at the date of grant using a Monte Carlo Simulation model to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved. Retention rights granted in 2015 are valued using the Black Scholes model at the date of grant. No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights or options have vested and the shares issued.

(g) Executive Director's Remuneration

As at 31 December 2015, T J Hayden was the only Executive Director on the Board. Mr Hayden commenced as Managing Director/CEO on 1 December 2010 under an executive employment agreement. On 18 April 2013, Tap announced that it had agreed to a variation of Mr Hayden's employment agreement, including the renewal of his contract beyond December 2013 and a revised remuneration package.

As part of the revision Mr Hayden agreed to a reduction in the cash component of his remuneration to take a greater exposure to the Tap share price to July 2016 via performance rights. The key terms of Mr Hayden's employment agreement are as follows:

- (i) There is no fixed term.
- (ii) Mr Hayden's FAR decreased by 23% from A\$650,000 to A\$500,000 per annum, inclusive of superannuation contributions from 22 May 2013. This amount is reviewable annually. There was no increase in FAR following the reviews at 31 December 2013, 2014 or 2015 (effective 1 January 2016).
- (iii) Mr Hayden has waived his entitlement to receive payments under the Company's STI plan until 1 July 2016.
- (iv) Mr Hayden has waived his entitlement to participate in any future LTI plans until 22 May 2016.
- (v) On 24 May 2013 following receipt of shareholder approval at the 2013 annual general meeting, Mr Hayden was granted a special award of 5 million performance rights, which are 100% "at risk". Each performance right that vests entitles Mr Hayden to receive one fully paid ordinary share in Tap for nil consideration. The performance rights issued to Mr Hayden have a vesting date of 1 July 2016. The number of rights that will vest is dependent on the 30 day volume weighted average price (**VWAP**) of Tap's shares preceding 1 July 2016 as set out in the table below:

Target share price (30 day VWAP preceding 1 July 2016)	% of rights that vest	Number of rights that vest
< A\$1.00	0%	0
A\$1.00	25%	1.25 million
A\$1.33	50%	2.5 million
A\$1.67	100%	5 million

If the 30 day VWAP of the Company's shares preceding 1 July 2016 falls between any of the above target share prices, the percentage of rights that will vest will be determined on a pro-rata basis. The maximum number of rights that can vest is 5 million.

- (vi) Mr Hayden may terminate his executive employment agreement by giving six months' written notice. Except for the Company's right to terminate without notice in prescribed circumstances, the Company may terminate Mr Hayden's employment as follows:
 - by giving Mr Hayden 6 months' written notice; or
 - by providing either 1 month's written notice, if by reason of any illness, injury or incapacity, Mr Hayden is unable to perform his duties for a total of 3 months in any period of 12 months.

A range of other terms and conditions apply to both Mr Hayden and the Company.

The Company has entered into a deed of indemnity, insurance and access with Mr Hayden whereby the Company will maintain an appropriate level of directors' and officers' indemnity insurance and provide access to Company records.

(h) Executives

A summary of the key terms and conditions of the service agreements with Executives (other than the CEO and R Somerville) are as follows:

Remuneration

All service agreements now standardise the Executive's entitlement to:

- (i) FAR (refer section 12.4.1(a) of this report);
- (ii) STI (refer to section 12.4.1(b) of this report);
- (iii) LTI (refer to section 12.4.1(c) of this report); and
- (iv) any other benefits that may be provided by the Company including special awards (refer section 12.4.1(e) of this report).

Termination

All service agreements may be terminated under the following circumstances:

- (i) resignation on three months' notice by the Executive;
- (ii) termination on three months' notice by the Company;
- (iii) termination without notice by the Company for cause;
- (iv) termination by the Company because the Executive's position is redundant; or
- (v) termination on three months' notice by the Executive at any time within 12 months of a material diminution in his or her position, remuneration package, responsibilities, reporting lines and/or primary place of work.

In circumstances where the Executive's employment is terminated under (iv) or (v), the Executive is entitled (to the extent permitted by the Corporations Act and the ASX Listing Rules and without obliging the Company to seek shareholder approval) to a severance payment equal to 12 months base salary plus superannuation.

The Company has entered into deeds of indemnity, insurance and access with D Rich, M Ryan and A Sudlow whereby the Company will maintain an appropriate level of directors' and officers' indemnity insurance and provide access to Company records.

R Somerville is employed on a one year, fixed term contract. The contract may be terminated on one month's written notice by the Executive or by the Company. The Company may terminate without notice for cause and there is no LTI, STI or severance payment on termination or redundancy.

(i) Non-executive Directors' Remuneration

In line with Corporate Governance principles, Non-executive Directors of the Company are remunerated solely by way of fees and statutory superannuation. The annual fee is set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board. All Directors of the Company are encouraged to apply a proportion of their fees to purchase shares in the Company. The maximum total pool of available fees is set by shareholders in general meeting and is currently A\$500,000.

The fees paid to individual Non-executive Directors have not increased since 2008 even though the number of Non-executive Directors reduced from four to three for a period. The maximum total pool of available fees has not increased since 2010.

Other than statutory superannuation, Non-executive Directors of the Company are not entitled to any retirement benefits upon retirement from office.

The Company has entered into terms of engagement with each of D W Bailey, M J Sandy, D A Schwebel, T L Soulsby and C Newton (as alternate for T L Soulsby) whereby those persons are appointed as Non-executive Directors and alternate director (respectively) of the Company. The term of the appointment is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Directors of the Company (in this regard, the Constitution provides that all Directors of the Company, other than the Managing Director/CEO, are subject to re-election by shareholders by rotation every three years during the term of their appointment).

The terms of engagement provide that the Company will maintain an appropriate level of directors' and officers' insurance and provide access to Company records in accordance with the terms of deeds of indemnity, insurance and access entered into between the Company and each of the Non-executive Directors.

The remuneration payable by the Company to Non-executive Directors is shown in the relevant tables.

12.5 Elements of Remuneration related to Performance

The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five year financial summary to 31 December 2015. Note all monetary figures are USD.

12 months ended	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Notes
Net Loss After Tax (US\$million)	(54.5)	(42.7)	(38.1)	(3.7)	(29.8)	2
EPS (loss) (cents) <i>Basic</i>	(22.3)	(17.6)	(15.8)	(1.5)	(12.3)	1, 2
EPS (loss) (cents) <i>Diluted</i>	(22.3)	(17.6)	(15.8)	(1.5)	(12.3)	1, 2
Year end share price (US\$)	0.14	0.34	0.45	0.64	0.61	3, 4
Shares on Issue (million)	257.6	243.2	242.1	241.3	241.0	
Market Capitalisation (US\$million)	35.76	83.78	108.32	155.35	146.86	3

1. No dividends were paid during any of the financial years.
2. 2011 to 2013 inclusive were previously stated in AUD and have been translated here to USD at the average rate for the year.
3. 2011 to 2013 inclusive were previously stated in AUD and have been translated here to USD at the year end rate.
4. The opening share price for 2011 was A\$0.84 (as at 31 December 2010).

Key Performance Indicators (KPI) Assessment for 2015

For the 2015 year, the Board determined a set of Company KPIs, reflecting the Company's strategies, business plan and budget. The 2015 KPIs and the performance set against them are set out below.

1. Performance against key strategic objectives set for the year

This measure is concerned with the Company's strategic and qualitative objectives, which are subjective to measure. The emphasis here is on the effectiveness of the process rather than outcomes. Some key objectives include improved effectiveness in identifying exploration opportunities, developing strategies for core assets and effective joint venture and other key relationships.

2. Performance against budgeted earnings before interest, tax, depreciation or exploration (EBITDAX)

The Company failed to meet its budget EBITDAX target. This outcome was largely a result of the continued decline in oil prices.

3. Performance against asset management goals

Under this measure, the Board considers improvements in the management of Tap's portfolio of assets. The assessment of performance against this KPI was focused on achievement of efficient management of Tap's interest in Manora, management of liquidity and growth through the execution of the Myanmar PSC and the Australian permits, WA-515-P and WA-516-P.

4. Performance against 12 month relative total shareholder return (RTSR) against a peer group of companies

Although Tap's share price drifted down over the year, so did many of Tap's peer group. Tap finished the year with a ranking of 19 out of 30 peer companies used to assess Tap's RTSR.

The Board assigned an overall performance rating against the above criteria of 60%. This was largely influenced by the commencement of production at Manora. The Board's assessment of the Company's performance for the 2015 year resulted in no STI award paid for 2015.

12.6 KMP Remuneration related to Performance

FAR for all employees is based on comparisons to similar positions in peer companies and is reviewed annually. An individual's performance will have a strong influence on any annual increase, as will any changes in job responsibilities.

The elements of remuneration shown in the columns labelled "Bonus" and "Share-based payment equity settled" in the tables below are related to Company and individual performance. The elements of remuneration shown in the remaining columns are not performance related. The performance conditions used in the determination of performance-based remuneration for Executive Directors and Executives of the Company are explained in detail in the discussion on remuneration policy in this remuneration report. As noted above, in light of the company performance against KPI's and the ongoing decline in oil prices and the impact of this on the Company's cash flow position, the Board determined that there would be no STI awards for 2015.

The value of options, shares and rights shown in the tables below are the accounting costs accrued in the financial year for grants in the financial year or in previous financial years. No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights or options have vested and the shares issued. No cash bonus awards were forfeited because the person did not meet the

relevant service or performance conditions. Non-executive Directors of the Company received fixed remuneration only.

Following the Board's review of the 2014 year, the Company issued 485,922 retention rights in February 2015 as a special award to A C Sudlow and M J Williams for their performance in 2014 and for retention purposes. The retention rights have an 18 month vesting period. 242,961 lapsed during 2015 (M J Williams). There were no special awards made for the 2015 year.

A special award of 393,735 retention rights were issued to KMPs as a result of the Board exercising its discretion and paying the 2014 STI in the form of retention rights rather than in cash. 393,735 retention rights were issued to KMPs on 5 February 2015 in lieu of cash and 262,930 of these vested on 1 January 2016 with the balance of 130,805 lapsing during 2015.

KMP did not receive any FAR increase effective 1 January 2015 or 2016. No STI was paid for 2015.

Managing Director/CEO

The Company entered into an executive employment agreement with Mr Hayden as set out in section 12.4(g) of this report. Under that agreement, Mr Hayden's FAR, with effect from 22 May 2013, was reduced to A\$500,000 per annum (inclusive of superannuation) in return for taking a greater exposure to the Tap share price over the next three years to 1 July 2016 via the issue of 5 million performance rights. As part of this, Mr Hayden waived his entitlement to receive payments or grants under the Company's LTI plan until 22 May 2016 and under the Company's STI plan until 1 July 2016. As with the KMP remuneration above, Mr Hayden did not receive any increase in FAR effective 1 January 2016.

Mr Hayden did not hold any retention rights with a vesting date in 2015. Mr Hayden held a total of 1,195,979 performance rights with a vesting date of 1 January 2015. The vesting conditions were satisfied in respect of 61,454 of these rights and the remaining 1,134,525 rights lapsed. 61,454 shares were issued to Mr Hayden in March 2015 as a result of the vesting.

12.7 Other Elements of Director and Executive Remuneration

Remuneration packages contain the following key elements:

- (a) Short term employee benefits – salary/fees, bonuses and non-monetary benefits, such as car parking.
- (b) Post-employment benefits – including superannuation, prescribed retirement benefits and retirement gifts.

The remuneration of the key management personnel of the Consolidated Entity and the Company is set out below:

2015	Short-term employee benefits				Post-employment	Other long-term employee benefits	Share-based payment equity settled	Total
	Salary & fees	Bonus (viii)	Non-monetary	Other (ii)	Super-annuation		Rights (i)	
Non-executive Directors								
D W Bailey	116,826	-	-	-	11,099	-	-	127,925
M J Sandy	58,413	-	-	-	5,549	-	-	63,962
D A Schwebel	58,413	-	-	-	5,549	-	-	63,962
Executives - current								
T J Hayden	361,918	-	5,066	-	14,332	-	25,747	407,063
D J Rich	321,220	-	5,066	-	14,332	-	72,272	412,890
M T Ryan ^(vi)	88,245	-	2,387	-	7,014	-	11,506	109,152
R M Somerville ^(viii)	82,970	-	1,485	-	4,769	-	-	89,224
A C Sudlow	276,429	-	5,066	-	14,332	-	103,709	399,536
Executives – former								
M J Williams ^(vii)	186,923	-	3,137	-	10,228	-	(20,452)	179,836
	1,551,357	-	22,207	-	87,204	-	192,782	1,853,550

2014	Short-term employee benefits				Post-employment	Other long-term employee benefits	Share-based payment equity settled	Total
	Salary & fees	Bonus (v)	Non-monetary	Other (ii)	Super-annuation		Rights (i)	
Non-executive Directors								
D W Bailey	131,308	-	-	-	22,185	-	-	153,493
M J Sandy	70,167	-	-	-	6,578	-	-	76,745
D A Schwebel	59,935	-	-	-	16,811	-	-	76,746
Executives - current								
T J Hayden	428,422	-	5,714	-	23,028	-	140,779	597,943
D J Rich	385,907	49,660	5,714	-	16,504	-	105,481	563,266
M J Williams	329,024	67,718	5,714	-	16,504	-	54,746	473,706
A C Sudlow	295,449	-	5,714	-	23,005	-	42,113	366,281
Executives - former								
B M Ulmer ⁽ⁱⁱⁱ⁾	372,235	-	2,896	376,196	13,167	-	9,580	774,074
T M Schmedje ^(iv)	174,235	-	2,646	219,432	12,264	-	11,942	420,519
	2,246,682	117,378	28,398	595,628	150,046	-	364,641	3,502,773

- (i) Under the rights column, performance rights have been valued using a Monte Carlo Simulation model and retention rights have been valued using the Black Scholes model. Further details of the share rights plan is contained in note 22 to the financial statements.
- (ii) These amounts relate to payments due under contracts for accrued leave, past services, in lieu of notice and ex-gratia payments.
- (iii) Blaine Ulmer resigned from Tap Oil effective 18 June 2014.
- (iv) Milton Schmedje resigned from Tap Oil effective 4 July 2014.
- (v) Cash bonuses paid in May 2014 in relation to specific outcomes achieved by the executive.
- (vi) Michele Ryan commenced at Tap Oil effective 13 July 2015.
- (vii) Melanie Williams resigned from Tap Oil effective 14 August 2015. The salaries and fees amount includes US\$16,647 paid for leave accrued. The share-based payment equity settled amount is negative as the lapsing of Ms Williams' rights resulted in a reversal of amounts previously expensed.
- (viii) Robert Somerville was appointed Exploration Manager at Tap Oil effective 16 September 2015.

Rights over Equity Instruments Granted

Tap currently has the Tap Share Rights Plan as its share based payment scheme. This plan was first approved by shareholders on 30 April 2010 and again on 22 May 2013. All rights to shares have a vesting period of three years. The following share rights over ordinary shares were granted to KMP during the reporting period. These were granted as remuneration unless otherwise noted. The rights granted have no exercise price, are exercisable from the date of vesting and the details of vesting periods are set out in note 22 to the financial statements. All rights expire on the earlier of their expiry date or termination of the individual's employment. A total of 61,454 performance rights granted to KMP vested during the reporting period (2014: nil) and 3,068,763 performance rights lapsed (2014: 3,604,947). None of the retention rights granted to KMP vested during the reporting period (2014: 732,582) and 373,766 lapsed (2014: nil).

The vesting conditions (as set out in note 22 to the financial statements) have been satisfied in respect of 262,930 retention rights (with a vesting date of 1 January 2016) held by Mr Rich and Ms Sudlow. 262,930 shares will be issued in due course in accordance with the Tap Oil Limited Share Rights Plan.

No cash benefit is received by KMP of the Company until the sale of the resultant shares, which cannot be done unless and until the rights have vested and the shares issued.

2015	Number of performance rights granted during 2015 (i)	Number of retention rights granted during 2015 (i)	Grant date (performance rights)	Grant date (retention rights)	Fair value per performance right at grant date A\$	Fair value per retention right at grant date	Value of rights granted during the year A\$	Financial year in which rights vest	Expiry date	Number of rights vested during 2015 (ii)
Non-executive Directors										
D W Bailey	-	-	-	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-	-	-	-	-
Executives - current										
T J Hayden	-	-	-	-	-	-	-	-	-	61,454
D J Rich	758,381	-	01-Jan-15	-	0.08	-	10,514	2018	01-Jan-22	-
D J Rich	-	152,326	-	01-Jan-15	-	0.41	62,526	2016	01-Jan-22	-
M T Ryan	-	272,981	-	13-Jul-15	-	0.36	15,290	2018	13-Jul-22	-
A C Sudlow	647,834	-	01-Jan-15	-	0.08	-	8,981	2018	01-Jan-22	-
A C Sudlow	-	110,604	-	01-Jan-15	-	0.41	45,400	2016	01-Jan-22	-
A C Sudlow ¹	-	242,961	-	01-Jan-15	-	0.41	66,540	2016	01-Jan-22	-
Executives - former										
M J Williams	651,235	-	01-Jan-15	-	0.08	-	-	2018	01-Jan-22	-
M J Williams	-	130,805	-	01-Jan-15	-	0.41	-	2016	01-Jan-22	-
M J Williams	-	242,961	-	01-Jan-15	-	0.41	-	2016	01-Jan-22	-

2014	Number of performance rights granted during 2014 (i)	Number of retention rights granted during 2014 (i)	Grant date (performance rights)	Grant date (retention rights)	Fair value per performance right at grant date A\$	Fair value per retention right at grant date	Value of rights granted during the year A\$	Financial year in which rights vest	Expiry date	Number of rights vested during 2014 (ii)
Non-executive Directors										
D W Bailey	-	-	-	-	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-	-	-	-	-
Executives - current										
D J Rich	623,641	-	01-Jan-14	-	0.15	-	95,417	2017	01-Jan-21	-
M J Williams	217,110	-	01-Jan-14	-	0.15	-	33,218	2017	01-Jan-17	-
M J Williams	45,476	-	01-Jan-14	-	0.15	-	6,958	2017	01-Jan-17	-
A C Sudlow	346,217	-	01-Jan-14	-	0.15	-	52,971	2017	01-Jan-21	-
A C Sudlow	186,424	-	01-Jan-14	-	0.15	-	28,523	2017	01-Jan-21	-
A C Sudlow ⁽ⁱⁱⁱ⁾	111,501	-	01-Jan-13	-	0.13	-	14,952	2016	01-Jan-20	-

(i) Each right entitles the holder to one share in the Company upon vesting.

(ii) Relates only to rights granted during the current reporting period.

(iii) These rights were issued in 2014 however they relate to the 2013 LTI award of performance.

The following table summarises the value of rights that have vested or lapsed during the financial year:

2015	Number of rights vested	Value of rights vested at vesting date A\$	Number of rights lapsed	Number of ordinary shares issued as a result of vesting	Amount paid	Amount unpaid
Non-executive Directors						
D W Bailey	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-
Executives - current						
T J Hayden	61,454	25,811	1,134,525	61,454	-	-
D J Rich	-	-	352,467	-	-	-
M T Ryan	-	-	-	-	-	-
R M Somerville	-	-	-	-	-	-
A C Sudlow	-	-	120,566	-	-	-
Executives - former						
M J Williams	-	-	1,834,971	-	-	-
	61,454	25,811	3,442,529	61,454	-	-

2014	Number of rights vested	Value of rights vested at vesting date A\$	Number of rights lapsed	Number of ordinary shares issued as a result of vesting	Amount paid	Amount unpaid
Non-executive Directors						
D W Bailey	-	-	-	-	-	-
M J Sandy	-	-	-	-	-	-
D A Schwebel	-	-	-	-	-	-
Executives - current						
T J Hayden	-	-	-	-	-	-
D J Rich	121,693	99,995	293,136	121,693	-	-
M J Williams	142,027	112,001	-	142,027	-	-
A C Sudlow	106,566	111,894	-	106,566	-	-
Executives - former						
B M Ulmer	-	-	1,937,801	-	-	-
T M Schmedje	203,313	198,314	1,374,010	203,313	-	-
	573,599	522,204	3,604,947	573,599	-	-

Value of Rights – Basis of Calculation

The value of performance rights at the grant date is calculated as the fair value of the rights at grant date, using the Monte Carlo Simulation model, multiplied by the number of rights granted.

The value of retention rights at the grant date is calculated as the fair value of the rights at grant date, using the Black Scholes model, multiplied by the number of rights granted.

The value of rights included in remuneration for the year is calculated in accordance with Australian Accounting Standards. This requires the value of rights to be determined at grant date and thereafter included in remuneration for the year based proportionately on the vesting period. Where the rights vest fully in the year of grant, the full value of the rights is recognised in remuneration for that year.

No adjustment is made to the value included in remuneration or the financial results where the right ultimately has a lesser or greater value than as at the date of grant. The inputs into the fair value calculation of the rights granted are set out in note 22 to the financial statements.

The following table summarises the proportion of remuneration comprised of share-based payment expenses for the 2015 financial year:

	% of remuneration for the year consisting of rights
Non-executive Directors	
D W Bailey	-
M J Sandy	-
D A Schwebel	-
Executives - current	
T J Hayden	6.3%
D J Rich	17.5%
M T Ryan	10.5%
A C Sudlow	26.0%
Executives - former	
M J Williams	0%

Key management personnel equity holdings

The following table summarises the fully paid ordinary shares of Tap Oil Limited held by key management personnel:

2015	Balance at 1/1/15	Received on vesting of rights	Net other change (i)	Balance held directly & indirectly at 31/12/15	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	377,934	-	-	377,934	200,000
M J Sandy	209,472	-	-	209,472	209,472
D A Schwebel	150,000	-	-	150,000	150,000
Executives - current					
T J Hayden	2,286,199	61,454	-	2,347,653	650,900
M T Ryan	-	-	-	-	-
R M Somerville	-	-	-	-	-
A C Sudlow	181,964	-	-	181,964	-
D J Rich	-	-	-	-	-
Executives - former					
M J Williams	177,425	-	-	177,425	-
	3,282,994	61,454	-	3,344,448	1,210,372

2014	Balance at 1/1/14	Received on vesting of rights	Net other change (i)	Balance held directly & indirectly at 31/12/14	Balance held nominally (indirectly) (ii)
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	145,650	-	232,284	377,934	200,000
M J Sandy	98,472	-	111,000	209,472	209,472
D A Schwebel	100,000	-	50,000	150,000	150,000
Executives - current					
T J Hayden	568,900	-	1,717,299	2,286,199	650,900
M J Williams	35,398	142,027	-	177,425	-
A C Sudlow	75,398	106,566	-	181,964	-
D J Rich	152,969	121,693	(274,662)	-	-
Executives - former					
B M Ulmer	34,654	-	-	34,654	-
T M Schmedje	158,983	203,313	(362,296)	-	-
	1,370,424	573,599	1,473,625	3,417,648	850,900

The following table summarises the rights in ordinary shares of Tap Oil Limited:

2015	Balance at 1/1/15	Granted as remuneration	Vested during the year	Lapsed during the year	Balance at 31/12/15
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	-	-	-	-	-
M J Sandy	-	-	-	-	-
D A Schwebel	-	-	-	-	-
Executives - current					
T J Hayden	7,010,517	-	(61,454)	(1,134,525)	5,814,538
M T. Ryan	-	272,981	-	-	272,981
R M Somerville	-	-	-	-	-
A C Sudlow	931,959	1,001,399	-	(120,566)	1,812,792
D J Rich	1,297,747	910,707	-	(352,467)	1,855,987
Executives - former					
M J Williams	809,969	1,025,001	-	(1,834,970)	-
	10,050,192	3,210,088	(61,454)	(3,442,528)	9,756,298

2014	Balance at 1/1/14	Granted as remuneration	Vested during the year	Lapsed during the year	Balance at 31/12/14
	No.	No.	No.	No.	No.
Non-executive Directors					
D W Bailey	-	-	-	-	-
M J Sandy	-	-	-	-	-
D A Schwebel	-	-	-	-	-
Executives - current					
T J Hayden	7,010,517	-	-	-	7,010,517
M J Williams	689,410	262,586	(142,027)	-	809,969
A C Sudlow	394,383	644,142	(106,566)	-	931,959
D J Rich	1,088,935	623,641	(121,693)	(293,136)	1,297,747
Executives - former					
B M Ulmer	1,214,834	-	-	(1,214,834)	-
T M Schmedje	973,281	-	(203,313)	(769,968)	-
	11,371,360	1,530,369	(573,599)	(2,277,938)	10,050,192

Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

Discretionary Cap on Total Number of Rights

The Board maintains a discretionary guideline cap on the total number of all performance and retention rights on issue to employees and Executives. Currently the Board has set this cap at 6% of the number of issued fully paid shares in the Company. This cap provides a margin to cover the issue of rights above the 4.5% maximum level of rights that may be issued over the three year vesting period of such rights at the guideline maximum rate of 1.5% per annum. The Board will inform shareholders of exceptions or changes to these guidelines should they occur.

The Board is of the view that such a cap significantly reduces the potential for material dilutionary effects of issues of rights at low share prices.

A total of 3,383,211 performance rights were issued during the year, effective 1 January 2015, being the award of LTI performance rights for the year ended 31 December 2014. The 2014 LTI award was under the policy guideline cap of 1.5% of the shares on issue. A total of 2,142,928 retention rights were also issued during the year.

The total number of performance and retention rights on issue at 31 December 2015 was 13,392,065. Excluding the 5 million rights granted to the Managing Director (as approved by shareholders at the 2013 annual general meeting), this number equalled 8,392,065 which is 3.26% of shares on issue at 31 December 2015 and under the policy guideline cap of 6%.

On 1 January 2016, 1,785,156 performance rights lapsed. In February 2016, the Board approved the issue of 3,863,746 performance rights for the 2015 LTI award. The rights took effect from 1 January 2016. This issue was scaled back in order to remain under the 1.5% cap of the shares on issue.

On 1 February 2016, the Company issued 114,286 retention rights to a new employee.

The total number of rights on issue at the time of this report is 9,509,381 (excluding the 5 million performance rights granted to the Managing Director) which equals 3.7% of the shares on issue at the time of this report, well under the 6% discretionary cap.

13. Non-Audit Services

The Directors of the Company are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 25 to the financial statements.

14. Auditor's Independence Declaration

The auditor's independence declaration is included on page 28 of the financial report.

15. Rounding off of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of the Company made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors of the Company,



D W Bailey
Chairman

West Perth, Western Australia
14 March 2016

The Board of Directors
Tap Oil Limited
Level 1, 47 Colin Street
WEST PERTH WA 6005

14 February 2016

Dear Board Members

Auditor's Independence Declaration to Tap Oil Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Tap Oil Limited.

As lead audit partner for the audit of the financial statements of Tap Oil Limited for the financial year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Tap Oil Limited

Report on the Financial Report

We have audited the accompanying financial report of Tap Oil Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 31 to 93.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tap Oil Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Tap Oil Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 27 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Tap Oil Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity may not have sufficient funds to meet the minimum liquidity threshold under its existing Borrowing Base Debt Facility on 31 March 2016. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's and company's ability to continue as going concerns and therefore, the consolidated entity and company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles

Partner

Chartered Accountants

Perth, 14 March 2016

Directors' Declaration

The Directors of the Company declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors of the Company

A handwritten signature in black ink, appearing to be 'D W Bailey', with a large, sweeping loop at the end.

D W Bailey
Chairman

West Perth, Western Australia
14 March 2016

Consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Continuing operations			
Revenue	2(a)	102,029	26,550
Cost of sales	2(b)	(75,439)	(12,107)
Gross profit		26,590	14,443
Other revenue	2(a)	205	239
Other income	2(c)	-	81
Administration expenses	2(d)	(5,163)	(6,731)
Finance costs	2(e)	(7,265)	(2,221)
Impairment losses and write-downs	2(f)	(68,577)	(78,065)
Other expenses	2(g)	(412)	(2,336)
Loss before tax		(54,622)	(74,590)
Income tax and PRRT benefit/(expense)	3(a)	160	31,885
Loss for the year		(54,462)	(42,705)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Foreign currency translation differences - foreign operations		423	(1,286)
Total comprehensive loss for the year		(54,039)	(43,991)
Earnings per share from continuing operations:			
Basic (cents per share)	14	(22.3)	(17.6)
Diluted (cents per share)	14	(22.3)	(17.6)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position as at 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Current assets			
Cash and cash equivalents	20(a)	15,581	14,034
Trade and other receivables	4	20,978	20,785
Inventories	5	4,475	10,679
Other current assets	6	700	3,332
Total current assets		41,734	48,830
Non-current assets			
Property, plant and equipment	7	74,557	134,387
Exploration and evaluation assets	8	3,178	21,083
Deferred tax assets	3(c)	22,108	20,352
Other non-current assets	6	1,111	-
Total non-current assets		100,954	175,822
Total assets		142,688	224,652
Current liabilities			
Trade and other payables	10	23,939	27,087
Current tax liability	3(b)	422	-
Provisions	11	4,907	2,520
Loans and borrowings	9	25,722	12,850
Total current liabilities		54,990	42,457
Non-current liabilities			
Provisions	11	21,248	23,049
Loans and borrowings	9	10,410	51,405
Total non-current liabilities		31,658	74,454
Total liabilities		86,648	116,911
Net assets		56,040	107,741
Equity			
Issued capital	12	135,174	133,175
Share options reserve		3,526	3,526
Share rights reserve		3,168	2,800
Foreign currency translation reserve		55,651	55,258
Profit reserve		72,940	62,643
Retained earnings		(214,419)	(149,660)
Total equity		56,040	107,741

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity for the financial year ended 31 December 2015

Note	Issued capital US\$'000	Share options reserve ⁽ⁱ⁾ US\$'000	Share rights reserve ⁽ⁱ⁾ US\$'000	Cash flow hedge reserve US\$'000	Foreign currency translation reserve US\$'000	Profit reserve ⁽ⁱ⁾ US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 January 2014	133,175	3,526	2,081	-	56,544	30,968	(75,280)	151,013
Loss for the year	-	-	-	-	-	-	(42,705)	(42,705)
Other comprehensive income for the year	-	-	-	-	(1,286)	-	-	(1,286)
Total comprehensive income for the year	-	-	-	-	(1,286)	-	(42,705)	(43,991)
Appropriation to current year profit reserve	-	-	-	-	-	31,675	(31,675)	-
Recognition of share-based payments 2(d)	-	-	719	-	-	-	-	719
Balance at 31 December 2014	133,175	3,526	2,800	-	55,258	62,643	(149,660)	107,741
Loss for the year	-	-	-	-	-	-	(54,462)	(54,462)
Other comprehensive income for the year	-	-	-	-	393	-	-	393
Total comprehensive income/(loss) for the year	-	-	-	-	393	-	(54,462)	(54,069)
Appropriation to current year profit reserve	-	-	-	-	-	10,297	(10,297)	-
Gain on changes in fair value of cash flow hedge	-	-	-	4,757	-	-	-	4,757
Reclassification of gain arising on changes in fair value of cash flow hedge	-	-	-	(4,757)	-	-	-	(4,757)
Issue of shares	1,973	-	-	-	-	-	-	1,973
Redemption of vested share rights	26	-	-	-	-	-	-	26
Recognition of share-based payments	-	-	368	-	-	-	-	338
Balance at 31 December 2015	135,174	3,526	3,168	-	55,651	72,940	(214,419)	56,040

(i) For a description of the nature and purpose of Reserves refer to note 13.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows for the financial year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Cash flows from operating activities			
Receipts from customers		101,985	28,952
Payments to suppliers and employees		(48,187)	(23,453)
Interest received		97	212
Income taxes paid		(1,576)	-
Net cash provided by operating activities	20(b)	52,319	5,711
Cash flows from investing activities			
Payments for property, plant and equipment		(13,246)	(86,881)
Payments for exploration assets		(3,180)	(3,852)
Payments for restoration expenditure		(384)	(368)
Net cash used in investing activities		(16,810)	(91,101)
Cash flows from financing activities			
Draw down of borrowings		13,241	65,400
Proceeds from issue of shares		1,973	-
Repayment of borrowings		(42,794)	(4,185)
Payment of interest and transaction costs related to loans and borrowings		(4,542)	-
Net cash (used in)/provided by financing activities		(32,122)	61,215
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		3,387	(24,175)
Effects of exchange rate changes on the balance of cash held in foreign currencies		14,034	38,936
		(1,840)	(727)
Cash and cash equivalents at the end of the financial year	20(a)	15,581	14,034

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements for the financial year ended 31 December 2015

Note	Contents
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2	Loss for the year from operations
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1. Summary of accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report comprises the consolidated financial statements of the Consolidated Entity. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 14 March 2015.

Basis of preparation

The financial report is presented in US Dollars, unless otherwise noted, and on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Consolidated Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Apart from changes in accounting policies noted below, the accounting policies adopted are consistent with those disclosed in the Annual Financial Report for the year ended 31 December 2014. Certain comparative information has been reclassified to be presented on a consistent basis with current year's presentation.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

1. Summary of accounting policies

As discussed in note 9, the next redetermination of the BNP facility is due effective 31 March 2016 and future movements in the oil price, or other market factors, could change both the borrowing base of the facility and the repayment schedule. As a result, the minimum liquidity threshold of US\$10 million may not be met on 31 March 2016 being the next scheduled repayment date. This would constitute an event of default which, in the absence of a waiver, could result in the facility becoming immediately due and payable.

The Company is taking measures to ensure there is no default on the BNP loan. Therefore the ability of the Consolidated Entity to continue as a going concern is dependent on:

1. the ongoing support of BNP through to the execution of a facility amendment before 31 March 2016. BNP have advised that they have in-principle credit support for the amendments as currently proposed which include:
 - a) hedging of 50% of forecast 1P Manora production for between 6 and 12 months;
 - b) a reduction of the minimum liquidity requirement to US\$3 million; and
 - c) Tap being required to secure additional funding from third parties of at least US\$5 million.
2. raising A\$7.75 million through an underwritten rights issue to meet the minimum of US\$5million in new funding per the BNP requirement as outlined above; and
3. ongoing cost reductions.

Subsequent to year end the Directors have finalised pre-commitments and underwriting agreements to the value of A\$7.75 million for a rights issue. Refer to Note 27 Subsequent Events for information on the rights issue to be launched 15 March 2016.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that they will be successful in achieving the matters set out above and that accordingly the Consolidated Entity and Company will have sufficient funds to meet their obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

Should the Consolidated Entity and Company be unsuccessful in the matters noted above they will be required to raise additional funds through an alternate debt or equity source before 31 March 2016.

Should the Director's be unable to achieve the matters set out above a material uncertainty would exist as to whether the Consolidated Entity and Company will be able to continue as going concerns and therefore whether they will realise their assets and discharge their liabilities in the normal course of business. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might by necessary should the Consolidated Entity and Company not continue as going concerns.

Refer also to Note 9 Borrowings, Note 21(m) Financial Instruments – Liquidity Risk and Note 27 Subsequent Events for more information.

New and revised Standards and Interpretations affecting amounts reported and/or disclosures in the financial statement

In the current year the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and mandatorily effective for an accounting period that begins on or after 1 January 2015. The following Standards and Interpretations were adopted:

- AASB 2014-1 (Part A) – Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles
- AASB 2014-1 (Part C) – Amendments to Australian Accounting Standards – Materiality
- AASB 2014-1 (Part E) – Amendments to Australian Accounting Standards – Financial Instruments
- AASB 2014-2 – Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements
- AASB 2014-8 – Amendments to Australian Accounting Standards arising from AASB 9 (Dec

1. Summary of accounting policies

2014) – Application of AASB 9 (Dec 2009) and AASB 10 (Dec 2010)

- AASB 9 Financial Instruments (December 2013)

With the exception of AASB 9 Financial Instruments, the adoption of these standards did not result in changes in accounting policies or adjustments to the amounts recognised in the financial statements. The standards only affected disclosures in the notes to the financial statements.

Adoption of new and revised Accounting Standards

At the date of authorisation of the financial report, a number of Standards and Interpretations were on issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	31 December 2016
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	31 December 2016
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' and AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	1 January 2018	31 December 2018
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	1 January 2016	31 December 2016
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' and AASB 2015-10 'Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	31 December 2018
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	31 December 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 January 2016	31 December 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	31 December 2016
AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs	1 January 2016	31 December 2016
IFRS 16 Leases	1 January 2019	31 December 2019

1. Summary of accounting policies

At the date of authorisation of the financial report, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017	31 December 2017
Disclosure Initiative (Amendments to IAS 7)	1 January 2017	31 December 2017

The Directors note that the impact of the initial application of the Standards and Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Consolidated Entity that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

Hedge accounting policy and impact of adopting AASB 9

The Consolidated Entity's has elected to early adopt AASB 9 Financial Instruments as issued in December 2014 which replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 requires that an entity classify its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Consolidated Entity has elected not to restate prior period comparatives and the change in accounting policy has been applied on a modified retrospective basis. The adoption of this standard has no material impact on the measurement of the Consolidated Entity's financial assets and, therefore, has no impact on the Consolidated Entity's earnings per share for the period as all commodity hedge instruments were entered into and settled in the current year.

Under the adoption of AASB 9, cash and cash equivalents, trade receivables and other receivables continue to be measured at amortised cost.

On adoption of AASB 9, the Consolidated Entity has elected to adopt the AASB 9 hedge accounting model. The adoption of AASB 9 has resulted in a redesignation of the current hedges and has changed the Consolidated Entity's accounting policies by simplifying and improving hedge accounting for the Consolidated Entity and means that the accounting results will better align with its risk management practices. The impact of these changes was applied largely on a modified retrospective basis. The current year impact primarily relates to the impact of hedge accounting on a component of commodity price risk, which is now permitted under AASB 9. The final commodity hedge settled prior to 31 December 2015 and the year to date hedge gains of US\$4.8 million (2014: nil) is included in revenue.

The adoption of AASB 9 does not impact the original carrying amount of the Consolidated Entity's financial assets, previously measured under AASB 139.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, demand deposits, the Consolidated Entity's share of joint operations bank balances and investments in money market instruments. Cash equivalents are short-term, and highly liquid investments.

Any bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(b) Comparative amounts

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified unless the reclassification is impracticable.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company (the parent entity) and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

A list of subsidiaries is included in note 19 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Consolidated Entity are eliminated in full.

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

Contributions to superannuation plans are expensed when incurred.

(e) Financial assets

Recognition and subsequent measurement

A financial asset shall be recognised when the Consolidated Entity becomes a party to the contractual provisions of the financial instrument. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, (except for financial assets that are irrevocably designated to be measured at fair value through profit or loss on initial recognition), on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Loans to related parties are recorded at the amortised cost amount, with no fixed due date, nor is interest charged on the outstanding balance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost.

Loans and receivables are recorded at the amortised cost amount using the effective interest rate method less impairment.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset may be designated as at fair value through profit or loss if:

- (a) It is held for trading; or
- (b) Upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

A financial asset is held for trading if:

- (a) it has been acquired principally for the purpose of selling it in the near term; or
- (b) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- (c) it is a derivative that is not designated and effective as a hedging instrument.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for indications of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Derecognition of financial assets

The Consolidated Entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(f) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Consolidated Entity are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at fair value through profit and loss (FVTPL) or amortised cost using the effective interest method.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Consolidated Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Consolidated Entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract is designated as at FVTPL in accordance with AASB 9.

Financial liabilities at FVTPL are stated at fair value. Any gains or losses arising on remeasurement of financial liabilities held-for-trading are recognised in profit or loss. The net gains or losses recognised in profit or loss incorporate any interest paid on the financial liabilities and are included in the 'other gains and losses' line item in the consolidated Statement of Comprehensive Income. Fair value is determined in the manner described in note 21.

For financial liabilities not held-for-trading that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss..

(ii) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition of financial liabilities

The Consolidated Entity derecognises financial liabilities when, and only when, the Consolidated Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Derivative financial instruments

The Consolidated Entity enters into derivative financial instruments to manage its exposure to foreign exchange rate risk and commodity price risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(i) Hedge accounting

The Consolidated Entity designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Consolidated Entity documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Consolidated Entity documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

(ii) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the Consolidated Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(iii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the Consolidated Entity revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(i) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect on the dates of the transactions.

At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

The individual financial statements of each group entity are presented in its functional currency being the currency of the primary economic environment in which the entity operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in US dollars, which is the presentation currency for the consolidated financial statements.

The functional currency of all the entities in the Consolidated Entity is Australian dollars except for Tap Energy Thailand Pty Ltd which has a functional currency of United States dollars. The financial statements of subsidiaries whose functional currency is in a currency other than United States dollar have been converted into the presentation currency as follows:

- (i) assets and liabilities are translated to the presentation currency at exchange rates at the reporting date. Income and expenses are translated to the presentation currency at exchange rates at the dates of the transactions;
- (ii) foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

(j) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint operations are reported in the financial statements by including the Consolidated Entity's share of assets employed in the joint operations, the share of liabilities incurred in relation to the joint operations and the share of any expenses incurred in relation to the joint operation in their respective classification categories. The Consolidated Entity accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a subsidiary transacts with a joint operation in which it is a joint operator (such as a sale or contribution of assets), the Consolidated Entity is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Consolidated Entity's financial statements only to the extent of other parties' interests in the joint operation.

When a subsidiary transacts with a joint operation in which it is a joint operator (such as a purchase of assets), the Consolidated Entity does not recognise its share of the gains and losses until it resells those assets to a third party.

(l) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(m) Petroleum exploration and evaluation expenditure

Exploration and evaluation expenditure is brought to account at cost and is classified as tangible assets.

Ongoing costs of acquisition, exploration and evaluation are capitalised in relation to each separate area of interest in which rights to tenure of the area of interest are current and in respect of which:

- (i) such costs are expected to be recouped through successful development and exploitation of the area or alternatively by their sale; or
- (ii) exploration and evaluation activities in the area have not yet reached the stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations are continuing

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

All exploration permits are treated as separate areas of interest, with certain areas of interest recognised at the field level.

The Consolidated Entity does not record any expenditure made by a farmee on the Consolidated Entity's account in respect of farm-outs. The Consolidated Entity also does not recognise any gain or loss on its exploration and evaluation farm-out arrangement, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Once an area of interest enters a development phase, all capitalised acquisition, exploration and evaluation expenditure is transferred to development costs within property, plant and equipment.

(n) Petroleum Resources Rent Tax

PRRT is recognised as an income tax expense on an accruals basis when the corresponding sales are recognised and an amount calculated in accordance with government legislative requirements will be payable on those sales.

PRRT is calculated at the rate of 40% of sales revenues less certain permitted deductions and is tax deductible for income tax purposes.

(o) Property, plant and equipment

Plant and equipment, leasehold improvements and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item, cost of replacing part of the property, plant and equipment and borrowing cost capitalised.

In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on property, plant and equipment, other than capitalised development costs and leasehold improvement costs, on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- | | |
|--|--------------------|
| • Office improvements, furniture & equipment | 3 – 12 years |
| • Development expenditure | Unit of production |
| • Oil & gas facilities | Unit of production |

Capitalised development costs are amortised from the commencement of production on a unit of production basis over recoverable reserves. Recoverable reserves are subject to review annually. The recoverable reserves are estimates calculated from available production and reservoir data and are subject to change. A significant change in estimate could give rise to a material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period.

(p) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of past event, it is probable that the Consolidated Entity will be required to settle the obligation and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A restoration provision is recognised and updated at different stages of the development and construction of a facility and then reviewed on a six monthly basis. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related exploration and evaluation assets or development asset.

Where a restoration obligation is assumed as part of the acquisition of an asset or obligation, the liability is initially measured at the present value of the future cash flows to settle the present obligation as at the acquisition date. The unwinding of the discount implicit in the present value calculations is included in finance costs.

(q) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the Consolidated Entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

Dividend and interest revenue

Dividend revenue is recognised on a receivable basis. Interest revenue from a financial asset is recognised when it is probable that the economic benefits will flow to the Consolidated Entity and the amount can be measured reliably.

(r) Taxation

Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method and is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to the asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Tap Oil Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in note 3 to the financial statements. Where the tax contribution amount is recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(s) Share-based payments

Equity-settled share-based payments are measured at fair value at the grant date. Fair value is measured under the Black Scholes model for options and retention rights and the Monte Carlo Simulation Model for performance rights in circumstances where the value cannot be determined based on the service being delivered. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of the number of options and shares that will eventually vest. At the end of each reporting period, the Consolidated Entity revises its estimate of the number equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share rights reserve.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(t) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
- Judgments made by management, in the application of the Consolidated Entity's accounting policies, that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

(u) Critical accounting estimates and assumptions

(i) Exploration and evaluation expenditures

The application of the Consolidated Entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the information becomes available.

(ii) Impairment of oil & gas assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows. For oil and gas assets, expected future cash flow estimation is based on reserves, future production profiles, commodity prices and costs. Refer note 7 for estimates. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the oil & gas assets.

(iii) Reserves estimates

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates and production and transportation costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the income statement and the calculation of inventory.

(iv) Decommissioning costs

Decommissioning costs will be incurred by the Consolidated Entity at the end of the operating life of some of the Consolidated Entity's facilities and properties. The Consolidated Entity assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

(v) Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the future outcome of events.

(vi) Classification of joint arrangements

Exploration, appraisal, development and production activities of the Consolidated Entity are conducted primarily through arrangements with other parties. Each arrangement has a contractual agreement which provides the participating parties rights to the assets and obligations for the liabilities of the arrangement. Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the Consolidated Entity accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

The Consolidated Entity's interest in joint arrangements is disclosed in note 18. The Consolidated Entity does not currently have any interest in other arrangements with the same legal form as a joint operation but that are not subject to joint control.

2. Loss for the year from operations

(a) Revenue

Liquid sales ⁽ⁱ⁾	80,115	1,833
Gas sales	21,914	24,717
	102,029	26,550
Other revenue:		
Royalties received	25	54
Interest received	180	185
	205	239
	102,234	26,789

(i) Includes commodity hedge of US\$4.8 million (2014: nil)

(b) Cost of sales

Production costs – Manora	17,608	2,462
Depreciation of capitalised development costs	34,993	938
Government royalties	6,933	102
Other production costs - Manora	6,743	(1,923)
	66,277	1,579
Production costs – Third party gas	8,805	9,943
HOPS operating costs	192	326
Marketing and sales costs	165	259
	9,162	10,528
	75,439	12,107

(c) Other Income

Foreign exchange gain	-	81
	-	81

(d) Administration expenses

Loss before income tax has been arrived at after charging the following:

Employee benefit expenses:

Post employment benefits:		
Superannuation contributions	296	365
Share-based payments:		
Equity settled share-based payments	368	719
Other	2,990	4,739
	3,654	5,823
Depreciation of office fixed assets	42	72
Operating lease rental payments	612	705
Other expenses, net of recoveries ⁽ⁱ⁾	855	131
	5,163	6,731

(i) The other expenses are shown net of recoveries. The recoveries represent costs, including time spent by the Consolidated Entity's employees on exploration and production interests, which get capitalised to the applicable exploration and production interests.

2. Loss for the year from operations (cont'd)

(e) Finance costs

Notional interest from unwinding discount on restoration provisions

Borrowing costs

(f) Impairment losses and write-downs

Exploration impairment losses ⁽ⁱ⁾

Exploration expenditure write-downs ⁽ⁱ⁾

Property, plant and equipment impairment losses ⁽ⁱⁱ⁾

Prepaid gas impairment losses

Note

Consolidated	
2015 US\$'000	2014 US\$'000
1,210	375
6,055	1,846
7,265	2,221
20,708	54,425
227	2,754
20,935	57,179
46,773	20,886
869	-
68,577	78,065

- (i) Exploration impairment losses and exploration expenditure write-downs are recognised when the carrying amount of the exploration and evaluation assets exceeds the recoverable amount. Management assessed the recoverable amount of all exploration and evaluation assets except for G1/48 was estimated to be nil at 31 December 2015 and such were fully impaired. Refer to note 8 for further details.

Permit	Country/ Company	2015 US\$'000
WA351P	Australia	13,756
WA320P	Australia	1,319
WA49R	Australia	1,211
WA8L	Australia	1,176
WA33R	Australia	1,126
WA34R	Australia	937
M07	Myanmar	788
G3/48	Thailand	231
Various	Australia	391
		20,935

The exploration impairment losses/write-downs are included in the oil & gas exploration segment.

- (ii) Property, plant and equipment impairment losses relate to Manora impairment of US\$43.9 million and Airlie impairment of US\$2.8 million.

The property, plant and equipment impairment losses are included in the oil & gas production and development segment.

(g) Other expenses

New venture and Business Development expenditure

Foreign exchange differences

Rehabilitation/restoration expenses

Loss on disposal of property, plant and equipment

Reversal of provisions ⁽ⁱ⁾

Woollybutt and Airlie operating costs

Other

Consolidated	
2015 US\$'000	2014 US\$'000
1,339	1,651
1,209	(81)
(204)	(31)
-	9
(1,861)	-
493	353
(564)	435
412	2,336

- (i) Relates to provisions made in previous years in relation to disputes with the FPSO contractor at the Woollybutt field. There are now no further claims outstanding so the provision has been reversed.

(h) Depreciation

Depreciation charges are included above in cost of sales (b) and administration expenses (d). Total depreciation for the Consolidated Entity is US\$35.0 million (2014: US\$1.0 million).

3. Income taxes

(a) Income tax recognised in profit or loss

Tax (benefit)/expense comprises:

	Consolidated	
	2015	2014
	US\$'000	US\$'000
Current tax expense	4,781	1,253
PRRT refund received	(186)	(129)
Thailand prior year carried forward losses utilised in the current year	(1,267)	-
Adjustments recognised in the current year in relation to the current tax of prior years	74	(39)
Deferred income tax relating to the origination and reversal of temporary differences	(3,666)	(31,287)
Foreign exchange impact on tax expense	(79)	1,533
Deferred PRRT tax (credit)/expense	183	(3,216)
Total income tax (benefit)/expense from continuing operations	(160)	(31,885)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Loss before tax	(54,622)	(74,590)
Income tax benefit calculated at 30%	(16,387)	(22,377)
Expenses not deductible for tax purposes	2,203	396
Unused tax losses, tax offsets and temporary differences not recognised as deferred tax assets	18,591	1,321
Prior year temporary differences now recognised	1,058	(1,367)
Thailand prior year carried forward losses utilised in the current year	(1,267)	-
Foreign exchange impact on deferred tax expense	5,870	-
Effect of higher foreign tax rate	(7,663)	(5,822)
Foreign exchange impact on tax expense	(2,609)	(708)
PRRT related tax (credit)/expense	(2)	(3,344)
Other	(28)	50
	(234)	(31,851)
Adjustments recognised in the current year in relation to the current tax of prior years - Australia	74	(34)
Income tax (benefit)/expense	(160)	(31,885)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

3. Income taxes (cont'd)

Consolidated	
2015	2014
US\$'000	US\$'000
(b) Current tax assets and liabilities	
Current tax liabilities:	
Tax payable	-
422	-
(c) Deferred tax asset/(liability) balances	
Deferred tax assets comprise:	
Temporary differences – refer below	
22,108	20,352

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Exchange differences	Closing balance
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

Consolidated

2015

Temporary differences:

Income tax losses carried forward	1,447	(1,328)	-	-	(119)	-
Property, plant & equipment	428	129	-	-	(51)	506
Deferred exploration	(5,561)	4,809	-	-	468	(284)
Development	10,370	15,979	-	-	(1,018)	25,331
Liquids inventory	-	494	-	-	(15)	479
Restoration provisions	13,101	1,076	-	-	(1,446)	12,731
Borrowing costs	-	406	-	-	(12)	394
Others	567	(244)	-	-	(53)	270
	20,352	21,321	-	-	(2,246)	39,427

Unrecognised temporary differences:

Property, plant & equipment	-	(521)	-	-	15	(506)
Deferred exploration	-	292	-	-	(8)	284
Development	-	(6,846)	-	-	199	(6,647)
Restoration provisions	-	(10,079)	-	-	293	(9,786)
Borrowing costs	-	(406)	-	-	12	(394)
Others	-	(278)	-	-	8	(270)
	-	(17,838)	-	-	519	(17,319)
	20,352	3,483	-	-	(1,727)	22,108

2014

Income tax losses carried forward	2,782	(1,214)	-	-	(121)	1,447
Property, plant & equipment	(1,023)	1,503	-	-	(52)	428
Deferred exploration	(22,256)	16,336	-	-	359	(5,561)
Development	-	11,415	-	-	(1,045)	10,370
Restoration provisions	8,470	5,895	-	-	(1,264)	13,101
Others	1,259	(646)	-	-	(46)	567
	(10,768)	33,289	-	-	(2,169)	20,352

Unrecognised deferred tax balances

The following deferred tax assets, have not been brought to account as assets:

Tax losses – revenue

Temporary differences

Consolidated	
2015	2014
US\$'000	US\$'000
7,060	16,414
17,319	-
24,379	16,414

(d) Franking account balance

On a tax paid basis

Consolidated	
2015	2014
AU\$'000	AU\$'000
71,789	71,789

3. Income taxes (cont'd)

Tax consolidation

Relevance of tax consolidation to the Consolidated Entity

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 January 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tap Oil Limited. The members of the tax-consolidated group are identified at note 19.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding and tax sharing arrangement with the head entity. Under the terms of the tax funding agreement, each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

4. Trade and other receivables

Trade receivables ⁽ⁱ⁾

Allowance for doubtful debts ⁽ⁱⁱⁱ⁾

Joint operations' debtors

Hedge receivable

Other receivables ⁽ⁱⁱ⁾

Movement in the allowance for doubtful debts

Balance at the beginning of the year

Doubtful debts charge for the year

Foreign exchange difference

Balance at the end of the year

Consolidated	
2015	2014
US\$'000	US\$'000
5,771	5,590
-	(1,446)
5,771	4,144
4,860	4,330
1,330	-
9,017	12,311
20,978	20,785
1,446	1,578
(1,276)	-
(170)	(132)
-	1,446

(i) Trade receivables relate to gas sales and oil sales from Manora. Gas sales are on terms that result in payment within 30 days from invoice while oil sales are on terms that result in payment 30 days from bill of lading.

(ii) Included in other receivables is US\$9 million receivable from Northern Gulf Petroleum (NGP) representing the amount outstanding of the 50% of the carry paid by Tap since 2010 on behalf of NGP. Included in Note 10 Trade payables is US\$6.6 million payable to NGP representing 2P Reserves deferred payment and Earnout (refer to Note 26).

(iii) At 31 December 2015 the amount receivable from Apex Gold Pty Ltd of US\$1.4 million has been fully written off as the company went into administration in 2013. There are no material amounts included in the Consolidated Entity's trade receivable balance (2014: nil) which are past due, but not considered impaired, at the reporting date. The Consolidated Entity does not hold any collateral over the accounts receivable balances.

5. Inventories

Oil in storage – at cost
Materials and consumables – at cost

Consolidated	
2015 US\$'000	2014 US\$'000
1,257	5,033
3,218	5,646
4,475	10,679

The cost of inventories recognised as an expense in cost of sales includes US\$948,000 (2014: nil) in respect of write downs of oil inventory to net realisable value.

6. Other current assets

Prepayments
Prepaid gas

Consolidated	
2015 US\$'000	2014 US\$'000
522	377
1,289	2,955
1,811	3,332
700	3,332
1,111	-
1,811	3,332

Current
Non-current

7. Property, plant and equipment

Development expenditures

Gross carrying amount – at cost:

Opening balance
Additions
Adjustment in respect of carry ⁽ⁱ⁾
Foreign exchange differences
Transfer from exploration expenditure
Closing balance

227,367	166,030
21,992	72,924
-	(5,166)
(957)	(6,642)
-	221
248,402	227,367
93,106	74,964
46,773	20,886
(957)	(6,793)
34,993	4,049
173,915	93,106
74,487	134,261

Accumulated depreciation:

Opening balance
Provision for impairment losses
Foreign exchange differences
Depreciation
Closing balance

2(f)

Net book value

7. Property, plant and equipment (cont'd)

Office improvements, furniture & equipment

	Consolidated	
	2015 US\$'000	2014 US\$'000
<u>Gross carrying amount – at cost:</u>		
Opening balance	2,693	3,369
Additions	-	33
Foreign exchange differences	(294)	(281)
Asset write-offs	-	(428)
Closing balance	2,399	2,693
<u>Accumulated depreciation:</u>		
Opening balance	2,567	3,187
Asset write-offs	-	(462)
Foreign exchange differences	(280)	(230)
Depreciation	42	72
Closing balance	2,329	2,567
Net book value	70	126
Total – net book value	74,557	134,387

- (i) Relates to 50% of the development portion of the carry of US\$20 million paid by Tap since 2010 on behalf of Northern Gulf Petroleum that is now receivable, and has therefore been transferred to other debtors.

Impairment of development expenditures

At 31 December 2015, the Consolidated Entity has assessed each cash generating unit to determine whether an impairment indicator existed. Based on the current declining oil prices, the Airlie development asset may not be recoverable through development or sale and has therefore been fully impaired by US\$2.8 million at 31 December 2015.

The recoverable amount of the Manora development asset of US\$74.5 million (2014: US\$134.4million) has been determined based on a five-year value in use model. As a result of the current declining oil prices, the recoverable amount of US\$74.5 million for Manora resulted in an impairment loss of US\$43.9 million being recognised for the year.

The following assumptions were used in the assessment of the recoverable amount:

- Discount rate – pre-tax discount rate of 11% (2014: 12.5%) has been applied to the cash flow projections;
- Inflation rate – Thailand inflation rate of 2% (2014: 2%) has been applied to the cash flow projections; and
- Oil price – the oil price applied to the cash flow projections is based on the average of analysts' forecast price at the date of assessment for 3 years then thereafter increased by 2% inflation. The realised oil price assumptions for 2016, 2017 and 2018 are US\$41.26/bbl, US\$53.36/bbl and US\$60.52/bbl respectively.

Sensitivity analysis

It is estimated that changes in the key assumptions would impact the year end impairment as follows:

	2015 US\$'000
Discount rate: 1% increase	1,000
Discount rate: 1% decrease	(1,000)
Inflation rate: 1% increase	700
Inflation rate: 1% decrease	(700)
Long term oil price decrease of US\$5/bbl	10,000
Long term oil price increase of US\$5/bbl	(7,700)

8. Exploration and evaluation assets

Exploration and/or evaluation phase

	Note	Consolidated	
		2015 US\$'000	2014 US\$'000
At cost		106,567	109,010
Less: impairment		(103,389)	(87,927)
Net carrying value		3,178	21,083
Reconciliation of movement:			
Opening balance		21,083	80,967
Current year exploration expenditure		4,618	3,774
Exploration impairment losses/write-downs	2(f)	(20,935)	(57,179)
Transfer to development expenditure		-	(222)
Foreign exchange movement		(1,588)	(1,423)
Carry transferred to other debtors ⁽ⁱ⁾		-	(4,834)
Closing balance		3,178	21,083
Movement in the impairment provision:			
Balance at the beginning of the year		(87,927)	(60,997)
Impairment provision (increase)		(20,708)	(54,425)
Write offs against provision		-	25,656
Foreign exchange movement		5,246	1,839
Balance at the end of the year		(103,389)	(87,927)

(i) Relates to the 50% exploration and evaluation portion of the carry paid by Tap on behalf of Northern Gulf Petroleum that is now receivable, and was therefore transferred to other debtors.

Ultimate recoupment of this expenditure is dependent upon the continuance of the Consolidated Entity's right to tenure of the areas of interest and the discovery of commercially viable oil and gas reserves, their successful development and exploitation, or, alternatively, sale of the respective areas of interest at an amount at least equal to book value.

Impairment losses are recognised when the carrying amount of the exploration and evaluation assets exceeds the recoverable amount. Due to uncertainty with respect to Tap's ongoing participation in exploration activities in the areas of interest and given the current oil price environment and general market conditions, Management has assessed the recoverable amount of all exploration and evaluation assets except for G1/48 to be nil at 31 December 2015 and such were fully impaired.

9. Loans and Borrowings

Secured bank loans – at amortised cost

Amount drawn

Transaction costs

Current ⁽ⁱ⁾

Non-current ⁽ⁱ⁾

Consolidated	
2015	2014
US\$'000	US\$'000
36,100	65,400
32	(1,145)
36,132	64,255
25,722	12,850
10,410	51,405
36,132	64,255

During 2014 the Consolidated Entity entered into a combined borrowing base facility with BNP Paribas for up to US\$90 million. Effective 1 December 2014, BNP Paribas syndicated 33.3% of the facility to Siam Commercial Bank. The facility is secured over the Manora development assets (with a carrying value of US\$74.8 million at 31 December 2015) and the third party gas assets (these are forward contracts and do not have a book value). The effective interest rate is 7.19%. The Final Maturity date of the facility under the facility agreement is the earlier of April 2018 or the date of the reserves tail which at balance date was September 2017.

- (i) As set out in the Review of Results on page 4, the size of the borrowing base under the existing debt facility with BNP Paribas and Siam Commercial Bank (BNP Facility) is linked to Manora reserves and revenues (as well as Third Party Gas revenues). Accordingly, the borrowing base fluctuates with changes in the oil price, operating costs and other related variables. Tap is currently in compliance with the terms of the BNP Facility, however following recent decreases in the oil price and ongoing volatility in the oil market, the Company is continuing to engage with BNP Paribas and Siam Commercial Bank regarding a modification to the existing terms and size of the BNP Facility to ensure future compliance. This is in conjunction with a range of other measures which may include a rights issue, additional internal cost cutting, further deferment or minimisation of spending on all non-Manora activities, a hedging program and asset sales.

The balance of the BNP Facility and classification between current and non-current recognised in the balance sheet at 31 December 2015, is based on management's best estimate of the payment profile considering the prevailing market factors at year end. The next redetermination is due effective 31 March 2016 and future movements in the oil price, or other market factors, could change both the borrowing base and the repayment schedule.

As an indication of the potential impact of oil price movements on the classification, should the oil price assumption used in the calculation of the borrowing base at 31 December 2015 have been 10% higher or lower than that used, then the amount classified as current would have decreased to US\$23.856 million or increased to US\$28.015 million respectively.

Refer also to the Going Concern section of Note 1, Note 21(m) Financial Instruments – Liquidity Risk and Note 27 – Subsequent Events.

10. Trade and other payables

Trade payables ⁽ⁱ⁾

Share of joint operations' payables ⁽ⁱⁱ⁾

Goods and services tax (GST) payable

Other payables

Income received in advance

Consolidated	
2015	2014
US\$'000	US\$'000
9,001	1,451
10,026	15,085
168	338
371	5,344
4,373	4,869
23,939	27,087

- (ii) The credit period on purchases averages between 7 and 30 days. No interest is charged on trade payables. The Consolidated Entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Included in Trade payables is US\$6.6 million payable to NGP representing 2P Reserves Deferred Payments and Earnout. Included in Note 4, other receivables is US\$9 million receivable from NGP representing the amount outstanding of the 50% of the carry paid by Tap since 2010 on behalf of NGP (refer to Note 26).
- (iii) As part of an agreement with the Operator on Manora facilities cost overruns (announced by the Company on 15 January 2016) Tap will pay US\$10 million of currently due cash calls in four even instalments of US\$2.5 million on each of 31 March, 30 June, 30 September and 31 December 2016.

11. Provisions

Current

	2015 US\$'000	2014 US\$'000
Employee benefits	418	387
Restoration costs	4,489	2,133
	4,907	2,520

Non-current

Employee benefits	57	94
Restoration costs	21,191	22,955
	21,248	23,049

Restoration costs provision

Reconciliation of movement:		
Opening balance	25,088	15,198
Additional provisions raised	350	-
Increase resulting from re-measurement	2,063	11,240
Reductions resulting from re-measurement or settlement without cost	(565)	(57)
Unwinding of discount	1,210	375
Restoration costs incurred	(384)	(368)
Foreign exchange movement	(2,082)	(1,300)
Closing balance	25,680	25,088

The provision for restoration costs represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required to remove plant and equipment and abandon producing and suspended wells. The unexpired terms used in the present value calculations are various periods up to the year 2022 and relate to the Manora, Woollybutt, Airlie and Windoo restoration costs.

12. Issued capital

257,583,738 fully paid ordinary shares
(2014: 243,186,639)

Consolidated	
2015	2014
US\$'000	US\$'000
135,174	133,175

	2015		2014	
	No. '000	US\$'000	No. '000	US\$'000
Fully paid ordinary shares				
Balance at beginning of financial year	243,187	133,175	242,116	133,175
Issue of shares under share-based payment schemes (note 22)	127	26	1,071	-
Shares issued	14,270	1,973	-	-
Balance at end of financial year	257,584	135,174	243,187	133,175

During the year, 127,048 shares (2014: 1,071,111) were issued as a result of employee retention share rights.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Share performance and retention rights

- In accordance with the provisions of the share-based payment schemes, employees had 13,392,065 (2014: 12,128,058) outstanding performance and retention rights over ordinary shares at 31 December 2015.
- A total of 127,048 performance and retention rights vested during the year ended 31 December 2015 (2014: 1,071,111).
- A total of 1,874,220 (2014: 2,833,220) performance and retention rights were forfeited during the 2015 financial year. A total of 2,260,863 performance rights lapsed during the year ended 31 December 2015 (2014: 1,019,863).
- The performance and retention rights carry no rights to dividends and no voting rights. Further details of the share-based payment schemes are contained in note 22 to the financial statements.

13. Reserves

Nature and purpose of reserves

Share options and rights reserve

The share options reserve and the share rights reserve reflect the cost of share related share-based payments – refer note 1(r) explaining the grant date fair value of options and rights issued to employees but not exercised.

The reserve comprises the credit to equity for equity-settled share-based payment arrangements under AASB 2 – Share-based payments. The standard requires that the expense be charged to the profit and loss component of the statement of comprehensive income, while a credit needs to be raised against equity over the vesting period.

For further information on the share-based payment schemes refer note 22.

Share rights reserve

Balance at beginning of year
Recognition of share based payment
Balance at end of year

Consolidated	
2015 US\$'000	2014 US\$'000
2,800	2,081
368	719
3,168	2,800

Foreign currency translation reserve

Used to record foreign exchange differences arising from the translation of the financial statements of foreign entities from their functional currency to the Consolidated Entity's presentation currency. The reserve is recognised in the Statement of Comprehensive Income when the net investment is disposed.

Balance at beginning of year
Exchange differences arising on translating foreign operations
Balance at end of year

Consolidated	
2015 US\$'000	2014 US\$'000
55,258	56,544
393	(1,286)
55,651	55,258

Profit reserve

A profit reserve has been created in selected entities within the tax consolidated group (refer note 19). The balance represents an appropriation of amounts from retained earnings for the payment of future dividends.

Balance at beginning of year
Transfer to profit reserve
Balance at end of year

Consolidated	
2015 US\$'000	2014 US\$'000
62,643	30,968
10,297	31,675
72,940	62,643

Retained earnings

Balance at beginning of year
Loss for the year
Transfer to profit reserve
Balance at end of year

Consolidated	
2015 US\$'000	2014 US\$'000
(149,660)	(75,280)
(54,462)	(42,705)
(10,297)	(31,675)
(214,419)	(149,660)

14. Earnings per share

Basic and diluted earnings per share

Basic earnings per share:

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Earnings used in the calculation of basic earnings per share from continuing operations

Weighted average number of ordinary shares for the purposes of basic earnings per share

Consolidated	
2015 Cents per share	2014 Cents per share
(22.3)	(17.6)
2015 US\$'000	2014 US\$'000
(54,462)	(42,705)
2015 No.'000	2014 No.'000
243,859	242,723

Diluted earnings per share:

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

Earnings used in the calculation of diluted earnings per share from continuing operations

Weighted average number of ordinary shares for the purposes of diluted earnings per share (a)

- (a) The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Weighted average number of ordinary shares used in the calculation of diluted EPS

Consolidated	
2015 US\$'000	2014 US\$'000
(54,462)	(42,705)
2015 No.'000	2014 No.'000
243,859	242,723
2015 No.'000	2014 No.'000
243,859	242,723

There are 13,392,065 (2014: 12,128,057) rights on issue at year end that could further dilute the basic earnings per share and diluted earnings per share in future.

15. Commitments for expenditure

(a) Capital expenditure commitments

Committed expenditures that have not been provided for in the financial statements:

Property, plant and equipment

Not longer than 1 year	4,905	9,032
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-

Consolidated	
2015 US\$'000	2014 US\$'000
4,905	9,032
-	-
-	-
4,905	9,032
4,773	8,694
1,059	2,122
-	-
5,832	10,816
5,439	5,424
21,710	21,710
3,150	8,589
30,299	35,723

Exploration expenditure

Not longer than 1 year	4,773	8,694
Longer than 1 year and not longer than 5 years	1,059	2,122
Longer than 5 years	-	-

FSO lease at Manora

Not longer than 1 year	5,439	5,424
Longer than 1 year and not longer than 5 years	21,710	21,710
Longer than 5 years	3,150	8,589

These commitments represent Tap's share of joint operations' commitments. The commitments for exploration expenditure include the minimum expenditure requirements of various government regulatory bodies and joint operations that the Consolidated Entity is required to meet in order to retain its present permit interests. These obligations may be subject to renegotiation, may be farmed out or may be relinquished.

The property, plant and equipment commitments represent Tap's share of the G1/48 Joint operation commitments in respect of the Manora Development.

Under the terms of a Good Standing Agreement (**GSA**) entered into with NOPTA (on behalf of the Joint Authority) in relation to T/47P on 1 October 2013, Tap is required to spend A\$5.8 million on qualifying permits in order to maintain its good standing with the Joint Authority. Any expenditure to be credited against this GSA obligation must be expended on field activities within the primary terms of agreed qualifying permits in Australian waters. Qualifying Permits include both prime gazetted areas acreage and re-release gazetted areas and must be obtained by the completion of the 2015 Acreage Release.

Since the GSA was entered into, Tap has bid for acreage releases with total primary term commitments as bid for, being greater than A\$5.8 million. Tap believes that there are no commitments or contingencies in relation to the GSA and hence no amount is included in the commitments table above for the GSA.

(b) Lease commitments

Non-cancellable operating lease commitments are disclosed in note 16 to the financial statements.

16. Leases

Operating leases

Leasing arrangements

The Consolidated Entity has non-cancellable operating leases for the following:

- (i) Office premises – the premises lease expires on 31 January 2018
- (ii) Office equipment – the copy management plan expires on 15 February 2016.

Non-cancellable operating lease commitments

Not longer than 1 year

Longer than 1 year and not longer than 5 years

Longer than 5 years

Consolidated	
2015 US\$'000	2014 US\$'000
586	514
663	1,129
-	-
1,249	1,643

17. Segment information

The Consolidated Entity derives its revenue from the sale of oil & gas.

Information reported to the Consolidated Entity's chief operating decision maker for the purposes of resource allocation and assessment of performance is focussed on the separate divisions managed by each individual member of senior management. Based on this, the Consolidated Entity's reportable segments under AASB 8 are as follows:

- Oil & gas production and development
- Oil & gas exploration
- Third party gas

The oil & gas production and development segment includes the assets moved from the exploration phase to the development phase. This segment also includes producing assets. The Manora (G1/48) development asset is included here as it commenced production during November 2014.

The oil & gas exploration segment includes all the areas of interest still in their exploration phase. This segment primarily incurs the exploration expenditure in the Consolidated Entity.

The third party gas segment includes the purchases and sale of gas. The gas purchases are based on contracted quantities and sales are done via agreements with customers or in certain instances via market sales. The segment is managed by the Commercial Manager.

17. Segment information (cont'd)

The following is an analysis of the Consolidated Entity's revenue and results from continuing operations by reportable operating segment for the periods under review:

	Revenue		Segment result	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Oil & gas production and development	80,115	1,833	(42,412)	(22,179)
Oil & gas exploration	-	-	(19,490)	(58,353)
Third party gas	21,914	24,717	12,308	14,188
	102,029	26,550	(49,594)	(66,344)
Interest revenue			37	185
Finance costs			-	(1,846)
Central administration costs			(4,242)	(4,650)
Foreign exchange gain/(loss)			95	81
Other expenses			(918)	(2,016)
Loss before tax			(54,622)	(74,590)
Income tax benefit/(expense)			160	31,885
Loss for the year from continuing operations			(54,462)	(42,705)

Segment revenues and results

Segment profit/(loss) represents the profit earned by each segment or loss made by each segment without the allocation of centralised administration expenses, recoveries of administration expenses recognised on a Consolidated Entity level, interest revenue, foreign exchange losses and income tax benefits.

The revenue represents oil and gas sales to external customers with no intersegment sales during the period. All of the US\$80.1 million (2014: US\$1.8 million) oil revenue was sold to one customer under contract. Included in revenues arising from direct sales of third party gas of US\$21.9 million (2014: US\$24.7 million) are revenues of US\$21.7 million (2014: US\$22.7 million) which arose from sales to one third party gas customer.

17. Segment information (cont'd)

Segment assets and liabilities

The following is an analysis of the Consolidated Entity's assets and liabilities by reportable operating segment for the periods under review:

	Assets		Liabilities	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Oil & gas production and development	121,392	171,385	63,131	105,552
Oil & gas exploration	7,426	34,282	15,783	3,466
Third party gas	10,366	9,978	5,439	6,189
Total segment assets and liabilities	139,184	215,645	84,353	115,207
Unallocated assets and liabilities	3,504	9,007	2,295	1,704
Consolidated total assets and liabilities	142,688	224,652	86,648	116,911

For the purpose of measuring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments except for cash and cash equivalents and tax-related assets and liabilities.

Other segment information

	Depreciation and amortisation		Impairment losses and write-downs		Additions to non-current assets	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Oil & gas production and development	34,993	938	46,773	20,886	21,992	67,758
Oil & gas exploration	-	-	20,935	57,179	4,618	3,774
Third party gas	-	-	869	-	-	-
Other	42	72	-	-	-	33
	35,035	1,010	68,577	78,065	26,610	71,565

In addition to the depreciation and amortisation expense reported above, exploration expenditure write-downs/impairment losses of US\$20.9 million (2014: US\$57.2 million) were recognised in respect of exploration and evaluation assets. Impairment losses of US\$46.8 million (2014: US\$20.9 million) were also recognised in respect of property, plant and equipment. Both the exploration and evaluation assets and property, plant and equipment write-downs/impairment losses were attributable to oil & gas exploration and oil & gas production and development. There were no other material non-cash expenses attributable to individual segments.

Geographical information

The Consolidated Entity operates in two principal geographical areas – Australia and Asia.

	Revenue from external customers		Non-current assets	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Australia	21,914	24,717	4,127	34,513
Asia	80,115	1,833	96,827	141,309
	102,029	26,550	100,954	175,822

18. Interests in joint operations

The Consolidated Entity has interests in numerous joint operations in Australia and Asia. The principal activity of the joint operations is oil & gas exploration and production.

Refer to the table below for a full list of the licences and permits held by the Consolidated Entity.

	Working interest (%)	
	2015	2014
Exploration permits		
Western Australia		
TP/7	12.47	12.47
WA-8-L	20.00	20.00
WA-33-R	22.47	22.47
WA-34-R	12.00	12.00
WA-49-R	10.00	10.00
WA-290-P	10.00	10.00
WA-320-P	9.78	9.78
WA-155-P	13.55	13.55
WA-351-P	20.00	20.00
WA-515-P ⁽ⁱⁱⁱ⁾	100.00	-
WA-516-P ⁽ⁱⁱⁱ⁾	100.00	-
Ghana		
Offshore Accra Contract Area ⁽ⁱ⁾	-	-
Myanmar		
M-7 ⁽ⁱⁱ⁾	95.00	-
Thailand		
G1/48	30.00	30.00
G3/48 ^(iv)	-	30.00
Production & Pipeline Licences		
Western Australia		
TL/2	10.00	10.00
WA-22-L	15.00	15.00
WA-25-L	15.00	15.00
PL/14	10.00	10.00
TPL/3	10.00	10.00
TPL/4	10.00	10.00
TPL/7	10.00	10.00

(i) Tap withdrew from the Offshore Accra Contract Area on 23 April 2014. Final approval was obtained from the Ministry of Energy and Petroleum in November 2014.

(ii) Tap entered into Production Sharing Contract with Myanma Oil and Gas Enterprise on 26 August 2015.

(iii) Tap was awarded 100% of blocks WA-515-P and WA-516-P on 6 March 2015.

(iv) On 28 December 2015, Tap's withdrawal from its 30% participating interest in G3/48 concession in the northern Gulf of Thailand was officially approved by the Minister of Energy for Thailand. The withdrawal is effective from 6 January 2015.

The Consolidated Entity has a material joint operation, G1/48, which includes the Manora Oil Development. The Consolidated Entity has a 30% share in the ownership of Manora (G1/48) located in the northern gulf of Thailand. The Consolidated Entity is entitled to a proportionate share of oil revenue and bears a proportionate share of the joint operation's expenses.

18. Interests in joint operations (cont'd)

Joint Operations' net assets

The Consolidated Entity's share of assets and liabilities in joint operations is detailed below. The amounts are included in the consolidated financial statements in their respective categories:

	Consolidated	
	2015	2014
	US\$'000	US\$'000
Current assets		
Cash	1,244	9,562
Receivables	4,860	4,330
Inventories	4,475	10,679
Total current assets	10,579	24,571
Non-current assets		
Property, plant and equipment	74,557	134,387
Exploration and evaluation assets	3,178	21,083
Total non-current assets	77,735	155,470
Total assets	88,314	180,041
Current liabilities		
Trade and other payables	10,026	15,085
Provision for restoration	4,489	2,133
Total current liabilities	14,515	17,218
Non-current liabilities		
Provision for restoration	21,191	22,955
Total non-current liabilities	21,191	22,955
Total liabilities	35,706	40,173
Net assets	52,608	139,868
Revenues	80,139	1,887
Cost of sales	(66,770)	(1,928)
Other (expenses)/income	661	(238)
Profit/(loss) before income tax	14,030	(279)

Capital commitments and contingent liabilities

The capital commitments arising from the Consolidated Entity's interests in joint operations are disclosed in note 15. No contingent liabilities have been identified beyond those set out in note 26.

19. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2015 %	2014 %
Parent entity			
Tap Oil Limited ⁽ⁱ⁾	Australia		
Subsidiaries ⁽ⁱⁱ⁾			
Tap West Pty Ltd	Australia	100	100
Tap (Shelfal) Pty Ltd	Australia	100	100
Tap (New Zealand) Pty Ltd	Australia	100	100
Tap Oil (Philippines) Pty Ltd	Australia	100	100
Tap (Ghana) Pty Ltd	Australia	100	100
Tap Oil (Ghana) Ltd ⁽ⁱⁱⁱ⁾	Ghana	100	100
Tap Energy (Rangkas) Pty Ltd	Australia	100	100
Tap Bass Pty Ltd ^(iv)	Australia	100	100
Tap Energy (Thailand) Pty Ltd	Australia	100	100
Tap (Zola) Pty Ltd ^(v)	Australia	100	100
Tap (WA Gas) Pty Ltd	Australia	100	100
Tap Energy (Finance) Pty Ltd ^(vi)	Australia	100	100
Tap Kendrew Pty Ltd ^(vii)	Australia	100	-
Tap (Shale) Pty Ltd	Australia	100	100
Tap (Maitland) Pty Ltd ^(viii)	Australia	100	100
Tap (SCB) Pty Ltd ^(ix)	Australia	100	100
Tap (NCB) Pty Ltd ^(x)	Australia	100	100
Tap (Alpha) Pty Ltd ^(xi)	Australia	100	100
Tap (Bonaparte) Pty Ltd ^(xii)	Australia	100	100
Tap Energy (Australia) Pty Ltd ^(xiii)	Australia	100	100
Tap Energy (SE Asia) Pte Ltd ^(xiv)	Singapore	100	100
Tap Energy (M-7) Pte Ltd ^(xv)	Singapore	100	100

(i) Tap Oil Limited is the head entity of the tax-consolidated group.

(ii) All subsidiaries incorporated in Australia are members of the tax-consolidated group.

(iii) Tap Oil (Ghana) Ltd, a wholly owned subsidiary of Tap (Ghana) Pty Ltd, commenced dissolution on 16 June 2015 and is undergoing liquidation process.

(iv) Tap Bass Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(v) Tap (Zola) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(vi) Tap Energy (Vietnam) Pty Ltd changed its name to Tap Energy (Finance) Pty Ltd on 24 April 2014.

(vii) Tap Kendrew Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd formed on 28 October 2015.

(viii) Tap (Maitland) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(ix) Tap (SCB) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(x) Tap (NCB) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(xi) Tap (Alpha) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(xii) Tap (Bonaparte) Pty Ltd is a wholly owned subsidiary of Tap Energy (Australia) Pty Ltd.

(xiii) Tap (Amulet) Pty Ltd changed its name to Tap Energy (Australia) Pty Ltd on 20 March 2014.

(xiv) Tap Energy (SE Asia) Pte Ltd was incorporated on 26 September 2014.

(xv) Tap Energy (M-7) Pte Ltd was incorporated on 26 September 2014 and is a wholly owned subsidiary of Tap Energy (SE Asia) Pte Ltd.

The principal activity of all the subsidiaries is oil and gas exploration and production, except for Tap (WA Gas) Pty Ltd where the principal activity is the purchase and subsequent sale of gas.

20. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flow, cash and cash equivalents includes cash on hand and in banks and cash held in joint ventures.

	2015 US\$'000	2014 US\$'000
Cash and cash equivalents	4,006	7,781
Restricted cash and cash equivalents ⁽ⁱ⁾	11,575	6,253
	15,581	14,034

(i) Under the terms of the BNP borrowing base facility, as at 31 December 2015 these funds can only be used toward the assets secured under the facility (Manora and G1/48 commitments and the third party gas assets). This also includes a deposit for the office lease.

(b) Reconciliation of loss for the period to net cash flows from operating activities

Loss for the year – continuing operations	(54,462)	(42,705)
Depreciation and amortisation of non-current assets	35,035	1,010
Foreign exchange (gain)/loss	1,207	(81)
Commodity hedge receivable	(1,330)	-
Equity settled share-based payments	368	719
Property, plant and equipment impairment	46,773	20,886
Exploration impairment losses/write-downs	20,935	57,179
Prepaid gas impairment	869	-
Furniture and equipment write downs	-	(34)
Non-cash interest income	(108)	-
Non-cash interest expense	2,723	375
Reversal of provisions	(2,425)	-
Finance costs paid	-	1,007
Rehabilitation/restoration expense adjustments	1,848	(31)
(Decrease)/increase in current tax balances	422	-
Increase/(decrease) in deferred tax balances	(1,755)	(31,885)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	(905)	(163)
Other assets	1,522	815
(Decrease)/increase in liabilities:		
Current payables	1,099	(3,714)
Employee provisions	6	(178)
Unearned revenue	497	2,511
Net cash provided by operating activities	52,319	5,711

21. Financial instruments

(a) Capital risk management

The Consolidated Entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Consolidated Entity consists of net debt (borrowings as detailed in note 9 offset by cash and bank balances) and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Consolidated Entity's Board of Directors reviews the capital structure on an ongoing basis to ensure there are sufficient capital facilities in place to meet funding requirements for at least the next 12 months. As a part of this review the Board of Directors considers the cost of capital and the risks associated with each class of capital. The debt portfolio is managed by monitoring forecast liquidity against the debt portfolio, to ensure a minimum equity buffer is accessible at all times.

As at December 2015, the Consolidated Entity has a borrowing base facility of up to US\$46 million of which US\$36 million was outstanding (see note 9).

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(c) Categories of financial instruments

	Consolidated	
	2015	2014
	US\$'000	US\$'000
Financial assets		
Cash and cash equivalents (at amortised cost)	15,581	14,034
Trade and other receivables (at amortised cost)	20,956	20,785
Foreign exchange contracts (at fair value through profit or loss)	22	-
Financial liabilities (at amortised cost)		
Trade and other payables	23,939	27,087
Loans and Borrowings	36,132	64,255

(d) Financial risk management objectives

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Consolidated Entity's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

The Consolidated Entity's operations expose it primarily to the financial risks of changes in crude oil prices and foreign currency exchange rates. The Consolidated Entity may enter into a variety of derivative financial instruments to manage its exposure to crude oil price and foreign currency risk, including:

- forward oil price contracts; and
- forward foreign exchange contracts.

21. Financial instruments (cont'd)

(e) Oil price risk management

The Consolidated Entity's revenue is exposed to oil price fluctuations. Exposure to oil price risk is measured by monitoring and stress testing the Consolidated Entity's forecast financial position against sustained periods of low oil prices. This analysis is regularly performed on the Consolidated Entity's portfolio and, as required, for discrete projects and acquisitions.

Commodity hedging may be undertaken where the Board of Directors determines that a hedging strategy is appropriate to mitigate potential periods of adverse movements in commodity price. This will be balanced against the desire to expose shareholders to oil price upside. Commodity hedging may also be undertaken when there is a hedging requirement under a lending facility. During the year, the Consolidated Entity had commodity hedges in place for 40% of forecast 1P Manora production from 1 April to 31 December 2015 at an average swap price of US\$62.75/bbl. There were no oil derivatives outstanding at 31 Dec 2015 and 31 Dec 2014. The hedge gains (on derivatives entered into and expired during the financial year) of US\$4.8 million (2014: nil) are included in revenue.

(f) Oil Price sensitivity

There were no oil derivatives outstanding at 31 Dec 2015 and 31 Dec 2014. The following table details the impact on revenue (excluding commodity hedges) to a 10% and 20% increase and decrease in the oil price. Sensitivities to such possible movements are used when reporting oil price risk internally to key management personnel to represent management's near term assessment of the possible change in oil prices. The sensitivity analysis below includes current year sales levels varied by a 10% and 20% increase in the Consolidated Entity's average oil price. A positive number indicates an increase in profit and equity where the oil price increases. For a 10% and 20% decrease in the US oil price, there would be a comparable impact on the profit and equity, and the balances below would be negative.

	Consolidated Oil Price Impact	
	2015 US\$'000	2014 US\$'000
Profit or loss: 10%	7,536	183
Profit or loss: 20%	15,072	367

(g) Foreign currency risk management

Except for the forward exchange contracts, there were no other foreign currency exposures arising from financial instruments as at 31 Dec 2015 and 31 Dec 2014. The Consolidated Entity's exposure shown below represent the USD value of foreign denominated balances (compared to the presentation currency of USD) at year end:

	Consolidated			
	Assets		Liabilities	
	2015 US\$'000	2014 US\$'000	2015 US\$'000	2014 US\$'000
Australian Dollars	6,771	5,685	7,218	9,537
Thai Baht	5,751	1,957	595	-

21. Financial instruments (cont'd)

(h) Foreign currency sensitivity

The Consolidated Entity is mainly exposed to Australian dollars (AUD) and Thai Baht (THB).

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the Australian dollar and Thai Baht against the US dollar. Management considers foreign exchange sensitivity when reporting foreign currency risk internally to key management personnel. Management continually monitors exchange rate forecasts and assesses the impact of possible changes in foreign exchange rates. The sensitivity analysis is based on 31 December 2015 year end foreign currency denominated monetary items and adjusts their translation at the period end for a 10% and 20% strengthening in foreign currency rates. For a 10% and 20% decrease in foreign currency rates, there would be a comparable impact on the profit and equity, and the balances below would be positive.

	Consolidated US Dollar Impact	
	2015 \$'000	2014 \$'000
Australian Dollars:		
Profit or loss: 10%	(45)	(385)
Profit or loss: 20%	(89)	(770)
Thai Baht:		
Profit or loss: 10%	516	196
Profit or loss: 20%	1,031	391

(i) Foreign exchange contracts

In the current year, the Consolidated Entity had in place short term (settles in less than three months) foreign exchange contracts to cover THB exposure. Included in Other expenses is a foreign exchange loss of US\$103,000 (2014: nil) incurred on foreign exchange contracts during the year.

The following foreign exchange contracts are outstanding at the end of the year:

	Average exchange rate		Foreign currency		Notional value		Fair value	
	2015	2014	2015	2014	2015	2014	2015	2014
			THB'000	THB'000	US\$'000	US\$'000	US\$'000	US\$'000
Buy USD:								
Less								
than 3								
months	36.37	-	86,000	-	2,365	-	23	-

21. Financial instruments (cont'd)

(j) Interest rate risk management

Interest rate risk is the risk that the Consolidated Entity's financial position will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to the risk of changes in market interest rates relates primarily to long term debt obligations, cash and short term deposits.

The Consolidated Entity's exposure to interest rate risk is measured by monitoring the interest rate ratio within the current and forecast debt portfolio to determine the current and forecast fixed rate debt to total debt interest rate ratio. In general, the forecast fixed rate debt to total debt interest rate ratio is managed through the appropriate choice of funding instrument, but when this cannot be prudently achieved, the Board of Directors may authorise the implementation of interest rate hedge transactions. There were no interest rate hedges undertaken during the year.

(k) Interest rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the year. Varying sensitivities are used when reporting interest rate risk internally to key management personnel that represent management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Consolidated Entity's profit or loss and equity for the year will be impacted as follows:

	Consolidated	
	Interest Rate Impact	
	2015	2014
	US\$'000	US\$'000
Profit or loss: 50 basis points increase	(121)	(268)
Profit or loss: 50 basis points decrease	121	268

21. Financial instruments (cont'd)

(l) Credit risk management

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument, resulting in a financial loss to the Consolidated Entity. Credit risk arises from the financial assets of the Consolidated Entity, which comprise trade and other receivables and deposits with banks and financial instruments.

The Consolidated Entity has adopted a policy of only dealing with creditworthy customers and counterparties. Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant.

The Consolidated Entity may at times have a high credit risk exposure to a single customer in relation to oil liftings or gas sales. The above-mentioned credit risk management procedures are followed in these instances. Of the total trade receivables balance of US\$5.771 million in the Consolidated Entity at 31 December 2015 (2013: US\$5.590 million), all (2014: US\$4.146 million) relate to the two (2014: two) largest customers.

Included in other receivables is US\$9 million receivable from Northern Gulf Petroleum representing 50% of the carry paid by Tap since 2010 on behalf of Northern Gulf Petroleum. (refer to Note 26).

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(m) Liquidity risk management

Liquidity risk is the risk that the Consolidated Entity will not have sufficient funds available to meet its financial commitments as and when they fall due. Liquidity is monitored and managed on an ongoing, forward-looking basis with day-to-day liquidity requirements met by drawing on internally generated cash flows, existing cash balances and existing debt facilities. Refer also to Note 1 Going Concern and Note 9 Borrowings.

21. Financial instruments (cont'd)

(n) Maturity profile of financial instruments

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Consolidated Entity can be required to pay. The following table details the Consolidated Entity's exposure to liquidity risk:

Consolidated						
	Weighted average effective interest rate %	Less than 1 month	1-3 months	3 months to 1 year	1–5 years	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2015						
Financial Assets						
Non-interest bearing		15,572	-	8,980 ⁽ⁱ⁾	-	24,552
Variable interest rate	0.78%	11,844	-	-	-	11,844
Fixed interest Rate	5.89%	-	-	-	164	164
		27,416	-	8,980	164	36,560
Financial Liabilities						
Non-interest bearing		17,369	-	6,570 ⁽ⁱ⁾	-	23,939
Variable interest rate	7.19%	-	-	26,972	10,617	37,589
		17,369	-	33,542	10,617	61,528
2014						
Financial Assets						
Non-interest bearing		28,163	-	-	-	28,163
Variable interest rate	1.27%	10,551	-	-	-	10,551
Fixed interest Rate	3.55%	-	-	-	183	183
		38,714	-	-	183	38,897
Financial Liabilities						
Non-interest bearing		27,087	-	-	-	27,087
Variable interest rate	7.19%	-	-	12,850	51,405	64,255
		27,087	-	12,850	51,405	91,342

⁽ⁱ⁾ These represent US\$9 million receivable from NGP representing 50% of the carry paid by Tap since 2010 and payables to NGP of US\$6.6 million relating to 2P Reserves deferred payments and Earnout. Tap has exercised its right to set off these balances (refer to Note 26).

(o) Fair value of financial instruments

Except as detailed in the following table, the directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The following table details the fair value of financial assets and financial liabilities, which represents a reasonable approximation of the carrying value of the financial assets and liabilities:

	Consolidated			
	Carrying amount		Fair value	
	2015	2014	2015	2014
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Cash and cash equivalents	15,581	14,034	15,581	14,034
Trade and other receivables	20,978	20,785	20,978	20,785
	36,559	34,819	36,559	34,819
Financial liabilities				
Trade and other payables	23,939	27,087	23,939	27,087
Loans and borrowings	36,132	64,255	36,132	64,255
	60,071	91,342	60,071	91,342

Financial assets and financial liabilities fair values are determined based on Level 1 inputs as set out in the Basis of preparation in note 1. There are no fair values based on Level 2 and Level 3 inputs.

Fair value of the Consolidated Entity's financial assets and liabilities that are measured at fair value on a recurring basis

The fair values of forward foreign exchange contracts included in Trade and other receivables (Note: 4) are calculated using discounted cash flow analysis based on observable forward exchange rates at the end of the reporting period and contract forward rates discounted at a rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2.

The fair values of oil derivative contracts are calculated using discounted cash flow analysis based on observable oil market prices at the end of the reporting period discounted at an appropriate rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2.

22. Share-based payments

Tap currently has the Tap Share Rights Plan as its share-based payment scheme. This plan was first approved by shareholders on 30 April 2010 and again on 22 May 2013.

Performance Rights

Long-term incentive awards are made in the form of rights to shares which will have a vesting timeframe of three years. The rights have a total legal life of seven years from the grant date. The number of rights that vest will be based on the Consolidated Entity's performance over the same three years. The long-term incentive awards are made by way of the grant of Performance Rights as soon as practicable after each year end. Grants of Performance Rights will be made each year with effect from 1 January.

Vesting of up to 50% of the Performance Rights depends upon the Consolidated Entity's Absolute Total Shareholder Return (ATSR) over three years and up to 50% depends upon Relative Total Shareholder Return (RTSR). The ATSR and RTSR performance hurdles required to achieve increasing levels of vesting will be set by the Board to apply from 1 January of the relevant year. For the Performance Rights granted in 2014 and 2013 as long-term incentive awards, the Board has set the following ATSR and RTSR performance hurdles:

Assess 50% of Rights Against ATSR		Assess 50% of Rights Against RTSR	
Average Annual ATSR over 3 years	% of Rights which will vest after 3 years	Relative TSR (Relative Percentile Ranking of TSR against peers over 3 years)	% of Rights which will vest after 3 years
<5%	0%	<P50%	0%
=5%	12.5%	=P50%	12.5%
=15%	25%	=P62.5	25%
≥25%	50%	≥P75%	50%

Vesting characteristics of the Performance Rights are as follows:

1. Service condition of three years.
2. Performance measurement period is three years, which is consistent with the typical time cycle for an exploration program and the Consolidated Entity's strategic emphasis on exploration.
3. Performance is based on differences in ATSR and RTSR as measured from the end of one preceding period to the end of the 3-year assessment period. The ATSR and RTSR use the 30-day VWAP of the Consolidated Entity's shares preceding and including the last day of each measurement period.
4. RTSR is assessed against a peer group of like companies determined by the Board before the start of each assessment period or as soon as practical thereafter. In 2015, the Consolidated Entity used a group of 30 (2014: 31) petroleum industry companies (including Tap) which are listed on the ASX and whose market capitalisation ranged from approximately AUD\$6 million to AUD\$375 million (at 1 January 2015).

22. Share-based payments (cont'd)

Retention Rights

Retention Rights are issued to staff pursuant to the terms of the Share Rights Plan upon or as soon as practicable after commencement of employment. Such rights would vest if the employee remains employed by the Consolidated Entity for three years. The rights have a total legal life of seven years from the grant date. Retention Rights are valued at 100% of the 30-day volume-weighted average share price (VWAP) of the Consolidated Entity's shares preceding the date of grant.

Special Awards

The Board retains the discretion to make Special Awards each year. Special Awards can be in the form of Performance Rights and/or Retention Rights. Special Awards are granted to individual staff or Group Executives who are judged by the Board to have made an extraordinary contribution to the current or future performance of the Consolidated Entity or who are expected to play a critical role in one of the Consolidated Entity's activities that could take 2-3 years to complete and where retention of the individual's services is seen as an important determinant of the success to that activity.

Grant date	Number	Expiry date	Exercise price AU\$	Fair value at grant date AU\$
2015				
<u>Performance Rights</u>				
01/01/2015	3,383,211	01/01/2018	-	0.08
<u>Retention Rights</u>				
01/01/2015	958,298	01/01/2016	-	0.40
01/01/2015	850,362	01/07/2016	-	0.40
12/01/2015	61,287	12/01/2018	-	0.42
13/07/2015	272,981	13/07/2018	-	0.40
2014				
<u>Performance Rights</u>				
12/03/2014	3,865,335	1/01/2021	-	0.05
<u>Retention Rights</u>				
12/03/2014	40,241	12/02/2015	-	0.50

The volume weighted average fair value of the performance rights granted in 2015 is \$0.08 (2014: \$0.05). Performance rights issued are valued using a Monte Carlo Simulation model. The Monte Carlo Simulation model is a computer based technique where a large sample of iterations is performed, based on random numbers and their associated probabilities determined by a specified probability distribution function. The Monte Carlo Simulation model is used to determine the probability of the absolute return performance hurdles and the relative return performance hurdles being achieved.

The performance rights have no exercise price and vesting occurs after three years if the employee remains employed by the Consolidated Entity. Expected volatility for the ATSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data. Expected volatility for the RTSR performance hurdle is based on the volatility of historical 3-year performance period returns using 30-day VWAP share price data of Tap Oil Limited shares compared to its peer group.

22. Share-based payments (cont'd)

The volume weighted average fair value of the retention rights granted in 2015 is A\$0.40 (2014: A\$0.50). Retention rights are valued using the Black Scholes model with the life of the rights assumed to be three years, which is the same as the vesting period of the retention rights (based on employees remaining in the Consolidated Entity's employment for three years as the condition for rights vesting). The retention rights have no exercise price and no other performance conditions, except that the employees need to be in the Consolidated Entity's employment after a period of three years, resulting in the fair value of the retention rights being equal to the 30-day VWAP share price at the date of grant (the volatility and risk-free rate included as inputs to the Black Scholes model will be irrelevant). Expected volatility is based on the historical 30-day VWAP share price volatility over a 3-year performance period and the risk free interest rate based on the Reserve Bank of Australia's 3-year government bond rate, both as quoted on the date of grant of the retention rights.

Inputs into the model							
Rights series (by expiry date)	Grant date share price AU\$	Vesting probability	Exercise price AU\$	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2015							
<u>Performance Rights</u>							
1/01/2018	\$0.42	11%	\$0.00	11%	3yr	-	N/A
<u>Retention Rights</u>							
12/01/2018	\$0.38	N/A	\$0.00	38%	3yr	-	1.89%
01/01/2016	\$0.42	N/A	\$0.00	38%	1yr	-	2.15%
01/07/2016	\$0.42	N/A	\$0.00	38%	1yr	-	2.15%
13/07/2018	\$0.34	N/A	\$0.00	38%	3yr	-	1.92%

Inputs into the model							
Rights series (by expiry date)	Grant date share price AU\$	Vesting probability	Exercise price AU\$	Expected volatility	Vesting term of rights	Dividend yield	Risk-free interest rate
2014							
<u>Performance Rights</u>							
1/01/2021	\$0.48	10%	\$0.00	10%	3yr	-	N/A
<u>Retention Rights</u>							
12/02/2015	\$0.48	N/A	\$0.00	38%	1yr	-	2.70%

The following reconciles the outstanding share rights granted at the beginning and end of the financial year:

	2015		2014	
	Number of rights	Weighted average exercise price AU\$	Number of rights	Weighted average exercise price AU\$
Balance at beginning of the financial year	12,128,057	-	13,146,675	-
Granted during the financial year	5,526,139	-	3,905,576	-
Forfeited during the financial year	(1,874,220)	-	(2,833,220)	-
Vested during the financial year ⁽ⁱ⁾	(127,048)	-	(1,071,111)	-
Lapsed during the financial year	(2,260,863)	-	(1,019,863)	-
Balance at end of the financial year ⁽ⁱⁱⁱ⁾	13,392,065	-	12,128,057	-

22. Share-based payments (cont'd)

(i) Vested during the financial year

A total of 61,454 performance rights vested during the 2015 financial year (2014: nil). A total of 65,594 retention rights vested during the 2015 financial year (2014: 1,071,111).

(ii) Balance at end of the financial year

The performance rights and retention rights outstanding at the end of the financial year had no exercise prices and had a weighted average remaining contractual life of 1,819 days (2014: 1,903 days).

(iii) Exercised during the financial year

There were no options exercised during the 2015 financial year (2014: nil).

23. Key management personnel compensation

After consideration of the nature of each employee's role within the Consolidated Entity, in the opinion of the Board the Consolidated Entity had the following key management personnel during the financial year:

Non-Executive Directors

- D W Bailey (Chairman)
- M J Sandy
- D A Schwebel

Senior Executives

- T J Hayden (Managing Director/CEO)
- D J Rich (Chief Financial Officer)
- A C Sudlow (Commercial Manager)
- M T Ryan (General Counsel/Company Secretary appointed 13 July 2015)
- R M Somerville (Exploration Manager appointed 16 September 2015)
- M J Williams (General Counsel/Company Secretary resigned 14 August 2015)
- T M Schmedje (Exploration Manager resigned 4 July 2014)
- B M Ulmer (Engineering and Development Manager resigned 18 June 2014)

The aggregate compensation of the key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2015	2014
	US\$000	US\$000
Short-term employee benefits	1,574	2,392
Post-employment benefits	87	150
Other long-term benefits	-	-
Termination benefits	-	596
Share-based payments	193	365
	1,854	3,503

24. Related party transactions

(a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 23 to the financial statements and in the remuneration report disclosed in the Directors report.

(b) Transactions with other related parties

Other related parties include the parent entity, joint operations in which the entity is a venturer and subsidiaries.

Amounts receivable from and payable to parties within the Tap Oil Limited Group eliminate on consolidation. All loans advanced to and payable to related parties are unsecured, have no fixed repayment dates and are interest-free. The outstanding balances related to joint operations are disclosed in note 18 to the financial statements.

The Consolidated Entity has outstanding directors fees of US\$197,000 payable to D. Bailey, M. Sandy and D. Schwebel (2014: nil) at 31 December 2015.

On 16 December 2015 the Company entered into a 3 month consulting agreement with Risco Management Advisory Limited, a Company associated with T Soulsby and C Newton, Directors of Tap. The agreement is for \$40,000 a month and ends on 31 March 2016. Under the agreement Risco performed a review of Tap's existing financing arrangements and assisted in negotiation of the amendments recently agreed with BNP as set out in the subsequent events note 27.

25. Remuneration of auditors

Audit services

Auditor of the parent entity – Deloitte Touche Tohmatsu

- Audit and review of financial reports

Overseas Deloitte Touche Tohmatsu firms

- Audit of financial report

Other auditors

- Audit of financial report

Other services

Auditor of the parent entity – Deloitte Touche Tohmatsu

- Treasury services

Other auditors

- Taxation services

Consolidated	
2015 US\$'000	2014 US\$'000
142	105
5	-
147	105
38	46
185	151
-	24
143	14
143	38

26. Contingencies

A. Success payments in respect of the Manora oil field development

As part of the consideration for acquiring the G1/48 permit in 2010, Tap Energy (Thailand) Pty Ltd (a subsidiary of Tap Oil Limited), is liable to make a 2P Reserves Deferred Payment to NGPH. The payment is calculated pro-rata based on 2P reserves between 10mmbbls and 35mmbbls.

Tap paid an initial 2P Reserves Deferred Payment of US\$7.65 million in August 2012, based on the Operator's Manora 2P gross reserves estimate of 20.2 mmbbls at the time of the Manora Final

Investment Decision (FID). A second payment of US\$1.31 million became due on 31 December 2014 and a third payment of US\$4.59 million is now due based on the 31 December 2015 2P Reserves as estimated by NSAI (refer note 27 (a)). This amount has been included in the carrying value of Manora at 31 December 2015. Refer to Note 26 B below for the details on the NGP payables and receivables.

Further payments (up to a maximum of US\$23.94 million) may become payable based on the Operator's 2P reserves estimate at year end, and are payable up to four years after first production (conditional on the Manora 2P Reserves (plus recovered oil) remaining greater than 10mmbbls).

B. Northern Gulf Disputes

Default on repayment of Tap Carry

As previously disclosed, under the terms relating to Tap's acquisition of its 30% interest in the G1/48 Concession and the Manora Oil Development from NGPH, NGP agreed to repay US\$10 million to Tap out of NGP's share of production from that project. This is an ongoing repayment obligation as and when proceeds are received from each oil lifting.

After repaying approximately US\$1.03 million from proceeds of oil liftings to date, NGP ceased making any further repayments to Tap. Tap has served notice on each of NGP and NGPH regarding NGP's failure to pay amounts owing to Tap in connection with NGP's share of production from the G1/48 concession. As at 31 December 2015, the full remaining balance of US\$8,967,629 was due and payable and Tap has issued default notices in respect of an amount totaling US\$8,967,629. The defaulted amounts remain outstanding and are accruing interest.

As previously disclosed, Tap Energy (Thailand) Pty Ltd, a subsidiary of Tap Oil Limited initiated arbitration proceedings against Northern Gulf Petroleum Pte. Ltd. on 19 August 2015 (see below).

Northern Gulf Notice of Default on payment of Earn Out

On 15 October 2015, NGPH issued Tap Energy (Thailand) Pty Ltd with four default notices for their failure to pay the earn out fee of 2% on revenue generated by the concessions (payable provided the oil price remained above US\$50/bbl) as agreed to under the terms relating to Tap's acquisition of its 30% interest in the G1/48 Concession and the Manora Oil Development from NGPH. The amounts payable under these default notices can be set-off under the arbitration (see below) against amounts owing in respect of repayment of the carried costs.

Notice of Arbitration

Tap Energy (Thailand) Pty Ltd, a subsidiary of Tap Oil Limited, filed on 19 August 2015, a Notice of Arbitration in Singapore against Northern Gulf Petroleum Pte Ltd, Northern Gulf Petroleum Holdings Limited and Northern Gulf Oil (Thailand) Co. Ltd (collectively **NGP**) in regards to payments due under the sale and purchase agreement for Tap's acquisition of its 30% interest in the G1/48 concession. Tap is seeking settlement and set off of the following disputed acquisition payments under that sale and purchase agreement:

1. The US\$1.31 million which Tap has calculated is due and payable by Tap to NGP in respect of the 2P reserves payment for the period to 31 December 2014;
2. The US\$4.59 million which Tap has calculated is due and payable by Tap to NGP in respect of the 2P reserves payment for the period to 31 December 2015;
3. Carried costs up to US\$10 million payable by NGP to Tap of which US\$1.03 million has been paid with US\$8.97 million due and payable; and
4. To the extent NGP is entitled to any additional payments for 2P reserves, these can be set off.

After repeated attempts to resolve the payment dispute with NGP, Tap is pursuing this arbitration against NGP in Singapore, as permitted under the sale and purchase agreement, to recover the carry repay and to set-off the 2P reserves payments.

NGPH's earn-out claim has not been referred to in the Notice of Arbitration, but can still be set-off against amounts owing in respect of repayment of the carried costs, if, or when, raised by NGPH.

NGP's defence and counterclaim includes its earlier claim that the 2P reserves payment for the period to 31 December 2014 should be US\$14.6 million, not US\$1.31 million.

Manora acquisition payments due under the sale and purchase agreement

At the time of Tap's acquisition of its 30% interest in the G1/48 concession a number of staged acquisition payments were agreed with Northern Gulf Petroleum Holdings Limited (**NGPH**) and its subsidiary, Northern Gulf Petroleum Pte. Ltd. (**NGP**). The following table sets out the current position and future contingent liabilities between Tap and NGP.

Payment	Assumptions/Notes	Estimated Timing for Payments														
Repayment of NGP Carry: Payment by NGP/NGPH to Tap	The repayment of US\$10 million by NGP to Tap out of NGP’s share of production or by NGPH. This is an ongoing repayment as proceeds are received from each oil lifting.	Approx. US\$1.03 million has been repaid to date by NGPH. NGPH has not made any further repayments to Tap and the total amount owing is US\$8.97 million. Tap has issued default notices in respect of the outstanding amount.														
2P Reserves Deferred Payment: Payment by Tap to NGPH	Based on Manora 2P reserves at each year-end for four years after first production, up to US\$23.94 million. Conditional on the Manora 2P Reserves (plus recovered oil) remaining > 10 mmbbls).	Following the finalisation of the year end 2P reserves for Manora, or reserves certification by an independent expert. The 31 December 2015 2P Reserves estimate has been finalised and based on that report, the amount owing to NGPH for 2015 is US\$4.59 million.														
Earn-out (2% of Tap’s Manora revenue): Payment by Tap to NGPH	No Earn-out is payable if : <ul style="list-style-type: none">the average daily closing spot price for Brent crude is below US\$50/bbl per barrel for the 14 days immediately prior to the date of any oil lifting; andthe Manora 2P reserves (economic ultimate recovery) do not exceed 15MMSTB.	This is an ongoing payment, due monthly in arrears, and follows the receipt of lifting proceeds. The outstanding earnout amount payable is US\$677,301. Further amounts will become payable following receipt of proceeds from future liftings when the Brent crude price is over US\$50/bbl.														
Set off of amounts Net payment by NGP/NGPH to Tap	Tap has exercised its right to set-off the 2P Reserves Deferred Payment and the Earn-out against the amounts owing to it in respect of the repayment of the carry described above.	<div>This set-off as at 31 December 2015 is:</div> <table><tr><th></th><th><u>US\$’mil.</u></th></tr><tr><td>Carry receivable</td><td>8.97</td></tr><tr><td>Reserves payments</td><td></td></tr><tr><td>- 2014</td><td>(1.31)</td></tr><tr><td>- 2015</td><td>(4.59)</td></tr><tr><td>Earnout</td><td><u>(0.68)</u></td></tr><tr><td>Net due to Tap</td><td><u>2.39</u></td></tr></table> <div>Above excludes interest. Tap has reserved its right to claim interest on this amount.</div>		<u>US\$’mil.</u>	Carry receivable	8.97	Reserves payments		- 2014	(1.31)	- 2015	(4.59)	Earnout	<u>(0.68)</u>	Net due to Tap	<u>2.39</u>
	<u>US\$’mil.</u>															
Carry receivable	8.97															
Reserves payments																
- 2014	(1.31)															
- 2015	(4.59)															
Earnout	<u>(0.68)</u>															
Net due to Tap	<u>2.39</u>															

C. G1/48 Reservation Area fee

The G1/48 Concession (excluding the Manora Production Area) expired on 8 December 2015. On 11 December 2015 the Thailand Department of Mineral Fuels (**DMF**) approved the G1/48 Joint Venture's application for a 1,339 km² Reservation Area within G1/48. The remaining area of G1/48 outside of this Reservation Area was relinquished.

A Reservation Area fee of THB 133,882,000 (approximately US\$3.8m) was paid by the joint venture to the DMF in December 2015. The Reservation Area is valid for one year. Provided the joint venture spends THB 133,882,000 or more on operational activity connected with the Reservation Area in that year, then it will receive a refund from the DMF for the THB 133,882,000. Should the joint venture spend less than the THB 133,882,000, then the amount spent will be refunded. Any refund would be expected to be received within the first half of 2017.

Tap's share of the Reservation Area fee (THB 40,165,000 - approximately US\$1.2m) is recorded in these financial statements as an Exploration and Evaluation Asset. The contingent receivable of THB 40,165,000 (approximately US\$1.2m) is not recorded in these financial statements.

Should Tap wish to extend all or part of the Reservation Area for another year, another fee would be payable based on the area approved and the refund mechanism would apply.

27. Subsequent Events

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with within the financial report that has significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years, except for the following:

a) NSAI/Reserves

On 15 February 2016, Tap advised that the 31 December 2015 2P reserves report for Manora had been completed by Netherland, Sewell & Associates, Inc. (**NSAI**).

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

(MMSTB)	Gross 100% Field			Tap share (30%)		
Probabilistic	1P	2P	3P	1P	2P	3P
NSAI	11.2	13.6	16.24	3.36	4.07	4.87
Tap	9.97	13.2	16.2	2.99	3.96	4.86

* 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.

Please refer to part A of note 26 for information on the impact of the above on the financial statements at 31 December 2015 and the amounts payable to Northern Gulf in particular.

Tap's reserves estimate

Tap's reserves estimate (above) includes a decrease in 2P reserves (0.35 net to Tap), not related to production, due to economic conditions. In order to evaluate the field economic limit, an oil price at terminal conditions of US\$60/bbl was used. This is in contrast to the 31 December 2014 reserves report where a constant oil price of US\$75/bbl from 2016 onwards had been assumed.

b) Share Purchase Plan

As set out in e) below, the modifications and waivers to the BNP Facility are conditional upon there being a minimum cash injection of US\$5 million.

Tap had previously sought to raise approximately A\$4 million through the offer of shares to existing shareholders under the Share Purchase Plan announced on 16 December 2015. However, in light of the minimum equity injection required to achieve the modifications to the BNP Facility outlined above, the amount sought under that Share Purchase Plan will now not be sufficient to meet the requirements of the Company's debt providers.

As announced on 10 March 2016, the Share Purchase Plan has been terminated. Any funds received from shareholders that have subscribed for shares under the Share Purchase Plan will be refunded. Refer to the Company Update dated 14 March 2016 for further information on this.

c) Manora Cost Overruns

On 2 March 2015, Tap announced an unexpected capital expenditure increase of US\$28 million (US\$8.4 million Tap share) for the construction of the Manora Oil Development facilities relating to delays in hookup, commissioning and contractor claims. On 15 January 2016 an agreement was signed with Mubadala Petroleum (Operator), of the Manora Oil Development, for the settlement of the final capital costs of the Manora field facilities.

Tap has agreed to pay US\$5 million of the final disputed amount of US\$9.1 million as the final balance of the Manora Oil Development facilities capital expenditure. Payment of the US\$5 million will be made in two equal instalments on 30 September 2016 and 31 December 2016. The finalisation of the facilities costs eliminates exposure to any further related costs or claims thus providing greater certainty around the value of Manora.

Tap's financial statements as at 31 December 2015 include the additional US\$5 million in the carrying value for the Manora Oil Development (Property Plant and Equipment) of US\$76 million. The US\$5 million is included in Trade and other payables (Note 10).

As part of the settlement agreement, Tap also has extended time to pay US\$5 million of cash calls which will now be paid in equal instalments on 31 March 2016 and 30 June 2016.

d) Appointment of new Non-Executive Director and Alternate

On 16 December 2015, Tap announced the placement of 13.62 million shares to Risco Energy Investments (SEA) Limited (**Risco**). At the time the Board resolved to invite Mr Tom Soulsby, Risco's CEO, to join the Tap Board as a Non Executive Director with Mr Chris Newton, Risco's Director of Operations & Business Development, nominated as Mr Soulsby's alternate.

On 8 January 2016 Tap announced the appointment of Mr Tom Soulsby to the Tap Board, with Mr Chris Newton as his alternate, both effective 1 January 2016. Refer to section 5 of the Directors' Report for more information on Mr Soulsby and Mr Newton.

e) BNP/Financing and liquidity

The prolonged period of low oil prices has significantly impacted the Company's revenue generated from its interest in the Manora oil field, as well as reducing the Company's borrowing capacity under its borrowing base debt facility with BNP Paribas and Siam Commercial Bank (**BNP Facility**).

The reduction in the borrowing capacity under the BNP Facility has resulted in accelerated debt repayment obligations arising under that facility. This has in turn impacted upon the Company's free cash flow and consequently the Company's ability to remain in compliance with the minimum liquidity requirement of US\$10 million under the BNP Facility whilst servicing these accelerated debt repayment obligations. This has placed significant strain on the Company's financial position.

The outstanding debt balance under the BNP Facility has been significantly reduced to approximately US\$36 million, with approximately US\$43 million having been repaid since 30 June 2015. A further repayment of US\$11 million is expected at the end of March 2016, which will further reduce the debt balance to approximately US\$25 million. A further US\$14.7 million in debt repayments are expected to be made during 2016, with the facility expected to be completely repaid by late 2017.

The Company has been in discussions with BNP Paribas and Siam Commercial Bank regarding a modification to the terms of the BNP Facility so as to reduce amounts required to be held by the Company by way of restricted funds. Whilst the Company held US\$20 million in cash as at 28 February 2016, access to US\$18 million of that amount is restricted and is held in BNP Facility accounts to comply with the requirements under that facility. Reducing the amounts required to be held as restricted funds will provide the Company with additional liquidity with which to service its ongoing working capital requirements.

To this end, the lead debt arranger BNP Paribas has advised that they have in-principle credit approval for reducing the minimum liquidity amount that needs to be held by the Company from US\$10 million to US\$3 million and for softening the debt sizing ratio requirements. These modifications are conditional on:

- Tap hedging 50% of forecast 1P Manora production for between 6 and 12 months;
- Tap raising a minimum of US\$5 million in additional capital;
- Credit approval being received from Siam Commercial Bank for these proposed modifications to the BNP Facility, which approval is expected to be forthcoming in the coming weeks; and
- Formal legal documentation being entered into to give effect to these changes to the BNP Facility.

In consideration for these modifications, Tap has agreed to pay its debt financiers an arrangement fee and to increase the margin payable (over Libor) on amounts outstanding under the BNP Facility.

The modifications proposed to be made to the BNP Facility are expected to significantly strengthen the Company's financial position and improve its ability to withstand further prolonged periods of low oil prices until the market improves.

Refer to note 1 – Going Concern of the accompanying financial statements for more information on Tap's current funding and financial position.

f) Cost reduction initiatives and Board changes

To ensure that the Company is able to continue to comply with the covenants in the BNP Facility, the Company has implemented a range of strategies including internal cost cutting, deferment of non-core activities and supporting the Operator's focus on the reduction of Manora operating costs. As part of these cost cutting initiatives the Company has decided to seek to divest its Australian exploration portfolio that has material outstanding commitments, and to farmout, defer or materially reduce the Company's expenditure in Myanmar. The Company has also significantly reduced its business development activities.

With the significantly reduced activities of the Company, the Company's staffing requirements have changed.

Mr Troy Hayden will step down as the CEO/Managing Director of the Company effective from 1 June 2016, but will remain in a part-time role as Managing Director/CEO, paid at a pro rata rate of his current annual salary, until a suitable replacement is found. Termination benefits paid to Mr Hayden will be made in accordance with his 2010 Employment Agreement as approved by shareholders in May 2011, and as amended and approved by shareholders in May 2013. This may represent an amount of up to A\$525,000 in total.

Staffing will also be reduced from 18 full time equivalent staff to 7 full time equivalent staff with staff reductions commencing in April 2016. The staff reductions are expected to reduce overheads by A\$1.7 million on an annualised basis.

Non-executive director Mr Mike Sandy has also notified the Company that he intends to retire at the Company's 2016 Annual General Meeting in May, after 10 years as a Non-Executive Director. A search is currently underway for an independent Director to replace Mr Sandy.

g) Renounceable Pro Rata Rights Issue

Tap proposes to undertake a pro rata renounceable rights issue of fully paid ordinary shares in the Company (New Shares) to raise up to A\$7.75 million (before costs) (Rights Issue). Under the Rights Issue, eligible shareholders will be able to acquire three (3) New Shares for every five (5) fully paid ordinary shares they hold at the record date at an offer price of 5 cents per New Share.

Funds raised from the Rights Issue are expected to satisfy one of the conditions to the restructure of the BNP Facility that the Company raise a minimum of US\$5 million in additional capital. Funds raised

under the Rights Issue will be used for working capital purposes with the funds ultimately used for working capital purposes.

The Directors of Tap are pleased to provide support for the Rights Issue and have confirmed their intention to participate in the issue for their full entitlement.

The Company's major shareholders, Risco Energy Investments (SEA) Limited (Risco) and Northern Gulf Petroleum Holdings Limited (NGP), have each committed to subscribe for the full amount of their pro rata entitlement under the Rights Issue, being approximately A\$1.5 million each. Further, each of Risco and NGP have agreed to underwrite subscriptions up to approximately A\$1.6 million each. Patersons Securities Limited has agreed to underwrite subscriptions for the balance of the Rights Issue. The commitment by each of Risco and NGP to take up their entitlements under the Rights Issue in full, together with these underwriting arrangements, provides the Company with commitments for the full A\$7.75 million sought under the Rights Issue, and hence the necessary comfort that it will successfully raise the minimum US\$5 million in additional capital required to enable the restructure of the BNP Facility to proceed.

As Risco and NGP currently both hold approximately 19% of the Company's issued share capital, Shareholders should be aware that the participation of each of Risco and NGP in the Rights Issue, and in underwriting any shortfall in applications received by the Company under that Rights Issue, may have an impact on each of Risco and NGP's voting power in (and therefore control over) the Company. Before deciding to proceed with the Rights Issue and the proposed underwriting arrangements, the Company's Board (excluding Risco's nominee Mr Tom Soulsby) investigated a range of alternatives, but were ultimately of the view that in the current circumstances, the Rights Issue and underwriting arrangements (including the participation of Patersons Securities Limited in those underwriting arrangements) provided the most certain and advantageous fundraising structure for all Shareholders. Ultimately, the level of support for the Rights Issue will determine the shareholding of each of Risco and NGP post the completion of the Rights Issue.

Given the support provided by each of Risco and NGP to the Rights Issue, the Company has agreed to review the representation of each of these entities on the Company's Board. In relation to Risco, the Company has agreed that it will appoint a second nominee of Risco to the Board (taking the total number of Directors on the Board to six) if Risco's shareholding in the Company increases to 25% or more. In relation to NGP, the Company has agreed to appoint a nominee of NGP to the Board if NGP's shareholding in the Company increases to 25% or more, but such an appointment would be subject to the various outstanding commercial and corporate disputes between the Company and NGP having been satisfactorily resolved. In the event this occurs, the Company will review the number of Non Executive Director positions.

Refer to the Company Update released 14 March 2016 for more information on the Rights Issue.

28. Parent entity disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the significant accounting policies relating to the Consolidated Entity.

	Parent Entity	
	2015	2014
	US\$'000	US\$'000
Financial Position of parent entity at year end		
Assets		
Current assets	3,478	7,366
Non-current assets	52,713	118,660
Total assets	56,191	126,026
Liabilities		
Current liabilities	1,720	5,860
Non-current liabilities	408	3,044
Total liabilities	2,128	8,904
Net assets	54,063	117,122
Total equity of the parent entity comprising of:		
Issued capital	135,174	133,175
Retained earnings	(67,157)	(55,327)
Share option reserve	3,526	3,526
Share rights reserve	3,168	2,800
Foreign Currency Translation Reserve	(90,763)	(26,872)
Profit reserve	70,115	59,818
Total equity	54,063	117,120
Results of the parent entity		
Profit for the year	11,830	23,701
Total comprehensive income	11,830	23,701

Guarantees entered into by the parent entity

Parent company guarantees are extended on a case by case basis. Tap Oil Ltd has provided a number of performance guarantees for subsidiaries under the terms of joint operations operating agreements and agreements with Governments pertaining to oil & gas exploration.

Tap Oil Limited has parent company guarantees in place which guarantee the obligations of Tap Energy (Thailand) Pty Ltd under the Petroleum Concessions for the G1/48 Permit Area, Thailand.

Tap Oil Limited has parent company guarantees in place which guarantee the obligations of Tap (WA Gas) Pty Ltd under gas sale agreements.

Tap Oil Limited has parent company guarantees in place which guarantee the obligations of Tap Energy (M-7) Pte Ltd under the Production Sharing Contract for the Block M-07 offshore Myanmar.

Tap Oil Ltd guarantees to BNP Paribas the punctual performance by Tap Energy (Thailand) Pty Ltd of its obligations under an ISDA Master Agreement with BNP Paribas.

Each of Tap Oil Limited, Tap Energy (Thailand) Pty Ltd and Tap (WA Gas) Pty Ltd jointly and severally guarantee to BNP Paribas and Siam Commercial Bank the punctual performance by Tap Oil Ltd; Tap Energy (Thailand) Pty Ltd and Tap (WA Gas) Pty Ltd of their obligations under the Borrowing Base facility with BNP Paribas and Siam Commercial Bank and associated finance documents.

28. Parent entity disclosures

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2015 other than those disclosed in note 26.

Lease commitments of the Parent entity

Operating leases

Leasing arrangements

The Parent Entity has non-cancellable operating leases for office premises (the premises lease expires on 31 January 2018) and Office equipment (the copy management plan expires on 15 February 2016).

Non-cancellable operating lease commitments

Not longer than 1 year

Longer than 1 year and not longer than 5 years

Longer than 5 years

Parent Entity	
2015 US\$'000	2014 US\$'000
586	514
663	1,129
-	-
1,249	1,643

29. General information

Tap Oil Limited is a listed public company, incorporated in Australia.

Tap Oil Limited's registered office and its principal place of business are as follows:

Registered office

Level 1, 47 Colin Street

West Perth WA 6005

Ph: +61 8 9485 1000

Principal place of business

Level 1, 47 Colin Street

West Perth WA 6005

Ph: +61 8 9485 1000