

14 March 2016

Tap Oil Limited
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By email

Mr Ben Secrett
Senior Adviser
ASX Listings Compliance
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

Dear Ben

Response to ASX Price Query

We refer to your letter to Tap Oil Limited (**Company**) dated 8 March 2016 in relation to the change in the price of the Company's securities and trading volumes (**ASX Price Query**). We respond separately to your questions as follows:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

No.

The Company's financial position and prospects are considered to be highly leveraged to the oil price as the Company's revenues from its interest in the producing Manora Oil Development in Thailand, and the size of its borrowing base under its debt facility with BNP Paribas and Siam Commercial Bank (**BNP Facility**), are materially dependent on the prevailing oil price.

The Company notes that the Brent crude oil price/ increased from an intra day low of US\$36.83 per barrel on Friday 4 March 2016 to as high as US\$41.48 per barrel on Tuesday 8 March 2016.

The Company considers that the recent improvements in global oil prices, in addition to general improved market sentiment, may have had an impact on both the increase in trading volume and the Company's share price.

As previously announced to ASX, the Company has been engaged in discussions with BNP Paribas and Siam Commercial Bank regarding a modification to the terms and size of the BNP Facility. The Company announced today that 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

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conditional on, amongst other things, the Company raising a minimum of US\$5 million. The Company also announced today the terms of a renounceable pro-rata rights issue offering shareholders the opportunity to acquire new shares in the capital of the Company at 5 cents per share for the purpose of seeking to raise the required funding to satisfy this condition precedent to the restructuring of the BNP Facility, with the funds ultimately being used for working capital purposes.

The Company notes that at the time of receiving the ASX Price Query, the terms of any modifications to the BNP Facility, including the conditions that need to be satisfied for those modifications to take effect, remained incomplete and yet to be finally agreed between the parties. As such, no decision had been taken by the Company at that time in relation to any potential capital raising that may be required in connection with satisfying any conditions to modifying the terms of the BNP Facility.

In any event, the Company does not consider that information relating to the terms of the modifications to the BNP Facility or the proposed capital raising would explain the recent trading in the Company's securities as the Company would ordinarily expect that such information (in particular, a potential capital raising at a discount to the prevailing market price) would result in a decrease, as opposed to an increase, in the price of the Company's securities.

2. If the answer to question 1 is "yes":

(a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Not applicable.

(b) Can an announcement be made immediately?

Not applicable.

(c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?

See the response to question 1 above.

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4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company is in compliance with the Listing Rules, including Listing Rule 3.1.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Michele Ryan", with a long horizontal flourish extending to the right.

Michele Ryan
General Counsel and Company Secretary



8 March 2016

Michele Ryan
General Counsel and Company Secretary
Tap Oil Limited
Level 1, 47 Colin Street
WEST PERTH WA 6005

By email

Dear Ms Ryan

TAP OIL LIMITED ("ENTITY"): ASX PRICE QUERY

We note a change in the price of the Entity's securities from a closing price of \$0.078 on Friday, 4 March 2016 to an intra-day high of \$0.098 today, Tuesday, 8 March 2016.

We also note an increase in the trading volume of the Entity's securities today to a level that is significantly above the average trading volume on days when the Entity's securities are traded.

In light of the price and volume increases, ASX asks you to respond separately to each of the following questions.

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - (a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?



4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **no later than the time that TAP releases an announcement**, regarding a potential restructure of its existing debt facility with BNP Paribas and Siam Commercial Bank and a potential capital raising, **to end the trading halt that was applied to TAP securities on Tuesday, 8 March 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;



- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

Please contact me immediately if you have any queries or concerns about any of the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance