

31 March 2016

The Company Announcements Platform  
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## **DEBT FACILITY AMENDMENT EXECUTED & RIGHTS ISSUE UPDATE**

**Tap Oil Limited** (ASX:TAP) is pleased to announce the execution of an Amended Facility Agreement with BNP Paribas and Siam Commercial Bank (BNP Facility).

As previously announced, the Company has been in discussions with BNP Paribas and Siam Commercial Bank regarding amendments to the terms of the BNP Facility so as to deal with the impact of lower oil prices on the facility. The amendments provide the Company with additional liquidity with which to service its ongoing working capital requirements.

The amendments, executed on 31 March 2016, include reducing the minimum liquidity amount that needs to be held from US\$10 million to US\$3 million, and reducing amounts required to be held by the Company by way of restricted funds.

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.

As part of the above amended facility agreement, the Company:

- has hedged approximately 700,000 barrels of forecast Manora production from April 2016 to February 2017 at an average swap price of US\$42.15/bbl, representing approximately 47.5% of forecast volumes over the 11 month period; and
- is in the process of raising a minimum of US\$5 million in additional capital through a pro rata renounceable rights issue of fully paid ordinary shares in the Company for up to A\$7.75 million (before costs).

On 31 March 2016, Tap also made a further loan repayment of \$US11.1 million, reducing the outstanding debt balance under the BNP Facility from US\$36.1 million to US\$25.0 million. Tap expects the BNP Facility loan to be fully repaid by late 2017. The current cash balance (after the repayment) is US\$6.9 million.

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

Tap is also pleased to confirm that the Company's major shareholders, Risco Energy Investments (SEA) Limited and Northern Gulf Petroleum Holdings Limited have each subscribed and fully paid for their pro rata entitlement under the Rights Issue, being approximately A\$1.5 million each. These funds have now been received. Subscriptions for the Rights Issue close on 13 April 2016.

Following questions from a number of shareholders, the Company confirms eligible shareholders are able to apply for additional new shares in excess of their entitlement. There is no maximum cap on the number of additional new shares an eligible shareholder may apply for. Refer to page 20 of the Rights Issue Prospectus for more details.

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