

ASX ANNOUNCEMENT

17 August 2018

ASX:TAP

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Proposal received from Northern Gulf – Independent Directors continue to recommend Tap shareholders accept the Risco Offer

Tap Oil Limited (**Tap**) confirms that it has received an unsolicited indicative, conditional and non-binding proposal from Northern Gulf Petroleum Holdings Limited (**Northern Gulf**) regarding a potential offer to acquire a proportion of the shares in Tap that Northern Gulf and its associates do not already have a relevant interest in (the **Northern Gulf Proposal**). Northern Gulf and its associates currently hold approximately 25.5% of Tap's issued share capital.

The Northern Gulf Proposal outlines a potential proportional off-market takeover offer from Northern Gulf to acquire 10-20% of the ordinary shares of Tap in which Northern Gulf and its associates do not already have a relevant interest, at an indicative price of between \$0.10-\$0.11 cash per Tap share.

The Northern Gulf Proposal is also expressed to be subject to a number of conditions, including that the Independent Directors (being Mr Damon Neaves and Mr Govert van Ek) withdraw their recommendation of the existing \$0.091 cash on-market takeover offer made by Risco Energy Investments (SEA) Limited (**Risco Offer**) and unanimously recommend acceptance of the Northern Gulf Proposal, Northern Gulf acquiring sufficient acceptances under its proportional off-market takeover bid so as to acquire a minimum 30% shareholding in Tap, and no material adverse change occurring.

The Independent Directors of Tap have met to consider the Northern Gulf Proposal and have formed the view that the Northern Gulf Proposal in its current form is not a superior proposal to the existing Risco Offer. Accordingly, the Independent Directors continue to unanimously recommend that in the absence of a superior proposal emerging, Tap shareholders accept the Risco Offer by selling their Tap shares on-market on ASX prior to the Risco Offer closing on 27 August 2018 (unless further extended or withdrawn).

In considering whether the Northern Gulf Proposal had the potential to be a superior offer, the Independent Directors took into account the conditionality of the Northern Gulf Proposal, the low proportion of 10-20% being offered, the higher potential offer price of \$0.10-\$0.11 cash per Tap share, potential timing of the Northern Gulf Proposal (relative to the Risco Offer) and the certainty of any offer becoming a firm commitment capable of acceptance by Tap shareholders.

Importantly, the Independent Directors have taken into account the fact that the Risco Offer is currently scheduled to close on 27 August 2018 (unless further extended or withdrawn), and that given the formalities associated with the making an off-market takeover offer, there is no certainty that any takeover offer which Northern Gulf may choose to make would be open for acceptance by Tap shareholders prior to the close of the Risco Offer.

However, were such a circumstance to arise (where Tap shareholders have the benefit of considering competing offers under the Risco Offer and any takeover offer that is forthcoming from Northern Gulf), the Independent Directors reserve the right to re-consider their recommendation to Tap shareholders.

The Independent Directors note that the Risco Offer is scheduled to close at the end of ASX trading (approximately 2.00pm Perth time) on 27 August 2018, unless it is further extended or withdrawn (which is permitted in only limited circumstances).

Tap shareholders should consult their stockbroker, accountant, tax, financial or other professional advisor about the impact of the Risco Offer on their particular investment objectives.

Tap will continue to keep shareholders informed of further developments.

Tap's financial adviser is Azure Capital and legal adviser is Corrs Chambers Westgarth.

INVESTOR ENQUIRIES

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