
TANGIERS PETROLEUM LIMITED

ACN 072 964 179

NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: 12 February 2015

PLACE: Celtic Club
48 Ord St. West Perth

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9485 0990.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10:00am on 12 February 2015 at:

Celtic Club, 48 Ord St, West Perth

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on 10 February 2015.

DI Holders may attend the Meeting but will not be permitted to vote at the Meeting. For their votes to be counted DI Holders must submit their CREST Voting Instruction to the Company's agent by 12.00pm (GMT) 6 February 2015. Alternatively DI Holders can vote using the enclosed Form of Instruction in accordance with the instructions below.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

United Kingdom (CREST Voting Instruction)

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (**CREST Voting Instruction**) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (Computershare UK) no later than 6 February 2015 at 12.00pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Form of Instruction

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI Holders must complete, sign and return the Forms of Instruction sent to them together with this Notice to the Company's agent, Computershare UK, by no later than 6 February 2015 at 12.00pm (GMT).

CONDITIONAL RESOLUTIONS

Resolutions 1 to 9 are inter-conditional (**Conditional Resolutions**), meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Conditional Resolutions is not approved at the Meeting, none of them will take effect and the Acquisition and other matters contemplated by those Resolutions will not be completed.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the other Conditional Resolutions, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Company's 25% interest in the Tarfaya Project, being the main undertaking of the Company, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – SIGNIFICANT CHANGE TO SCALE OF ACTIVITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the other Conditional Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to complete the Acquisition as described in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – CAPITAL RAISING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of the other Conditional Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$6,000,000, together with up to one (1) free-attaching Option for every one (1) Share issued, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is

entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – PARTICIPATION OF DIRECTOR IN CAPITAL RAISING – MICHAEL EVANS

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of all Conditional Resolutions, for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share issued, to Michael Evans (or his nominee) as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michael Evans and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – PARTICIPATION OF DIRECTOR IN CAPITAL RAISING – DAVID WALL

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of Resolution 3, for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with one (1) free-attaching Option for every one (1) Share issued, to David Wall (or his nominee) as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by David Wall and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PARTICIPATION OF DIRECTOR IN CAPITAL RAISING – STEPHEN STALEY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to and conditional on the passing of all Conditional Resolutions, for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share issued, to Stephen Staley (or his nominee) as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Stephen Staley and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions

on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – PARTICIPATION OF DIRECTOR IN CAPITAL RAISING – BRENT VILLEMARETTE

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of all Conditional Resolutions, for the purposes of ASX Listing Rule 10.11 and section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share issued, to Brent Villemarette (or his nominee) as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Brent Villemarette and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ECP OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all Conditional Resolutions and completion of the Icewine Acquisition, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Options to Energy Capital Partners (**ECP**) or its nominees on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – HARTLEYS OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional on the passing of all Conditional Resolutions and completion of the Icewine Acquisition, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue, subject to satisfaction of the Fund Raising Condition, up to 20,000,000 Options to Hartleys Limited (**Hartleys**) or its nominees on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except

a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ADOPTION OF INCENTIVE OPTION SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given to adopt an employee incentive scheme, being the Company’s Incentive Option Scheme, and to issue securities under that scheme, on the terms and conditions summarised in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. RESOLUTION 11 – ISSUE OF OPTIONS TO DIRECTOR UNDER SCHEME – MICHAEL EVANS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 10 being approved, for the purposes of ASX Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant up to 8,000,000 Options to Michael Evans (or his nominee) under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 12 – ISSUE OF OPTIONS TO DIRECTOR UNDER SCHEME – DAVID WALL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 10 being approved, for the purposes of ASX Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant up to 25,000,000 Options to David Wall (or his nominee) under the Company's Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 13 – ISSUE OF OPTIONS TO DIRECTOR UNDER SCHEME – STEPHEN STALEY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 10 being approved, for the purposes of ASX Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant up to 6,000,000 Options to Stephen Staley (or his nominee) under the Company's Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a

person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 14 – ISSUE OF OPTIONS TO DIRECTOR UNDER SCHEME – BRENT VILLEMARETTE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to Resolution 10 being approved, for the purposes of ASX Listing Rule 10.14 and sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant up to 6,000,000 Options to Brent Villemarette (or his nominee) under the Company’s Incentive Option Scheme on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. RESOLUTION 15 – APPROVAL OF AMENDED SHARE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to amend the terms of the Share Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to

the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

16. RESOLUTION 16 – RATIFICATION OF PRIOR ISSUE – 86,883 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 86,883 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

17. RESOLUTION 17 – RATIFICATION OF PRIOR ISSUE – 2,279,712 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,279,712 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

18. RESOLUTION 18 – RATIFICATION OF PRIOR ISSUE – 1,000,000 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

19. RESOLUTION 19 – RATIFICATION OF PRIOR ISSUE – 6,200,000 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,200,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

20. RESOLUTION 20 – RATIFICATION OF PRIOR ISSUE – 12,000,000 OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

21. RESOLUTION 21 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

“That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to ‘88 Energy Limited’.

Short Explanation: The Company proposes to change its name to more accurately reflect the proposed future activities of the Company, subject to the Acquisition completing.

Dated: 8 January 2015

By order of the Board



**David Wall
Director**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. CONDITIONAL RESOLUTIONS

Resolutions 1 to 9 are inter-conditional (**Conditional Resolutions**), meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of the Conditional Resolutions is not approved at the Meeting, none of them will take effect and the Acquisition and other matters contemplated by those Resolutions will not be completed.

2. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

2.1 Background

The Company, through its wholly owned subsidiary DVM International SARL (a company incorporated in Morocco) (**DVM**), has a 25% interest in the Tarfaya Offshore Block, an offshore oil and gas project located in Morocco (**Tarfaya Project**).

The remaining 75% interest in the Tarfaya Project is held by Office National des Hydrocarbures et des Mines (**ONHYM**), the Moroccan state company (which has a 25% interest) and Galp Energia Tarfaya BV (a company incorporated in the Netherlands) (**Galp**) which has a 50% interest which was assigned to it by DVM pursuant to the terms of a Farmout Agreement dated 1 December 2012. Under the terms of that agreement, and other agreements regulating the parties' interests in the Tarfaya Project, DVM and Galp were required to meet certain funding obligations in relation to the project.

As announced on 24 September 2014, the Company and DVM have entered into a Deed of Termination and Release with Galp and Galp Energia SGPS S.A. (a company incorporated in Portugal) (**Galp Portugal**) setting out the terms of the proposed disposal of DVM's interest in the Tarfaya Project and a settlement in relation to DVM's funding obligation for the TAO-1 exploration well, totalling US\$18,563,979 (**Deed of Termination**).

2.2 Key terms of Disposal

Under the Deed of Termination:

- (a) DVM paid a cash settlement of US\$8,000,000 to Galp, which occurred upon execution of the deed;
- (b) subject to receiving necessary regulatory approvals, DVM has agreed to transfer its remaining 25% interest in the Tarfaya Project to Galp in consideration for US\$3,436,019, which will be offset against the same amount in operational expenses owed by DVM to Galp (**Outstanding Amount**);
- (c) if DVM does not transfer its interest in the Tarfaya Project (and DVM and Galp do not withdraw from the Tarfaya Project) within six months from the date of the deed (or such later date as mutually agreed), which date Galp can unilaterally extend by up to 6 months:
 - (i) DVM will be liable to pay the Outstanding Amount to Galp plus default interest; and

- (ii) DVM will retain its interest in the Tarfaya Project;
- (d) if both DVM and Galp elect to withdraw from the Tarfaya Project (the current phase of the Tarfaya permit expires in February 2015), DVM will be released from its obligation to pay the Outstanding Amount to Galp but will remain liable for its share of withdrawal and abandonment costs; and
- (e) separately from the above, in the event that the market capitalisation of the Company exceeds US\$50,000,000 within the seven years of the date of the deed, or the Company de-lists from the ASX for any reason, the Company must, within 60 days, either:
 - (i) issue Shares to Galp Portugal or its nominee equal in value to the Outstanding Amount (based on a 10 day volume weighted average price) (**Deferred Shares**); or
 - (ii) if Galp Portugal so elects, or the Company is prohibited from or unable to issue the Deferred Shares (including if the relevant Shareholder approval is unable to be obtained), pay Galp Portugal or its nominee an amount equal to the Outstanding Amount.

2.3 ASX Listing Rule 11.2

ASX Listing Rule 11.2 provides that, where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders.

The ASX has advised the Company that the disposal of its interest in the Tarfaya Project requires shareholder approval under ASX Listing Rule 11.2 as being a disposal of its main undertaking.

Resolution 1 seeks Shareholder approval for the disposal of the Company's interest in the Tarfaya Project on the terms and conditions set out in the Deed of Termination (**Disposal**).

2.4 Indicative Timetable

Subject to ASX Listing Rules and Corporations Act requirements, the Company anticipates completion of the Disposal will be in accordance with the following indicative timetable:

Event	Date
General Meeting to approve Disposal	12 February 2015
Disposal of interest in Tarfaya Project	19 March 2015*

*The Disposal is subject to regulatory approvals, which may impact upon the expected date the Disposal takes effect. This date is indicative only and may change without further notice by the Company.

2.5 Financial Impact on the Company

The Company intends to transfer its 25% interest in the Tarfaya Project in accordance with the terms of the Deed of Termination. As such, no cash will be raised from the transfer, however the Company will (subject to the terms of the Deed of Termination) be deemed to have paid the Outstanding Amount owing to Galp.

There will be no impact on the capital structure of the Company as a result of the Disposal.

The impact of the Disposal on the Company's balance sheet, when aggregated with the Acquisition, is set out in the pro-forma balance sheet contained in Schedule 2.

2.6 Reasons for Disposal

As announced by the Company on 4 August 2014, the TAO-1 exploration well was unsuccessful.

After completing an internal strategic and technical review, the Company has concluded that it is not in the best interests of Shareholders, or economically viable, to retain its interest in the Tarfaya Project, given:

- (a) the future potential of the Tarfaya Project in light of the unsuccessful well;
- (b) the Company's liability for the Outstanding Amount in the event that it does not dispose of the Tarfaya Project; and
- (c) the future costs and liabilities that the Company would need to meet and incur to continue to hold its interest in the Tarfaya Project.

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) the Company will (subject to the terms of the Deed of Termination) be released from the obligation to pay the Outstanding Amount to Galp;
- (b) the Company will not be required to fund future operational costs of the Tarfaya Project, leaving more cash resources for the development of other assets (i.e. the asset the subject of the Acquisition); and
- (c) the Company can focus on other activities, including the recently announced Acquisition referred to in Resolution 2 (refer to Section 3 for further details).

Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) no funds will be raised from the Disposal, as the consideration payable by Galp for the interest will be offset against DVM's obligation to pay the Outstanding Amount;
- (b) the Company will not be able to participate in or derive any future potential profits from the Tarfaya Project; and
- (c) the proposed Disposal involves the Company selling its principal operating business activities, which may not be consistent with the investment objectives of all Shareholders.

2.7 Future activities and direction post Disposal

As announced on 20 November 2014, the Company has entered into an indicative term sheet to acquire up to an 87.5% working interest in the Icewine Project located in North America (**Acquisition**). Further details are set out in Section 3.4.

After completion of the Disposal, the Company will focus on exploring the asset acquired under the above Acquisition, as well as pursue other investment opportunities which have the potential to create Shareholder wealth.

In the event Shareholder approval of the Disposal is not obtained and completion of the Disposal is unable to occur, with the result that the Company was forced to retain its interest in the Tarfaya Project, the Company would continue to hold its interest in the Tarfaya Project and, as a consequence, would become liable to pay the Outstanding Amount to Galp together with default interest, as well as maintaining an interest in a project that has proved to be unsuccessful for the Company.

2.8 Director interests and recommendations

The Directors do not have any material interest in the outcome of this Resolution other than as a result of their interest arising solely in the capacity as security holders.

The Directors have a relevant interest in the following Securities of the Company:

Director	Shares	Options
Mr Michael Evans	5,166,667 ⁽¹⁾	1,000,000 ⁽²⁾
Mr David Wall	9,916,666 ⁽³⁾	Nil
Mr Stephen Staley	4,166,667	2,000,000 ⁽⁴⁾
Mr Brent Villemarette	1,221,222	Nil

Notes:

- (1) 1,000,000 loan Shares are held directly and are subject to vesting conditions (**Loan Shares**) and 4,166,667 Shares are held by Tevlo Pty Ltd <MJ Evans Super A/C>. The Loan Shares are intended to be bought-back as per (3) below.
- (2) Exercisable at 0.42 cents each on or before 12 June 2017 (subject to vesting conditions).
- (3) 9,729,166 Shares are held directly and 187,500 Shares being held by D J Wall <D J Wall Super Fund A/C>. The remaining 4,500,000 are Loan Shares, the issue of which was approved at the Company's annual general meeting held on 12 June 2014 and which are subject to vesting conditions. It is intended that these Loan Shares will be bought-back by the Company and cancelled pursuant to the terms of the amended Share Plan (in respect of which Shareholder approval is sought under Resolution 15).
- (4) Exercisable at 0.28 cents each on or before 12 June 2017.

The Board has approved the proposal to put this Resolution to Shareholders. Each of the Directors intends to vote all of their Shares in favour of this Resolution.

Based on the information available, all of the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that the Shareholders vote in favour of the Resolution.

3. RESOLUTION 2 – SIGNIFICANT CHANGE TO NATURE AND SCALE OF ACTIVITIES

3.1 General

As detailed below, the Company has entered into the Acquisition Agreement to acquire up to an 87.5% working interest in the Icewine Project located in North America (the **Acquisition**).

3.2 Legal requirements

ASX Listing Rule 11.1 provides that, where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for (ASX Listing Rule 11.1.1);
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting (ASX Listing Rule 11.1.2); and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX (ASX Listing Rule 11.1.3).

ASX has indicated to the Company that, before completing the Acquisition, it must obtain Shareholder approval for the change in scale of its activities resulting from the Acquisition. However ASX has indicated that for the purposes of ASX Listing Rule 11.1.3, the Company is not required to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

3.3 Background to the proposed Acquisition

As outlined in Resolution 1, the Company announced on 4 August 2014 that the TAO-1 exploration well was unsuccessful. After completing an internal strategic and technical review, the Company has concluded that it is not in the best interests of Shareholders, or economically viable, to retain its interest in the Tarfaya Project for the reasons noted in Section 2.6.

As a result of the Company's intentions to dispose of its main asset, being its interest in the Tarfaya Project, the Company has been exploring other potential interests in oil and gas assets and, on 20 November 2014, the Company announced that it had entered into a term sheet to acquire an 87.5% interest in the Icewine Project. Further information relating to this interest and the Icewine Project is set out in Sections 3.4 to 3.6.

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions. A summary of the Resolutions relevant to the Acquisition is as follows:

- (a) **Resolution 2:** Upon successful completion of the Acquisition, the Company's operations will remain within the oil and gas industry. However, as the Company is seeking to acquire a new oil and gas asset which will form its major undertaking, the Acquisition, if successfully completed, will represent a significant change in the scale of the Company's activities, for which Shareholder approval is required under ASX Listing Rule 11.1.2.
- (b) **Resolutions 3 to 7:** To enable the Company to fund the Acquisition, the Company proposes to undertake a capital raising either under a Prospectus or through a placement to sophisticated investors.
 - (i) Resolution 3 seeks Shareholder approval to issue:

- (A) up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$6,000,000 (before costs) with a proposed minimum subscription of \$3,500,000; and
- (B) up to one (1) free-attaching Option (exercisable at a price which is double the Issue Price under the Capital Raising each and expiring three years after the date of issue) for every one (1) Share subscribed for,

(**Capital Raising**); and

- (ii) Resolutions 4 to 7 seek Shareholder approval for each Director to participate in the Capital Raising for an amount of \$50,000 each.
- (c) **Resolution 8:** Energy Capital Partners (**ECP**) assisted with the facilitation of the Icewine Acquisition. In consideration for this service, the Company has agreed to issue ECP with 30,000,000 Options. Resolution 8 seeks Shareholder approval for the Company to issue these Options and Shares without using its 15% placement capacity under ASX Listing Rule 7.1.
- (d) **Resolution 21:** The Company intends to change its name to '88 Energy Limited' upon successful completion of the Acquisition, with Shareholder approval for this change being sought under Resolution 21.

Separately to the Acquisition, this Notice of Meeting also seeks Shareholder approval for a number of other matters:

- (e) **Resolution 9:** Hartleys Limited (**Hartleys**) has been providing corporate advisory services to the Company. In consideration for those services, and conditional upon the satisfaction of the Fund Raising Condition, the Company has agreed to issue 20,000,000 Options to Hartleys. Resolution 9 seeks Shareholder approval for the Company to issue these Options without using its 15% placement capacity under ASX Listing Rule 7.1.
- (a) **Resolutions 10 to 14:** The Company is seeking to adopt an incentive option scheme (**Scheme**) in order to attract, motivate and retain key Directors, employees and contractors. Resolution 10 seeks Shareholder approval of the Scheme for the purposes of ASX Listing Rule 7.2 (exception 9). Resolutions 11 to 14 seek Shareholder approval for Options to be granted to Directors under the terms of the Scheme.
- (b) **Resolution 15:** Shareholders approved the adoption of a Share Plan at the Company's 2014 annual general meeting earlier this year. Due to recent regulatory changes and to address minor issues with the current Share Plan, the Company is seeking the approval of Shareholders to adopt an amended version of the Share Plan.
- (c) **Resolutions 16 to 20:** In order to refresh the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1, the Company is seeking Shareholder approval of certain issues of Securities recently undertaken by the Company.

3.4 Acquisition - Project Icewine, Alaska (up to 87.5%)

Icewine Term Sheet

As announced on 20 November 2014, the Company has entered into an indicative term sheet with Michael McFarlane, Paul Basinski and Burgundy Exploration LLC (**BEX**)

(Icewine Term Sheet) to acquire a working interest in an area of mutual interest (**AMI**) extending over up to 99,360 acres on a multiple objective, liquids-rich, onshore exploration opportunity in North America known as the Icewine Project (**Icewine Acquisition**).

Under the Icewine Term Sheet, the parties have agreed to acquire, through a bidding process which has been conducted through BEX, an interest in certain oil and gas leases within the AMI (**Leases**). BEX already holds an interest in oil and gas leases over 8,640 acres located within the AMI (**BEX Leases**).

Upon finalisation of the assignment of Leases under the agreements with BEX (expected to occur in late February after formal award of the Leases has been granted and the additional Lease costs referred to below have been paid), Tangiers will have up to an 87.5% working interest over all of the Leases and BEX Leases with BEX retaining the remaining 12.5% working interest.

The initial cost to Tangiers was a 20% deposit paid to the Department of Natural Resources Alaska (US\$520,000) on 17 November 2014.

The balance of the Lease costs (expected to be up to ~US\$3m, including first year rental cost of US\$10 per acre, on the basis of participation in the total 99,360 acres) are likely to be paid in Q2 2015 post formal award. Any participant who fails to pay its proportion of these costs when due will relinquish its rights in the acreage awarded. However if 50% of this balance is paid by the participant when requested, or if the remaining participants accept some of that participant's interest and the participant does not contribute the entire 80% of costs due, then that participant will participate in the amount contributed.

Each participant is required to contribute its respective working interest share of approved drill costs.

The Company has incorporated a US subsidiary called Accumulate Energy Alaska LLC (**Energy Alaska**) to own its working interest in the AMI. A nominee of Michael McFarlane or Paul Basinski may be appointed to the board of Energy Alaska. In addition Michael McFarlane and Paul Basinski may nominate a representative to be appointed to the Company's Board, at the Company's election.

Under the Icewine Term Sheet, the parties have agreed to enter into a Joint Development Agreement to regulate each participant's right, duties and obligations in respect of the development of the oil and gas assets within the AMI. The obligation of the parties to enter into the Joint Development Agreement will be subject to satisfaction of certain conditions, including execution of an agreed Joint Operating Agreement and a Net Profits Interest Agreement, reasonable belief by both parties that Tangiers will be able to raise the capital necessary to purchase its interest in the Leases (which capital is intended to be raised under the Capital Raising) and satisfactory due diligence conducted by Tangiers.

Joint Development Agreement

On or around 5 November 2014, Energy Alaska, BEX and Arktos Energy Management LLC (**AEM**), Michael McFarlane and Paul Basinski entered into a joint development agreement in relation to the Icewine Project. The material terms of the joint development agreement (**JDA**) are as follows.

- (a) BEX has agreed to contribute its 8,640 acres and initially receive 12,420 acres across the entire Project in return (**Swap**).

- (b) Post the Swap and upon payment of the remaining amounts due, Energy Alaska will acquire up to 86,940 net acres of a gross 99,360 acre (402 km²) opportunity. Tangiers is gaining ground floor entry through the bid round with minimal promote on the acreage swap with BEX. Tangiers will also carry BEX on the first US\$2.1m of expenditure.
- (c) The formal assignment of the Leases will occur once a formal award has been granted under the bidding process and payment of the remaining 80% of Lease costs by the parties has been paid. Formal award is expected to occur in late January/early February (which date is indicative only and dependent upon governmental processes), at which point the winning bidder has 30 days according to the State of Alaska bidding procedures to pay the remaining 80% of the Lease costs. Failure to pay this amount will cause a forfeiture of the right to the 1,440 acres of the Lease and forfeiture of the 20% deposit initially paid on each Lease (pro-rata the total of US\$520,000). Once payment has been made, the Leases will be formally assigned and the Acquisition will be completed.
- (d) Energy Alaska will be the operator of the Icewine Project pursuant to a joint operating agreement (the terms of which are summarised below).
- (e) Michael McFarlane and Paul Basinski will be appointed to the board of Energy Alaska and may nominate a representative on the Company's Board, at the Company's election.
- (f) On spud of the first well on the acreage BEX will be assigned an additional 9,660 acres from the Company's participating interest.
- (g) If Energy Alaska or BEX defaults in paying its full share of the budgeted costs under the JDA, and the default is not remedied within three business days of receiving a default notice, the amount owed will bear interest at an agreed rate until paid. If the amount is not paid in full by the time the first well is spudded then the defaulting party will not participate in the first well or any other well under the JOA and will be treated as a non-consenting party on all proposed operations until such time as the amount and any non-consent penalties are paid.
- (h) The JDA remains in effect for the term of the JOA (referred to below) and terminates immediately upon the first to occur of the bid for the Leases being rejected by the Alaskan Government, if the parties choose to withdraw or if the parties refuse to submit any bid for the Leases for a period of 6 months.

Joint Operating Agreement

On or around 14 November 2014 Energy Alaska and BEX entered into a joint operating agreement (**JOA**) to govern the operation of the Icewine Project. Energy Alaska has been designated as the operator under the JOA.

The JOA remains in effect until the contracts assigning the Leases to them terminate (these assignments will be executed if and when a formal award of the Leases is granted), all materials used in connection with the operations have been removed and final settlement has occurred.

Energy Alaska and BEX have agreed under the JOA that the contracts assigning the Leases will terminate upon their unanimous agreement, if both parties are defaulting parties and have elected to withdraw from the project, if the parties unanimously determine to surrender the AMI or if all parties elect to withdraw.

Net Profits Partnership Agreement

Under a Net Profits Partnership Agreement dated in or around November 2014 between Energy Alaska, BEX and AEM, AEM will receive a 4% overriding royalty and a net profit interest (**NPI**) that scales with return on invested capital, generating revenue to the US partner only on a success basis. The NPI starts at 5% on a multiple on invested capital (**MOIC**) of 1x, increasing by 5% with each MOIC increment up to a maximum of 45% at 9x MOIC.

3.5 ECP Mandate

On 6 November 2014, the Company entered into a mandate with Energy Capital Partners (**ECP**) in respect of ECP's facilitation of the Icewine Acquisition (**ECP Mandate**). Pursuant to the ECP Mandate the Company has agreed:

- (a) on completion of the Icewine Acquisition, to pay ECP (or its nominee) \$25,000 in cash;
- (b) on successful completion of the Capital Raising, pay to ECP (or its nominee) a further \$25,000 in cash and grant to ECP (or its nominees) 30,000,000 Options (exercisable at a price which is double the Issue Price under the Capital Raising each, expiring 3 years after grant); and
- (c) upon achieving, over at least a 30 day period, a stabilised flow rate of equal to or greater than 1,000boe/d from any well located on areas within the area of mutual interest in the Icewine Project in which the Company has an interest (**Flow Rate Condition**), issue to ECP (or its nominee) that number of Shares which is equal to A\$500,000 divided by the price prior to the announcement of the rate (being the 10 day VWAP of the ASX listed Shares prior to the announcement of the flow rate) (**ECP Issue Price**). If Shares are no longer trading on a recognised stock exchange at the time the milestone is achieved, the payment must be made in cash.

Resolution 8 seeks Shareholder approval for the grant of the 30,000,000 Options to ECP.

3.6 Details of Icewine Project

The Icewine Project consists of 99,360 contiguous acres located onshore on the North Slope of Alaska. Tangiers will have up to an 87.5% working interest in the project and is Operator. The primary lease term is 10 years with a base royalty rate of 12.5% (16.5% after vendor royalty). The State of Alaska is also offering an 85% cash rebate on exploration activity through calendar year 2015 (reducing to 75% from January 2016 to July 2016 and then 35% thereafter). Combined with the attractive lease term and royalty, the fiscal regime makes Icewine very competitive with similar projects in the lower 48 states.

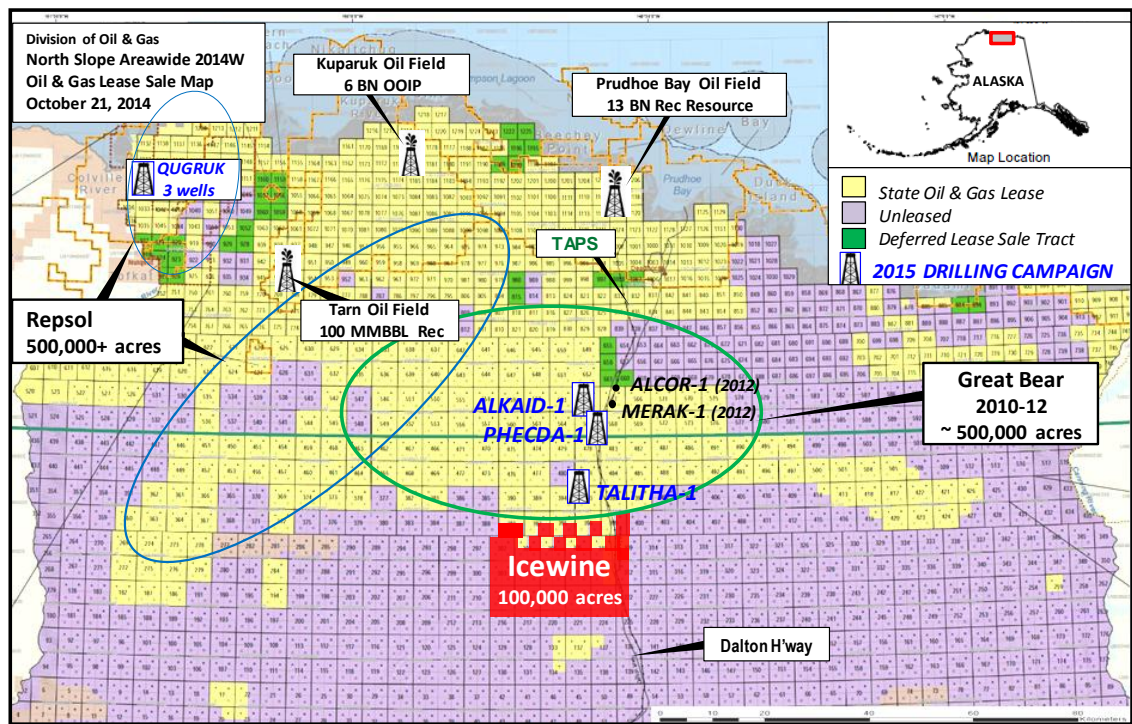


Fig.1 Project Icewine Location

The North Slope of Alaska is a mature oil producing region hosting the largest onshore field in North America. Consequently, significant infrastructure is in place including an all year round access road, the Dalton Highway, and the TransAlaska Pipeline System (TAPS), both of which run through the Icewine Project.

Icewine is prospective for two key play types, which are detailed below.

Unconventional (HRZ Primary Target)

The unconventional play in the HRZ horizon is characterised by being a condensed marine shale with prognosed excellent qualities for a prospective unconventional play:

- High Total Organic Content (**TOC**) as indicated by recent results reported on adjacent acreage to the North of up to 8%.
- Highly brittle lithology, which should result in good “frackability”.
- High quality, light sweet crude – regionally averaging 37 degree API (American Petroleum Institute).
- Unusually high porosity, derived from logs and correlated from 5 regional wells.
- Is in the volatile oil / wet gas window, which is the target window for highest deliverability from wells.
- Overpressure probable due to bottom seal by the Pebble Shale.
- Likely liquids vapour phase due to combination of pressure, temperature and thermal maturity.

Additional unconventional potential exists in the overlying Hue shale formation as well as the deeper Kingak Shale.

Conventional (Brookian)

The conventional play in the Brookian horizon is sourced from the HRZ so is also high quality, light sweet crude. The target reservoir is deepwater turbidite sands (deposited during the era of the Great Inland Sea Fairway that are now on land). Due to the highly prolific nature of the source rocks on the Slope, these reservoirs are generally filled to spill when they are identified. Tubiditic sands are also known to be excellent producers with high porosity.

Until recently, seismic imaging had been unable to accurately predict where these sands were deposited due to noise resulting from the thick permafrost and gas hydrate layers on the Slope. The advent of improved seismic technology has seen a renaissance in this particular play with success rates of >60% being recorded on wells located using modern 3D seismic.

Three wells targeting this play on adjacent acreage are due to commence in January 2015, the closest of which is <3 miles from the northern boundary of the Icewine Project (Talitha-1, refer Fig. 1 above).

Forward Plan

The initial work program is focused on moving the Project forward towards drilling of the first well and/or attracting a farm-in partner in the near to medium term. The estimated CY2015 budget of US\$2.1m comprises the purchase, reprocessing and re-interpretation of existing 2D seismic in addition to well planning activities and overheads.

3.7 Board structure

It is proposed that following completion of the Acquisition the Board of the Company will remain as follows:

Position	Name
Michael Evans	Non-Executive Chairman
David Wall	Managing Director
Brent Villemarette	Executive Director
Stephen Staley	Non-Executive Director

3.8 Pro forma capital structure

The capital structure of the Company following completion of the Acquisition and issues of all securities contemplated by this Notice is set out in Schedule 1.

3.9 Pro forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Acquisition and issue of all securities contemplated by this Notice is set out in Schedule 2.

3.10 Indicative timetable

An indicative timetable for completion of the Acquisition is set out in Schedule 3.

3.11 Risk factors

The risk profile of the Project is similar to that of the Company's existing assets, which has previously been disclosed to Shareholders, as the Company would be continuing with petroleum exploration and the Project is prospective for petroleum.

These risks include exploration and operational risks, environmental regulations, native title regulations, commodity price and foreign currency volatility.

The Directors note, even where Shareholders approve the Conditional Resolutions, there remains a risk that the Acquisition will not proceed for the following reasons.

(a) **Change in nature and scale of activities**

The Acquisition constitutes a significant change in the scale of the Company's activities.

The ASX has advised the Company that, before it completes the Acquisition, it must obtain shareholder approval (however ASX has confirmed that the Company is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX). As part of this process, the Shares will be suspended from trading from the date of the Meeting until such time as the Company makes an announcement to the market confirming the results of the Meeting and that it will be proceeding with the Acquisition.

There is a risk that Shareholders will not approve the Acquisition and subsequent change to the scale of the Company's activities. Should this occur, the Acquisition will not complete.

(b) **Conditions of the Acquisition**

The Acquisition is subject to the fulfilment of certain conditions. If the conditions for the Acquisition are not met, the Acquisition will not complete.

(c) **Failure to raise capital**

The funds to be raised under the Capital Raising are considered sufficient to meet the objectives of the Company in the near future. However, there is a risk that the Company may not be able to raise the total funds required to fund the Acquisition. Additional funding may also be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's projects or even loss of an interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

In addition, the Directors have identified the following risks the Company may be exposed to following completion of the Acquisition that are in addition to those currently applying.

(a) **Contractual risk**

On completion of the Acquisition, including the Acquisition Agreement, the Company will hold a significant percentage in the tenements or permits comprising the Project. Some tenements or permits may be the subject of a joint venture.

In order for the Company to be able to achieve its objectives the Company is reliant on the registered holder of the remaining interest in those tenements to comply with its contractual obligations under the joint venture agreement.

Where the other joint venture party fails to comply with its obligations there is a possibility, depending on the nature of the breach, that title to the tenements could be forfeited or fines or other sanctions imposed. It may then be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. The Company has no current reason to believe that the joint venture parties it will be in contracts with on completion of the Acquisition Agreement will not meet and satisfy its obligations under those joint venture agreements.

(b) **Oil & Gas Exploration**

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as the discovery and/or acquisition of economically recoverable reserves, access to adequate capital for project development, design and construction of efficient development and production infrastructure within capital expenditure budgets and obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of oil or gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(c) **Potential for significant dilution**

Following completion of the Acquisition and Capital Raising, a significant number of new Shares and Options will be issued. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

Based on a range of issue prices of \$0.006, \$0.008 and \$0.010 per Share (whilst noting that none of these may be the actual Issue Price under the Capital Raising), the dilutionary effect of the Capital Raising could be approximately:

Example Issue Price	Percentage dilution (%) assuming a minimum amount of \$3,500,000 is raised under the Capital Raising⁽⁴⁾	Percentage dilution (%) assuming the maximum amount of \$6,000,000 is raised under the Capital Raising⁽⁴⁾
\$0.006 ⁽¹⁾	56.34%	68.87%
\$0.008 ⁽²⁾	49.18%	62.39%
\$0.010 ⁽³⁾	43.64%	57.03%

Note:

- (1) In which case a minimum of 583,333,333 and a maximum of 1,000,000,000 Shares would be issued under the Capital Raising.
- (2) In which case a minimum of 437,500,000 and a maximum of 750,000,000 Shares would be issued under the Capital Raising.
- (3) In which case a minimum of 350,000,000 and a maximum of 600,000,000 Shares would be issued under the Capital Raising.
- (4) Assuming the Company has a total of 452,026,723 Shares are on issue as at the date of this Notice and no Options are exercised up to the date of the Meeting. The Board reserves the right to change the minimum subscription amount.

(d) General risks

The value of the Company's Securities is affected by a number of general factors which are beyond the control of the Company and its Directors.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, local and international economic conditions and general investor sentiment.

The Company's Share price can be afflicted by these factors which are beyond the control of the Directors.

(e) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's Securities.

3.12 Disclosure of Interests

The Directors of the Company each have a beneficial interest in Securities in the Company as set out in the table in Section 2.8.

3.13 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) the Company will acquire a high working interest (up to 87.5%) in Up to 86,940 net acres of a gross 99,360 acre (402 km²) in a strategic asset with a world class prize. The asset is near ground-floor entry with average price per acre of ~US\$30 and the large acreage position and Operatorship provide flexibility for possible farm-down;
- (b) the Icewine Project is located in a prolific oil producing region, with good infrastructure and significant nearby activity by major industry players;
- (c) the Company has a 10 year primary term with no mandatory relinquishment and the low 16.5% royalty is materially lower than most U.S. opportunities;
- (d) the shallower conventional opportunity is a high-porosity, deepwater sand complex that is the hottest play on the North Slope and locally highlighted by three undeveloped discoveries on adjacent acreage;
- (e) access to an untested, unconventional liquids-rich shale play in the prolific shale complex that sourced the largest oil field in North America;
- (f) internal analysis indicates the North Slope acreage is located, similarly to the Eagle Ford shale play, in a high-liquids, vapour phase shale sweetspot with Tier One in-place resource, maximizing the potential for compelling delivery rates and recoverable volumes;
- (g) advantageously situated adjacent to the Dalton Haul Road and TransAlaska Pipeline (TAPS), resulting in all year round access for operations and immediate market access;
- (h) organically generated by the principal of BEX (and an AEM founding partner) that spearheaded ConocoPhillips' 2005-2008 Industry entry into the sweetspot of the Eagle Ford Shale play, South Texas, US;
- (i) up to 85% of exploration expenditure in 2015 is cash-refundable by the State of Alaska through the Alternative Credit for Exploration and Carried Forward Loss Credit and Alaska is currently the only US State approved for oil export, giving Tangiers exposure to international oil pricing;
- (j) the proposed Capital Raising to be undertaken to raise up to \$6,000,000 (with a proposed minimum subscription of \$3,500,000) as part of the Proposed Transaction, will provide the Company with significant funds for exploration of the Project; and
- (k) the potential increase in market capitalisation of the Company following completion of the Acquisition and the associated capital raising may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present.

3.14 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) current Shareholders will have their voting power in the Company significantly diluted;
- (b) there is no guarantee that the Project will prove to be economically viable for the Company; and

- (c) current Shareholders will be exposed to the additional risks associated with the Project as set out in Section 3.11.

3.15 Intentions if Acquisition is not approved

If the Conditional Resolutions are not passed, and the Acquisition is not completed, the Company will seek alternative investment opportunities which will build Shareholder value.

3.16 Director's recommendation

The Directors do not have any material personal interests in the outcome of Resolution 2 and unanimously recommend that Shareholders vote in favour of this Resolution as they consider the proposed Acquisition and associated issue of Shares and Options under Resolution 3 to be in the best interests of Shareholders as after assessment of the advantages and disadvantages referred to in Sections 3.13 and 3.14 the Directors are of the view that the advantages outweigh the disadvantages.

4. RESOLUTION 3 – CAPITAL RAISING

4.1 General

Resolution 3 seeks Shareholder approval for the issue of:

- (a) up to that number of Shares which, which multiplied by an issue price per Share of not less than the lower of \$0.006 and at least 80% of the volume weighted average market price (**VWAP**) of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of lodgement of the Prospectus (or if a Prospectus is not issued, the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of issue of the Shares) (**Issue Price**), will raise up to \$6,000,000 (before costs); and
- (b) up to one (1) free-attaching Option (exercisable at a price which is double the Issue Price under the Capital Raising each and expiring three years after the date of issue) for every one (1) Share subscribed for,

(the **Capital Raising**).

It is currently proposed that the Capital Raising will have a minimum subscription of \$3,500,000 and will be undertaken either via the issue of a Prospectus or through a placement to sophisticated investors to help fund the Acquisition.

The Company will determine the Issue Price closer to the date the Capital Raising commences once it has assessed the market appetite for the Capital Raising. The Company will also determine closer to the date the Capital Raising is undertaken whether to offer free-attaching Options and at what ratio, up to a maximum of up to one (1) free-attaching Option for every Share subscribed for under the Capital Raising.

Note that the Shares and Options (if granted) the subject of the Capital Raising will only be issued if the Acquisition proceeds.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Shares and Options pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares and free-attaching Options to be issued is that number of Shares which, when multiplied by the Issue Price, will raise up to \$6,000,000 and up to one (1) free-attaching Options for every one (1) Share subscribed for.

The table below sets out the total number of Shares and Options that could be issued based on example issue prices of \$0.006, \$0.008 and \$0.010 per Share and a ratio of one (1) free attaching Option for every one (1) Share issued:

Example Issue Price	Total number of Shares and Options issued assuming a proposed minimum amount of \$3,500,000 is raised under the Capital Raising	Total number of Shares and Options issued assuming the maximum amount of \$6,000,000 is raised under the Capital Raising
\$0.006	583,333,333 Shares 583,333,333 Options	1,000,000,000 Shares 1,000,000,000 Options
\$0.008	437,500,000 Shares 437,500,000 Options	750,000,000 Shares 750,000,000 Options
\$0.010	350,000,000 Shares 350,000,000 Options	600,000,000 Shares 600,000,000 Options

- (b) the Shares and free-attaching Options (if granted) will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options (if granted) will occur on the same date;
- (c) the issue price per Share will be not less than the lower of \$0.006 and at least 80% of the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of lodgement of the Prospectus (or if a Prospectus is not issued, the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of issue of the Shares);
- (d) the Options (if granted) will be issued for nil consideration as they are free-attaching to Shares issued under the Capital Raising;

- (e) the Shares and Options (if granted) are proposed to be issued to the applicants of the Capital Raising either under a Prospectus offer or through a placement to sophisticated investors. None of these subscribers will be related parties of the Company other than those Related Parties in respect of whom Shareholder approval is being sought under Resolutions 4 to 7. Refer to Section 5 below for further details;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options (if granted) will be issued on the terms and conditions set out in Schedule 5 and the Company will apply for quotation of the Options; and
- (h) the Company intends to use the funds raised from the Capital Raising as follows:

	Minimum	Maximum
Vendor Payments	\$25,000	\$25,000
Acreage Payments	\$1,820,988	\$3,641,975
Exploration	\$500,000	\$500,000
Administration	\$794,012	\$1,223,025
Costs of the offer	\$360,000	\$410,000
Working Capital	Nil	\$200,000
TOTAL	\$3,500,000	\$6,000,000

The above table is a statement of current intentions as of the date of this Notice. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The Board also reserves the right to change the minimum subscription amount.

5. RESOLUTION 4 TO 7 – PARTICIPATION OF RELATED PARTIES IN THE CAPITAL RAISING – MICHEAL EVANS, DAVID WALL, STEPHEN STALEY AND BRENT VILLEMARETTE

5.1 General

Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette each wish to participate in the Capital Raising (together, the **Related Party Participants**), subject to Shareholder approval being obtained.

Resolutions 4 to 7 seek Shareholder approval for the issue up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share subscribed for, to each of the Related Party Participants (or their respective nominees) arising from the participation by the Related Party Participants in the Capital Raising on the terms and conditions set out below (**Participation**).

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares and Options which constitutes giving a financial benefit and the Related Party Participants are related parties of the Company by virtue of being Directors.

The Directors (other than Mr Evans in relation to Resolution 4, other than Mr Wall in relation to Resolution 5, other than Mr Staley in relation to Resolution 6 and other than Mr Villemarette in relation to Resolution 7 given their material personal interests in these respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and Options will be issued to the Related Party Participants on the same terms as the Shares and Options to be issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

Given it is intended that each Director will participate in the Capital Raising, the Directors may not be able to form quorum to make a determination on this matter. For this reason the Directors are also seeking Shareholder approval pursuant to section 195(4) of the Corporations Act.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares and Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares and Options will be issued to Messrs Evans, Wall, Staley and Villemarette (or their respective nominees);
- (b) the maximum number of Shares and Options to be issued is:
 - (i) up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share subscribed for, to Mr Evans (or his nominee);
 - (ii) up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share subscribed for, to Mr Wall (or his nominee);

- (iii) up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share subscribed for, to Mr Staley (or his nominee); and
 - (iv) up to that number of Shares which, when multiplied by the Issue Price, will raise up to \$50,000, together with up to one (1) free-attaching Option for every one (1) Share subscribed for, to Mr Villemarette (or his nominee),
- (c) the Shares and Options (if granted) will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options (if granted) will occur on the same date;
- (d) the issue price per Share will be not less than the lower of \$0.006 and at least 80% of the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of lodgement of the Prospectus (or if a Prospectus is not issued, the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of issue of the Shares), being the same issue price as all other Shares to be issued under the Capital Raising;
- (e) the Options (if granted) will be granted for nil consideration as they are free-attaching to the Shares subscribed for;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options (if granted) will be issued on the terms and conditions set out in Schedule 5; and
- (h) the funds raised will be used for the same purposes as the funds raised under the Capital Raising as set out in section 4.2(h) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and Options to the Related Party Participants (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 8 – PLACEMENT OPTIONS TO ENERGY CAPITAL PARTNERS

6.1 General

Resolution 8 seeks Shareholder approval for the grant of the 30,000,000 Options in part consideration for ECP's facilitation of the Icewine Acquisition (**Placement**).

This Resolution is conditional upon all other Conditional Resolutions (being Resolutions 1 to 9) being approved by Shareholders.

ASX Listing Rule 7.1 is summarised in Section 4.1. The effect of Resolution 8 will be to allow the Company to grant the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the grant of the Options:

- (a) the maximum number of Options to be granted is 30,000,000;
- (b) the Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the grant of the Options will occur on the same date, being the date the Capital Raising Shares are issued (subject to the completion of the Icewine Acquisition);
- (c) the Options will be issued for nil cash consideration in satisfaction of services provided by ECP pursuant to the ECP Mandate;
- (d) the Options will be issued to ECP, which is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 6; and
- (f) no funds will be raised from the grant of the Options as the Options are being issued in consideration for services provided by ECP pursuant to the ECP Mandate.

7. RESOLUTION 9 – HARTLEYS OPTIONS

7.1 General

Resolution 9 seeks Shareholder approval for the grant of up to 20,000,000 Options in consideration for corporate advisory services provided by Hartleys Limited (**Hartleys**) under the terms of a mandate entered into between the Company and Hartleys on or around 22 September 2014 (**Hartleys Mandate**).

Under the terms of the Hartleys Mandate, the grant of the Options is conditional upon the Company raising a total amount of new capital (in aggregate) of \$4,000,000 (**Fund Raising Condition**). Funds of \$1,200,000 have already been raised under the Hartleys Mandate, meaning the Company need only raise a further \$2,800,000 in new capital through the Hartleys Mandate before the Fund Raising Condition is satisfied.

If Resolution 3 (Capital Raising) is approved by Shareholders and the Company manages to raise the proposed minimum subscription under the Capital Raising of \$3,500,000, the Fund Raising Condition will be satisfied, meaning the Options will then be granted to Hartleys. If the Fund Raising Condition is not satisfied then the 20,000,000 Options will not be granted to Hartleys.

ASX Listing Rule 7.1 is summarised in Section 4.1.

The effect of Resolution 9 will be to allow the Company to grant the Options under the Hartleys Mandate during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the grant of Options under the Hartleys Mandate:

- (a) subject to satisfaction of the Fund Raising Condition, the maximum number of Options to be granted is 20,000,000;
- (b) the Options will, subject to satisfaction of the Fund Raising Condition, be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that grant of the Options will occur on the same date;
- (c) the Options will be granted, subject to satisfaction of the Fund Raising Condition, for nil cash consideration in satisfaction of corporate advisory services provided by Hartleys;
- (d) the Options will be granted, subject to satisfaction of the Fund Raising Condition, to Hartleys Limited or its nominee, who is not (or will not be) a related party of the Company;
- (e) the Options will be granted, subject to satisfaction of the Fund Raising Condition, on the terms and conditions set out in Schedule 7; and
- (f) no funds will be raised from the grant of the Options to Hartleys as the Options are being issued in consideration for corporate advisory services provided by Hartleys.

8. RESOLUTION 10 – APPROVAL OF EMPLOYEE OPTION SCHEME

8.1 Adoption of Scheme

Resolution 10 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Option Scheme" (**Scheme**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 is summarised in Section 4.1. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to issue Options under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under the Scheme.

Subject to the approval of this Resolution, the Company proposes to issue:

- (a) 45,000,000 Options to Directors pursuant to the Scheme (in respect of which approval is sought under Resolutions 11 to 14); and
- (b) 4,000,000 Options to employees of the Company pursuant to the Scheme.

The objective of the Scheme is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Scheme and the future issue of Options under the Scheme will provide selected participants with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Scheme to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained, will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

For this reason, the Company is also seeking approval under Resolutions 11 to 14 for the issue of Options to each Director under the Scheme.

A summary of the key terms and conditions of the Scheme is set out in Schedule 4. In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretaries (Sarah Smith or Amy Just). Shareholders are invited to contact the Company if they have any queries or concerns.

9. RESOLUTIONS 11 TO 14 – ISSUE OF OPTIONS TO DIRECTORS UNDER SCHEME

9.1 General

The Company intends, subject to obtaining Shareholder approval and to the adoption of the Scheme (refer to Resolution 10), to issue a total of 45,000,000 Options to Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette (the **Related Parties**) under the Scheme, in the proportions and on the terms and conditions set out below (**Related Party Options**).

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The issue of the Related Party Options to each of the Directors requires the Company to obtain Shareholder approval because:

- (a) the issue of Options constitutes the giving of a financial benefit; and
- (b) as Directors, Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette are related parties of the Company.

Because it is proposed that Related Party Options be issued to all Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue. Accordingly, Shareholder approval is sought for the issue of Related Party Options to the Directors.

9.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Related Party Options to the Directors:

- (a) the Related Parties are Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette and they are Related Parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties (or their nominee) is:
 - (i) 8,000,000 Related Party Options to Michael Evans;
 - (ii) 25,000,000 Related Party Options to David Wall;
 - (iii) 6,000,000 Related Party Options to Stephen Staley; and
 - (iv) 6,000,000 Related Party Options to Brent Villemarette;
- (c) the Related Party Options will be granted to the Directors no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Part A of Schedule 8;
- (f) the value of the Related Party Options and the pricing methodology is set out in Part B of Schedule 8;
- (g) the relevant interests of the Related Parties in securities of the Company are set out in Section 2.8;
- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year (up to 23 December 2014)	Previous Financial Year (up to 23 December 2014)
Michael Evans	\$64,868	Nil ⁽¹⁾
David Wall	\$205,658	Nil ⁽²⁾
Stephen Staley	\$40,921 ⁽³⁾	Nil ⁽¹⁾

Brent Villemarette	\$12,500 ⁽⁴⁾	240,000
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Notes:

- (1) Appointed on 9 April 2013.
- (2) Appointed on 15 April 2014.
- (3) Mr Staley also received consulting fees of GBP115,837 (being \$221,979 using an exchange rate of \$1.91631 for every GBP1) which were paid to Derwent Resources Limited (an entity Mr Staley controls).
- (4) Mr Villemarette also received consulting fees of \$221,863 consulting fees which were paid to Villemarette Nominees Pty Ltd as trustee for the Villemarette Family Trust (an entity Mr Villemarette controls and a trust in which Mr Villemarette has an interest).

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 45,000,000 Shares would be issued. This will increase the number of Shares on issue from 452,026,723 (being the total number of Shares on issue as at the date of this Notice and assuming no Options are exercised up till the date of the Meeting) to 497,026,723 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 9.05%, comprising 5.03% by David Wall, 1.61% by Michael Evans, 1.21% by Stephen Staley and 1.21% by Brent Villemarette.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.325	3 June 2014
Lowest	\$0.006	24 October 2014 18 December 2014
Last	\$0.012	7 January 2015

- (k) the Board acknowledges the grant of Related Party Options to each Non-Executive Director is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to each Non Executive Director reasonable in the circumstances for the reason set out in paragraph 9.2(m);
- (l) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (m) each of the Directors declines to make a recommendation to Shareholders in relation to the Resolution relating to the issue of Related Party Options to himself (or his nominee) due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should the Resolution be passed. However, in respect of the Resolutions dealing with the issue of the Related Party Options to each of

the other Directors, each of the Directors recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (n) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 11 to 14.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTION 15 – APPROVAL OF AMENDED SHARE PLAN

10.1 General

The Company's Share Plan was approved by Shareholders at the Company's annual general meeting held on 12 June 2014 (**AGM**).

Pursuant to the Share Plan, the Company may issue Shares to Eligible Persons who are permitted to participate in the Share Plan. The purpose of the Share Plan is to:

- (a) reward Eligible Persons for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate and generate loyalty from Eligible Persons; and
- (d) assist to retain the services of a valuable Eligible Person.

Resolution 15 seeks shareholder approval for the Company to amend the Plan (on the basis described below) for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), summarised in section 8.1.

10.2 Amendments to Share Plan

Pursuant to clause 11 of the Share Plan, the Board may from time to time amend, vary or supplement the Plan in any respect (provided such amendment complies with the ASX Listing Rules and the terms of the Share Plan).

Following the release by ASIC of amendments to its class order relief for employee incentive schemes on 30 October 2014, the Company seeks to amend its existing Share Plan to, among other things, bring the Plan in line with the new Class Order relief (Class Order 14/1000 (**Class Order**)). A summary of the amendments is as follows:

- (a) **Title:** It is intended to rename the Plan the "Tangiers Petroleum Limited Incentive Share Scheme" in line with the language referred to in the Class Order.
- (b) **Offer limit:** The Plan contains a limit on the number of Shares the Company can issue under the Plan that is equal to 5% of the issued capital of the Company taking into account previous issues of Securities made under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme over the previous 3 years. Previously the limit imposed was 5 years.
- (c) **Eligible Persons:** As permitted by the Class Order, the Plan will extend to contractors and casual employees of the Company or its associated bodies corporate who work a pro-rata equivalent of 40% or more of a comparable full time position. The Plan will also extend to non-executive directors of the Company or its associated bodies corporate.
- (d) **Renunciation:** A participant under the Plan can renounce an offer of Shares in favour of a nominee (defined in the Class Order to include an immediate family member of an Eligible Person, a company whose members comprise no persons other than the Eligible Person or their immediate family members or a corporate trustee of a self managed superannuation fund where the Eligible Person is a director of the trustee).

Separate from the Class Order amendments, the Share Plan also has been amended to expand the situation when Shares issued under the Plan immediately vest (to the extent they have not already vested or lapsed, and in addition to the vesting situations currently included in the Plan, including when a takeover is declared, a change in control of the Company occurs or a merger by scheme of arrangement is court approved) to include circumstances where a resolution is passed for the winding up of the Company.

The Plan has also been amended to facilitate situations where the Company may need to buy-back or arrange for the sale of Shares issued under the Plan, for example where a performance condition applying in respect of a Share issued under the Plan is not satisfied by the due date or becomes incapable of being satisfied, upon the death, disability, retirement or redundancy of a participant under the Plan and in circumstances where a Plan participant has acted fraudulently, dishonestly or has materially breached their obligations to the Company.

Given the Tarfaya Project TAO-1 exploration well was unsuccessful the Board (other than David Wall who has an interest in the matter) considers that the conditions attaching to the 4,500,000 Loan Shares issued to Mr Wall under the Plan are now incapable of being satisfied or will not be satisfied by the due date. For this reason, it is proposed that the Company will buy-back and cancel Mr Wall's Loan Shares in accordance with the terms of the amended Plan. Given the Loan Shares

were purchased by Mr Wall through an interest free loan of funds by the Company, Mr Wall will not receive any cash consideration for the buy-back of his 4,500,000 Loan Shares, but instead the loan will be forgiven by the Company.

Given the Tarfaya Project TAO-1 exploration well was unsuccessful the Board (other than Michael Evans who has an interest in the matter) considers that the conditions attaching to the 1,000,000 Loan Shares issued to Mr Evans under the Plan are now incapable of being satisfied or will be not be satisfied by the due date. For this reason, it is proposed that the Company will buy-back and cancel Mr Evans' Loan Shares in accordance with the terms of the amended Plan. Given the Loan Shares were purchased by Mr Evans through an interest free loan of funds by the Company, Mr Evans will not receive any cash consideration for the buy-back of his 1,000,000 Loan Shares, but instead the loan will be forgiven by the Company.

A copy of the amended Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the amended Plan can also be sent to Shareholders upon request to the Company Secretaries (Sarah Smith or Amy Just). Shareholders are invited to contact the Company if they have any queries or concerns.

11. RESOLUTION 16 – RATIFICATION OF PRIOR ISSUE – 86,883 SHARES

11.1 General

On 13 May 2014, the Company issued 86,883 Shares at an issue price of \$0.16 per Share to raise \$13,901. The issue of these Shares were in addition to those issued under the first of the two tranche placement announced by the Company on 13 May 2014 to raise \$5,000,000.

Resolution 16 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 is summarised in Section 4.1. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

11.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 86,883 Shares were issued;
- (b) the issue price was \$0.16 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued as part of a private placement to sophisticated investors. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to advance the Company's drilling program at the Tarfaya Project.

12. RESOLUTION 17 – RATIFICATION OF PRIOR ISSUE – 2,279,712 SHARES

12.1 General

On 13 June 2014, the Company issued 2,279,712 Shares at an issue price of \$0.16 per Share to raise \$364,754. The issue of these Shares were in addition to those issued under the second of the two tranche placement announced by the Company on 13 May 2014 to raise \$5,000,000.

Resolution 17 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 is summarised in Section 4.1 and ASX Listing Rule 7.4 is summarised in Section 11.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

12.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 2,279,712 Shares were issued;
- (b) the issue price was \$0.16 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investors. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to advance the Company's drilling program at the Tarfaya Project.

13. RESOLUTION 18 – RATIFICATION OF PRIOR ISSUE – 1,000,000 OPTIONS

13.1 General

On 13 June 2014, the Company issued 1,000,000 Options to brokers in consideration for the provision of broking and capital raising services in connection with a placement undertaken by the Company in May 2014.

Resolution 18 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Ratification**).

ASX Listing Rule 7.1 is summarised in Section 4.1 and ASX Listing Rule 7.4 is summarised in Section 11.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

13.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 1,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of corporate advisory services provided by brokers;
- (c) the Options were unlisted Options exercisable at \$0.30 each on or before 22 April 2016 and were issued on the terms set out in Schedule 9;
- (d) the Options were issued to brokers, none of whom were related parties of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for corporate advisory services provided by brokers.

14. RESOLUTION 19 – RATIFICATION OF PRIOR ISSUE – 6,200,000 OPTIONS

14.1 General

On 13 June 2014, the Company issued 6,200,000 Options to brokers in consideration for the provision of broking and capital raising services in connection with a placement undertaken by the Company in May 2014.

Resolution 19 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 is summarised in Section 4.1 and ASX Listing Rule 7.4 is summarised in Section 11.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

14.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 6,200,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of corporate advisory services provided by brokers;
- (c) the Options were unlisted Options exercisable at \$0.16 each on or before 12 June 2017 and were issued on the terms set out in Schedule 10;
- (d) the Options were issued to brokers, none of whom were related parties of the Company; and

- (e) no funds were raised from this issue as the Options were issued in consideration for corporate advisory services provided by brokers.

15. RESOLUTION 20 – RATIFICATION OF PRIOR ISSUE – 12,000,000 OPTIONS

15.1 General

On 22 October 2014, the Company issued 12,000,000 Options to brokers and advisors (or their nominees) in consideration for the provision of broking and capital raising services provided in connection with a placement undertaken by the Company in October 2014.

Resolution 20 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 is summarised in Section 4.1 and ASX Listing Rule 7.4 is summarised in Section 11.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

15.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 12,000,000 Options were issued;
- (b) the Options were issued for nil cash consideration in satisfaction of broking and capital raising services provided by brokers and advisors;
- (c) the Options were unlisted Options exercisable at \$0.01 each on or before 22 October 2017 and were issued on the terms set out in Schedule 11;
- (d) the Options were issued to brokers and advisors (or their nominees), none of whom were related parties of the Company; and
- (e) no funds were raised from this issue as the Options were issued in consideration for corporate advisory services provided by brokers and advisors.

16. RESOLUTION 21 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 21 seeks the approval of Shareholders for the Company to change its name to "88 Energy Limited".

The Board proposes this change of name on the basis that it more accurately reflects the proposed operations of the Company upon the successful completion of the Acquisition.

If Resolution 21 is passed the change of name will take effect after the successful completion of the Acquisition and when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 21 is passed, the Company will lodge a copy of the special resolution with ASIC on successful completion of the Acquisition in order to effect the change.

GLOSSARY

\$ means Australian dollars.

Acquisition or **Icewine Acquisition** means the proposed acquisition by the Company of up to an 87.5% interest in a large acreage position on a multiple objective, liquids-rich exploration opportunity in onshore North America known as Project Icewine, as outlined in further detail in Section 3.

Acquisition Agreement means the relevant agreements relating to the Icewine Acquisition, as described in Section 3.4.

AMI means the area of mutual interest in the Icewine Project in which the Company will acquire an interest pursuant to the Icewine Term Sheet.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

BEX means Burgundy Exploration LLC.

BEX Leases means the interest in oil and gas leases over 8,640 acres located within the AMI held by BEX, as detailed in Section 3.4.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising means the capital raising proposed to be undertaken by the Company pursuant to Resolution 3.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Conditional Resolution means Resolutions 1 to 9, each of which is conditional on the other Conditional Resolutions being passed.

Chair means the chair of the Meeting.

Company or **Tangiers** means Tangiers Petroleum Limited (ACN 072 964 179).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Date of Acquisition means the date of acquisition of a security for Australian tax purposes.

Deed of Termination means the deed of termination dated 19 September 2014 between the Company, DVM, Galp and Galp Portugal, as described in Section 2.1.

DI means a depository interest representing a Share listed (or to be listed) on the AIM Market of the London Stock Exchange.

DI Holder means a holder of a DI.

Directors means the current directors of the Company.

Disposal means the proposed disposal of the Company's main undertaking, as outlined in Section 2, and in respect of which Shareholder approval is sought pursuant to Resolution 1.

DVM means the Company's subsidiary, DVM International SARL (a company incorporated in Morocco).

ECP means Energy Capital Partners.

ECP Mandate means the mandate between the Company and ECP dated on or around 6 November 2014, as described in Section 3.5.

Eligible Participant has the meaning given to that term in Schedule 4.

Eligible Person means an eligible person, as defined in the Share Plan.

Explanatory Statement means the explanatory statement accompanying the Notice.

Flow Rate Condition means the achievement of, over at least a 30 day period, a stabilised flow rate of equal to or greater than 1,000boe/d from any well located on areas within the AML.

Form of Instruction means the form of instruction accompanying this Notice.

Fund Raising Condition means the condition in the Hartleys Mandate, which provides that a total amount in aggregate of \$4,000,000 in new capital must be raised by the Company pursuant to the Mandate in order for Hartleys to receive the 20,000,000 Options the subject of Resolution 9.

Galp means Galp Energia Tarfaya BV (a company incorporated in the Netherlands).

Galp Portugal means Galp Energia SGPS S.A. (a company incorporated in Portugal), the operator of the Tarfaya Project.

General Meeting or **Meeting** means the meeting convened by the Notice.

GMT means Greenwich Mean Time, being the time in London, United Kingdom.

Hartleys means Hartleys Limited.

Hartleys Mandate the mandate between the Company and Hartleys referred to in Section 7.1.

Icewine Project means the onshore oil and gas project known as Project Icewine located in North America.

Icewine Term Sheet means the indicative term sheet the Company has entered into in respect of the Icewine Acquisition, as detailed in Section 3.4.

Issue Price means, in relation to the Capital Raising, an issue price per Share of not less than the lower of \$0.006 and at least 80% of the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of lodgement of the Prospectus (or if a Prospectus is not issued, the VWAP of Shares calculated over the last 5 days on which sales of Shares were recorded before the date of issue of the Shares).

JDA means the Joint Development Agreement to be entered into by the Company and other participants in the Icewine Acquisition, as detailed in Section 3.4.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Leases means the oil and gas leases located within the AMI.

Loan Shares means a loan share issued under the Share Plan.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement, the Proxy Form and the Form of Instruction.

ONHYM means Office National des Hydrocarbures et des Mines in Morocco.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Outstanding Amount means the total amount of US\$3,436,019 owing to Galp, as described in Section 2.2(b).

Participation means the participation of the Related Party Participants in the Capital Raising, in respect of which Shareholder approval is sought pursuant to Resolutions 4 to 7.

Project means the interests in the Icewine Project described in Section 3.5.

Proposed Transaction means the Disposal (Resolution 1), the Acquisition (Resolution 2) and the Capital Raising (Resolution 3).

Prospectus means the prospectus that may be issued by the Company to raise the funds under the Capital Raising.

Proxy Form means the proxy form accompanying the Notice.

Related Parties means (for the purposes of Resolutions 11 to 14, means Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette.

Related Party Options means the Options to be granted to each Director, subject to Shareholder approval, pursuant to Resolutions 11 to 14.

Related Party Participants means Messrs Michael Evans, David Wall, Stephen Staley and Brent Villemarette.

Resolutions means the resolutions set out in the Notice or any one of them as the context requires.

Scheme means the Employee Option Scheme the subject of Resolution 10 and as summarised in Schedule 4.

Section means a section of the Explanatory Statement.

Securities means a Share or an Option or both as the context requires.

Securityholder means a holder of a Security.

Share means a fully paid ordinary share in the capital of the Company.

Share Plan or **Plan** means the Company's Share Plan, approved by Shareholders at the Company's annual general meeting held on 12 June 2014, to be amended pursuant to Resolution 15.

Shareholder means a registered holder of a Share.

Tarfaya Project means the Tarfaya Offshore Block, an oil and gas project in Morocco.

VWAP means the volume weighted average market price (as defined in the ASX Listing Rules).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – PRO-FORMA CAPITAL STRUCTURE

Shares	Minimum Subscription (\$3,500,000)	Maximum Subscription (\$6,000,000)
Shares on issue as at the date of this Notice	452,026,723	452,026,723
Loan Shares of Director, Mr David Wall and Mr Michael Evans, to be cancelled (as noted in Section 10)	(5,500,000)	(5,500,000)
Shares issued under Resolution 3 (Capital Raising)	437,500,000 ¹	750,000,000 ¹
Total Shares on issue	884,026,723	1,196,526,723
Options	Minimum Subscription (\$3,500,000)	Maximum Subscription (\$6,000,000)
Options on issue as at the date of this Notice (set out in further detail in the table below)	34,525,087	34,525,087
Options issued under the Capital Raising pursuant to Resolution 3	437,500,000 ¹	750,000,000 ¹
Options issued to ECP under Resolution 8	30,000,000	30,000,000
Options issued to Hartleys under Resolution 9	20,000,000	20,000,000
Options issued to Directors under Resolutions 11 to 14	45,000,000	45,000,000
Total Options on issue	567,025,087	879,525,087

Note:

- Based on an example issue price of \$0.008 per Share and a ratio of one (1) free attaching Option for every one (1) Share issued under the Capital Raising. The total number of Shares and free-attaching Options to be issued under the Capital Raising could be more or less than this number and will depend on market conditions nearer to the point in time when the funds under the Capital Raising are to be raised, which will affect the proposed the issue price of those Shares.

Existing Options on issue	Total
Unlisted options exercisable at \$0.50 on or before 2 April 2015	500,000
Unlisted options exercisable at \$0.60 on or before 2 April 2015	3,274,124
Unlisted options exercisable at \$0.70 on or before 2 April 2015	3,500,000
Unlisted options exercisable at \$0.50 on or before 10 April 2016	300,000
Unlisted options exercisable at GBP£0.256 (A\$0.393) on or before 19 November 2015	213,733
Unlisted options exercisable at GBP£242 (A\$0.383) on or before 19 November 2015	487,230
Unlisted options exercisable at \$0.28 on or before 26 November 2015 (voluntary escrow for 12 months)	2,000,000

Existing Options on issue	Total
Unlisted options exercisable at \$0.28 on or before 26 November 2015	3,000,000
Unlisted options exercisable at \$0.45 on or before 31 March 2016	2,500,000
Unlisted options exercisable at \$0.45 on or before 31 October 2016 (voluntary escrow for 12 months)	2,500,000
Unlisted options exercisable at \$0.42 on or before 12 June 2017 (vesting conditions apply)	1,000,000
Unlisted options exercisable at \$0.28 on or before 12 June 2017	2,000,000
Unlisted options exercisable at \$0.30 on or before 22 April 2016	1,000,000
Unlisted options exercisable at \$0.16 on or before 12 June 2017	250,000
Unlisted options exercisable at \$0.01 on or before 22 October 2017	12,000,000
Total existing Options on issue	34,525,087

SCHEDULE 2 – PRO FORMA BALANCE SHEET AS AT 24 DECEMBER 2014

The unaudited pro-forma Balance Sheet has been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Balance Sheet and Pro Forma Balance Sheet as at 24 December 2014

Pro Forma Balance Sheet		Capital Raising	Disposal of Interest in Tarfaya Project	Acquisition of Icewine	Pro Forma after completion of Proposed Transaction
Current Assets					
Cash Assets*	918,107	5,590,000		-3,703,704	2,804,403
Trade and Other Receivables	13,151				13,151
Pre-payments	122,444				122,444
Total Current Assets	1,053,703	5,590,000	0	-3,703,704	2,939,999
Non-Current Assets					
Property Plant & Equipment	32,141				32,141
Investment in Subsidiaries	20,145,863		-20,145,863		0
Permit Acquisition Costs**	851,912			3,703,704	4,555,616
Other Financial Assets	42,726				42,726
Total Non-Current Assets	21,072,643	0	-20,145,863	3,703,704	4,630,484
Total Assets	22,126,346	5,590,000	-20,145,863	0	7,570,483
Current Liabilities					
Trade and other payables	72,465				72,465
GST Receivable	-133,556				-133,556
Total Current Liabilities	-61,091				-61,091
Total Liabilities	-61,091	0	0	0	-61,091
Net Assets	22,187,436	5,590,000	-20,145,863	0	7,631,574
Equity					
Issued Capital	68,140,000	5,590,000			73,730,000
Shares reserved for share plans	-1,751,600				-1,751,600
Reserves	12,301,236				12,301,236
Accumulated Losses	-56,502,200		-20,145,863		-76,648,063
Total Equity	22,187,436	5,590,000	-20,145,863	0	7,631,573

Notes:

* Includes additional \$35,822 AUD cash from US account.

** Reduced by \$35,822 AUD cash - balance in US account.

Assumptions

1. The issue of 750,000,000 Shares at an issue price of 0.8 cents pursuant to the Capital Raising to raise \$6,000,000.
2. The payment of cash brokerage costs of approximately \$360,000 (6%).
3. Cash payment of \$3,703,704 as part acquisition of the Icewine Project.
4. The payment of \$50,000 to ECP pursuant to the mandate dated 6 November 2014.
5. Write off of costs associated with the disposal of the Company's 25% interest in Tarfaya Project.

SCHEDULE 3 – TIMETABLES

Capital Raising and Acquisition

Event	Date
Notice of meeting sent to Shareholders	13 January 2015
Lodgement of Prospectus (if the Capital Raising is undertaken through the issue of a Prospectus and not via a placement to sophisticated investors)	Late January/early February 2015
Formal award of Leases*	Late January/early February 2015
Shareholder Meeting	12 February 2015
Completion of Capital Raising*	Late February 2015
Payment of remaining 80% of Lease costs**	Late February 2015
Completion of Lease assignments and Icewine Acquisition	Late February 2015

*This date is indicative only and may change without further notice by the Company. Given the completion of the Acquisition is dependent upon the formal award of the Leases (which is a governmental administrative process), payment of the remaining 80% of Lease costs once formal award has been granted and then the re-assignment of the relevant portion of the Leases to the Company, it is not possible at this stage to provide an exact date, which could be earlier or later than the date included in this table.

**To occur within 30 days of formal award according to State of Alaska bid procedures.

SCHEDULE 4 – SUMMARY OF INCENTIVE OPTION SCHEME

The Board has adopted an Incentive Option Scheme to allow eligible participants to be granted Options to acquire Shares in the Company. The principle terms of the Scheme are summarised below.

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option granted under the Scheme will be granted for nil or no more than nominal cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Scheme will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Options granted under the Scheme may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
 - (i) on its Expiry Date;
 - (ii) if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or
 - (iii) subject to certain good leaver exceptions, where the Eligible Participant ceases to be an Eligible Participant.
- (g) **Disposal of Options:** Options will not be transferable except to the extent the Scheme or any offer provides otherwise.
- (h) **Quotation of Options:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless an offer provides otherwise.
- (i) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Disposal of Shares:** The Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued on exercise of Options, up to a maximum of seven (7) years from the date of grant of the Options.
- (k) **Participation in Rights Issues and Bonus Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled

to participate in new issues of capital offered to Shareholders during the currency of the Options.

- (l) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.
- (m) **Limitations on Offers:** The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

SCHEDULE 5 – TERMS OF OPTIONS (CAPITAL RAISING)

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are exercisable at a price which is double the Issue Price under the Capital Raising each and expire three years from the date of issue.
- (c) The Company will apply for the Options to be quoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank *pari passu* in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued *pro rata* on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

SCHEDULE 6 – TERMS OF OPTIONS (ENERGY CAPITAL PARTNERS)

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are exercisable at a price which is double the Issue Price under the Capital Raising each and expire three years from the date of issue.
- (c) The Company will apply for the Options to be quoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank *pari passu* in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued *pro rata* on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

SCHEDULE 7 – TERMS OF OPTIONS (HARTLEYS)

- (a) Each Option will only be issued once a total amount (in aggregate) of \$4,000,000 has been raised by the Company through the Hartleys Mandate, entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are each exercisable at a price that is the greater of \$0.01 per Share and a 40% premium to the Issue Price under the Capital Raising and expire three years from the date of issue.
- (c) The Options will be unquoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

SCHEDULE 8 – TERMS OF OPTIONS (RELATED PARTY OPTIONS)

PART A OF SCHEDULE 8 – TERMS OF RELATED PARTY OPTIONS

The Related Party Options will, if approved by Shareholders, be granted to each Director on the terms set out below and will otherwise be granted pursuant to the terms of the Scheme.

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are each exercisable at a price that is a 43% premium to the VWAP of Shares as at the Date of Acquisition of the Related Party Options and expire three years from the date of issue.
- (c) The Options will be unquoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

PART B OF SCHEDULE 8 – VALUATION OF OPTIONS

The Related Party Options to be issued to each Director pursuant to Resolutions 11 to 14 have been independently valued. Using Hoadley Trading & Investments Tools and based on the assumptions set out below, the Related Party Options were ascribed the values noted below. As the Share price as at the Date of Acquisition of the Related Party Options is currently unknown (as the Options are yet to be granted), the valuation has been conducted on the basis of two example Share prices of \$0.006 and \$0.008 per Share.

Assumptions:	Share price of \$0.006	Share price of \$0.008
Valuation date	23 December 2014	23 December 2014
Assumed grant date	30 January 2015	30 January 2015
Market price of Shares ⁽¹⁾	\$0.007 cents	\$0.007 cents
Exercise price ⁽²⁾	0.00858 cents	\$0.01144 cents
Expiry date (length of time from issue)	3 years	3 years
Risk free interest rate ⁽³⁾	2.24%	2.24%
Expected future volatility (discount) ⁽⁴⁾	115%	115%
Dividend yield ⁽⁵⁾	0%	0%
Indicative value per Related Party Option	\$0.0046	\$0.0043
Total Value of Related Party Options	\$207,000	\$193,500
David Wall (25,000,000 Options)	\$115,000	\$107,500
Michael Evans (8,000,000 Options)	\$36,800	\$34,400
Stephen Staley (6,000,000 Options)	\$27,600	\$25,800
Brent Villemarette (6,000,000 Options)	\$27,600	\$25,800

Notes:

- (1) Being the closing share price of the Company's Shares on 22 December 2014 (given the Related Party Options are yet to be granted).
- (2) Being a 43% premium to example Share prices of \$0.006 and \$0.008 (respectively). The actual VWAP price of Shares as at the date of the acquisition of the Related Party Options could be more or less than these examples, meaning the exercise price could change.
- (3) Determined based on the yields of Commonwealth bonds using a three year bond, being the period which most closely correspond to the maximum life of the Related Party Options. The bond rate is taken as at the closing rate on the day prior to the valuation date. As the Related Party Options are yet to be granted, a rate of 2.24% as reported on 22 December 2014 (as disclosed by the Reserve Bank of Australia) has been used.
- (4) Taking into account the historical volatility of the Company's Shares.
- (5) Given there is no Company history of paying dividends and no dividends are expected to be declared or paid over the life of the Related Party Options.
- (6) The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 9 – TERMS OF OPTIONS (RESOLUTION 18)

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are exercisable at a price of \$0.30 each on or before 22 April 2016.
- (c) The Options are unquoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

SCHEDULE 10 – TERMS OF OPTIONS (RESOLUTION 19)

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are exercisable at a price of \$0.16 each and expire on or before 12 June 2017.
- (c) The Options will be quoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

SCHEDULE 11 – TERMS OF OPTIONS (RESOLUTION 20)

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are exercisable at a price of \$0.01 each and expire on or before 22 October 2017.
- (c) The Options will be unquoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.
- (i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

PROXY FORM & FORM OF INSTRUCTION

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 TPT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form General Meeting of Tangiers Petroleum Limited (Company) to be held on 12 February 2015 (Meeting)

For your vote to be effective it must be received by 10.00am (WST) Tuesday, 10 February 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001 (Cth)) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place overleaf to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to the Meeting to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View or update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Tangiers Petroleum Limited entitled to attend and vote at the Meeting hereby appoint

☐ the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Meeting of Tangiers Petroleum Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 12 February 2015 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 10-15 (except where I/we have indicated a different voting intention below) even though Resolutions 10-15 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.**

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 10-15 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain			For	Against	Abstain
1. Disposal of main undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Options to Director under Scheme - David Wall		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Significant change to scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Issue of Options to Director under Scheme - Stephen Staley		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Securities - Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Issue of Options to Director under Scheme - Brent Villemarette		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Participation of Director in Capital Raising - Michael Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval of amended Share Plan		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Participation of Director in Capital Raising - David Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Ratification of prior issue - 86,883 Shares		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Participation of Director in Capital Raising - Stephen Staley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. Ratification of prior issue - 2,279,712 Shares		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Participation of Director in Capital Raising - Brent Villemarette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. Ratification of prior issue - 1,000,000 Options		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Options to Energy Capital Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Ratification of prior issue - 6,200,000 Options		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Options to Hartleys Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Ratification of prior issue - 12,000,000 Options		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Adoption of Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Change of Company's Name		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Issue of Options to Director under Scheme - Michael Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

TPT

194519A

Computershare +

MR A SAMPLE
< DESIGNATION>
SAMPLE STREET
SAMPLE TOWN
SAMPLE CITY
SAMPLE COUNTY
AA11 1AA

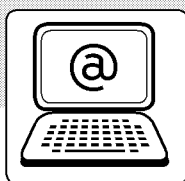
CANCELLED

Holder Reference Number

C00000000000



Form of Instruction - General Meeting of Tangiers Petroleum Limited (Company) to be held on 12 February 2015



To View the Notice of Meeting online visit:

www.tangierspetroleum.com

**To be effective, all forms of instruction must be lodged at the office of the Depositary at:
Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY by 6 February 2015 at 12.00 noon (UK time).**

Explanatory Notes:

1. Please indicate, by placing "X" in the appropriate space overleaf, how you wish your votes to be cast in respect of each of the Resolutions. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Abstain' vote option overleaf is provided to enable you to abstain on any particular Resolution. However, it should be noted that an 'Abstain' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 12.00 noon on 6 February 2015 (UK time). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. Any alterations made in this form should be initialled.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different (i) account holders; or (ii) uniquely designated accounts. Computershare Investor Services PLC (the "Depositary") and the Custodian accept no liability for any instruction that does not comply with these conditions.



CANCELLED

All Named Holders

MR A SAMPLE
< Designation>
Additional Holder 1
Additional Holder 2
Additional Holder 3
Additional Holder 4

Form of Instruction

Please use a **black** pen. Mark with an **X** inside the box as shown in this example.



+

C0000000000

I/We, being a member/s of the Company hereby instruct the custodian "Computershare Clearing Pty Limited CCNLDI A/c" to vote on my/our behalf at the General Meeting of the Company to be held at **The Celtic Club at 48 Ord Street, West Perth WA 6005**, on **12 February 2015 at 10.00 am (WST)** and at any adjournment or postponement thereof.

Ordinary Business

	For	Against	Abstain		For	Against	Abstain
1. Disposal of main undertaking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Options to Director under Scheme - David Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Significant Change to scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Issue of Options to Director under Scheme - Stephen Staley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Securities - Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Issue of Options to Director under Scheme - Brent Villemarette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Participation of Director in Capital Raising – Michael Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval of amended Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Participation of Director in Capital Raising – David Wall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Ratification of prior issue – 86,883 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Participation of Director in Capital Raising – Stephen Staley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17. Ratification of prior issue – 2,279,712 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Participation of Director in Capital Raising – Brent Villemarette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18. Ratification of prior issue – 1,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Options to Energy Capital Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Ratification of prior issue – 6,200,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Options to Hartleys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20. Ratification of prior issue – 12,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Adoption of Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Special Business			
11. Issue of Options to Director under Scheme - Michael Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	21. Change of Company's name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Date

CANCELLED

In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction should be signed by a duly authorised official whose capacity should be stated, or by an attorney.

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