tangiers petroleum limited

14 August 2012

Tangiers Granted New Petroleum Exploration Permit NT/P83, offshore Australia

Highlights

- Tangiers' awarded Petroleum Exploration Permit NT/P83 following successful work program bid.
- Approximately 15,000 km^2 added to Australian exploration portfolio.
- Permit is believed to be highly prospective for hydrocarbons based on source and reservoir rocks of several age units.

Tangiers Petroleum Limited (ASX:TPT, AIM:TPET, "Tangiers" or "the Company") is pleased to announce that it has received written confirmation from the National Offshore Petroleum Titles Administrator (NOPTA) that the Company had been successful in its work program bid and has been granted Petroleum Exploration Permit NT/P83 (**NT/P83**). It is anticipated that NOPTA will cause a notification of the grant to be published in the next edition of the Commonwealth Gazette.

NT/P83 (formerly Release Area NT P11-1) lies in the Arafura Sea to the north of Melville Island and the Coburg Peninsula of the Northern Territory and is approximately 100 kilometres north of Darwin (Figure 1), Australia. It comprises and area of approximately 15,000km^2 and is in waters shallower than 200m.

A number of exploration wells have been drilled in the vicinity of the permit with gas discoveries to the west in the wells Caldita-1, Lynedoch-1 and ST-1, Lynedoch-2; and gas shows in the Beluga-1 well. Oil shows were encountered to the east of the permit in the Kulka-1 and Tasman-1 wells. The large Evans Shoals and Abadi gas fields are located to the west and northwest of the permit in the Malita Graben-Darwin shelf area.

The permit lies in the Money Shoals Basin, a relatively undeformed Jurassic to Cainozoic sequence that unconformably overlies the mainly Paleozoic rocks of the Arafura Basin. Part of the acreage extends into the Arafura Basin with folded and faulted Palaeozoic to lower Mesozoic rocks. The Golburn Graben is also present in a portion of the permit and is a dominant northwest to southeast Palaeozoic intra-cratonic rift basin. With several age units of source and reservoir rocks, this permit area is expected to be highly prospective for hydrocarbons.

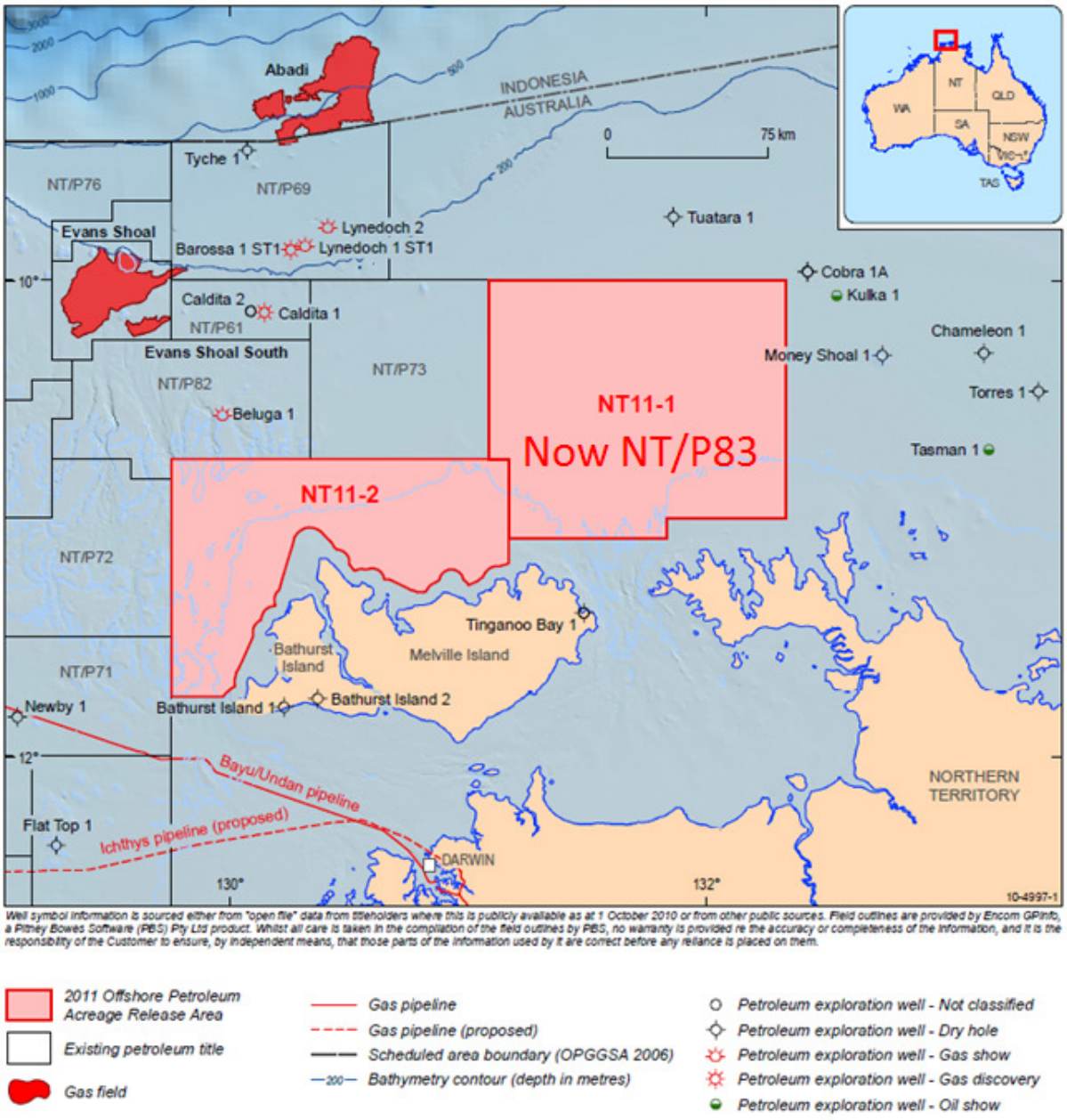
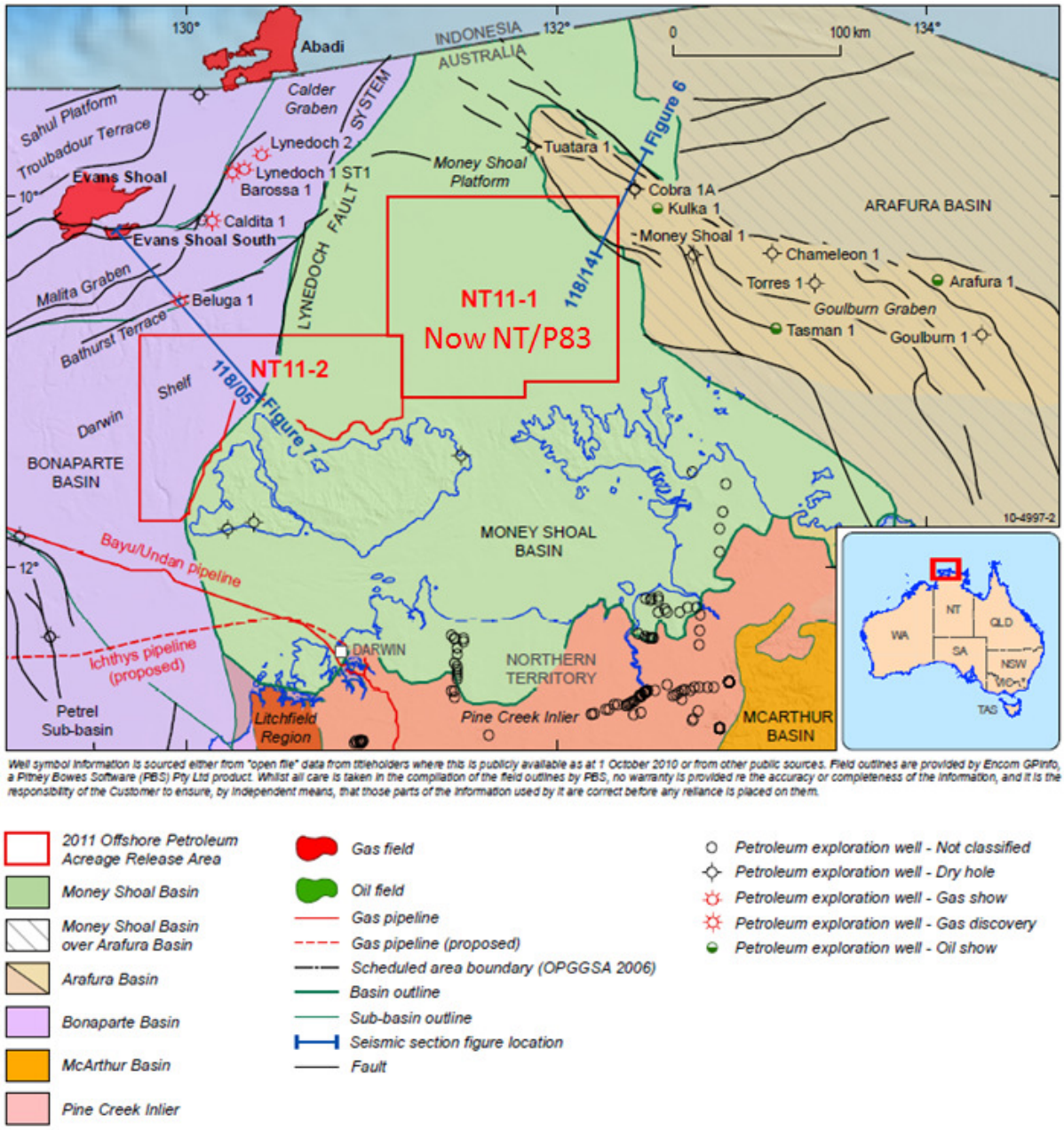


Figure 1: Location Map of NT 11-1 now Exploration Permit NT/P83



Well symbol information is sourced either from "open file" data from titleholders where this is publicly available as at 1 October 2010 or from other public sources. Field outlines are provided by Encom GPInfo, a Pitney Bowes Software (PBS) Pty Ltd product. Whilst all care is taken in the compilation of the field outlines by PBS, no warranty is provided re the accuracy or completeness of the information, and it is the responsibility of the Customer to ensure, by independent means, that those parts of the information used by it are correct before any reliance is placed on them.

Figure 2 Petroleum Wells and Infrastructure in the region of NT 11-1 now Exploration Permit NT/P83.

The Company's proposed exploration program will initially focus on performing geotechnical studies and the acquisition of 500km of 2D seismic data.

Mark Ceglinski, Executive Chairman of Tangiers Petroleum, commented, "The grant of NT/P83 is a exciting step in furthering the Company's strategy to expand its exploration portfolio and leveraging the Company's technical expertise to identify potential leads and plays in areas believed to be highly prospective for hydrocarbons. NT/P83 is an excellent complement to the company's existing Moroccan and Australian acreage."

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About Tangiers Petroleum Limited

Tangiers Petroleum Limited ("Tangiers") is an ASX and AIM listed oil and gas exploration company with assets located in Morocco and Australia.

Morocco

The Tarfaya Block, offshore Morocco, includes 8 permits totalling 15,041 square kilometres (approximately 3.7 million acres) situated on the Atlantic Margin, inboard from the Canary Islands. The Block contains multiple prospects and leads within Jurassic and Cretaceous sediments as well as emerging potential within the Tertiary and Triassic Formations. An independent report prepared by worldwide petroleum consultant Netherland Sewell and Associates Inc. on Tangiers initial four Jurassic aged prospects established an unrisked best estimate prospective resource of 867 million barrels of oil and a high side of 4,959 million barrels of oil.

The Company's ongoing exploration efforts have further identified prospects Zeus and Little Zeus at the Top Jurassic horizon while multiple leads, Apollo, Hermes and Hercules within the shallower Cretaceous sandstone intervals are in the process of being matured to prospect status. The next exploration phase will be to mature identified leads within the Tertiary and Triassic intervals.

Australia

Turtle/Barnett

The Turtle and Barnett oil fields were discovered in 1984 and 1985, respectively, and are located approximately 320 kilometres South West of Darwin. Multiple oil-bearing reservoirs have been encountered within the Keyling, Treachery, Kuriyippi, Tanmurra and Milligans formations. Three wells tested oil with Barnett-2 having flowed up to 921 barrels of oil per day on jet pump from the Lower Treachery Sandstone. The crude was of excellent quality at 38.6° API gravity.

Nova/Super Nova

Nova and Super Nova are large anticlinal structures situated within WA-442-P and NT/P81. These four-way dip structural closures sit within the Devonian age interval below the Top Bonaparte seismic horizon and in part underlie existing oil accumulations at Turtle and Barnett. An independent CPR by ISIS Petroleum Consultants assessed Nova to have a mean undiscovered unrisked gas initially in place of 6.93 TCF and unrisked prospective gas resources of 3.46 TCF.

Milligans Formation Oil Play

The Milligans formation oil play consists of 14 identified leads within the lowest Unit of the Early to Mid-Carboniferous Weaber Group. This formation has been intersected in several offshore wells in the Southern Bonaparte gulf. 34.5° API was recovered on DST from the Milligans in Turtle-2 and Barnett-2 flowed gas to surface and produced 44.4° API oil. An independent CPR prepared by ISIS Petroleum Consultants estimated mean unrisked oil in place to be 683 million barrels of oil with a mean prospective resource of 218 million barrels of oil.

Qualified Person

The information in this announcement was produced by Mrs Margaret Hildick-Pytte who is the Director of Exploration for Tangiers and Mr Brent Villemarette who is an Executive Director of Tangiers. Mrs Hildick-Pytte holds a BSc and MSc in Geology and is undertaking a MSc in Petroleum Engineering. She is a member of SPE, AAPG, the SPWLA and PESA. Mr Villemarette is a petroleum engineer with over 30 years of experience and is a member of the Society of Petroleum Engineers. Mrs Hildcik-Pytte and Mr Villemarette have reviewed this announcement and consent to its release. Terminology and standards adopted by the Society of Petroleum Engineers ("SPE") "Petroleum Resources Management System" have been applied in producing this document.

Under these standards:

"Undiscovered Oil Initially in Place" is that quantity of oil which is estimated, on a given date, to be contained in accumulations yet to be discovered. The estimated potentially recoverable portion of Undiscovered Oil Initially in Place is classified as Prospective Resources, as defined below; and

"Prospective Resources" are those quantities of oil or gas which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.