tangiers petroleum limited

3 April 2012

MILLIGANS FORMATION OIL PLAY

Highlights

- Competent Persons Report completed on Tangiers' Milligans Fan oil play in the Bonaparte Basin Permit Areas WA-442-P and NT/P81 by ISIS Petroleum Consultants.
- Significant oil potential confirmed in **14 identified leads**, 8 of which are structural traps with 6 being a combination structural/stratigraphic in nature.
- The Milligans Formation has been intersected in previous offshore wells which confirmed the presence of an **active petroleum system** including oil recovery in Turtle-2 and oil and gas recovery in Barnett-2.
- Portfolio contains a combined gross mean unrisked oil in place (STOIIP) of **683 million barrels of oil** with a high case of 1,489 million barrels of oil in place.
- Gross mean unrisked Prospective Resources are estimated to be **218 million barrels of oil** with the high side case of 505 million barrels of oil.

Tangiers Petroleum Limited (ASX:TPT, "Tangiers" or "the Company") is pleased to announce that it has received a Competent Persons Report ("CPR") prepared by ISIS Petroleum Consultants ("ISIS") for the Milligans Fan oil play in its WA-442-P and NT/P81 permit areas. These permits are located within the shallow offshore Bonaparte Basin in Northern Australia with water depths ranging up to 60 metres.

The CPR includes an assessment of the mean unrisked prospective resources individually contained within 14 identified leads, with crests ranging in depth from 2374 metres to 4450 metres. ISIS estimates mean unrisked oil in place to be 683 million barrels of oil with a mean prospective resource of 218 million barrels of oil. The arithmetic prospective resource range is as follows:

	Gross				**Net Attributable to Tangiers (90%)**			
All figures in million barrels	Low (P90)	Best (P50)	High (P90)	**Mean**	Low (P90)	Best (P50)	High (P90)	**Mean**
Undiscovered Oil Initially-In-Place	118	425	1,489	**683**	106	383	1,340	**615**
Prospective Resources	35	139	505	**218**	32	125	455	**196**

Tangiers is the operator of the permits

[Source: ISIS Petroleum Consultants]

The Turtle and Barnett discoveries were made in 1984/85 and were later appraised in 1989/90. Oil and Gas was found at multiple stratigraphic levels ranging from the relatively shallow Late Carboniferous/Early Permian Keyling and Treachery Formations to the Early Carboniferous Milligans Formation. The Turtle and Barnett oil discoveries occur in sandstone reservoirs. These discoveries demonstrated that multiple stacked sand units exist throughout the Milligans Formation. Top seals are formed by both regional and intraformational shales.

The Milligans Formation is 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 and the presence of an active petroleum system has been effectively proven. In WA-442-P, 34.5° API oil was recovered on DST from the Milligans in Turtle-2. In NT/P81 a DST of a Milligans Formation sand in Barnett-2 flowed gas to surface and produced 44.4° API oil.

Play types within the Milligans Formation are illustrated in Figure 1. Multiple play types have been recognized including:

1. Dip-closed structural traps in the Milligans Formation;
2. Onlap traps on the flanks of the Turtle High, where over 1,000m of Milligans Formation progressively onlaps from SW to NE; and
3. Stratigraphic traps in detached basin floor fans in the depocentre and detached slope fans on the lower basin flanks.

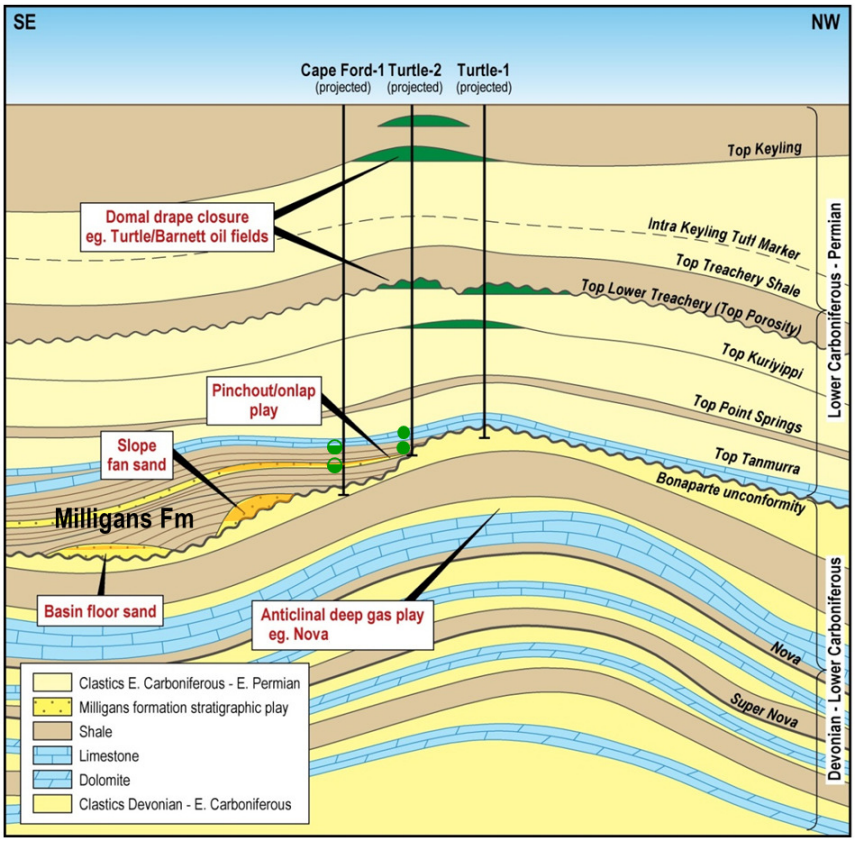

Figure 1: Milligans Formation Play Type Diagram

Figure 2 is a seismic line connecting Sandbar-1 in the west and Turtle-2 in the east. It crosses a major Milligans Formation depocentre that extends NW-SE through WA-442-P.

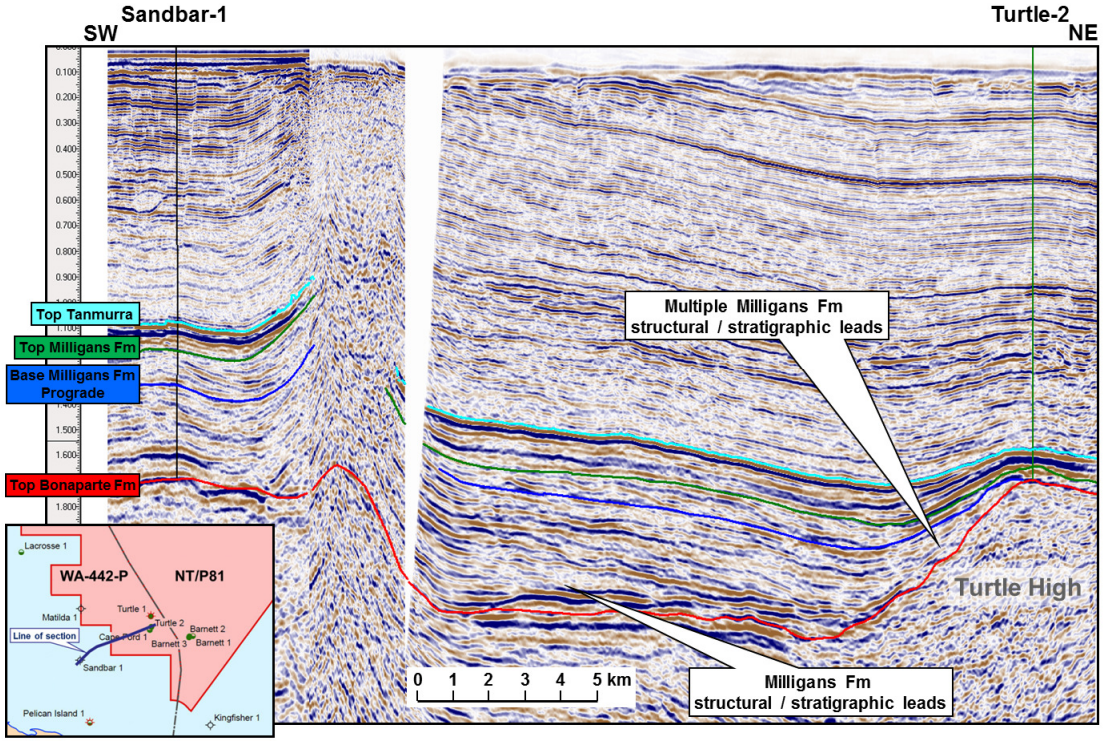

Figure 2: Seismic Line Showing Milligans Formation Play Types

Figure 2 also shows the progressive onlap of the Milligans Formation onto the flanks of the Turtle High. This onlap geometry, combined with the effects of later structural movements, establishes a fairway of stratigraphic pinch-out plays within the Milligans Formation along the western margin of the Turtle High which is shown diagrammatically in Figure 3.

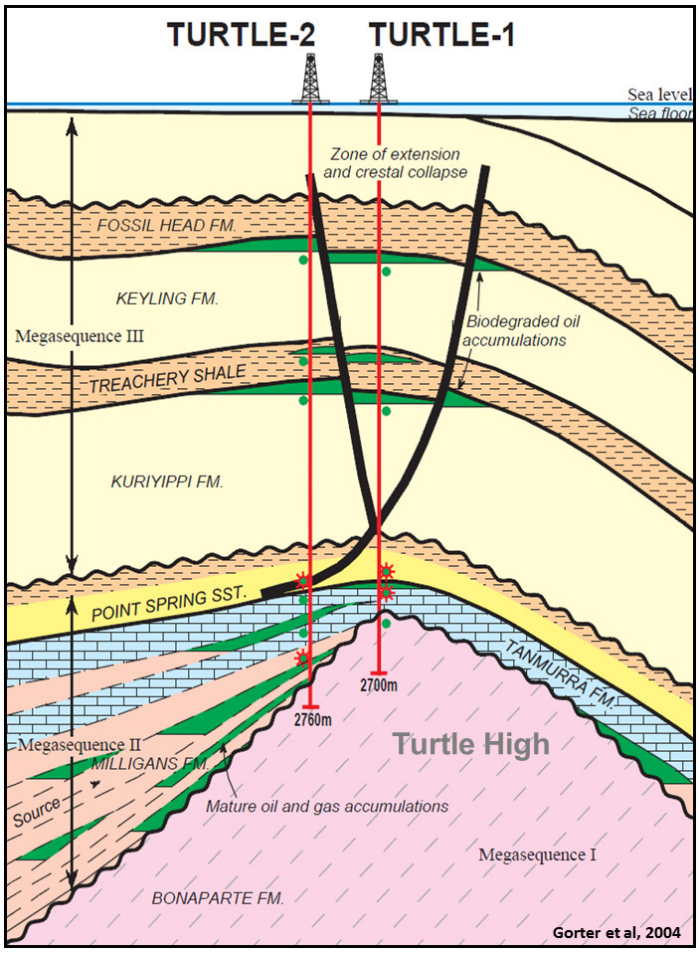

Figure 3: Milligans Formation Onlap Play Diagram

Shingled basin floor fan geometries can be recognised in seismic data in the depocentre of the Turtle High. Figure 4 shows detached fan complexes in the Lower Milligans Formation pinching out within a shale sequence updip towards the Turtle High. These geometries are proven hydrocarbon traps in areas such as the NW Shelf.

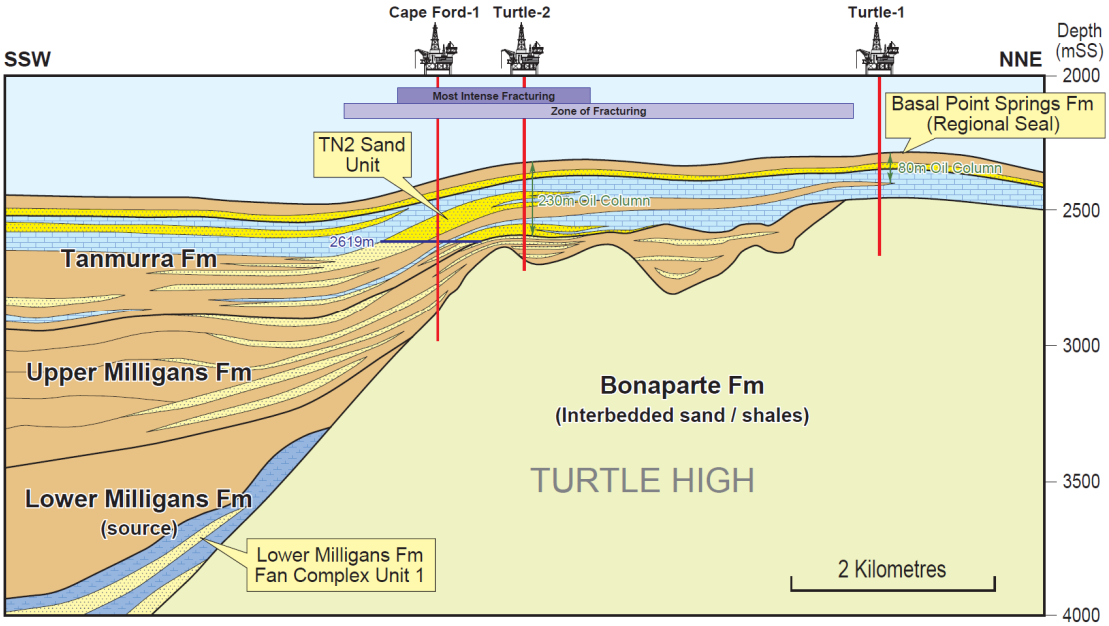

Figure 4: Cross Section Cape Ford-1 to Turtle-1

The current inventory of Milligans Formation leads is shown in Figure 5.

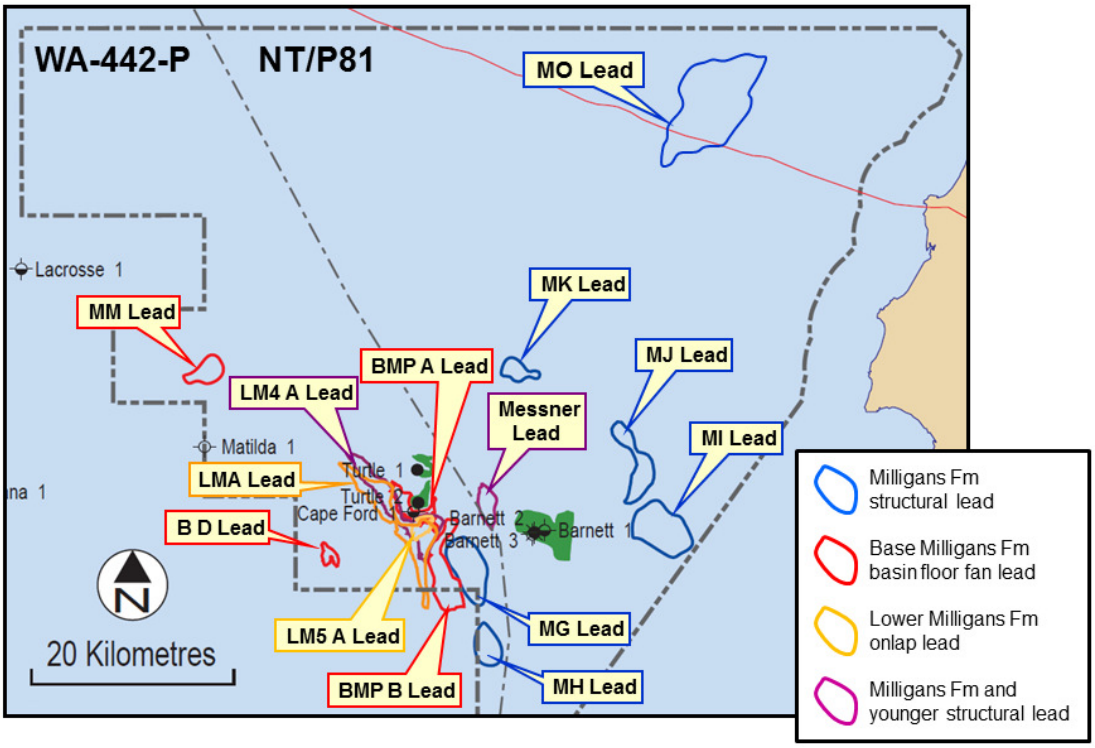

Figure 5: Milligans Formation Leads

The total range of Milligans Formation leads is shown in Figure 6. Total unrisked volumes of oil attributable to Tangiers (90%) is 613 MMbbl STOOIP and 193 MMbbl Prospective Resources. Further 3D seismic is likely to lead to the identification of further leads in this formation.

Leads – Unrisked STOIIP and Prospective Resources

Leads	Target Level	STOIIP (MMbbl)				Prospective Resource (MMbbl)			
		P90	P50	P10	Mean	P90	P50	P10	Mean
BMP A	Base Milligans Prograde	6	20	70	32	2	7	24	10
BMP B	Base Milligans Prograde	24	67	170	86	7	22	60	29
LM5 A	Milligans Fm	2	9	32	15	1	3	11	5
LM4 A	Milligans Fm	12	51	202	90	4	16	68	28
LMA	Milligans Fm	30	91	249	123	9	30	87	40
Messner	Milligans Fm	3	8	22	11	1	3	8	4
BD	Bonaparte Fm	1	3	12	5	0	1	4	2
MO	Milligans Fm	36	156	632	280	11	51	212	88
MG	Milligans Fm	1	7	35	15	0	2	12	5
MH	Milligans Fm	1	3	15	6	0	1	5	2
MI	Milligans Fm	1	4	21	9	0	1	5	2
MJ	Milligans Fm	1	2	11	5	0	1	3	1
MK	Milligans Fm	0	1	4	2	0	0	1	1
MM	Milligans Fm	0	3	14	4	0	1	5	1
				TOTAL STOIIP	683			TOTAL Prospective Resources	218

Figure 6: Milligans Formation Leads – Estimated Gross Oil Volume

Mark Ceglinski, Chairman of Tangiers Petroleum, commented, "The Milligans Fan oil play significantly adds to Tangiers Australian exploration portfolio within the company's Bonaparte Basin blocks. The ISIS CPR further confirms the excellent prospectivity of the region and Tangiers is looking forward to the further evaluation of the Bonaparte Basin Block which includes the Nova and Super Nova deep gas prospects, the Turtle and Barnett oil discoveries, and Messner lead."

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.

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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 within the shallower Cretaceous sandstone intervals are in the process of being matured to prospect status. Preliminary assessment indicates that these intervals may contain prospective resources on par or superior to that identified in the initial four Jurassic prospects. 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.

ATP 587

ATP 587 consists of 12 Blocks to the west of the Thomson River between Stonehedge and Jundah, south east of Longreach and covers an area of approximately 946 square kilometres. Geologically the tenement is situated within the Mesozoic Eromanga Basin with the southeast portion of the tenement being underlain by the north-eastern edge of the Late Palaeozoic-Triassic Cooper Basin. In addition to conventional oil and gas, the area is thought to have potential for oil shale plays. ATP-587 is covered by regional seismic with detailed grids over four prospects.