

24 September 2012

Tangiers to Raise up to \$5.8m to Launch **Growth Strategy**

Company to turn its attention to African farm-in and acquisition opportunities under new Executive Chairman Eve Howell

Tangiers Petroleum Limited (ASX:TPT, AIM:TPET, "Tangiers" or "the Company") is pleased to advise that it has resolved to raise up to \$5.8 million through a share placement ("Placement") and share purchase plan ("SPP").

The funds will be raised through an upsized \$5 million Placement of approximately 18.2 million shares at an issue price of A\$0.28 (GBP £0.18) per share to sophisticated and institutional investors and through a SPP capped at \$800,000 to existing shareholders at A\$0.28 (GBP £0.18) per share.

The Placement will be completed in two tranches with approximately 8.2 million shares issued in the first tranche pursuant to the company's remaining 15% capacity under ASX Rule 7.1 and the balance of 10 million shares issued in the second tranche subject to shareholder approval at a General Meeting of shareholders scheduled to be held in late October.

Approximately 2.8 million shares also priced at A\$0.28 (GBP £0.18) cents per share will also be offered under the SPP with an anticipated record date of 21st of September 2012 and the right for shareholders to subscribe for shares up to a value of \$15,000. It is anticipated that any shortfall in the SPP (if any) will be placed with sophisticated and experienced investors. SPP documentation will be sent to eligible shareholders shortly.

DJ Carmichael acted as Lead Manager to the Australian Placement and SPP.

The proceeds of the raising will be used to help underpin the growth strategy being devised for Tangiers by the new board consisting of Eve Howell, the Company's new Executive Chairman, Brent Villemarette, ongoing Executive Director, and Max de Vietri, who has joined the Tangiers Board as a Non-executive Director.

Ms Howell is a highly experienced petroleum executive who enjoyed a distinguished career with Woodside, where she was Executive Vice President of the North West Shelf project and Chief Executive of the North West Shelf Venture. Prior to joining Woodside in 2006, Ms Howell was a senior executive with Apache, holding the positions of Regional Vice President at Apache Corporation and Managing Director of the Australian subsidiary Apache Energy.

Mr de Vietri is a successful geologist who has played a leading role in major petroleum and mineral projects around the world. In particular, he is widely regarded as the person who uncovered Mauritania's and Mali's petroleum potential. He founded and ran the ASX-listed Baraka Petroleum, vending in an extensive package of African tenements.

Under Ms Howell's leadership, the Board has signalled its intention to set Tangiers on course for aggressive growth as part of the plan to develop the Company into a substantial African petroleum group.

The proceeds of the raising will help enable Tangiers to assess growth opportunities in Africa, including potential farm-in deals and acquisitions.

"This raising will enable us to hit the ground running," Ms Howell said. "We see the support shown for this capital raising and the investment by new institutional and existing shareholders as a strong endorsement of the strategy the new Board has undertaken and positions us strongly to fulfil our growth objectives. There are significant opportunities in Africa for Tangiers to acquire interests in exploration and development projects.

"As part of our strategy, we are looking for deals which have the potential to generate substantial returns for shareholders."

For more information, please contact:

Nominated Advisor
RFC Ambrian Limited
Mr Stuart Laing
+ 61 8 9480 2506

Joint AIM Broker
Old Park Lane Capital PLC
Mr Michael Parnes
Mr Luca Tenuta
+ 44 20 7493 8188

Joint AIM Broker
Shore Capital Stockbrokers Ltd
Mr Jerry Keen
Mr Bidhi Bhoma
+ 44 20 7408 4090

Media and Investor Relations:

Australia

Mr Paul Armstrong
Read Corporate
+ 61 8 9388 1474
0421 619 084

United Kingdom

Mr Ed Portman
Tavistock Communications
+ 44 20 7920 3150