

February 4, 2013

3D seismic data confirms 750mmbl potential of Tarfaya well

Tangiers will hold a 25% interest in what could be a company-making well in shallow water off the Moroccan coast

Tangiers Petroleum (ASX: TPT) is pleased to advise that a detailed 3D seismic program has highlighted the significant upside for the Company at its Tarfaya offshore block in Morocco.

The seismic data, which Tangiers has just finished processing, confirms the Trident prospect and secondary objectives at Assaka and TMA potentially contain up to 750 million barrels of recoverable oil with a geological chance of success of 23 per cent, according to Tangiers.

Under the farm-out agreement struck between Tangiers and Portuguese major Galp Energia in December last year, Tangiers will retain a 25 per cent interest in the Tarfaya offshore block.

Subject to approvals from the Moroccan Government for the transaction, Galp will spend US\$41 million, including reimbursing Tangiers US\$7.5 million for costs it has incurred. Galp will also fund an exploration well to target Trident and secondary objectives Assaka and TMA. This is to be drilled before mid-2014 (Fig.1). The mean potential reserves for the Trident prospect and geological chance of success are in line with the estimate provided by Galp in their farm-in press release, last December. On completion of the farm-in approvals, the Tarfaya block will be 50 per cent held by Galp as operator, with DVM (Tangiers) and ONHYM each holding 25 per cent.

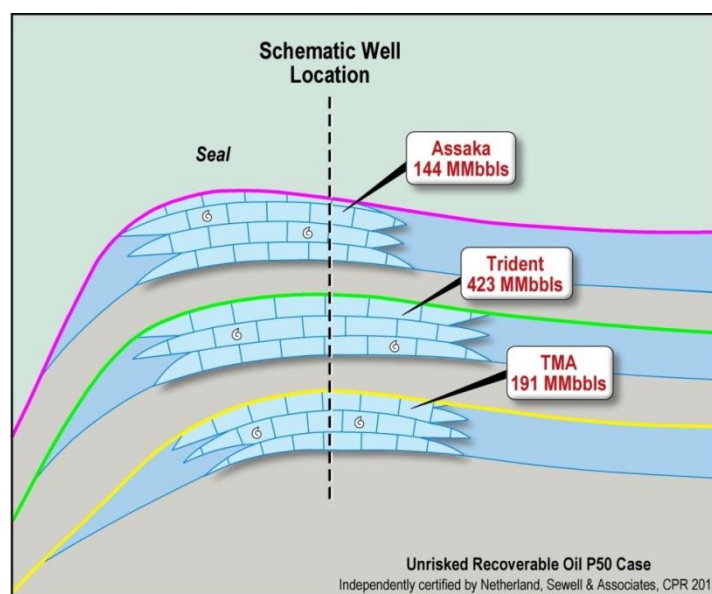


Fig.1. Schematic of proposed well

Tarfaya Offshore Block

The Tarfaya offshore block is located in an area where a hydrocarbon system associated with Jurassic carbonates has already been proven by the Cap Juby discovery in the 1960s.

This fairway is rapidly gaining recognition for its potential to host world-class oil discoveries and several independent petroleum companies have recently acquired significant interests in the region, including the London Stock Exchange-listed Cairn Energy and Genel Energy.

Cairn and Genel are partners in the Cap Juby oil discovery to the west of Tarfaya. Genel estimates that Cap Juby has the potential to deliver 250 million barrels. Genel has stated that an appraisal/exploration well is planned for 2014 as part of the plan to realise Cap Juby's potential.

Genel also has 60 per cent of another nearby block in the region known as Sidi Moussa, where it is targeting a resource of more than 850 million barrels of oil equivalent. The first exploration well is scheduled for the first half of next year. In addition to this, Genel has a 75 per cent stake in the adjacent Mir Left block, another Jurassic Carbonate play. The first well there is planned for 2014.

As well as its stake in Cap Juby, Cairn has a 50 per cent interest in the Four Draa Blocks in the area.

Based on published work programs, up to four exploration wells are expected to target the Jurassic Carbonate fairway in this area over the next 12 to 18 months.

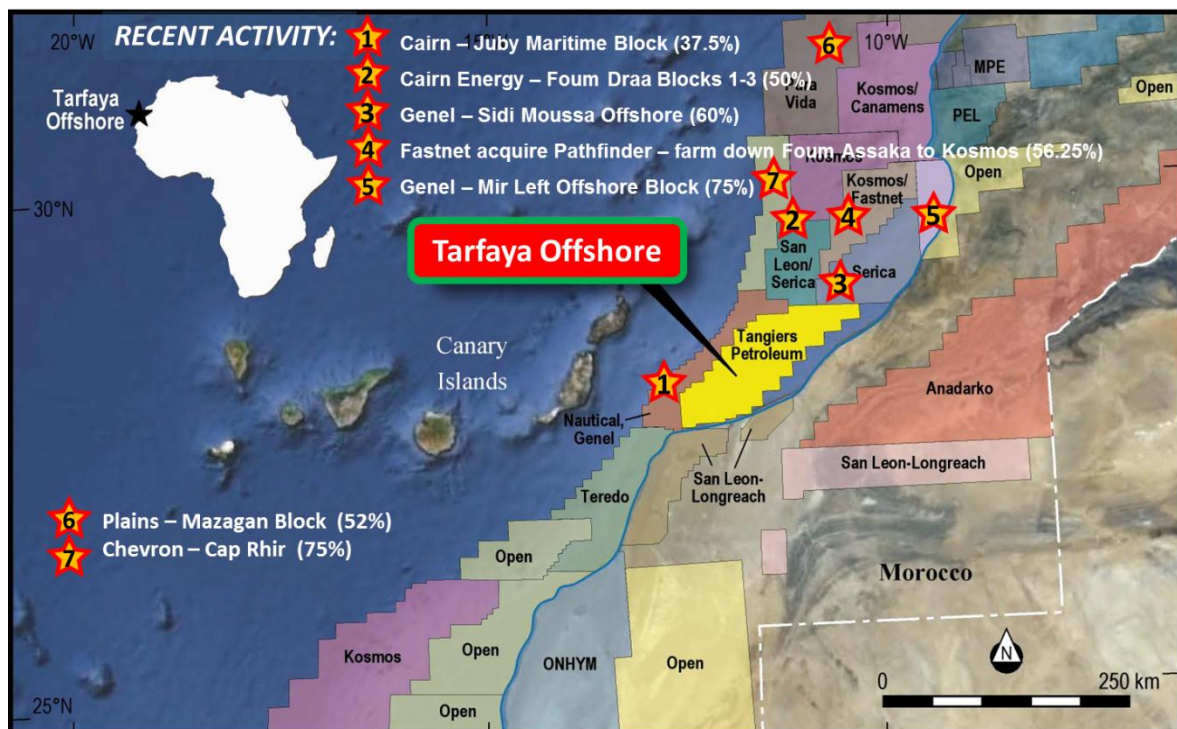


Fig.2 Recent awards/farm-ins and acquisitions around the Tarfaya offshore block

3D Seismic Data

The seismic data comparison below shows one of the lines from the new 3D seismic data set and one of the older (2004) 2D seismic lines from the same location. The new 3D data shows much better definition and continuity of the seismic horizon that defines the Trident structure (Fig. 3)

Assaka 3D (2013) vs 2D data (2004)

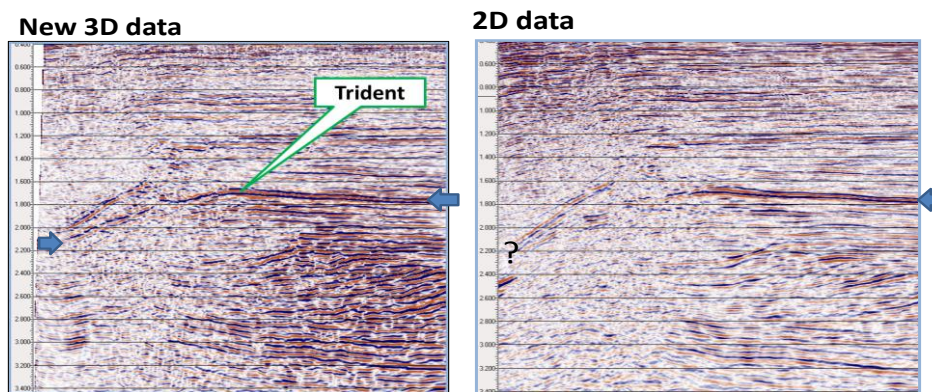


Fig.3 Comparison of new 3D data with previous 2D data (2004)

With the better definition of the Trident structure provided by the 3D data, Tangiers has re-evaluated the geological chance of success of the well and upgraded it from the previously advised 14% (as independently assessed by Netherland, Sewell and Associates in 2011) to 23%.

“The growing interest shown in this area by several well-regarded companies, combined with our own assessments of the geology, highlights the substantial potential of the Tarfaya block,” Tangiers Executive Chairman Eve Howell said.

“The Trident prospect alone is a potential company-maker and we have already identified several other Jurassic prospects in the block. With Galp carrying the cost of the first well, Tangiers has a significant exposure to this upside while also being free to pursue our strategy of acquiring other growth assets in Africa.”

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