

1 May 2014

Completion of Tarfaya Farm-out Agreement paves way for spudding of TAO-1 well in June

Tangiers Petroleum Limited (ASX: TPT; AIM: TPET) (“Tangiers” or the “Company”) is pleased to announce that the TAO-1 well off the Moroccan coast is on track to be spudded in June, with the Moroccan National Office of Hydrocarbons and Mines providing its final approval relating to the farm-out agreement between Tangiers and Galp Energia (“Galp”).

The signing of the Amended and Updated Association Contract by the Moroccan National Office of Hydrocarbons and Mines satisfies the final condition precedent under the Farm-out Agreement.

Under the agreement, Galp is now due to reimburse Tangiers US\$7.5 million for back costs. In addition, the US\$3 million bank guarantee currently held in Morocco will be returned to Tangiers.

These funds will help meet Tangiers’ 33 per cent share of any costs incurred in drilling the TAO-1 well in excess of the US\$33m allowed for under the free-carry terms of the well.

Tangiers Managing Director David Wall said the signing of the association contract marked the start of an exciting new chapter for the Company.

“The TAO-1 well is a potential company-making opportunity so we are delighted that the final approval has been granted and that the well is on track to be spudded next month,” Mr Wall said.

Tangiers has a 25 per cent stake in the Tarfaya Offshore Block.