

27 May 2014

Tangiers completes raising with a further \$4M share placement

Tangiers Petroleum Limited (ASX: TPT; AIM: TPET) (“Tangiers” or the “Company”) is pleased to advise that it has raised \$4 million, before costs, through the placement of 25 million shares at 16c each to specified wholesale, institutional and sophisticated investors in Australia. The raising is in addition to an initial \$5 million share placement, also at 16c a share, announced by Tangiers earlier this month (see ASX release dated May 13, 2014).

At the time of the initial placement the Company had planned to raise up to \$10 million. Cautious investor demand following Tangiers’ prolonged period of suspension from share market trading resulted in the Company raising only \$5 million.

Tangiers has since experienced strong, unsolicited demand from major investors for the remainder of the placement stock. The proceeds of the raising will be used to meet Tangiers’ 33 per cent share of any costs incurred in excess of the US\$33m free carry limit provided by the Tarfaya Farm-Out Agreement for the drilling of the TAO-1 well.

Tangiers Managing Director Dave Wall said the Company had accepted the additional funds because it believed the \$4 million placing struck the right balance between being financially prudent and limiting shareholder dilution.

“We believed from the outset that a raising of \$8-\$10 million was the ideal amount given our possible outlays in relation to the well and our strategy to ensure that shareholders had the maximum possible exposure to drilling success.” Mr Wall said.

“Strong investor interest in the well has now enabled us to achieve that initial target and as a result we are in a strong cash position as we await spudding.”

Drilling of the TAO-1 well off the Moroccan Atlantic coast is on track to commence in mid-late June (see ASX release dated May 22, 2014).

Tangiers has a 25 percent participating interest in the Tarfaya Offshore Block, which is being operated by Galp Energia who has a 50 percent interest. The remaining 25 percent interest is held by ONHYM (Morocco’s National Office of Hydrocarbons and Mines), which is carried through the exploration phase.

The TAO-1 well is located within a proven petroleum system, adjacent to the Cap Juby oil discovery, and is targeting three stacked objectives.

The \$4 million placement, which will be completed in one tranche, is subject to shareholder approval at the Annual General Meeting of shareholders scheduled to be held in early June.

DJ Carmichael Pty Ltd, Foster Stockbroking Pty Ltd and BBY Limited are acting as Joint Lead Managers of the Placement.

Application will be made for the new shares to be admitted to trading on both the ASX and the AIM market.

About Tangiers Petroleum: Tangiers Petroleum is an Australian-based oil explorer with assets offshore Morocco in shallow water. The Company is scheduled to spud the high impact TAO-1 exploration well in mid-late June, targeting best estimate net resource potential of 190mmbbl of oil (gross 758mmbbl, TPT 25%).*

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

** Independently certified by NSAI as at 1 May 2011 – see NSAI Assessment of Prospective Oil Resources, market announcement dated 27 May 2011*

The Prospective Resource estimates above have been reviewed by Mr Brent Villemarette who is an Executive Director of Tangiers. Mr Villemarette is a reservoir engineer with over 30 years' experience and is a member of the Society of Petroleum Engineers. Mr Villemarette has reviewed the information and supporting documentation referred to in this announcement and considers the estimates to be fairly represented and consents to its release in the form and context in which it appears.

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