TANGIERS PETROLEUM LIMITED
(TO BE RENAMED 88 ENERGY LIMITED)
ACN 072 964 179
(COMPANY)

PROSPECTUS

For the offer of up to 600,000,000 Shares at an issue price of $0.01 per Share to raise up to $6,000,000, with a minimum subscription of $3,500,000, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for (**Offer**).

The Company reserves the right to accept oversubscriptions of up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for. The maximum amount that may be raised under the Offer is therefore $6,913,193 before the costs of the Offer.

The Offer is scheduled to close at 5.00pm (WST) on 6 March 2015 unless extended or withdrawn or the Company exercises its right to close the Offer early. Applications must be received before that time to be valid.

This Prospectus also contains offers of Options to:

(a) Energy Capital Partners (or its nominees) (**ECP**) in part consideration for ECP's facilitation of the Acquisition (**ECP Option Offer**);

(b) Hartleys Limited (or its nominees) (**Hartleys**) in part consideration for acting as lead broker to the Offer (**Hartleys Option Offer**); and

(c) Michael Evans, David Wall, Stephen Staley and Brent Villemarette (or their respective nominees) (together, the **Directors**) under the Company's Incentive Option Scheme (**Director Option Offer**),

(together, the **Option Offers**).

Refer to Section 7.8 of this Prospectus for further details of the Option Offers.

Lead Manager to the Offer: Hartleys

Co-managers to the Offer: DJ Carmichael BBY

IMPORTANT INFORMATION
This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

CONTENTS

1. CORPORATE DIRECTORY

Directors Mr Michael Evans (Non-Executive Chairman) Mr David Wall (Managing Director) Mr Brent Villemarette (Non-Executive Director) Dr Stephen Staley (Non-Executive Director) **Joint Company Secretaries** Ms Sarah Smith Ms Amy Just **Current ASX Code:** TPT **Proposed ASX Code:** 88E **Current AIM Code:** Shares: TPET **Proposed AIM Code:** Shares: 88E **Lead Manager to the Offer*** Hartleys Limited Level 6 141 St Georges Terrace Perth WA 6000 **Co Managers to the Offer*** DJ Carmichael Pty Ltd Level 3 216 St George's Terrace PERTH WA 6000 BBY Limited Level 4 109 St Georges Terrace Perth WA 6000 Australia **AIM Nominated Adviser and Broker*** RFC Ambrian Ltd Level 15, QV1 Building 250 St Georges Terrace, Perth WA 6000	**Registered Office** Level 2 5 Ord Street West Perth WA 6005 Telephone: +61 (0)8 9485 0990 Facsimile: +61 (0)8 9321 8990 Email: admin@tangierspetroleum.com.au Website: www.tangierspetroleum.com.au **Share Registry*** Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth WA 6000 Australian Telephone: 1300 850 505 International Telephone: +61 (0)8 9323 2000 Facsimile: +61 (0)8 9323 2033 **Australian Legal Advisers** Steinepreis Paganin Lawyers and Consultants Level 4, The Read Buildings 16 Milligan Street PERTH WA 6000 **United States Legal Advisers** Looper Goodwine P.C. 1300 Post Oak Blvd. Suite 2400 Houston, TX 77056 **Auditor to the Company*** Ernst & Young 11 Mounts Bay Road Perth WA 6000 **Investigating Accountant** BDO Corporate Finance Pty Ltd 38 Station Street Subiaco WA 6008 **Independent Petroleum Consultants – Resource Evaluation** DeGolyer and MacNaughton 5001 Spring Valley Road Suite 800 East Dallas, Texas 75244

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

2.1 General

This Prospectus is dated 16 February 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offer, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Tangiers Petroleum Limited (**TPT**) in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

2.2 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

2.3 Expiry Date

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.4 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Except as required by law, and only then to the extent so required, neither Tangiers nor any other person warrants the future performance of Tangiers, or any return on any investment made under this Prospectus.

2.5 Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Sections 5 and 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.6 Qualified Petroleum Resources Evaluator Statement

The estimates of petroleum prospective resources in relation to the Icewine Project contained in this Prospectus, including in the Independent Resource

Report in Section 11, are based on, and fairly represent, information and supporting documentation prepared by, or under the supervision of, Dr John W Hornbrook who is Senior Vice President with, and employed by, DeGolyer & MacNaughton. He has over 20 years experience in the oil and gas industry.

Dr John W Hornbrook is a qualified and registered professional petroleum engineer in the State of Texas and is a member of the Society of Petroleum Engineers. He has consented to the estimates of petroleum prospective resources and supporting information in relation to the Icewine Project being included in this Prospectus in the form and context in which they are presented and has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

2.7 Foreign jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia, Singapore, Hong Kong or the United Kingdom. Refer to Section 7.17 for more details.

United Kingdom

Without limiting the statements above, the Offer will be made in the United Kingdom in reliance on exemptions to the Financial Services and Markets Act 2000 (United Kingdom) (**FSMA**) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**Financial Promotion Order**).

The total amount raised under the Offer is less than €5,000,000 or its equivalent in Australian dollars, which means that this prospectus does not constitute an 'approved prospectus' for the purposes of section 85 and schedule 11A of the FSMA or the United Kingdom's Prospectus Rules. Accordingly the Prospectus has not been registered, approved or examined by the United Kingdom Financial Conduct Authority and therefore may not contain all of the information that a disclosure document or prospectus is required to contain under English law.

The Offer being made under this Prospectus is only being made in the United Kingdom to persons who are of a kind described in Article 43(2) (members and creditors or certain bodies corporate) of the Financial Promotion Order as at 5.00pm (BST) on the date of this Prospectus. Any investment to which this document relates is available to only those persons described above and persons who do not fall into that category should not rely on this document nor take any action in relation to it.

The amount raised under the Offer in the European Economic Area in the twelve month period preceding the Closing Date will be less than €5,000,000 or its equivalent in Australian dollars.

2.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of TPT, its Directors and management.

Although TPT believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of TPT, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will provide to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, TPT has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

2.9 Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to TPT, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise TPT to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, TPT may not be able to accept or process your acceptance of the Offer.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, TPT does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 0 of this Prospectus. A fee may be charged for access.

2.10 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of TPT at www.tangierspetroleum.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in TPT, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offer to be accepted electronically or by applying online. Securities will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting TPT.

TPT reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.11 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 17 of this Prospectus.

2.12 Time

All references to time in this Prospectus are references to Australian Western Standard Time.

2.13 Singapore, Hong Kong or the United Kingdom

The Offer may involve a foreign currency exchange risk as the currency for Shares is not Singapore dollars, Hong Kong dollars or British Pounds.

2.14 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company Secretary, Ms Sarah Smith on +61 (0)8 9322 7600 or the Share Registry on 1300 850 505.

3. KEY DATES

Indicative timetable*

Lodgement of Prospectus with the ASIC and ASX and opening of the Offers	16 February 2015
Closing Date of the Offers	6 March 2015
Issue of Securities under the Offers	11 March 2015
Despatch of holding statements for Securities	12 March 2015
Quotation of Securities issued under the Offer on ASX	16 March 2015
Quotation of Shares issued under the Offer on AIM	16 March 2015
Completion of the Acquisition**	Q2 2015

** The above dates are indicative only and may change without notice. TPT reserves the right to extend the Closing Date or close the Offers early without prior notice. TPT also reserves the right not to proceed with the Offers at any time before the issue of Securities to Applicants.*

*** The above stated date for the completion of the Acquisition is only a good faith estimate by the Directors and may be extended.*

4. CHAIRMAN'S LETTER

Dear Shareholders and Investors,

On behalf of the directors of Tangiers Petroleum Limited (to be renamed 88 Energy Limited) (**Tangiers** or the **Company**), I am pleased to invite you to participate in an issue of up to 600,000,000 Shares at an issue price of $0.01 per Share to raise up to $6,000,000 before potential oversubscriptions, with a minimum subscription of $3,500,000, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for (**Offer**).

The Offer provides an opportunity for both existing shareholders and investors who become shareholders to participate in Tangiers' future as it makes its move to acquire up to an 87.5% interest[1] in, and become operator of, a large acreage position of up to 99,360 contiguous acres (the **Icewine Project**) on a liquids-rich exploration opportunity in the North Slope of Alaska, onshore North America. This will be a transformational acquisition for Tangiers towards its goal of building a successful petroleum exploration and production company.

The North Slope of Alaska is a mature oil producing region hosting the largest onshore field in North America. Significant infrastructure is in place including an all year round access road, the Dalton Highway, and the TransAlaska Pipeline System (TAPS), both of which run through the Icewine Project.

Significantly, the Icewine Project contains two play types that are considered highly prospective with considerable upside. The conventional oil play is ranked number 1 by the US Geological Survey for onshore exploration potential in North America and the unconventional play has an independently estimated gross unrisked mean prospective resource of 492 million barrels of recoverable oil (being up to ~431 million barrels net to the Company based on an 87.5% interest) from 8 billion barrels estimated oil in place[2]. The Icewine Project's location on the only year round access road, adjacent to the TransAlaska pipeline, means that any success we may have can be quickly monetised.

The Offer is scheduled to close at 5.00pm (WST) on 6 March 2015 unless extended, withdrawn or closed early. Applications must be received before that time to be valid.

The Board is committed to managing Tangiers with competence and integrity in a way that maximises the opportunity for shareholders to participate in the economic benefits of prudent exploration and development.

[1] The initial interest earned by the Company (via a US subsidiary) in the petroleum exploration leases comprising the Icewine Project will be between 80.1% and 87.5%, depending on the amount paid by the Company towards outstanding costs associated with the grant of the leases. The remaining interest will be held by the Company's joint venture partner, Burgundy Exploration LLC (**BEX**). The Company's initial interest will decrease to between 66.8% and 77.8%, and BEX's interest will increase accordingly, upon the first well being spudded on part of the Icewine Project. Refer Section 6.4 for details.

[2] Refer to the Independent Resource Report in Section 11 of this Prospectus for details. Adjusting for the risk of geological success, this equates to a gross mean prospective resource of 200 million barrels of recoverable oil for the entire Icewine Project (~175 million barrels net to the Company based on an 87.5% working interest). The estimates of quantities of petroleum that may potentially be recovered by the application of future development project(s) 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 moveable hydrocarbons. Prospective resource assessments were estimated using probabilistic methods in accordance with SPE-PRMS standards.

Further information on the Offer is detailed in this Prospectus. You should read the entirety of this Prospectus carefully, before deciding whether to participate in the Offer.

If you have any further questions about the Offer, you should seek advice from your stockbroker, accountant or other independent professional adviser, or you can call the Company Secretary, Ms Sarah Smith on +61 (0)8 9322 7600 at any time between 8:30am and 5:30pm (Perth time) on Monday to Friday during the Offer period.

On behalf of the Board, I thank you for your continued support of the Company and invite you to participate in the Offer.

Yours faithfully,

Michael Evans
Non-Executive Chairman

5. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered under this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Tangiers Petroleum Limited (ACN 072 964 179) is a junior oil and gas exploration company which is listed on ASX and AIM (ASX:TPT, AIM: TPET).	Section 6.1
Who is TPT?	TPT listed on the ASX on 20 January 2000 and on the AIM on 3 February 2012. The current principal activity of the Company is the exploration for petroleum in the Tarfaya Offshore Block in Morocco, in which the Company's subsidiary, DVM, holds a 25% interest. Subject to necessary regulatory approvals being obtained, the Company intends to dispose of its 25% interest in the Tarfaya Offshore Block (**Disposal**) and acquire up to an 87.5% working interest in the Icewine Project, an exploration petroleum project located onshore Alaska (**Acquisition**). TPT proposes to change its name to 88 Energy Limited on completion of the Acquisition which, in the Board's opinion, will be better suited to the Company's new strategic direction.	Sections 6.1 and 6.4
B. Business Model		
What is the Company's business model?	The Company's goal is to build a successful petroleum exploration and production company that delivers material benefits to its shareholders and contributes to the development of the regions in which it works. It aims to achieve this by targeting overlooked or emerging play types where its small team of experts can move quickly to capitalise on opportunities prior to larger players moving in. Subject to receipt of regulatory approval, and completion of the Offer, the Company intends to dispose of its 25% interest in the Tarfaya Offshore Block and acquire up to an 87.5% interest in the Icewine Project.	Section 6

C. Key Risks		
What are the key risks of an investment in TPT?	The key risks associated with an investment in the Company are set out below. Additional risks are set out in Section 8 of this Prospectus. **Disposal of interest in Tarfaya Project** DVM, a wholly owned subsidiary of the Company, has entered into a deed of assignment with Galp Energia Tarfaya BV (**Galp**) for the transfer of DVM's 25% interest in the Tarfaya Project to Galp, and an amendment deed with Galp and the Office National des Hydrocarbures et des Mines (**ONHYM**) to amend the various agreements governing the Tarfaya Project to remove DVM as a party. The formal transfer of DVM's 25% interest to Galp is now only conditional on final approval by the relevant Moroccan government ministers. If this approval is not obtained by 19 September 2015 (or such later date as Galp and DVM agrees) and DVM and Galp do not otherwise withdraw from the Tarfaya Project before then, DVM will remain liable to pay Galp an amount of US$3,436,019 in outstanding expenses incurred on the Tarfaya Project (**Outstanding Amount**) plus default interest. The Company is not aware of any reason why the necessary approval will not be obtained within this timeframe or, in the alternative, why Galp would not agree to an extension of the date for transfer. If DVM and Galp withdraw from the Tarfaya Project, DVM will not be liable to pay the Outstanding Amount to Galp, but will be liable for its proportionate share of withdrawal costs in accordance with the existing agreements that govern the Tarfaya Project which are not anticipated to be material. Refer to Section 6.3 for details. **Acquisition of interest in Icewine Project** Burgundy Xploration, LLC (**BEX**) has been advised that it is the apparent highest bidder for new petroleum exploration leases that will form over 90% of the Icewine Project. BEX has agreed to transfer up to an 87.5% interest in these leases, to the Company once granted, plus the	Section 8

	remaining leases comprising the Icewine Project that are held by BEX, subject to Alaskan regulatory approval to the transfers. Grant of the new leases is subject to the Alaskan Department of Natural Resources (**DNR**) completing its internal approval processes and the payment of outstanding lease costs by the Company for each of the leases (~US$2,980,000 for 100% of the leases). The lease costs are payable 30 days after the DNR notifies BEX that payment is due, which it is expected to be in Q2 2015. The Company is not aware of any reason why the DNR will not grant the Icewine Project leases to BEX once remaining lease costs are paid, or consent to the transfer of up to an 87.5% interest in the Icewine Project leases to the Company from BEX, but cannot give a guarantee in this regard. The Company has agreed to pay at least 50% of the outstanding lease costs (~US$1,490,000) on behalf of BEX and may pay up to 100%. The amount it pays will determine the interest it acquires in the Icewine Project and the number of leases that are granted by DNR. If the Company only pays 50% of the outstanding lease costs: • only ~50% of the leases applied for will be granted, as chosen by BEX, with the right to the remaining leases to be forfeited along with the 20% deposit paid by the Company in relation to those leases; and • the Company will only be entitled to ~80.1% of the Icewine Project. If the Company pays between 50% and 100% of the outstanding lease costs, it will be entitled to a higher interest in the Icewine Project on a proportional basis, up to a maximum 87.5% interest if it pays 100% of the outstanding lease costs, and the number of leases granted will also increase proportionally. If the Company only raises the minimum subscription under the Offer, it will have sufficient funds to pay 50% of the outstanding lease costs. In this case, the Company may seek to raise further funds so that it can acquire more than an 80.1% interest in those leases, and so that more	

	than 50% of the leases may granted. This funding may be through equity or debt financing, joint ventures, production sharing arrangements or other means. Any additional equity financing will dilute shareholdings and debt finance, if available, may restrict financing and operational activities. Refer to Sections 6.4, 6.5, 6.8, 14.2 and 14.3 for details. **Joint Venture Counterparty risk** On completion of the Acquisition, the Company, via its subsidiary Energy Alaska, will hold a participating interest in the Icewine Project together with BEX. These parties will contribute to the Icewine Project in accordance with the Joint Development Agreement and the Joint Operating Agreement. If BEX fails to comply with its contractual obligations there is a possibility, depending on the nature of the breach, that title to leases could be forfeited or fines or other sanctions imposed. The Company has no current reason to believe that BEX will not meet and satisfy its obligations under those agreements. **Oil & Gas Exploration** Oil and gas exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries. Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data. **Future capital requirements** It is likely that the Company will need to raise additional funds to finance its activities in the future. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. There can be no guarantee that the Company will be able to raise that finance on acceptable terms or in a timely manner. Any additional equity financing will dilute shareholdings and debt finance, if available, may restrict financing and	

	operational activities. If the Company is unable to obtain funding as needed, the Company may have to reduce the scope of its activities. **Unforeseen expenditure risk** The funds to be raised under the Offer are considered sufficient to meet the objectives of the Company in the near future. However, expenditure may need to be incurred which has not been taken into account in preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely impact budgeted expenditure proposals by the Company. **Reliance on Key Personnel** The responsibility of overseeing the day to day operations of the Company and its business strategy moving forward depends substantially on the Directors and, in particular, the Managing Director, Mr David Wall. There can be no assurance that there will be no detrimental impact on the Company if one of the Directors was to leave.	
D. Directors		
Who are the Directors of the Company?	The Company's current Board comprises of: • Mr Michael Evans (Non-Executive Chairman) • Mr David Wall (Managing Director) • Mr Brent Villemarette (Non-Executive Director) • Dr Stephen Staley (Non-Executive Director) The profiles of each of these individuals are set out in Section 9.1. Details of the personal interests of each of the above individuals are set out in Section 9. The Acquisition will not result in any changes to the Company's management or Board of Directors.	Section 9.1

E. Financial Information		
What is the key financial information?	As outlined in Section A above, the Company is seeking to dispose of its 25% interest in the Tarfaya Offshore Block and acquire up to an 87.5% interest in the Icewine Project. As such, the Company's historical financial information is not considered relevant to its current and future operations. The Investigating Accountant's Report in Section 10 sets out a summary of the Company's historical statement of financial position as at 31 August 2014 and a reviewed pro forma statement of financial position as at 31 August 2014 incorporating and showing the effect on the Company of the Disposal, the Acquisition and the completion of the Offer.	Sections 6.9 and 10
What is the financial outlook for the Company?	The operations of the Company are inherently uncertain. Post completion of the Disposal, the Offer and the Acquisition, the Company's financial performance is dependent on the Company's ability to execute its strategy in relation to the Icewine Project. As such, the Directors believe that they do not have a reasonable basis to forecast future earnings.	
Does the Company have sufficient funds for its activities?	The funding for the Company's short to medium term activities will be generated from a combination of the money raised under the Offer and existing cash reserves.	Sections 7.11 and 10
F. Offer		
What is the Offer?	The Company is inviting applications under the Offer for up to 600,000,000 Shares, at an issue price of $0.01 per Share, to raise up to $6,000,000, with a minimum subscription of $3,500,000, together with one (1) free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for and issued. The Company reserves the right to accept oversubscriptions of up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for.	Sections 7.1 and 7.14

	This Prospectus also contains offers of: • 30,000,000 Options to Energy Capital Partners (or its nominees) (**ECP**) in part consideration for ECP's facilitation of the Acquisition (**ECP Option Offer**); • up to 20,000,000 Options to Hartleys Limited (or its nominees) (**Hartleys**) in part consideration for acting as lead broker to the Offer (**Hartleys Option Offer**); • up to 45,000,000 Options to the Directors (or their respective nominees) in the amounts set out in Section 7.8, under the Company's Incentive Option Scheme, (together, the **Option Offers**). In addition, this Prospectus also contains a Cleansing Offer of Shares for the purpose of removing secondary trading restrictions on the sale of Shares issued without disclosure after the date of this Prospectus. Further details of the Cleansing Offer are set out in Section 7.9.	
What will the Company's capital structure look like after completion of the Offers and the Acquisition?	As at the date of this Prospectus, TPT has 452,026,723 Shares on issue and 34,525,087 unlisted Options on issue. Following completion of the Offers, TPT is expected to have a maximum of 1,046,526,723 Shares on issue and 429,525,087 Options on issue (assuming $6,000,000 is raised under the Offer).	Section 6.12
What are the terms of the Securities offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares and the Options offered under the Offers is set out in Sections 15.2 to 15.5.	Sections 15.2 to 15.5
Will any Securities be subject to escrow?	No. Securities issued under the Offers will not be subject to any escrow requirement by the ASX.	
Will Securities be quoted?	Application for quotation of all Shares and Options to be issued under the Offer (and Options under the ECP Option Offer) will be made to ASX no later than 7 days after the date of this Prospectus. Application for the admission of the Shares to trading on AIM will be made no later than 7 days after the date of this Prospectus. The free attaching Options will not be quoted on AIM.	Section 7.15
What are the key dates of the	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3

Offers?		
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of $2,000 worth of Shares (200,000 Shares) and thereafter, in multiples of $500 worth of Shares (50,000 Shares).	Section 7.5
G. Use of proceeds		
How will the proceeds of the Offer be used?	The Offer proceeds will be used for: • expenses of the Offer; • acquisition of up to an 87.5% interest in the Icewine Project; • exploration in respect of the Icewine Project; and • working capital of the Company.	Sections 7.11 and 15.10
H. Additional information		
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	
Where can I find more information?	• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser • By reviewing TPT's public announcements, which are accessible from ASX's website at www.asx.com.au under the ASX code "TPT" • By visiting TPT's website at www.tangierspetroleum.com.au • By contacting the Ms Sarah Smith the Company Secretary on +61 (0)8 9322 7600 • By contacting the Share Registry on 1300 850 505.	

6. COMPANY OVERVIEW

6.1 Company Overview

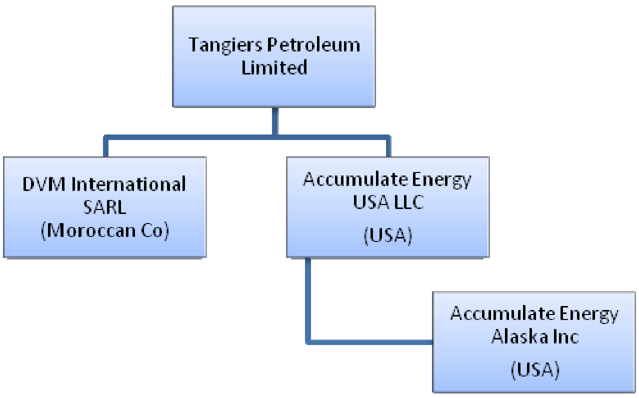
This Section 6.1 contains a summary of TPT's activities. Further information can be found on TPT's website, www.tangierspetroleum.com.au.

The Company was incorporated on 21 February 1996. On 17 September 1999, the Company converted to a public company and was admitted to the Official List of ASX on 19 January 2000 and to the official list of the AIM on 3 February 2012.

From its listing on ASX in 2000 until 2007, the Company operated in the digital and media technology industry. In 2007, the Company undertook a change of direction and entered into the petroleum industry. The Company changed its name to Tangiers Petroleum Limited on 24 May 2010. Since 2007, Tangiers has focused on oil and gas exploration in several international and Australian petroleum provinces.

6.2 Corporate Structure

The corporate structure of Tangiers is outlined below.



6.3 Tarfaya Offshore Block

The Company, through its wholly owned subsidiary DVM International SARL (a company incorporated in Morocco) (**DVM**), has a 25% interest in the Tarfaya Offshore Block, an offshore oil and gas project located in Morocco (**Tarfaya Project**).

The remaining 75% interest in the Tarfaya Project is held by Office National des Hydrocarbures et des Mines (**ONHYM**), the Moroccan state company (who has a 25% interest), and Galp Energia Tarfaya BV (a company incorporated in the Netherlands) (**Galp**) which has a 50% interest and is Operator.

The Tarfaya Offshore Block is located on the Moroccan Atlantic margin and currently comprises 8 contiguous permits covering an area of 11,281 square km (approximately 2.8 million acres). The Tarfaya Offshore Block is located approximately 600 km southwest of Morocco's capital Rabat, inboard of the Canary Islands on a shallow shelf with water depths generally under 200m.

On 24 March 2014, the Company announced that Galp had entered into an agreement to secure access to the Ralph Coffman Drilling Unit to undertake exploration drilling in the Tarfaya Offshore Block. The Ralph Coffman jack-up rig commenced drilling operations at the TAO-1 exploration well on 26 June 2014.

The TAO-1 well was designed to test three stacked objectives within the Jurassic carbonate fairway, Assaka (secondary objective), Trident (primary objective) and TMA.

The Company announced on 4 August 2014 that the TAO-1 exploration well had been unsuccessful. The exploration well was drilled to a total depth of 3,518m and did not encounter favourable reservoir quality at Trident. No hydrocarbon shows were encountered at Assaka, the younger secondary objective in the Upper Jurassic, either. The TAO-1 exploration well was plugged and abandoned in line with industry practise.

Following an internal strategic and technical review, the Company announced its intention to exit the Tarfaya Offshore Block on 24 September 2014.

The Company entered into a Deed of Termination and Release on 19 September 2014 with Galp and Galp Energia SGPS S.A. (a company incorporated in Portugal) (**Galp Portugal**) that sets out the terms of a settlement in relation to DVM's funding obligation for the TAO-1 exploration well, totalling US$18,563,979, and the disposal of DVM's 25% interest in the Tarfaya Project (**Deed of Termination**).

The key commercial terms of the Deed of Termination are:

(a) a cash settlement payment, of US$8 million, which has been paid by the Company to Galp;

(b) subject to receiving necessary regulatory approvals, DVM has agreed to transfer its remaining 25% interest in the Tarfaya Project to Galp in consideration for US$3,436,019, which will be offset against the same amount in operational expenses owed by DVM to Galp (**Outstanding Amount**);

(c) transfer and withdrawal from the permit are subject to normal government and ONHYM approvals. The current phase of the permit expires in February 2015 but the Company understands that certain approvals have been granted and that it is highly likely that ONHYM will extend this to 3 November 2015. DVM fully intends to transfer or, failing that, withdraw from the permit within the specified timeframe. Tangiers has agreed to indemnify Galp in relation to any damages arising from a breach of the agreement with Galp;

(d) if DVM does not transfer its interest in the Tarfaya Project (and DVM and Galp do not withdraw from the Tarfaya Project) by 19 September 2015 (or such later date as mutually agreed):

    (i) DVM will be liable to pay the Outstanding Amount to Galp plus default interest; and

    (ii) DVM will retain its interest in the Tarfaya Project[3];

[3] The Company has entered into a deed of assignment with Galp for the transfer of DVM's 25% interest to Galp, and an amendment deed with Galp and ONHYM to amend the various agreements governing the Tarfaya Project to remove DVM as a party. The formal assignment of DVM's 25% interest to Galp is now only conditional on final approval by the relevant Moroccan government ministers, which the Company expects will be obtained before 19 September 2015. However, if not obtained by this date, the Company currently anticipates Galp will agree to extend the date for transfer of DVM's 25% interest to Galp to allow sufficient time for such approval to be obtained.

(e) the formal transfer of DVM's 25% interest to Galp is now only conditional on final approval by the relevant Moroccan government ministers;

(f) if both DVM and Galp elect to withdraw from the Tarfaya Project, DVM will be released from its obligation to pay the Outstanding Amount to Galp but will remain liable for its share of withdrawal and abandonment costs which are not anticipated to be material; and

(g) whether or not DVM transfers its interest or withdraws from the Tarfaya Project, in the event that the market capitalisation of the Company exceeds US$50,000,000 within the seven years of the date of the deed, or the Company de-lists from the ASX for any reason, the Company must, within 60 days, either:

(i) issue Shares to Galp or its nominee equal in value to the Outstanding Amount (based on a 10 day volume weighted average price) (**Deferred Shares**); or

(ii) if Galp so elects, or the Company is unable to issue the Deferred Shares, pay Galp or its nominee an amount equal to the Outstanding Amount.

DVM's 25% interest in the Tarfaya Project currently comprises the Company's main undertaking.

The ASX advised the Company that it requires Shareholder approval under ASX Listing Rule 11.2 to dispose of its interest in the Tarfaya Project as it comprises its main undertaking. The Company obtained Shareholder approval at the General Meeting to dispose of the Tarfaya Project.

6.4 Acquisition of Icewine Project

In November 2014, the Company entered into a non binding term sheet with Burgundy Xploration, LLC (**BEX**) and certain other parties (**Icewine Terms Sheet**) to acquire up to an 87.5% working interest in certain yet to be granted onshore petroleum exploration leases (**Leases**) within an area of mutual interest (**AMI**) extending over up to 90,720 acres in North Alaska known as the Icewine Project (**Acquisition**).

BEX already holds an interest in oil and gas leases over 8,640 acres located within the AMI (**BEX Leases**), which it agreed to contribute to the Icewine Project, resulting in a total potential area of 99,360 acres under the Leases and the BEX Leases.

A summary of the Icewine Terms Sheet is set out in Section 14.2 of this Prospectus.

The Company has incorporated a US subsidiary, Accumulate Energy Alaska Inc (**Energy Alaska**), to own its working interest in the Icewine Project.

Energy Alaska entered into a joint development agreement with BEX and certain other parties in relation to the Icewine Project to give effect to the Icewine Terms Sheet (**Joint Development Agreement** or **JDA**). A summary of the key terms of this agreement is set out in Section 14.3 of the Prospectus.

In accordance with the above agreements:

(a) BEX applied to be granted the Leases by the Alaskan Department of Natural Resources (**DNR**), with the Company paying a 20% deposit

(~US$520,000) on behalf of BEX to the DNR on 11 November 2014 in respect of the costs of the proposed Leases;

(b) BEX has been advised that it is the apparent highest bidder on the Leases. Formal award of the Leases by the DNR to BEX is expected to occur during the second quarter 2015 (which is indicative only and dependent upon governmental processes), at which point BEX has 30 days to pay the remaining 80% of the Lease costs, which total ~US$2,980,000;

(c) under the terms of the JDA with BEX, Energy Alaska must contribute at least 50% of the remaining Lease costs (ie no less than ~US$1,490,000) and may contribute up to 100% (being ~US$2,980,000). Where Energy Alaska pays 50% of the remaining Lease costs, it will be entitled to an ~80.1% interest in the Icewine Project. If it funds more than 50%, it will be entitled to a higher percentage interest on a proportional basis, up to a maximum 87.5% interest if it pays 100% of the remaining Lease costs;

(d) the Company is undertaking the Offer, in part, to raise funds to meet this outstanding Lease cost payment. The minimum subscription under the Offer will raise sufficient funds to meet 50% of the outstanding Lease costs (being US$1,489,833, or AUD$1,794,980 assuming an exchange rate of AUD$0.83;US$1)[4]. The maximum subscription under the Offer will allow the Company to pay 100% of the outstanding Lease costs;

(e) if the Company only raises the minimum subscription under the Offer, and is unable to obtain sufficient additional funding by the date the outstanding payment is due to the State of Alaska to meet 100% of the outstanding payment on all the Leases, the Company will not have sufficient funds to acquire all of the Leases. Under the JDA, BEX must choose to retain as many Leases comprising the Icewine Project as possible, selected by BEX's discretion, with the remaining Leases to be forfeited. The 20% deposit paid by the Company for forfeited Leases is not refundable by the DNR;

(f) if an amount equal to 50% of the outstanding Lease costs is available, BEX and Energy Alaska will be able to acquire approximately 50% of the Leases comprising ~45,360 acres, increasing to a maximum of 90,720 acres if 100% of the outstanding Lease costs are available;

(g) once payment has been made, the Leases will be formally granted to BEX, which has agreed to assign up to an 87.5% interest in the Leases acquired and the BEX Leases to Energy Alaska[5], subject to regulatory approval to the transfer;

(h) on completion of the Acquisition, Michael McFarlane and Paul Basinski will be appointed to the board of Energy Alaska;

(i) on spud of the first well on the BEX Leases, Energy Alaska must assign part of its interest in the Icewine Project to BEX, being between 9.7% (if Energy Alaska has an 87.5% interest in the Icewine Project) and 13.3% (if Energy Alaska has an 80% interest). As a result, the Company's participating interest in the Icewine Project will reduce to between

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[4] The Company has hedged this AUD amount in case the AUD:USD exchange rate deteriorates below this ratio.

[5] The actual interest will depend on the percentage of remaining Lease costs paid by Energy Alaska, being between ~80% and 87.5%, as detailed above.

77.8% and 66.8% and BEX's interest will increase from 12.5% to between 22.2% and 33.2%; and

(j) Energy Alaska has agreed to free carry BEX in respect of the first US$2.1m in pre-drill costs. It is anticipated that these costs will be incurred during 2015 as part of the CY2015 Budget. Accumulate Energy Alaska may, at its discretion, modify the Budget at any time as deemed appropriate.

On or around 14 November 2014, Energy Alaska entered into a joint operating agreement with BEX (**JOA**) in respect of the Icewine Project, with Energy Alaska to act as operator. A summary of the key terms of the JOA are set out in Section 14.4 of the Prospectus.

Upon successful completion of the Acquisition, the Company will focus on exploration and development of the Icewine Project.

The Acquisition, if successfully completed, will represent a significant change in the scale of the Company's operations to include oil and gas exploration in the United States of America.

ASX advised that this change in the scale of TPT's activities will require the approval of Shareholders under ASX Listing Rule 11.1.2. The Company has obtained this approval at the General Meeting.

ASX has confirmed that the Company is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

6.5 ORRI and Net Profits Partnership Agreement

Energy Alaska entered into a Net Profits Partnership Agreement in November 2014 with BEX and Arktos Energy Management, LLC (**AEM**) under which AEM will receive:

(a) a 4% overriding royalty over the Icewine Project; and

(b) a net profit interest (**NPI**) in respect of Energy Alaska's net profit from its interest in the Icewine Project, that scales with Energy Alaska's return on invested capital, generating revenue to AEM only on a success basis. The NPI starts at 5% of net profit once Energy Alaska's investment has been repaid (ie once cumulative net profit is at a multiple on invested capital (**MOIC**) of 1x), increasing by 5% with each MOIC increment up to a maximum of 45% of Energy Alaska's net profit at 9x MOIC. The MOIC is recalculated every 6 months, and applied to Energy Alaska's net profit for the following 6 months. Refer to Section 14.5 of this Prospectus for more details.

6.6 ECP Mandate

On 6 November 2014, the Company entered into a mandate with Energy Capital Partners (**ECP**) in respect of ECP's facilitation of the Icewine Acquisition (**ECP Mandate**). Under the ECP Mandate, the Company has agreed:

(a) on completion of the Acquisition, to pay ECP (or its nominee) $25,000 in cash;

(b) on successful completion of the Offer, pay to ECP (or its nominee) a further $25,000 in cash and grant to ECP (or its nominees) 30,000,000 Options (exercisable at $0.02 each, expiring 3 years after grant); and

(c) upon achieving, over at least a 30 day period, a stabilised flow rate of equal to or greater than 1,000boe/d from any well located on areas within the area of mutual interest in the Icewine Project in which the Company has an interest (**Flow Rate Condition**), issue to ECP (or its nominee) that number of Shares which is equal to A$500,000 divided by the price prior to the announcement of the rate (being the 10 day VWAP of the ASX listed Shares prior to the announcement of the flow rate) (**ECP Issue Price**). If Shares are no longer trading on a recognised stock exchange at the time the milestone is achieved, the payment must be made in cash.

The Company has obtained Shareholder approval at the General Meeting to issue 30,000,000 Options to ECP.

6.7 Change of Name

It is proposed that the Company will change its name to '88 Energy Limited' on completion of the Acquisition, which the Board considers will be better suited to TPT's new strategic direction.

6.8 Overview of Icewine Project

The Icewine Project consists of up to 99,360 contiguous acres located onshore on the North Slope of Alaska. Tangiers will have up to an initial 87.5% working interest in the project (which reduces on spud of the first well on the BEX Leases) and will be Operator. The unconventional potential of the project has an independently estimated gross mean unrisked prospective resource of 492 million barrels of recoverable oil (being up to ~431 million barrels net to the Company based on an 87.5% interest) from 8 billion barrels estimated oil in place[6].

The primary lease term is 10 years with a base royalty rate of 12.5% (16.5% after vendor ORRI royalty[7]). The State of Alaska is also offering an 85% cash rebate on exploration activity through calendar year 2015 (reducing to 75% from January 2016 to July 2016 and then 35% thereafter). Combined with the attractive lease term and royalty, the fiscal regime makes the Icewine Project very competitive with similar projects in the lower 48 states.

[6] Refer to the Independent Resource Report in Section 11 of this Prospectus for details. Adjusting for the risk of geological success, this equates to a gross mean prospective resource of 200 million barrels of recoverable oil for the entire Icewine Project (~175 million barrels net to the Company based on an 87.5% working interest). The estimates of quantities of petroleum that may potentially be recovered by the application of future development project(s) 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 moveable hydrocarbons. Prospective resource assessments were estimated using probabilistic methods in accordance with SPE-PRMS standards.

[7] Refer to Section 6.5 for details of this overriding royalty interest and associated net profits interest.

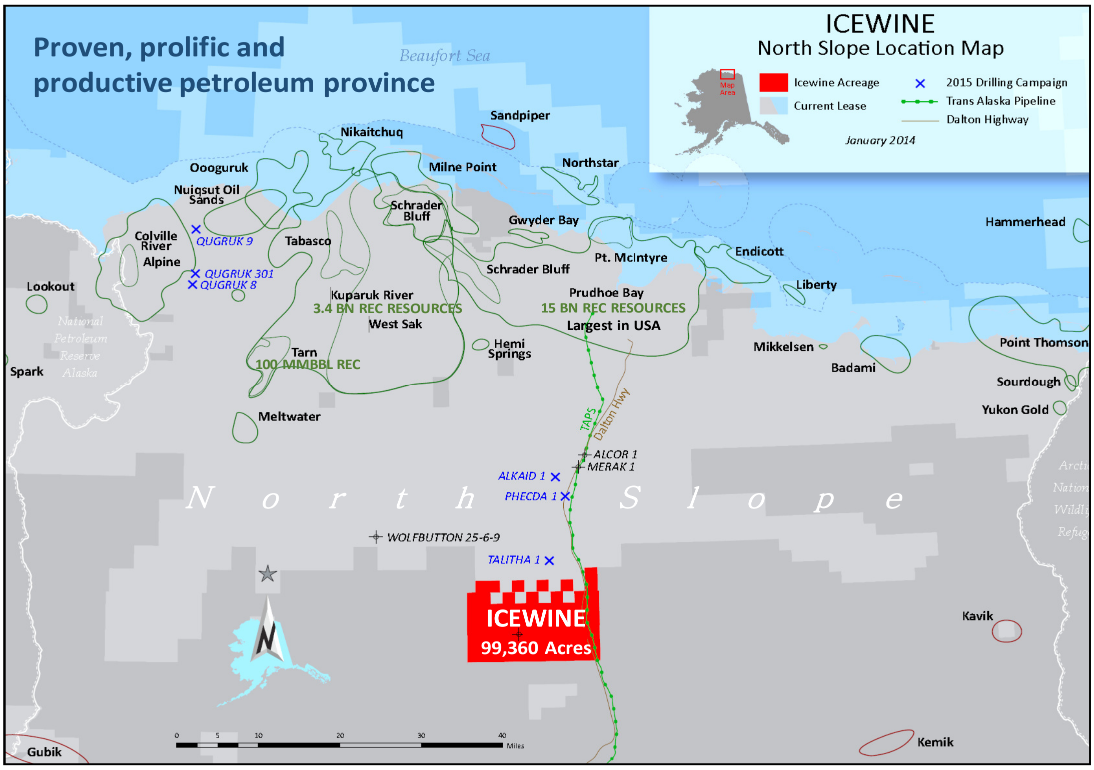

Fig. 1 Icewine Project Location

The North Slope of Alaska is a mature oil producing region hosting the largest onshore field in North America. Consequently, significant infrastructure is in place including an all year round access road, the Dalton Highway, and the TransAlaska Pipeline System (TAPS), both of which run through the Icewine Project.

6.8.1 Independent Resource Report by DeGolyer and MacNaughton

The recently completed Independent Resource Report by DeGolyer and MacNaughton for Project Icewine, on the prolific North Slope of Alaska, estimates potential oil in place of 8 billion barrels (gross mean unrisked). The estimated recoverable oil potential is 492 million barrels (gross mean unrisked prospective resource) with a probability of geologic success estimated at 41%.

Significantly, resource concentration calculations, based on DeGolyer and MacNaughton's prospective resource estimates, as detailed in Section 6.8.2 below, outrank on a comparative basis other successful North American shale oil plays supporting a 'best in class' status and highlighting the excellent potential.

TABLE 1: INDEPENDENT ASSESSMENT OF UNCONVENTIONAL PROSPECTIVE RESOURCES[8]

Prospect Icewine: North Slope, Alaska	**Gross and Net Estimated Unconventional Prospective Oil Resources: HRZ, Hue, Kingak & Shublik Shales** *(Source: DeGolyer & MacNaughton as of December 31, 2014 – refer Section 11)*				
	Unrisked				**Risked: (Chance of geologic success 41%)**
Estimate (million bbl)	**Low**	**Best**	**High**	**Mean**	**Risked Mean**
Gross	244.3	446.4	813.2	492.5	200.3
Net to Tangiers (WI post award 87.5%)	213.7	390.6	711.5	430.9	175.3

The complete Independent Resource Report can be found in Section 11.

The Icewine Project is prospective for two key play types, which are detailed below.

6.8.2 Unconventional (HRZ Primary Target)

The HRZ shale is the primary unconventional shale oil target at Project Icewine.

The HRZ is an already proven and prolific source rock on the North Slope having co-sourced the Prudhoe Bay Oil Field Complex; the largest oil field in North America. Characteristically rich in organic matter the HRZ shale was deposited in a restricted environment within the Cretaceous Seaway (that extended through central North America and subsequently generated many of its prolific onshore source rocks e.g. Eagle Ford).

Unique and significant characteristics of the HRZ shale which differentiate it from other successful shale oil plays include:

- the HRZ organic shale on the North Slope contains a significant airborne glass and ash component contributed by volcanic activity during the time of deposition. This critical volcanic component has the potential to favourably increase the HRZ shale's capacity to retain hydrocarbons as a result of differential compaction and subsequent dissolution;
- differential compaction of the organic shale material on a 30:1 ratio whilst the hard volcanic glass retains its form; and
- subsequent post burial diagenesis, (chemical alteration / dissolution), of the volcanic glass resulted in additional voids/pore space creating enhanced primary porosity in the HRZ shale

[8] There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

Improved overall porosity will increase the capacity for the HRZ member to retain hydrocarbons, resulting in excellent resource concentration. This resource concentration, or oil in place per acre per foot, is highly correlative to well performance and ultimate recovery when combined with other requisite attributes for a successful shale play. Comparative resource concentration between Tangiers' primary target, the HRZ, and other successful shale plays is shown below.

Significant factors of note are the excellent porosity (estimated in the DeGolyer and MacNaughton report) and the oil in place per 640 acres. This results in a resource concentration per well that is multiples of the next best shale play in North America, based on likely well spacing. Whilst it stands to reason that the more resource that can be accessed by the well bore, the better the recovery factor, this can only be truly proven by drilling.

TABLE 2: RESOURCE CONCENTRATION DRIVEN BY POROSITY AND NET PAY[9]

Liquids Shale Play	Net Pay (ft)	Porosity (%)	Gross Unrisked Oil In Place* (MMBOE / 640 Acres)	Well Drainage (Acres)	Resource Concentration (In Place MMBOE /Well)
HRZ	173	14	60.01	80	7.5
Bakken	65	5	10.6	160	2.65
Eagle Ford	135	10	46.9	40	2.95

*Based on 43,809 productive acres in Icewine leases for the HRZ shale with a gross unrisked mean prospective original oil in place (OOIP) of 4.1 MMBbls. Refer to Section 11 for details.

Shale oil plays exploit resources generated within the source rock that did not migrate and it is possible, by predictive modelling, to target the most productive part of a shale fairway – the sweetspot. Analysis of fluid composition and reservoir pressure are essential criteria in the assessment of shale, and therefore it is crucial to have a profound understanding of the source rock kinetic model coupled with the regional basin model.

Tangiers' partner and project generator, BEX, has analysed substantial data over several years to validate the predictive model which suggests that the full ~100,000 acre position at Project Icewine could be in the sweet spot of the play, where recovery factors of >10% have been forecast for other successful liquids rich shale plays in the USA. Additional unconventional potential exists in the overlying Hue shale formation as well as the deeper Kingak and Shublik Shales.

[9] The estimates of quantities of petroleum that may potentially be recovered by the application of future development project(s) 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 moveable hydrocarbons. Prospective resource assessments were estimated using probabilistic methods in accordance with SPE-PRMS standards.

TABLE 3: HRZ MODELLING - ATTRIBUTES OF SUCCESSFUL SHALE OIL PLAYS

Attribute	Comment	Project Icewine Modelling
Burial History and Thermal Maturity	Needs to be volatile oil/wet gas to maximise value of hydrocarbons produced and balance optimal viscosity to increase well performance => Well data (TOC, rock-eval, vitrinite reflectance data) from wells located in and near the Project area confirm a burial history and heat flow model that indicate a depth and maximum bottom hole temperature that correlate to generating the desired ratio of high value liquids	✓
Phase	Liquids must be in gaseous phase in the reservoir to maximise flow rates => unique prospecting tool box developed by Eagle Ford early mover, and Tangiers partner, BEX, provide high confidence	✓
Source Rock / Kerogen Type	Must be oil prone – Type I or II => Icewine is organic rich, deep water marine Type II kerogen. Organic matter type also can contribute organic porosity and potentially augments storage potential within the shale	✓
Overpressure	Pressure gradient of >0.5psi/ft required to assist with lift of hydrocarbons and also increase the amount of fluid that can exist as a vapour in the reservoir => petrophysical analysis of bottom seal provided by Pebble Shale indicates >0.55psi/ft	✓
Rock Mechanics	Must be "frackable" i.e. brittle => highly brittle lithology reported in the HRZ/Hue by Great Bear wells on adjacent acreage	✓
Tectonic Setting	Continuity of reservoir => Icewine is outboard of the Brooks Range compressional complex in a structurally simple and tectonically relaxed foreland basin. The simple structuring means greater reservoir continuity and lends itself to horizontal drilling	✓
Total Organic Carbon (TOC)	Decent TOC is required but the amount of hydrogen associated with the carbon is also a critical piece of the puzzle => high TOC (up to 8%) reported in wells from the HRZ/Hue on adjacent acreage	✓

The location of the Icewine Project – on a major access road, adjacent to the TransAlaska pipeline and only 35 miles South of Pump Station 1 – provides both year-round operational access and a direct path to market through existing infrastructure, meaning that commercialisation can occur inexpensively and quickly, on a comparative basis.

6.8.3 Conventional (Brookian)

The Central North Slope is ranked number 1 (excluding reserve areas on the slope) by the USGS (2013) for undiscovered oil resource, with 3.98 billion barrels of estimated mean potential remaining. More than 50% of this is located within the Brookian plays targeted by Tangiers (2.1 billion barrels).

The main Brookian play is associated with a series of clinoforms, readily observed on regional seismic data and supported by well data, which broadly prograde from West to East across the Central North Slope. Both source rock and potential reservoir rocks occur within the clinoforms. Several clinoforms extend through the Project Icewine acreage as can been seen in the schematic cross-section below. 1.6 billion barrels of remaining potential is estimated in this clinoform play alone, across the Central North Slope, which is ranked in isolation as number 2 against the Top 10 US provinces for remaining undiscovered oil potential (USGS, 2013).

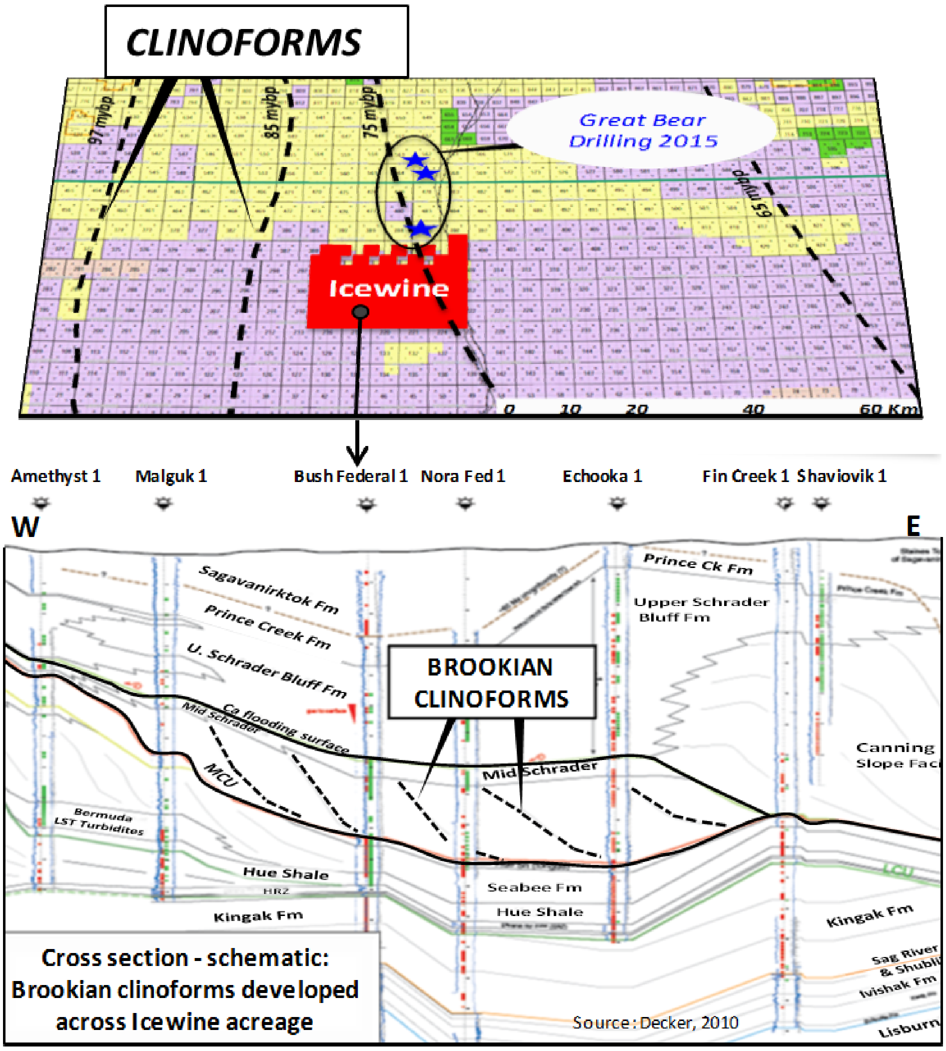

Fig.2 Project Icewine: Brookian Clinoform Locations

The conventional petroleum system within the Brookian sequence includes the HRZ source rock which produces a high quality, light sweet crude. The prolific Kingak and Shublik source rocks may also provide charge. The primary conventional target reservoir is deepwater turbidite sands deposited during the era of the Cretaceous Western Interior Seaway Due to the highly prolific nature of the source rocks on the Slope, these reservoirs are generally filled to spill on discovery. The Brookian turbiditic sands have good reservoir characteristics with high porosity and permeability making them excellent producers.

Until recently, accurate mapping of these turbidite sands was hampered by poor seismic data quality due to noise resulting from the thick permafrost and gas hydrate layers on the Slope. The advent of improved seismic processing & technology has seen a renaissance in this particular play with a >60% success rate from exploration drilling when mapped using modern 3D seismic data.

Three wells testing the Brookian play on adjacent acreage are planned to commence in first half 2015, the closest of which is less than 3 miles from the northern boundary of the Icewine Project (Talitha-1, refer Fig. 2 above).

6.8.4 Forward Plan

The initial work program is focused on moving the Project forward towards drilling of the first well and/or attracting a farm-in partner in the near to medium term. The estimated CY2015 budget of US$2.1m comprises the purchase, reprocessing and re-interpretation of existing 2D seismic, in addition to well planning activities and overheads.

The Company will re-assess the budget upon completion of its acquisition and may reduce the budget if deemed appropriate. The Company currently intends to meet the budget using existing cash reserves and funds raised from the Offer and, if considered necessary, additional funding to be sought at a later date.

6.9 Historical financial information

The Investigating Accountant's Report contained in Section 10 of this Prospectus sets out:

(a) the consolidated Statement of Profit and Loss and Other Comprehensive Income for the 8 month period ended 31 August 2014;

(b) the consolidated Statement of Financial Position of TPT as at 31 August 2014; and

(c) the pro-forma Statement Financial Position of TPT (after completion of the Acquisition) as at 31 August 2014.

Investors are urged to read the Investigating Accountant's Report in full.

The full financial statements for TPT for its financial year ended 31 December 2013 and half year ended 30 June 2014, which include the notes to the financial statements, can be found from TPT's ASX announcements platform on www.asx.com.au.

6.10 Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of TPT are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

6.11 Dividend Policy

It is anticipated that, post-completion of the Acquisition, TPT will focus on the development of the Icewine Project. TPT does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by TPT will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of TPT, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by TPT.

6.12 Capital Structure

The expected capital structure of TPT following completion of the Offer, the Acquisition and all related matters (assuming minimum and full subscription under the Offer) is summarised below. Refer to the Investigating Accountant's Report set out in Section 10 of this Prospectus for further details.

Shares	Minimum Subscription ($3,500,000)	Maximum Subscription ($6,000,000)	With Maximum Oversubscription ($6,913,193)
Shares on issue as at the date of this Prospectus(1)(2)	446,526,723	446,526,723	446,526,723
Shares issued under the Offer	350,000,000	600,000,000	691,319,338
Total Shares on issue	**796,526,723**	**1,046,526,723**	**1,137,846,061**

Notes:

1. The rights attaching to the Shares are summarised in Section 15.2 of this Prospectus.
2. The Company has obtained Shareholder approval to buy back and cancel 5,500,000 Loan Shares of Directors, being Mr David Wall and Mr Michael Evans, at the General Meeting, which have been deducted from this total despite still being on issue. Given the Loan Shares were purchased by Mr Wall and Mr Evans through an interest free loan of funds by the Company, the Directors will not receive any cash consideration for the buy-back of their 5,500,000 Loan Shares, but instead the loan will be forgiven by the Company.

Options	Minimum Subscription ($3,500,000)	Maximum Subscription ($6,000,000)	With Maximum Oversubscription ($6,913,193)
Unlisted Options on issue as at the date of this Prospectus[1]	34,525,087	34,525,087	34,525,087
Options issued under the Offer(2	175,000,000	300,000,000	345,659,669
Options proposed to be issued to ECP[2]	30,000,000	30,000,000	30,000,000
Unlisted Options proposed to be issued to Hartleys[4]	20,000,000	20,000,000	20,000,000
Unlisted Options proposed to be issued to Directors[5]	45,000,000	45,000,000	45,000,000

Total Options on issue	**304,525,087**	**429,525,087**	**475,184,756**

Notes:

1. Refer below for the material terms of existing Options.

2. Exercisable at $0.02 each, expiring 3 years from the date of grant and otherwise on the terms and conditions as summarised in Section 15.3 of this Prospectus. The Company will apply for these Options to be quoted on ASX.

3. Exercisable at $0.014 each, expiring 3 years from the date of grant and otherwise on the terms and conditions as summarised in section 15.4.

4. Exercisable at a 43% premium to the VWAP of Shares as at the Date of Acquisition of the Options, expiring 3 years from the date of grant and otherwise on the terms and conditions as summarised in section 15.5.

Existing Options on issue	Total
Unlisted options exercisable at $0.50 on or before 2 April 2015	500,000
Unlisted options exercisable at $0.60 on or before 2 April 2015	3,274,124
Unlisted options exercisable at $0.70 on or before 2 April 2015	3,500,000
Unlisted options exercisable at $0.50 on or before 10 April 2016	300,000
Unlisted options exercisable at GBP£0.256 (A$0.393) on or before 19 November 2015	213,733
Unlisted options exercisable at GBP£0.242 (A$0.383) on or before 19 November 2015	487,230
Unlisted options exercisable at $0.28 on or before 26 November 2015 (voluntary escrow for 12 months)	2,000,000
Unlisted options exercisable at $0.28 on or before 26 November 2015	3,000,000
Unlisted options exercisable at $0.45 on or before 31 March 2016	2,500,000
Unlisted options exercisable at $0,45 on or before 31 October 2016 (voluntary escrow for 12 months)	2,500,000
Unlisted options exercisable at $0.42 on or before 12 June 2017 (vesting conditions apply)	1,000,000
Unlisted options exercisable at $0.28 on or before 12 June 2017	2,000,000
Unlisted options exercisable at $0.30 on or before 22 April 2016	1,000,000
Unlisted options exercisable at $0.16 on or before 12 June 2017	250,000
Unlisted options exercisable at $0.01 on or before 22 October 2017	12,000,000
Total existing Options on issue	**34,525,087**

6.13 Substantial Shareholders

As at the date of this Prospectus, no Shareholders hold 5% or more of the total number of Shares on issue.

On completion of the Offer, it is not anticipated that any Shareholder will hold more than 5% of the total number of Shares on issue.

7. DETAILS OF THE OFFER

7.1 Offer

TPT is inviting applications under the Offer for up to 600,000,000 Shares at an issue price of $0.01 per Share to raise up to $6,000,000, with a minimum subscription of $3,500,000, together with one free attaching listed Option for every two (2) Shares subscribed for.

All Shares issued under this Prospectus will be fully paid and will rank equally with all other Shares then currently on issue. A high-level summary of the material rights and liabilities attaching to the Shares is set out in Section 15.2.

All of the Options offered under the Offer will be issued on the terms and conditions set out in section 15.3 of this Prospectus.

All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

This Prospectus also contains a Cleansing Offer for the purpose of removing secondary trading restrictions on the sale of Shares issued without disclosure after the date of this Prospectus. Further details of the Cleansing Offer are set out in Section 7.9.

7.2 Minimum subscription

The Offer is subject to a minimum subscription of 350,000,000 Shares at an issue price of $0.01 per Share to raise $3,500,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, TPT will not issue any Shares and will repay all Application monies for the Shares within the timeframe prescribed under the Corporations Act, without interest.

7.3 Oversubscriptions

The Company may accept oversubscriptions of up to a further $913,193 through the issue of up to a further 91,319,338 Shares at an issue price of $0.01 each under the Offer, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for. The maximum amount that may be raised under the Offer is therefore $6,913,193 before costs of the offer.

7.4 Underwriting

The Offer is not underwritten.

7.5 Minimum application amount

Applications under the Offer must be for a minimum of $2,000 worth of Shares (200,000 Shares) and thereafter, in multiples of $500 worth of Shares (50,000 Shares).

7.6 Eligible participants

To participate in the Offer, you must be a resident of Australia or as otherwise permitted by Section 7.17 of this Prospectus.

7.7 Quotation and trading

Application for quotation of all Securities offered under the Offer and the ECP Option Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.15 for further details.

No Securities issued under the Offer will be subject to any escrow requirement by the ASX.

7.8 Option Offers

This Prospectus includes an offer of up to 30,000,000 Options to Energy Capital Partners in part consideration for ECP's facilitation of the Acquisition. As such, Options offered under the ECP Option Offer will only be granted to ECP or its nominees. The Company has obtained Shareholder approval under ASX Listing Rule 7.1 at the General Meeting to grant the Options under the ECP Option Offer.

This Prospectus includes an offer of up to 20,000,000 Options to Hartleys Limited in part consideration for acting as lead broker to the Offer. As such, Options offered under the Hartleys Option Offer will only be granted to Hartleys or its nominees. The Company has obtained Shareholder approval under ASX Listing Rule 7.1 at the General Meeting to grant the Options under the Hartleys Option Offer.

This Prospectus includes an offer of up to 35,000,000 Options to the Directors (or their respective nominees) under the Company's Incentive Option Scheme in the following allocations:

(a) 8,000,000 Options to Michael Evans;

(b) 25,000,000 Options to David Wall;

(c) 6,000,000 Options to Stephen Staley; and

(d) 6,000,000 Options to Brent Villemarette.

As such, Options offered under the Director Option Offer will only be granted to the Directors or their respective nominees. The Company has obtained Shareholder approval under ASX Listing Rule 10.11 at the General Meeting to grant the Options under the Director Option Offer.

7.9 Cleansing Offer

This Prospectus contains a cleansing offer of Shares for the purpose of removing secondary trading restrictions on the sale of Shares issued without disclosure after the date of this Prospectus.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

(a) the relevant securities are in a class of securities that are quoted securities of the body;

(b) either:

(i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

(ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Applications for Shares under the Cleansing Offer must be made using the Cleansing Offer Application Form. Applications for Shares under the Cleansing Offer must be for all of the Shares offered under the Cleansing Offer. Unless directed to do so by the Directors, investors should not apply for Shares under the Cleansing Offer.

7.10 Purpose of the Offer and the Prospectus

The purpose of the Offer under this Prospectus is to enable the Company to fund the outstanding costs of the Acquisition and an exploration work program in respect of the Icewine Project, and for working capital.

TPT is aiming to apply the funds raised under the Offer along with its current cash reserves in the manner detailed in Section 7.11. The Board believes that the funds raised from the Offer, combined with existing funds, will provide TPT with sufficient working capital at anticipated expenditure levels to achieve the objectives as shown in the table below.

7.11 Use of Funds

TPT intends to apply funds raised from the Offer as follows.[1]

	Minimum Subscription under Offer ($3,500,000)	**% of Funds**	**Full Subscription under Offer[4] ($6,000,000)**	**% of Funds**	**Including Max Over-subscriptions ($6,913,193)**	**% of Funds**
ECP Payment	$25,000	0.7%	$25,000	0.4%	$25,000	0.4%
Icewine Project Lease Payments[2]	$1,794,980	51.3%	$3,589,959	59.8%	$3,589,959	51.9%
Icewine Project Exploration	$500,000	14.3%	$1,000,000	16.7%	$1,817,821	26.3%
Administration	$750,000	21.4%	$750,000	12.5%	$750,000	10.9%
Expenses of the Offer[3]	$379,961	10.9%	$536,983	9.0%	$593,775	8.6%
Working Capital[5]	$50,059	1.4%	$98,058	1.6%	$136,638	2.0%
Total	**$3,500,000**	**100%**	**$6,000,000**	**100%**	**$6,913,193**	**100%**

Notes:

1 Refer to the Investigating Accountant's Report set out in Section 10 of this Prospectus for further details.

2 Based on US$2,979,666 being payable for 100% of outstanding lease costs, converted into AUD using an exchange rate of 0.83. The Company has hedged US$1.5 million at this exchange rate. These payments include annual rental for the first year of the Leases of US$10 per acre.

3 Refer to Section 15.10 of this Prospectus for further details.

4 The Company reserves the right to accept oversubscriptions of up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for. Any additional funds raised from the acceptance of oversubscriptions (less the 6% capital raising fee payable on those oversubscriptions) will be applied to exploration of the Icewine Project.

5 The Company's existing funds will also be used to meet working capital.

In the event the Company raises more than the minimum subscription of $3,500,000 but less than the full subscription of $6,000,000, the additional funds raised will be first applied towards the increased expenses of the Offer, secondly towards acquiring additional Icewine Project leases and exploration of the Icewine Project, with the remainder to be put towards working capital.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 8).

7.12 Applications under the Offer

Applications for Shares and Options under the Offer must be made using the Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms and accompanying cheques, made payable to "**Tangiers Petroleum Limited**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

Applications under the Offer must be accompanied by payment in full in Australian currency.

If you wish to pay by electronic funds transfer, you should contact the Company Secretary, Ms Sarah Smith on +61 (0)8 9322 7600.

TPT reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on 1300 850 505.

7.13 Applications under the Option Offers

As set out in Section 7.8, this Prospectus includes separate offers of up to:

(a) 30,000,000 Options to ECP (or its nominees);

(b) 20,000,000 Options to Hartleys (or its nominees); and

(c) 45,000,000 Options to the Directors (or their respective nominees).

ECP Option Offer

Only ECP (or its nominees) may accept the ECP Option Offer. A personalised Application Form in relation to the ECP Option Offer will be issued to ECP together with a copy of this Prospectus.

Hartleys Option Offer

Only Hartleys (or its nominees) may accept the Hartleys Option Offer. A personalised Application Form in relation to the Hartleys Option Offer will be issued to Hartleys together with a copy of this Prospectus.

Director Option Offer

Only the Directors (or their respective nominees) may accept the Director Option Offer. A personalised Application Form in relation to the Director Option Offer will be issued to the Directors together with a copy of this Prospectus.

7.14 Issue of Securities and Allocation Policy

7.14.1 General

Subject to the Minimum Subscription being achieved, the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

7.14.2 Offer

The allocation of Securities under the Offer will be determined by the Board in its absolute discretion.

There is no guaranteed allocation of Securities under the Offer.

The Board reserves the right to reject any Application or to allocate any Applicant fewer Securities than the number applied for. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Securities to be allocated to an Applicant will be final.

7.14.3 Option Offers

Each of the ECP Option Offer, the Hartleys Option Offer and the Director Option Offer are specific offers made to ECP, Hartleys and the Directors respectively. As such, Options offered under those Offers will be allocated and issued to those parties (or their respective nominees) only.

7.14.4 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the

Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

7.14.5 Interest

Pending the issue of the Securities or payment of refunds under this Prospectus, all Application monies will be held by TPT in trust for Applicants in a separate bank account as required by the Corporations Act. TPT, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

7.15 Quotation of Securities

TPT will apply for Official Quotation of all Shares and Options issued under the Offer and the ECP Option Offer within 7 days after the date of this Prospectus. TPT will apply for the admission to trading of the Shares offered under the Offer on AIM within 7 days after the date of this Prospectus.

If those Securities are not admitted to Official Quotation by ASX, or the Shares are not admitted to trading on AIM, before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, TPT will not issue those Securities and will repay all Application monies for those Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to Securities is not to be taken in any way as an indication of the merits of TPT or the Securities now offered for subscription.

7.16 Clearing House Electronic Sub-Register System and Issuer Sponsorship

TPT participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by TPT.

Electronic sub-registers mean that TPT will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in TPT during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

7.17 CREST and Depository Interests

CREST is the UK equivalent of the CHESS system in Australia for the electronic settlement and registration of share trades on AIM. The Shares offered under this Prospectus are not capable of being traded in electronic form on AIM's CREST trading system. The Company has a facility whereby Shareholders who wish to trade on CREST can transfer their Shares to a depository custodian who issues the

Shareholder with a Depository Interest for each Share which can be traded on CREST. Shareholders retain the beneficial right to a Share transferred to the custodian. The transfer process is relatively simple and is typically completed in a few days and is undertaken by contacting Tangiers' share registry, Computershare.

To hold Shares in a CREST account, a Shareholder should contact an authorised UK stockbroker and establish an account with them. Alternatively, several Australian stockbrokers have existing accounts with UK stockbrokers that they can utilise for the purpose of trading in AIM shares by their clients. Tangiers can provide contact details for such stockbrokers in the UK and Australia which can facilitate trading Shares on AIM via Depository Interests.

7.18 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia, Singapore, Hong Kong or the United Kingdom.

The return of a completed Application Form will be taken by TPT to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Other than Australia, Singapore, Hong Kong or the United Kingdom, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Securities will not be offered or sold to persons in the United States of America (**US**). Furthermore, no person resident in the US will be permitted to submit an Application Form. If the Company believes that any Applicant is resident in the US, or is acting on behalf of a person resident in the US, the Company will reject that Applicant's application.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's securities, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

7.19 Enquiries

If you have any queries in relation to the Offer, please contact Ms Sarah Smith the Company Secretary on +61 (0)8 9322 7600.

8. RISK FACTORS

8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in TPT is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors detailed in the Investment Overview in Section 5 of the Prospectus as well as the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities under this Prospectus.

This Section 8 identifies circumstances that the Directors regard as the key risks associated with an investment in TPT, in addition to those detailed in the Investment Overview in Section 5 of this Prospectus, and which may have a material adverse impact on the financial performance of TPT and the market price of the Securities if they were to arise.

The Board aims, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which TPT is exposed. In addition, this Section 8 has been prepared without taking into account offerees' individual financial objectives, financial situation and particular needs. Offerees should seek professional investment advice if they have any queries in relation to making an investment in TPT.

8.2 Industry Risks

Potential investors should understand that oil and gas exploration, development and production activities are high risk undertakings and are subject to a number of inherent risks including the following:

8.2.1 Petroleum price volatility

In the event that the Company acquires and/or invests in a new oil and gas project its financial performance will be sensitive to the price of oil and gas, which is dependent on numerous factors, some beyond the control of Tangiers. These factors include global costs of production, availability of infrastructure, regional and global economic activity, regional and world demand for petroleum products and political trends.

8.2.2 Currency risk

The international price of oil and gas is generally denominated in US dollars; whereas the Company reports its financial results in Australian dollars. This will expose the Company to the fluctuation and volatility of the exchange rate between the US dollar and the Australian dollar, subject to any currency hedging the Company may undertake. The exchange rate is affected by numerous factors beyond the control of the Company including international markets, interest rates, inflation and the general economic outlook.

8.2.3 Environmental risks

The operations and proposed activities of Tangiers are subject to laws and regulation concerning the environment. As with most oil and gas exploration projects and production operations, Tangiers proposed activities are expected to have an impact on the environment, particularly if production proceeds. Tangiers seeks to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

8.2.4 Sovereign risk

Investment in a foreign country can always carry regulatory and administrative risks. Any material adverse change in government policies, legislation, regulation or the processes which affect the current and/or future activities of Tangiers may affect the viability and profitability of Tangiers.

8.2.5 Joint Venture, Parties, Agents and Contractors

There can be no assurance that parties with whom Tangiers has entered into or will enter into commercial arrangements will adhere to the terms of the contracts and arrangements. Failure by parties to adhere to current and future contractual arrangement could have a material adverse impact on the Company's operations. There is the potential of material failure by or insolvency of any contractor used by Tangiers in any of its current or future activities. Such being the case, this could cause disruption to the operations of Tangiers. Tangiers is unable to predict the risk of insolvency or other managerial failure by any of its contractors or other service providers used by Tangiers to carry out its current or future activities.

8.3 General Risks Relating to TPT

8.3.1 Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

8.3.2 Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) introduction of tax reform or other new legislation;

(c) interest rates and inflation rates;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

8.3.3 Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

8.3.4 Joint venture, acquisitions or other strategic investments

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Prospectus, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

8.3.5 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

8.3.6 Risk of international operations generally

International sales and operations are subject to a number of risks, including:

(a) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;

(b) potential difficulties in protecting intellectual property;

(c) increases in costs for transportation and shipping; and

(d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

8.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities under this Prospectus.

9. BOARD, MANAGEMENT AND INTERESTS

9.1 Directors

As at the date of this Prospectus, the Board comprises of:

(a) Mr Michael Evans (Non Executive Chairman);

(b) Mr David Wall (Managing Director);

(c) Mr Brent Villemarette (Non-Executive Director); and

(d) Dr Stephen Staley (Non-Executive Director).

The profiles of each of the existing Directors are set out below.

Mr Michael Evans (Non-Executive Chairman)

Mr Michael Evans, a Chartered Accountant based in Perth, has extensive executive and board level experience with publicly listed companies in the natural resources sector spanning 30 years.

Mr Evans was the founding executive chairman of ASX oil and gas explorer FAR Limited, a position he held from 1995 until his resignation in April 2012. Under Mr Evans' stewardship, FAR Limited established and built up an extensive international oil and gas portfolio spanning Africa, North America, China and Australia – with industry partners including Amoco, Shell, BHP, BP, Exxon, CNOOC, Woodside and Santos, amongst others. Mr Evans is currently the non-executive chairman of ASX-listed TNG Limited.

Mr David Wall (Managing Director)

As a leading oil and gas equity analyst for the past six and a half years, Mr Wall has extensive experience with junior oil and gas companies, with a particular focus on exploration. His skill set spans asset evaluation across many fiscal regimes and play types as well as corporate advisory / M&A and equity capital markets experience having led >$300 million in capital raisings.

Prior to his career as an analyst, Mr Wall managed a small team at Woodside Petroleum Ltd that reported to the executive committee. This team was responsible for vetting reports from all departments within the business prior to board approval, including exploration, development, operations, commercial and M&A. The team was also responsible for the annual budget as well as significant input into the five year plan and the company strategic plan.

By virtue of these experiences, Mr Wall brings strong commercial and strategic skills from within the oil and gas industry as well as generalist knowledge across all levels of the business. This is complemented by financial markets experience focussed on junior exploration companies.

Mr Wall holds a Bachelor of Commerce from the University of Western Australia, majoring in management and finance.

Mr Brent Villemarette (Non-Executive Director)

Mr Brent Villemarette is a reservoir engineer with more than 30 years' experience in the international oil and gas industry. His experience spans a wide range of disciplines including exploration, development, operations, marketing, acquisitions and new ventures. He is presently chief operations officer for Transerv Energy, which has assets in the onshore Perth Basin in Western Australia and in Alberta, Canada. He has previously been operations director for Latent Petroleum, a private oil and gas exploration company co-founded with a small team of industry professionals engaged in commercialising the Warro tight gas field in the northern Perth Basin. He has also held the roles of international reservoir engineering manager for new ventures with Apache Corporation based in Houston, Texas, reservoir engineering manager for Apache Energy Limited based in Perth, and several senior engineering positions in the US with Apache Corporation and Oryx Energy (formerly Sun E&P).

Dr Stephen Staley (Non-Executive Director)

Dr Stephen Staley has 30 years' of management and technical experience in the European, African and Asian oil, gas and power sectors, including with Conoco and BP. More recently Dr Staley was founding managing director of upstream start-ups Fastnet Oil & Gas plc and Independent Resources plc and a non-executive director of Cove Energy plc. He is a Fellow of the Geological Society, holds a BSc (Hons.) in Geophysics from Edinburgh University, a PhD in Petroleum Geology from Sheffield University and an MBA from Warwick University.

9.2 Senior Management

Mr David Wall is the Company's senior executive.

The Company's joint company secretaries are Ms Sarah Smith and Ms Amy Just.

9.3 Directors Interests in Securities

Directors are not required under TPT's Constitution to hold any Shares to be eligible to act as a director. Immediately prior to completion of the Offer, the Directors are expected to have relevant interests in Securities as set out in the table below:

Director	Shares	Options
Mr Michael Evans	5,166,667(1)	1,000,000(2)
Mr David Wall	9,916,666(3)	Nil
Dr Stephen Staley	4,166,667	2,000,000(4)
Mr Brent Villemarette	1,221,222	1,500,000(5)

Notes:

1. 1,000,000 Shares are held directly (and are subject to vesting conditions) (**Loan Shares**) and 4,166,667 Shares are held by Tevlo Pty Ltd <MJ Evans Super A/C>. The Loan Shares are intended to be bought-back by the Company before completion of the Offer (with the buy back funds used to repay Mr Evan's loan for those Shares).
2. Exercisable at 0.42 cents each on or before 12 June 2017 (subject to vesting conditions).
3. 9,729,166 Shares are held directly and 187,500 Shares being held by D J Wall <D J Wall Super Fund A/C>. 4,500,000 of the Shares held directly are Loan Shares, the issue of which was approved at the Company's annual general meeting held on 12 June 2014 and which are subject to vesting conditions. It is proposed that 4,500,000 of these Loan Shares be bought back from Mr Wall by the Company before completion of the Offer (with the buy back funds used to repay Mr Wall's loan for those Shares). Given the Loan Shares were purchased by Mr Wall through an interest free loan of funds by the Company, Mr Wall will not receive any cash consideration for the buy-back of his 4,500,000 Loan Shares, but instead the loan will be forgiven by the Company.

4. Exercisable at 0.28 cents each on or before 12 June 2017.
5. Exercisable at 0.60 cents each on or before 16 December 2014.

In addition, the Company has obtained Shareholder approval at the General Meeting for each of the Directors to subscribe for up to $50,000 worth of Shares under the Offer. As such, each Director may acquire up to a further 5,000,000 Shares and 2,500,000 Options under the Offer.

9.4 Director Remuneration

TPT's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides that the aggregate remuneration for Non-Executive Directors is may be varied by ordinary resolution of the Shareholders in general meeting. The current amount has been set at an amount not to exceed $300,000 per annum.

Directors are entitled to be paid reasonable travelling, hotel and expenses incurred by them in the performance of their duties as directors.

Details of remuneration paid to Directors and their associated entities during the financial years ended 31 December 2013 and 31 December 2014 and the current financial year ending 31 December 2015 to the date of lodgement of this Prospectus are as follows:

Director	Year ended 31 December 2013	Year ended 31 December 2014	Year to date 31 January 2015
Michael Evans (appointed 7 April 2014)	N/A	$64,868	$5,833
David Wall (appointed 14 April 2014)	N/A	$205,657	$22,500
Stephen Staley (appointed 8 April 2014)	N/A	$40,921 £121,837[1]	$4,166 £4,630[1]
Brent Villemarette (appointed 27 October 2010)	$240,000	$223,227	$13,333

Note 1: Derwent Resources Limited, a company associated with Dr Stephen Staley, receives consultancy fees payable in Pounds sterling as outlined below.

The Acquisition will not result in any changes to the remuneration of the Company's management or Board of Directors. The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

9.5 Agreements with Directors or Related Parties

9.5.1 Executive Services Agreement – David Wall

The Company has entered into an Executive Service Agreement with Mr David Wall to provide the services of Managing Director of the Company on the following terms and conditions.

Total Fixed Remuneration:	A base salary of $270,000 per annum exclusive of statutory superannuation.
Incentives:	Annual performance bonus of up to 50% of base salary subject to meeting performance criteria set by the Board. Following Shareholder approval Mr Wall was granted 4,500,000 Shares under a share/loan plan subject to the following vesting criteria: First Tranche - 1,500,000 Shares No employment length requirement; Vests on completing at least one transaction (including a farm-in or farm-out or other similar dealing) and Share price improvement of at least 50% over the following 12 months (using the 10 day VWAP prior to the transaction as the base); Second Tranche - 1,500,000 Shares Employment for at least 6 months Vests on completing at least one transaction (including a farm-in or farm-out or other similar dealing) and share price improvement of at least 75% over the following 12 months (using the 10 day VWAP prior to the transaction as the base); Third Tranche - 1,500,000 Shares Employment for at least 12 months No vesting criteria All Shares vest in the event there is a Change of Control. The Company has obtained Shareholder approval at the General Meeting for 4,500,000 of the share/loan plan shares to be bought back and cancelled (with the buy back funds used to repay Mr Wall's loan for those Shares). Given the Loan Shares were purchased by Mr Wall through an interest free loan of funds by the Company, Mr Wall will not receive any cash consideration for the buy-back of his 4,500,000 Loan Shares, but instead the loan will be forgiven by the Company.
Other Benefits:	If a Change of Control occurs and, at any time during the 12 month period following such Change of Control Mr Wall resigns from the employment for Good Reason, the Company may pay 6 month's base salary. Good Reason includes, but is not limited to, a material adverse change in Mr Wall's status or position as executive of the Company, a material reduction in his annual base salary or a material failure by the Company to continue any benefit program to which Mr Wall is entitled.

Notice Period:	Mr Wall's contract commences on 14 April 2014. The Company may terminate Mr Wall's employment at any time giving 6 months' written notice. Mr Wall may end his employment at any time by giving three months' written notice or resigning for Good Reason.
Termination Benefits:	Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

9.5.2 Consultancy Agreement – Derwent

The Company has entered into a consultancy agreement with Derwent Resources Limited (**Derwent**) for the provision of consultancy services on the following terms and conditions:

(a) during the term of the agreement, Derwent shall make available the services of Dr Stephen Staley for 5 days per calendar month based on an 8 hour working day at such time and at such locations as the Company and Derwent shall agree from time to time;

(b) in consideration for the provision of the consultancy services the Company shall pay Derwent a minimum of £4,630.40 per calendar month (plus value added tax and other sales tax if applicable) based on 5 working days per month and will be reimbursed for reasonably incurred expenses;

(c) any work carried out by Derwent in excess of 5 working days per calendar month must be pre-approved by the Managing Director. Approved days will be remunerated at a rate of £1,000 per day (plus value added tax and other sales tax if applicable);

(d) if Derwent introduces an opportunity which leads to the Company signing a binding agreement the Company shall pay Derwent a success fee (**Success Fee**) as outlined below subject to the completion of the binding agreement and the Company first obtaining:

    (i) the vested interest in; and

    (ii) either legal title to or such highest equivalent tenure as the relevant jurisdictional laws provide with respect to:

    the concessions, permits or licences comprising the subject matter of the binding agreement (**Subject Matter**). The Success Fee does not apply to the Acquisition;

(e) the Company shall pay Derwent a Success Fee as outlined below after both the above pre-conditions are satisfied:

Subject Matter	**Success Fee**
• No existing concessions, permits or licences; and • No prior or current commercial hydrocarbon production	£25,000 per concession, permit or licence

• Existing concessions, permits or licences; and • No prior or current commercial hydrocarbon production; or • Prior or current commercial hydrocarbon production; and • No existing concessions, permits or licences	£50,000 per concession, permit or licence
• Existing concessions, permits or licences; and • Prior or current hydrocarbon production	£100,000 per concession, permit or licence
If the cumulative hydrocarbon production net to the Company from a concession, permit or licence acquired under a binding agreement exceeds the value of 500,000 BBL, the Company shall pay Derwent £200,000 in respect of each concession, permit or licence from which this has been achieved.	

(f) the Company will pay Derwent £25,000 (excluding value added tax) per year to assist Derwent renting a small office and paying for some part time support (**Support Fee**). If this agreement is terminated by either party prior to 28 May 2018, the Company will pay Derwent the balance of the Support Fee remaining for the period to 28 May 2018; and

(g) either party may terminate this agreement by giving 3 months' notice.

9.5.3 Consultancy Agreement – Villemarette

The Company has entered into a consultancy agreement with Villemarette Nominees Pty Ltd (**Villemarette**), an entity controlled by Mr Brent Villemarette, for the provision of consultancy services on the following terms and conditions:

(a) the contract term is 3 years commencing on 24 September 2014;

(b) Villemarette shall provide Brent Villemarette as its representative to perform the consultancy services for the minimum of 80 days per year;

(c) the Company will pay Villemarette a minimum fee of $2,000 per week (equivalent to $8,000 per calendar month) based on a 20 hour work week, exclusive of GST, for the consultancy services provided to the Company and will be reimbursed for reasonably incurred expenses;

(d) the Managing Director must pre-approve any time worked above 20 hours per week; and

(e) the agreement may be terminated by:

 (i) either party giving 14 days' notice in writing; or

 (ii) the Company, at any time without notice, in the event of a serious breach or insolvency event by, or in relation to, Villemarette.

9.6 Deeds of indemnity, insurance and access

The constitution of Tangiers permits the grant of an indemnity (to the maximum extent permitted by law) in favour of each Director, the company secretary, past directors and secretaries and all past and present executive officers.

Tangiers has entered into deeds of indemnity and access with all of the Directors. This indemnity is against liability to third parties by such officers unless the liability arises out of (1) a contravention of s 199B of the Corporations Act (directors and officers must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation) or (2) committing any deliberately dishonest or deliberately fraudulent act.

The indemnity covers reasonable fees and expenses incurred for the principle purpose of representing an officer after a claim has been made in the investigation, defence, settlement or appeal of the claim. This includes costs for accredited experts retained by the defence counsel. Tangiers maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity. Disclosure of the nature of the liability covered by the policy, the name of the insurer, the limit of liability or the premium paid for the policy is prohibited under the terms of the contract of insurance.

10. INVESTIGATING ACCOUNTANT'S REPORT

TANGIERS PETROLEUM LIMITED
Investigating Accountant's Report

16 February 2015

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38 Station Street
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PO Box 700 West Perth WA 6872
Australia

16 February 2015

The Directors

Tangiers Petroleum Limited

Level 2, 5 Ord Street

West Perth WA 6005

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by Tangiers Petroleum Limited ('Tangiers' or 'the Company') to prepare this Investigating Accountant's Report ('Report') on the historical financial information and pro forma historical financial information of Tangiers for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 600 million Shares at an issue price of $0.01 each to raise up to $6 million ('the Offer'). The Offer has a minimum subscription of $3.5 million. Subscribers of the Offer are also entitled to one free attaching option for every two shares subscribed for and issued. The free attaching options are exercisable at twice the issue price of the Offer, being $0.02, within three years from the date of issue. The Company reserves the right to accept up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching option (exercisable at $0.02 each and expiring three years from the date of issue) for every two shares subscribed for.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

2. Scope

Historical financial information

You have requested BDO to review the following historical financial information of Tangiers included in the Prospectus:

- The Statement of Profit or Loss and Other Comprehensive Income for the eight months ended 31 August 2014;
- The Statement of Financial Position as at 31 August 2014; and
- The Statement of Changes in Equity for the eight months ended 31 August 2014.

(collectively the 'historical financial information').

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Tangiers' adopted accounting policies. The historical financial information has been extracted from the financial information of Tangiers for the eight months ended 31 August 2014, which was reviewed by Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified opinion on the financial information.

The historical financial information is presented in the Appendices to this report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 31 August 2014 for Tangiers referred to as the 'pro forma historical financial information'

The pro forma historical financial information has been derived from the historical financial information of Tangiers, after adjusting for the effects of any subsequent events described in section 6 and the pro forma adjustments described in section 7. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 6 and section 7, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

3. Director's responsibility

The directors of Tangiers are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

5. Conclusion

Historical financial information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the eight months ended 31 August 2014 or the financial position as at 31 August 2014 in accordance with the stated basis of preparation as described in section 2.

Without modifying our conclusion, we note that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding.

Pro-forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 August 2014:

- On 19 September 2014, the Company announced it intended to undertake a placement, subject to shareholder approval of 200,000,000 shares at $0.006 per share to raise $1,200,000 before costs ('the Placement'). The Placement closed fully subscribed on 23 October 2014;
- Costs of the Placement are estimated to be $172,000, which were offset against contributed equity. The costs of the Placement include $40,000 in broker management fees, 12 million options issued to advisers exercisable at $0.01 in three years ('Adviser Options') and a brokerage fee of $72,000, being 6% of the total amount raised;
- As at 31 August 2014, Tangiers owed an amount of US$9,622,496 to Galp Energia. This subsequently increased as a result of a cash call of US$917,635 in September 2014. As a result of operating expenses incurred, the amount owing to Galp Energia increased by US$895,888 taking the total amount owing to US$11,436,019;
- On 23 September 2014, the Company announced DVM International Sarl ('DVM'), a wholly owned subsidiary of Tangiers, had entered into a settlement agreement to finalise its funding obligations for the TAO-1 exploration well. A cash settlement payment of US$8 million was made in September 2014. The remaining US$3,436,019 has since been extinguished and is considered a contingent liability. The conditions relating to the crystallisation of this liability can be found in Appendix 4, Note 10;
- Management advises that between 1 September 2014 and the date of this Report, the Company received $100,000 of trade receivables. This increase in cash was offset by the payment of approximately $900,000 of general and administration expenses over the period;
- Tangiers also paid legal fees of US$81,021 relating to the acquisition of the Project;
- The Company has also incurred a payable of US$98,000 relating to the Project;

- The Company has also issued a cleansing prospectus on 22 October 2010 for the issue of 1,000 Shares at $0.006 per share to raise $6 ('Subsequent Placement'). Costs of the Subsequent Placement were $48,904 which were offset against contributed equity. The shares were not issued;
- On 20 November 2014, the Company announced it had entered into binding agreements to acquire up to an 87.5% working interest in Project Icewine, an oil exploration opportunity located onshore in North America ('the Project'). Tangiers have paid a 20% cash deposit of US$520,000 to the State of Alaska. We have converted this US Dollar amount to $593,320 at the exchange rate of 1US$:$A1.141 on 17 November 2014, being the date of payment; and
- The Company has amended its incentive share scheme to cancel the 4.5 million loan shares issued to Mr Wall and the 1 million loan shares issued to Mr Evans. The loan shares are to be cancelled as a result of the conditions failing to be met by the due date. Given the loan shares were purchased by the Directors via an interest free loan of funds by the Company, the Directors will not receive any cash consideration for the cancellation of the shares, but instead the loan will be forgiven by the Company. As such we have adjusted the number of shares on issue, with no adjustment made to issued capital.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 31 August 2014, the subsequent events set out in section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of up to 600 million Shares at an offer price of $0.01 each to raise up to $6 million (before costs) pursuant to the Prospectus. The minimum subscription for the Offer is $3.5 million. Shareholders will also receive one free attaching option for every two shares subscribed for and issued;

- Costs of the Offer are expected to be $379,961 if $3.5 million is raised or $536,983 if $6 million is raised, which are to be offset against contributed equity;

- The Company reserves the right to accept up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching option (exercisable at $0.02 each and expiring three years from the date of issue) for every two shares subscribed for;

- On 6 November 2014, the Company entered into a mandate with Energy Capital Partners ('ECP') whereby the Company is to pay $25,000 to ECP on completion of the acquisition of the Project;

- Following the completion of the Offer, Tangiers are liable to pay the balance of the lease costs amounting to US$2,979,666 million, which converted at an exchange rate of $A1:$US0.83, equates to $3,589,959. If only the minimum subscription is raised Tangiers will pay 50% of the remaining lease costs equating to $A 1,794,980, only 50% of the leases will be granted and Tangiers will have an 80% interest in those leases;

- Following the successful completion of the Offer, the Company will issue 30 million options to ECP for services performed in relation to the Offer. The options are exercisable at $0.020, within three years of being issued ('ECP Options'). The Company will also pay ECP (or its nominee) $25,000. As these are considered costs of the Offer, they are to be offset against contributed equity; and
- Following the successful completion of the Offer, the Company will issue 20 million options to Hartleys exercisable at $0.014 within three years from the date of issue ('Hartleys Options').

8. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers

Director

APPENDIX 1

TANGIERS PETROLEUM LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the period ended 31-Aug-14 $
Interest revenue	156,815
Administration expenses	(3,067,140)
Occupancy expenses	(1,034,880)
Employee benefit expenses	(942,414)
Share based payment expense	(408,124)
Depreciation and amortisation expense	(17,102)
Exploration expenditure written off	(21,798,579)
Loss on foreign exchange	(375,498)
Loss on sale of available for sale investments	(14,216)
Loss before income tax	(27,501,138)
Income tax expense	-
Net loss attributable to members of the parent	(27,501,138)
Other comprehensive income for the period	
Other comprehensive income that may be recycled to profit or loss in subsequent periods	
Change in fair value of available for sale investments (net of tax)	(60,061)
Total comprehensive loss for the period	(27,561,199)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5. Past performance is not a guide to future performance.

APPENDIX 2

TANGIERS PETROLEUM LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed as at 31-Aug-14 $	Subsequent events $	Pro-forma adjustments Minimum $	Pro-forma adjustments Maximum $	Pro-forma after issue Minimum $	Pro-forma after issue Maximum $
CURRENT ASSETS							
Cash and cash equivalents	2	10,149,998	(9,159,074)	1,275,059	1,823,058	2,265,984	2,813,982
Other receivables	3	408,054	(100,000)	-	-	308,054	308,054
TOTAL CURRENT ASSETS		10,558,052	(9,259,074)	1,275,059	1,823,058	2,574,038	3,122,036
NON CURRENT ASSETS							
Plant and equipment		32,141	-	-	-	32,141	32,141
Other financial assets		42,726	-	-	-	42,726	42,726
Exploration permits	4	-	593,320	1,794,980	3,589,959	2,388,300	4,183,279
TOTAL NON CURRENT ASSETS		74,867	593,320	1,794,980	3,589,959	2,463,167	4,258,146
TOTAL ASSETS		10,632,919	(8,665,754)	3,070,039	5,413,017	5,037,204	7,380,182
CURRENT LIABILITIES							
Trade and other payables	5	10,504,513	(10,169,343)	-	-	335,170	335,170
TOTAL CURRENT LIABILITES		10,504,513	(10,169,343)	-	-	335,170	335,170
TOTAL LIABILITIES		10,504,513	(10,169,343)	-	-	335,170	335,170
NET ASSETS		128,406	1,503,589	3,070,039	5,413,017	4,702,034	7,045,012
EQUITY							
Issued and fully paid shares	6	67,077,364	979,096	2,875,039	5,218,017	70,931,499	73,274,477
Shares reserved for share plans		(1,751,600)	-	-	-	(1,751,600)	(1,751,600)
Reserves	7	12,301,236	60,000	220,000	220,000	12,581,236	12,581,236
Accumulated losses	8	(77,498,594)	464,493	(25,000)	(25,000)	(77,059,101)	(77,059,101)
TOTAL EQUITY		128,406	1,503,589	3,070,039	5,413,017	4,702,034	7,045,012

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5.

APPENDIX 3

TANGIERS PETROLEUM LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Reviewed for the period ended 31-Aug-14 $	Subsequent Events $	Pro-forma Adjustments Minimum $	Pro-forma Adjustments Maximum $	Pro-forma After issue Minimum $	Pro-forma After issue Maximum $
Balance as at 1 January 2014		(49,997,456)	-	-	-	(49,997,456)	(49,997,456)
Comprehensive income for the period							
Profit/(Loss) for the period	8	(27,501,138)	464,493	(25,000)	(25,000)	(27,061,645)	(27,061,645)
Total comprehensive income for the period		(77,498,594)	464,493	(25,000)	(25,000)	(77,059,101)	(77,059,101)
Transactions with equity holders in their capacity as equity holders							
Contributed equity, net of transaction costs	6	67,077,364	979,096	2,875,039	5,218,017	70,931,499	73,274,477
Shares reserved for share plans		(1,751,600)	-	-	-	(1,751,600)	(1,751,600)
Reserves	7	12,301,236	60,000	220,000	220,000	12,581,236	12,581,236
Total transactions with equity holders		77,627,000	1,039,096	3,095,039	5,438,017	81,761,135	84,104,113
Balance at 31 August 2014		128,406	1,503,589	3,070,039	5,413,017	4,702,034	7,045,012

The above consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendix 5.

APPENDIX 4

TANGIERS PETROLEUM LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Tangiers at the end of the reporting period. A controlled entity is any entity over which Tangiers has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

e) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

g) Other receivables

Other receivables are recognised as the amount receivable and are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

h) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

j) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient date exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

n) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

o) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

p) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award (“vesting date”). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

q) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

NOTE 2. CASH AND CASH EQUIVALENTS	Reviewed 31-Aug-14 $	Pro-forma after Offer $ Minimum	Pro-forma after Offer $ Maximum
Cash and cash equivalents	10,149,998	2,265,984	2,813,982
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Tangiers at 31 August 2014		10,149,998	10,149,998
Subsequent events:			
Cash raised from Placement		1,200,000	1,200,000
Broker management fees		(40,000)	(40,000)
Brokerage fee as a result of Placement		(72,000)	(72,000)
Cash settlement payment (converted at 1US$: A$1.0882)		(8,705,599)	(8,705,599)
Payments for general and administration expenses subsequent to 31-Aug-14		(900,000)	(900,000)
Recovery of receivables subsequent to 31-Aug-14		100,000	100,000
Cost of the Subsequent Placement		(48,904)	(48,904)
Payment of 20% deposit for the acquisition of the Project		(593,320)	(593,320)
Payment of legal fees relating to the acquisition of the Project		(99,251)	(99,251)
		(9,159,074)	(9,159,074)
Pro-forma adjustments:			
Proceeds from shares issued under this Prospectus		3,500,000	6,000,000
Costs of the Offer		(379,961)	(536,983)
Payment to ECP on successful completion of the Offer		(25,000)	(25,000)
Payments to ECP on completion of the acquisition of the Project		(25,000)	(25,000)
Remaining acquisition of the Company's working interest in the Project*		(1,794,980)	(3,589,959)
		1,275,059	1,823,058
Pro-forma Balance		2,265,984	2,813,982

*Under the Icewine Term Sheet, Tangiers are liable to pay the balance of the lease costs amounting to US$2,979,666 million, which converted at an exchange rate of $A1:$US0.83, equates to $3,589,959. If only the minimum subscription is raised Tangiers will pay 50% of the remaining lease costs equating to $A 1,794,980, only 50% of the leases will be granted and Tangiers will have an 80% interest in those leases.

NOTE 3. OTHER RECEIVABLES	Reviewed 31-Aug-14 $	Pro-forma after Offer $
Other receivables	408,054	308,054
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Tangiers at 31 August 2014		408,054
Subsequent events:		
Recovery of receivables subsequent to 31-Aug-14		(100,000)
		(100,000)
Pro-forma Balance		308,054

NOTE 4. EXPLORATION PERMITS	31-Aug-14 $	after Offer Minimum $	after Offer Maximum $
Exploration permits	-	2,388,300	2,388,300
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Tangiers at 31 August 2014		-	-
Subsequent events:			
Payment of 20% deposit for the acquisition of the Project		593,320	593,320
		593,320	593,320
Pro-forma adjustments:			
Remaining acquisition of the Company's working interest in the Project *		1,794,980	3,589,959
		1,794,980	3,589,959
Pro-forma Balance		2,388,300	6,571,579

*Under the Icewine Term Sheet, Tangiers are liable to pay the balance of the lease costs amounting to US$2,979,666 million, which converted at an exchange rate of $A1:$US0.83, equates to $3,589,959. If only the minimum subscription is raised Tangiers will pay 50% of the remaining lease costs equating to $A 1,794,980, only 50% of the leases will be granted and Tangiers will have an 80% interest in those leases.

NOTE 5. TRADE AND OTHER PAYABLES	Reviewed 31-Aug-14 $	Pro-forma after Offer $
Trade and other payables	10,504,513	335,170
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Tangiers at 31 August 2014		10,504,513
Subsequent events:		
Cash settlement payment to Galp Energia of US$8 million		(8,705,599)
Transfer to contingent liabilities of amount owing to Galp Energia		(1,583,794)
Project related costs		120,050
		(10,169,343)
Pro-forma Balance		335,170

NOTE 6. ISSUED AND FULLY PAID SHARES	Reviewed 31-Aug-14 $		Pro-forma after Offer $ Minimum	Pro-forma after Offer $ Maximum
Issued and fully paid shares	67,077,364		70,931,499	73,274,477
	Number of shares (min)	Number of shares (max)	$	$
Adjustments to arise at the pro-forma balance:				
Fully paid ordinary share capital	252,026,723	252,026,723	67,077,364	67,077,364
Subsequent events:				
Shares issued under Placement	200,000,000	200,000,000	1,200,000	1,200,000
Broker management fees	-	-	(40,000)	(40,000)
Adviser Options issued as costs of the Placement	-	-	(60,000)	(60,000)
Brokerage fee as a result of Placement	-	-	(72,000)	(72,000)
Cost of the Subsequent Placement	-	-	(48,904)	(48,904)
Cancellation of loan shares of Directors*	(5,500,000)	(5,500,000)	-	-
	194,500,000	194,500,000	979,096	979,096
Pro-forma adjustments:				
Shares issued under this Prospectus	350,000,000	600,000,000	3,500,000	6,000,000
Costs of the Offer	-	-	(379,961)	(536,983)
Transaction costs paid to ECP	-	-	(25,000)	(25,000)
Issue of ECP Options for services performed in relation to the Offer	-	-	(120,000)	(120,000)
Issue of Hartleys Options for services performed in relation to the Offer	-	-	(100,000)	(100,000)
	350,000,000	600,000,000	2,875,039	5,218,017
Pro-forma Balance	796,526,723	1,046,526,723	70,931,499	73,274,477

* The Company has amended its incentive share scheme to cancel the 4.5 million loan shares issued to Mr Wall and the 1 million loan shares issued to Mr Evans. The loan shares are to be cancelled as a result of the conditions failing to be met by the due date. Given the loan shares were purchased by the Directors via an interest free loan of funds by the Company, the Directors will not receive any cash consideration for the cancellation of the shares, but instead the loan will be forgiven by the Company. As such we have adjusted the number of shares on issue, with no adjustment made to issued capital.

The Company reserves the right to accept up to a further 91,319,338 Shares at an issue price of $0.01 per Share to raise up to a further $913,193, together with one free attaching option (exercisable at $0.02 each and expiring three years from the date of issue) for every two shares subscribed for. The total costs of the Offer if this occurs will be $593,775.

NOTE 7. RESERVES	Reviewed 31-Aug-14 $	Pro-forma after Offer $
Reserves	12,301,236	12,581,236
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Tangiers at 31 August 2014		12,301,236
Subsequent events:		
Issue of Adviser Options for services performed in relation to the Placement		60,000
		60,000
Pro-forma adjustments:		
Issue of options to ECP for services performed in relation to the Offer		120,000
Issue of options to Hartleys for services performed in relation to the Offer		100,000
		220,000
Pro-forma Balance		12,581,236

Using the Black Scholes option pricing model the fair value of the Adviser Options, ECP Options and Hartleys Options was determined using the following inputs:

Item	Adviser Options
Underlying share price	$0.010
Valuation Date	03-Oct-14
Exercise price	$0.010
Life of the Adviser Options (years)	3.00
Volatility	80%
Risk-free rate	2.67%

Item	ECP Options
Underlying share price	$0.011
Valuation Date	13-Jan-15
Exercise price	$0.016
Life of the ECP Options (years)	3.00
Volatility	80%
Risk-free rate	2.09%

Item	Hartleys Options
Underlying share price	$0.011
Valuation Date	10-Feb-15
Exercise price	$0.014
Life of the ECP Options (years)	3.00
Volatility	80%
Risk-free rate	1.96%

The maximum number of options on issue following the Offer is set out in the table below:

Options on issue	Number Minimum	Number Maximum
Number of options on issue as at the date of the Prospectus	34,525,087	34,525,087
Options issued under the Offer	175,000,000	300,000,000
ECP Options proposed to be issued	30,000,000	30,000,000
Unlisted options to be issued to Hartleys	20,000,000	20,000,000
Unlisted options to be issued to Directors	45,000,000	45,000,000
Number of options on issue following the Offer	304,525,087	429,525,087

NOTE 8. ACCUMULATED LOSSES	Reviewed 31-Aug-14 $	Pro-forma after Offer $
Accumulated losses	(77,498,594)	(77,059,101)
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Tangiers at 31 August 2014		(77,498,594)
Subsequent events:		
Gain on transfer of amount owing to Galp Energia from trade payables to contingent liabilities		1,583,794
General and administration expenses incurred subsequent to 31-Aug-14		(900,000)
Project related costs		(120,050)
Payment of legal fees relating to the acquisition of the Project		(99,251)
		464,493
Pro-forma adjustments:		
Payments to ECP on completion of the acquisition of the Project		(25,000)
		(25,000)
Pro-forma Balance		(77,059,101)

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report a contingent liability exists whereby the Company will be liable to settle an amount of US$3,436,019 if DVM does not transfer or withdraw from the Tarfaya Offshore Permit within six months or a mutually agreed upon date within twelve months of the date of the deed. This contingent liability also crystallises if the market capitalisation of Tangiers exceeds $50 million within the next seven years, or in the event the Company delists for any reason such as due to a change of control.

Other than the above we are not aware of any material commitments or contingent liabilities other than those already disclosed in the Prospectus.

APPENDIX 5

TANGIERS PETROLEUM LIMITED

CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

Consolidated Historical Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-13 $	Audited for the year ended 31-Dec-12 $
Interest revenue	69,331	46,827
Other income	436,606	-
Administration expenses	(2,549,059)	(1,826,625)
Occupancy expenses	(616,565)	(369,035)
Employee benefit expenses	(1,022,062)	(827,774)
Share based payment expense	(604,843)	(1,691,289)
Depreciation and amortisation expense	(24,933)	(35,767)
Exploration expenditure expensed as incurred	(172,818)	(35,765)
Exploration expenditure written off	(2,112,508)	(30,528)
Impairment of available for sale investments	(230,782)	-
Loss on sale of available for sale investments	(63,120)	-
Interest expense	(827)	(1,840)
Loss before income tax	(6,891,580)	(4,771,796)
Income tax expense	-	-
Net loss attributable to members of the parent	(6,891,580)	(4,771,796)
Other comprehensive income for the period		
Other comprehensive income that may be recycled to profit or loss in subsequent periods		
Change in fair value of available for sale investments (net of tax)	60,061	-
Total comprehensive loss for the period	(6,831,519)	(4,771,796)

Consolidated Historical Statement of Financial Position	Audited as at 31-Dec-13 $	Audited as at 31-Dec-12 $
CURRENT ASSETS		
Cash and cash equivalents	6,089,313	4,174,910
Other receivables	121,212	307,949
TOTAL CURRENT ASSETS	6,210,525	4,482,859
NON CURRENT ASSETS		
Plant and equipment	49,243	43,710
Other financial assets	3,566,500	2,939,949
Exploration and evaluation expenditure	7,742,856	9,165,356
TOTAL NON CURRENT ASSETS	11,358,599	12,149,015
TOTAL ASSETS	17,569,124	16,631,874
CURRENT LIABILITIES		
Trade and other payables	915,761	445,423
TOTAL CURRENT LIABILITES	915,761	445,423
TOTAL LIABILITIES	915,761	445,423
NET ASSETS	16,653,363	16,186,451
EQUITY		
Issued and fully paid shares	55,889,563	49,196,225
Reserves	10,761,256	10,096,102
Accumulated losses	(49,997,456)	(43,105,876)
TOTAL EQUITY	16,653,363	16,186,451

11. INDEPENDENT RESOURCE REPORT

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

This is a digital representation of a DeGolyer and MacNaughton report.

This file is intended to be a manifestation of certain data in the subject report and as such are subject to the same conditions thereof. The information and data contained in this file may be subject to misinterpretation; therefore, the signed and bound copy of this report should be considered the only authoritative source of such information.

DeGolyer and MacNaughton
F-716
TEXAS REGISTERED ENGINEERING FIRM

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

REPORT
as of
DECEMBER 31, 2014
on the
UNCONVENTIONAL PROSPECTIVE RESOURCES
attributable to the
ICEWINE PROSPECT
for
TANGIERS PETROLEUM LIMITED
NORTH SLOPE
USA

TABLE of CONTENTS

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FOREWORD

Scope of Investigation

This report presents estimates, as of December 31, 2014, of the unconventional prospective petroleum resources located in various state leases in the United States (Figure 1). This report is being prepared on behalf of Tangiers Petroleum Limited (Tangiers). Tangiers has represented that it has earned the exclusive right to secure the leaseholds on 99,360 acres onshore Central North Slope in the Icewine prospect in Alaska under the terms of the exploration and production licenses issued. Tangiers, through its Joint Venture partner Burgundy Petroleum, was announced as the highest bidder by the State of Alaska in the recent licensing round (November 2014). The leaseholds are to be awarded formally by the State of Alaska, likely to be in the second quarter of 2015, whereby subsequently Tangiers is to be nominated as operator and hold a net working interest of 87.5 percent (Table 1).

A possibility exists that the prospect will not result in successful discovery and development, in which case there could be no future revenue. There is no certainty that any portion of the unconventional prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the unconventional prospective resources evaluated.

Estimates of the unconventional prospective resources should be regarded only as estimates that may change as additional information becomes available. Not only are such unconventional prospective resources estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. Unconventional prospective resources quantities estimates should not be confused with those quantities that are associated with contingent resources or reserves due to the additional risks involved. The quantities that might actually be recovered, should they be discovered and developed, may differ significantly from the estimates presented herein.

The unconventional prospective resources estimates presented in this report have been prepared in accordance with the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. These unconventional prospective resources definitions are discussed in detail in the Definition of Prospective Resources section of this report.

The unconventional prospective resources estimated in this report are expressed as gross and working interest unconventional prospective resources. Gross unconventional prospective resources are defined as the total estimated petroleum that is potentially recoverable after December 31, 2014. Working interest unconventional prospective resources are defined as the product of the gross unconventional prospective resources and Tangiers' potential working interest.

The unconventional prospective resources estimated herein are those quantities of petroleum that are potentially recoverable from accumulations yet to be discovered. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the unconventional prospective resources estimated herein cannot be classified as contingent resources or reserves. The unconventional prospective resources estimates in this report are not provided as a means of comparison to contingent resources or reserves. Table 1 summarizes ownership, potential hydrocarbon phase, and prospect location for the prospect portfolio presented herein. Tables 2 and 3 summarize the prospective resources volumes and probability of geologic success (P_g) for the prospect portfolio estimated herein. Table 4 summarizes the prospective resources volumes and various potential target parameters for the prospect portfolio estimated herein.

Authority

This report was authorized by David Wall, Managing Director, Tangiers.

Source of Information

In the preparation of this report we have relied, without independent verification, upon information furnished by or on behalf of Tangiers with respect to the property interests to be evaluated, subsurface data as they pertain to the target objectives and prospects, and various other information and technical data that were accepted as represented. Site visits to the prospect evaluated herein were not made by DeGolyer and MacNaughton, as this potential accumulation is undrilled and prospective; therefore, production facilities are not relevant. This report was based on data available as of December 31, 2014.

DEFINITION of UNCONVENTIONAL PROSPECTIVE RESOURCES

Estimates of petroleum resources included in this report are classified as prospective resources and have been prepared in accordance with the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. Because of the lack of commerciality or sufficient drilling, the prospective resources estimated herein cannot be classified as contingent resources or reserves. The unconventional petroleum resources are classified as follows:

> *Unconventional Prospective Resources* – Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits). Typically, such accumulations (once discovered) require specialized extraction technology (e.g., dewatering of CBM*, massive fracturing programs for shale gas, shale oil, tight gas, steam and/or solvents to mobilize bitumen for in-situ recovery, and, in some cases, mining activities).

In contrast to conventional reservoirs, natural gas can also be found in more difficult to extract unconventional deposits, such as coal beds (coal seam gas), or in shales (shale gas), low quality reservoirs (tight gas), or as gas hydrates.

> *Shale Oil, Shale Gas, and Coal Seam Gas* are examples where the natural gas or oil is still within the source rock, not having migrated to a porous and permeable reservoir.

> *Tight Gas* occurs within low permeability reservoir rocks, which are rocks with matrix porosities of 10 per cent or less and permeabilities of 0.1 millidarcy (mD) or less, exclusive of fractures. Tight gas can

be regionally distributed (for example, basin-centered gas), rather than accumulated in a readily producible reservoir in a discrete structural closure as in a conventional gas field.

Gas Hydrates are naturally occurring ice-like solids (clathrates) in which water molecules trap gas molecules in deep-sea sediments and in and below the permafrost soils of the polar regions.

The estimation of resources quantities for a prospect is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable quantities. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

Low, Best, High, and Mean Estimates – Estimates of petroleum resources in this report are expressed using the terms low estimate, best estimate, high estimate, and mean estimate to reflect the range of uncertainty.

A detailed explanation of the probabilistic terms used herein and identified with an asterisk (*) is included in the Glossary of Probabilistic Terms bound with this report. For probabilistic estimates of petroleum resources, the low estimate reported herein is the P_{90}* quantity derived from probabilistic analysis. This means that there is at least a 90-percent probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the low estimate. The best (median) estimate is the P_{50}* quantity derived from probabilistic analysis. This means that there is at least a 50-percent probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the best (median) estimate. The high estimate is the P_{10}* quantity derived from probabilistic analysis. This means that there is at least a 10-percent probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the high estimate. The expected value* (EV), an outcome of the probabilistic analysis, is the mean estimate.

Uncertainties Related to Prospective Resources – The quantity of petroleum discovered by exploration drilling depends on the number of prospects that are successful as well as the quantity that each success contains. Reliable forecasts of these quantities are, therefore, dependent on accurate predictions of the number of discoveries that are likely to be made if the entire portfolio of prospects is drilled. The accuracy of this forecast depends on the portfolio size, and an accurate assessment of the P_g *.

Probability of Geologic Success – The probability of geologic success (P_g) is defined as the probability of discovering reservoirs that flow hydrocarbons at a measurable rate. The P_g is estimated by quantifying with a probability each of the following individual geologic chance factors: trap, source, reservoir, and migration. The product of the probabilities of these four chance factors is P_g. P_g is predicated and correlated to the minimum case prospective resources gross recoverable volume(s). Consequently, the P_g is not linked to economically viable volumes, economic flow rates, or economic field size assumptions.

In this report estimates of prospective resources are presented both before and after adjustment for P_g. Total prospective resources estimates are based on the probabilistic summation (statistical aggregate) of the quantities for the total inventory of prospects. The statistical aggregate P_g-adjusted mean estimate, or "aggregated geologic chance-adjusted mean estimate," is a probability-weighted average geologic success case expectation (average) of the hydrocarbon quantities potentially recoverable if all of the prospects in a portfolio were drilled. The P_g-adjusted mean estimate is a "blended" quantity; it is a product of the statistically aggregated mean volume estimate and the portfolio's probability of geologic success. This statistical measure considers and stochastically quantifies the geological success and geological failure outcomes. Consequently, it represents the average or mean "geologic success case" volume outcome of drilling all of the prospects in the exploration program.

Application of P_g to estimate the P_g-adjusted prospective resources quantities does not equate prospective resources with reserves or contingent resources. P_g-adjusted prospective resources quantities cannot be compared directly to or aggregated with either reserves or contingent resources. Estimates of P_g are interpretive and are dependent on the quality and quantity of data currently made available. Future data acquisition, such as additional drilling or seismic acquisition, can have a significant effect on P_g estimation. These additional data are not confined to the study area, but also include data from similar geologic settings or technological advancements that could affect the estimation of P_g.

Predictability versus Portfolio Size – The accuracy of forecasts of the number of discoveries that are likely to be made is constrained by the number of prospects in the exploration portfolio. The size of the portfolio and P_g together are helpful in gauging the limits on the reliability of these forecasts. A high P_g, which indicates a high chance of discovering measurable petroleum, may not require a large portfolio to ensure that at least one discovery will be made (assuming the P_g does not change during drilling of some of the prospects). By contrast, a low P_g, which indicates a low chance of discovering measurable petroleum, could require a large number of prospects to ensure a high confidence level of making even a single discovery. The relationship between portfolio size, P_g, and the probability of a fully unsuccessful drilling program that results in a series of wells not encountering measurable hydrocarbons is referred to herein as the predictability versus portfolio size (PPS) relationship*. It is critical to be aware of PPS, because an unsuccessful drilling program, which results in a series of wells that do not encounter measurable hydrocarbons, can adversely affect any exploration effort, resulting in a negative present worth.

For a large prospect portfolio, the P_g-adjusted mean (statistical aggregate) estimate of the prospective resources quantity should be a reasonable estimate of the recoverable petroleum quantities found if all prospects are drilled. When the number of prospects in the portfolio is small and the P_g is low, the recoverable petroleum actually found may be considerably smaller than the statistical aggregate P_g-adjusted mean estimate would indicate. It follows that the probability that all of the prospects will be unsuccessful is smaller when a large inventory of prospects exist.

Prospect Technical Evaluation Stage – A prospect can often be subcategorized based on its current stage of technical evaluation. The different stages of technical evaluation relate to the amount of geologic, geophysical, engineering, and petrophysical data as well as the quality of available data.

Prospect – A prospect is a potential accumulation that is sufficiently well defined to be a viable drilling target. For a prospect, sufficient data and analyses exist to identify and quantify the technical uncertainties, to determine reasonable ranges of geologic chance factors and engineering and petrophysical parameters, and to estimate prospective resources.

Lead – A lead is less well defined and requires additional data and/or evaluation to be classified as a prospect. An example would be a poorly defined closure mapped using sparse regional seismic data in a basin containing favorable source and reservoir(s). A lead may or may not be elevated to prospect status depending on the results of additional technical work. A lead must have a P_g equal to or less than 0.05 to reflect the inherent technical uncertainty.

Play – A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

ESTIMATION of UNCONVENTIONAL PROSPECTIVE RESOURCES

Estimates of unconventional prospective resources were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of the reservoirs was tempered by experience with similar reservoirs, stage of development, and quality and completeness of basic data.

The probabilistic analysis of the unconventional prospective resources in this study considered the uncertainty in the amount of petroleum that may be discovered and the P_g. The uncertainty analysis addresses the range of possibilities for any given volumetric parameter. Minimum, maximum, low, best, high, and mean estimates of unconventional prospective resources were estimated to address this uncertainty. The P_g analysis addresses the probability that the identified prospect will contain petroleum that flows at a measurable rate.

Estimates of recovery efficiency presented in this report are based on analog data and global experience and reflect the potential range in recovery for the potential reservoirs considered in each prospect. Recovery efficiency estimates do not incorporate development or economic input and are subject to change upon selection of specific development options and costs, economic parameters, and product price scenarios.

In this report, one potential accumulation is referred to as prospect to reflect the current stage of technical evaluation.

Volumetrics, Quantitative Risk Assessment, and the Application of P_g

Minimum, low, modal, best, mean, high, and maximum representations of potential productive area were interpreted from maps, available seismic data, and/or analogy. Representations for the petrophysical parameters (porosity, hydrocarbon saturation, and net hydrocarbon thickness) and engineering parameters (recovery efficiency and fluid properties) were also estimated based on available well data, regional data, analog field data, and global experience. Individual probability distributions for net rock volume and petrophysical and engineering parameters were estimated from these representations and are summarized in Table 4.

The distributions for the variables were derived from (1) scenario-based interpretations, (2) the geologic, geophysical, petrophysical, and engineering data available, (3) local, regional, and global knowledge, and (4) field and case studies in the literature. The parameters used to model the recoverable quantities were potential productive area, net hydrocarbon thickness, geometric correction factor, porosity, hydrocarbon saturation, formation volume factor, and recovery efficiency. Minimum, mean, and maximum representations were used to statistically model and shape the input P_{90}, P_{50}, and P_{10} parameters. Potential productive area and net hydrocarbon thickness were modeled using truncated lognormal distributions. Truncated normal distributions were used to model geometric correction factor, formation volume factor, recovery efficiency, porosity, and hydrocarbon saturation. Latin hypercube sampling was used to better represent the tails of the distributions.

Each individual volumetric parameter was investigated using a probabilistic approach with attention to variability. Deterministic data were used to anchor and shape the various distributions. The net rock volume parameters had the greatest range of variability, and therefore had the greatest impact on the uncertainty of the simulation. The volumetric parameter variability was based on the structural and stratigraphic uncertainties due to the depositional environment and quality of the seismic data. Analog field data were statistically incorporated to derive uncertainty limits and constraints on the net hydrocarbon thickness pore volume. Uncertainty associated with the depth conversion, seismic interpretation, gross sand thickness mapping, and net hydrocarbon thickness assumptions were also derived from studies of analogous reservoirs, multiple interpretative scenarios, and sensitivity analyses.

A P_g analysis was applied to estimate the quantities that may actually result from drilling this unconventional prospect. In the P_g analysis, the P_g estimates were made for each prospect from the product of the probabilities of the four geologic chance factors: trap, reservoir, migration, and source. The P_g is predicated and correlated to the minimum case prospective resources gross recoverable volume(s). The P_g is not linked to economically viable volumes, economic flow rates, or economic field size assumptions. P_g is predicated and correlated to the minimum case prospective resources gross recoverable volume(s). The P_g is not linked to economically viable volumes, economic flow rates, or economic field size assumptions.

The following equation was used in the probabilistic volumetric model:

For Oil Shales:

$$PGUR = 7758 \times A \times h \times \phi \times B_o \times S_o \times R_f$$

where:
- PGUR = Prospective gross ultimate recovery (bbl)
- A = Productive area (acres)
- h = Net hydrocarbon thickness (feet)
- ϕ = Porosity (decimal)
- B_o = Formation volume factor (rb/stb)
- S_o = Oil saturation (decimal)
- R_f = Recovery efficiency (decimal)

Estimates of gross and working interest unconventional prospective resources and the P_g estimates, as of December 31, 2014, evaluated herein are shown in Tables 2 and 3. The P_g-adjusted mean estimate of the unconventional prospective resources was then made by the probabilistic product of P_g and the resources distributions for the prospect. These results were then stochastically summed (zero dependency) to produce the statistical aggregate P_g-adjusted mean estimate unconventional prospective resources. The range in probability of the mean occurrence (P_{MEAN})* for the prospective resources volumes were estimated as defined in the glossary of this report. The range in P_{MEAN} for the statistical aggregate P_g-adjusted mean oil estimate is 0.14 to 0.20.

Application of the P_g factor to estimate the P_g-adjusted prospective resources quantities does not equate prospective resources with reserves or contingent resources. The P_g-adjusted estimates of prospective resources quantities cannot be compared directly to or aggregated with either reserves or contingent resources. Estimates of P_g are interpretive and are dependent on the quality and quantity of data currently available. Future data acquisition, such as additional drilling or seismic acquisition, can have a significant effect on P_g estimation. These additional data are not confined to the area of study, but also include data from similar geologic settings or from technological advancements that could affect the estimation of P_g or impact the interpretation of the petroleum system.

Assumed recovery of the potential prospective oil resources estimated herein would be by normal separation in the field. Estimates of prospective oil resources are expressed herein in thousands of barrels (10^3bbl). In this estimate, 1 barrel equals 42 United States gallons.

The application of any geologic or economic chance factor to these unconventional prospective resources quantities does not equate them with reserves or contingent resources. Chance factor-adjusted estimates (geological or economic) of unconventional prospective resources quantities cannot be compared directly to or aggregated with contingent resources or reserves.

There is no certainty that any portion of the unconventional prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the unconventional prospective resources evaluated.

SUMMARY and CONCLUSIONS

Prospective resources in the Icewine prospect have been evaluated in various state leases in the United States. The unconventional prospective resources estimates presented below are based on the statistical aggregation method. Estimates of the gross and working interest unconventional prospective oil resources, as of December 31, 2014, are summarized as follows, expressed in English units in thousands of barrels (10^3bbl):

	Low Estimate	Best Estimate	High Estimate	Mean Estimate
Gross Unconventional Prospective Oil Resources, 10^3bbl	244,277	446,377	813,181	492,501
Working Interest Unconventional Prospective Oil Resources, 10^3bbl	213,743	390,579	711,533	430,938

Notes:
1. Low, best, high, and mean estimates in this table are P_{90}, P_{50}, P_{10}, and mean, respectively.
2. P_g has not been applied to the volumes in this table.
3. Application of any geological and economic chance factor does not equate unconventional prospective resources to contingent resources or reserves.
4. Recovery efficiency is applied to unconventional prospective resources in this table.
5. The unconventional prospective resources presented above are based on the statistical aggregation method.
6. There is no certainty that any portion of the unconventional prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the unconventional prospective resources evaluated.

The gross and working interest statistical aggregate P_g-adjusted mean estimate unconventional prospective oil resources, as of December 31, 2014, are summarized as follows, expressed in English units in 10^3bbl:

	Mean Estimate
Gross P_g-Adjusted Unconventional Prospective Oil Resources, 10^3bbl	200,346
Working Interest P_g-Adjusted Unconventional Prospective Oil Resources, 10^3bbl	175,303

Notes:
1. Application of any geological and economic chance factor does not equate unconventional prospective resources to contingent resources or reserves.
2. Recovery efficiency is applied to unconventional prospective resources in this table.
3. The unconventional prospective resources presented above are based on the statistical aggregation method.
4. P_g is predicated and correlated to the minimum case prospective resources gross recoverable volume(s). The P_g is not linked to economically viable volumes, economic flow rates, or economic field size assumptions.
5. The range in probability of occurrence for the statistical aggregate P_g-adjusted mean oil estimate is 0.14 to 0.20.
6. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

The arithmetic summation method was used to aggregate resources quantities above the field, property, or project level. The prospective resources quantities aggregated by the arithmetic summation method for the prospects evaluated in this report are presented in the prospective resources tables bound with this report.

Professional Qualifications

DeGolyer and MacNaughton is a Delaware Corporation with offices at 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244, U.S.A. The firm has been providing petroleum consulting services throughout the world since 1936. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent appraisal of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton has no commercial arrangement with any other person or company involved in the interests which are the subject of this report.

The evaluation has been supervised by Dr. John W. Hornbrook, Senior Vice President with DeGolyer and MacNaughton, a Registered Professional Engineer in the State of Texas, and a member of the Society of Petroleum Engineers. He has over 20 years of oil and gas industry experience.

Submitted,

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: January 30, 2015

John W. Hornbrook, P.E.
Senior Vice President
DeGolyer and MacNaughton

CERTIFICATE of QUALIFICATION

I, John W. Hornbrook, Professional Engineer, of 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244, U.S.A, hereby certify:

1. That I am a Senior Vice President with DeGolyer and MacNaughton, which company did prepare the report entitled "Report as of December 31, 2014 on the Unconventional Prospective Resources attributable to the Icewine Prospect for Tangiers Petroleum Limited North Slope USA" and that I, as Senior Vice President, was responsible for the preparation of this report.

2. That I received a Bachelor of Science (B.S) degree in petroleum engineering from the University of Tulsa in 1986, a Master of Science (M.S.) degree in petroleum engineering from Stanford University in 1991, and a Doctor of Philosophy (Ph.D.) degree from Stanford University in 1994. I am a Registered Professional Engineer in the State of Texas and I have in excess of 20 years experience in the Petroleum Industry.

3. That DeGolyer and MacNaughton or its officers have no direct or indirect interest, nor do they expect to receive any direct or indirect interest in any properties or securities of Tangiers Petroleum Limited or affiliate thereof.

Submitted,

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: January 30, 2015

STATE OF TEXAS
JOHN WIRT HORNBROOK
86128
LICENSED
PROFESSIONAL ENGINEER

John W. Hornbrook, P.E.
Senior Vice President
DeGolyer and MacNaughton

Marginal Contingent Resources – Those quantities associated with technically feasible projects that are either currently economic or projected to be economic under reasonably forecasted improvements in commercial conditions but are not committed for development because of one or more contingencies.

Sub-Marginal Contingent Resources – Those quantities associated with discoveries for which analysis indicates that technically feasible development projects would not be economic and/or other contingencies would not be satisfied under current or reasonably forecasted improvements in commercial conditions. These projects nonetheless should be retained in the inventory of discovered resources pending unforeseen major changes in commercial conditions.

Undetermined Contingent Resources – Where evaluations are incomplete such that it is premature to clearly define ultimate chance of commerciality, it is acceptable to note that project economic status is "undetermined."

Economic Multiple (EM) – Potential present worth at 10 percent per barrel of oil equivalent.

Expected Value – The expected value (EV) is the probability-weighted average of the parameter being estimated, where probability values from the probability distribution are used as the weighting factors. Parameter values (abscissa) and probabilities (ordinate) are the Cartesian pairs (e.g., gross recoverable volumes and P_{90} which define the probability distribution. These parameters are probability-weighted and summed to yield the resulting expected value. The equation for computing the expected value is as follows:

$$EV = \sum_{i=1}^{n} (P_i)(V_i) \tag{1}$$

where: P_i = probability from probability distribution, ordinate
V_i = parameter value, abscissa
i = a specific value in an ordered sequence of values
n = the total number of samples

The expected value is the algebraic sum of all of the products obtained by multiplying the parameter quantity and its associated probability of occurrence. The expected value is sometimes called the mean estimate or the statistical mean. In a probabilistic analysis, the expected value is the only quantity that can be treated arithmetically (by addition, subtraction, multiplication, or division). All other quantities, such as median, P_{50}, mode, P_{90}, and P_{10}, require probabilistic techniques for scaling or aggregation.

The probability associated with the statistical mean depends on the variance of the distribution from which the mean is calculated. The mean estimate is the statistical mean (the probability-weighted average), which typically has a probability in the P_{45} to P_{15} range. Therefore, if a successful discovery occurs, the probability of the accumulation containing the statistical mean volume or greater is usually between P_{45} and P_{15}.

The expected value is the preferred quantity to use in probabilistic estimates of prospective resources. The P_{90} and P_{10} quantities are used for the low and high estimates, respectively, of prospective resources. Aggregation or scaling of P_{90}, P_{50}, and P_{10} quantities should be done probabilistically, not arithmetically.

Geometric Correction Factor – The geometric correction factor (GCF) is a geometry adjustment correction that takes into account the relationship of the potential fluid contact to the geometry of the reservoir and trap. Input parameters used to estimate the geometric correction factor include trap shape, length-to-width ratio, potential reservoir thickness, and the height of the potential trapping closure (potential hydrocarbon column height).

High Estimate – The high estimate is the P_{10} quantity. P_{10} means there is a 10-percent chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.

Lead – A lead is less well defined and requires additional data and/or evaluation to be classified as a prospect. An example would be a poorly defined closure mapped using sparse regional seismic data in a basin containing favorable source and reservoir(s). A lead may or may not be elevated to prospect status depending on the results of additional technical work. A lead must have a P_g equal to or less than 0.05 to reflect the inherent technical uncertainty.

Low Estimate – The low estimate is the P_{90} quantity. P_{90} means there is a 90-percent chance that an estimated quantity, such as a prospective resources volume or associated quantity, will be equaled or exceeded.

Mean Estimate – In accordance with petroleum industry standards, the mean estimate is the probability-weighted average (expected value), which typically has a probability in the P_{45} to P_{15} range, depending on the variance of prospective resources volume or associated quantity. Therefore, the probability of a prospect or accumulation containing the probability-weighted average volume or greater is usually between 45 and 15 percent. The mean estimate is the preferred probabilistic estimate of resources volumes.

Median – Median is the P_{50} quantity, where the P_{50} means there is a 50-percent chance that a given variable (such as prospective resources, porosity, or water saturation) is equaled or exceeded. The median of a data set is a number such that half the measurements are below the median and half are above.

The median is the best estimate in probabilistic estimations of prospective resources, as required by the PRMS guidelines.

Migration Chance Factor – Migration chance factor ($P_{migration}$) is defined as the probability that a trap either predates or is coincident with petroleum migration and that there exists vertical and/or lateral migration pathways linking the source to the trap.

Mode – The mode is the quantity that occurs with the greatest frequency in the data set and therefore is the quantity that has the greatest probability of occurrence. However, the mode may not be uniquely defined, as is the case in multimodal distributions.

Net Entitlement Interest – A production sharing agreement (PSA) or a production sharing contract (PSC) allows a company to be reimbursed for its share of the capital and operating expenses and to share in the profits. The reimbursements and profit proceeds (less the extraordinary profits tax (EPT)) are converted to a barrel-equivalent volume by dividing by the weighted-average price of oil or gas. The ratio of this barrel-equivalent volume and the gross volume is a *net entitlement interest*. As such, the resulting entitlement interest may vary with product price, costs, timing of production, and other factors.

Net Revenue Interest – The share of production after all royalty burdens and interests owned by others have been deducted.

P_e-adjusted Mean Estimate, statistical aggregate – The statistical aggregate probability of economic success (P_e)-adjusted mean estimate, or "aggregated economic chance-adjusted mean estimate," is a probability-weighted economic success case expectation (average) of the hydrocarbon quantities potentially discovered for the economically viable discoveries in the portfolio. The P_e-adjusted mean estimate is a "blended" quantity; it is a product of the statistically aggregated truncated mean volume estimate, and the portfolio's probability of economic success. This statistical measure considers and stochastically quantifies the potential economic success and economic failure outcomes. Consequently, it represents the average or mean "success case economic" volume(s) resulting from developing the viable discoveries in an exploration program. Economically

viable prospects should exceed the threshold economic field size pre-drill. The P_e-adjusted best estimate for a single prospect is calculated as follows:

$$P_e\text{-adjusted mean estimate} = P_e \times \text{truncated mean estimate} \quad (2)$$
$$\text{(mean TEFS-adjusted volumes)}$$

P_g-adjusted Mean Estimate, statistical aggregate – The statistical aggregate P_g-adjusted mean estimate, or "aggregated geologic chance-adjusted mean estimate," is a probability-weighted average geologic success case expectation (average) of the hydrocarbon quantities potentially discovered if all of the prospects in a portfolio were drilled. The P_g-adjusted mean estimate is a "blended" quantity; it is a product of the statistically aggregated mean volume estimate and the portfolio's probability of geologic success. This statistical measure considers and stochastically quantifies the geological success and geological failure outcomes. Consequently, it represents the average or mean "geologic success case" volume outcome of a drilling all of the prospects in the exploration program. The P_g-adjusted mean volume estimate for a single prospect is calculated as follows:

$$P_g\text{-adjusted mean estimate} = P_g \times \text{mean estimate} \quad (3)$$
$$\text{(mean geological success case volumes)}$$

The probability of the statistical aggregate P_g-adjusted mean estimate is estimated by the product of the portfolio P_g and the probability of the mean volume occurrence for the entire prospect portfolio. The equation is as follows:

$$\text{Statistical aggregate } P_g\text{-adjusted mean estimate, probability of} \quad (4)$$
$$\text{occurrence} = \text{Portfolio } P_g \times \text{mean volume probability estimate for the portfolio}$$

P_n *Nomenclature* – This report uses the convention of denoting probability with a subscript representing the greater than cumulative probability distribution. As such, the notation P_n indicates the probability that there is an n-percent chance that a specific input or output quantity will be equaled or exceeded. For example, P_{90} means that there is a 90-percent chance that a variable (such as prospective resources, porosity, or water saturation) is equaled or exceeded.

Play – A project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.

Potential Present Worth at 10 Percent – Potential present worth at 10 percent (PPW_{10}) is defined as potential future net revenue discounted at 10 percent compounded monthly over the expected period of realization. PPW_{10} is statistically aggregated at the prospect level. The estimation is probabilistically modeled using distributions (except WI, P_f, and P_e, which are constants) in the following equation:

$$PPW_{10} = \left[\left(P_e \times TVol \times WI \times \frac{PW}{BOE}\right)\right] - (P_f \times DHC \times WI) \tag{5}$$

where: PPW_{10} = potential present worth at 10 percent – *probabilistically determined from the Monte Carlo simulation*
P_e = probability of economic success – *constant*
TVol = potential gross recoverable volume, truncated, TEFS-adjusted – *distribution*
WI = working interest – *constant*
PW/BOE = potential present worth at 10 percent per barrel of oil equivalent – *distribution*
P_f = probability of economic failure – *constant*
DHC = dry hole cost estimate – *distribution*

PW/BOE – The potential present worth at 10 percent per barrel of oil equivalent is represented by a distribution in the probabilistic modeling of the PPW_{10}. The distribution is estimated from various economic assumptions, the current fiscal regime, various potential production profiles, various cost schedules, and success case (discovery) discounted cash flow analyses. The success case discounted cash flows for the prospect(s) account for all costs, taxes, royalties, government takes, related tranches, and various entitlements, discounted at 10 percent compounded monthly over the expected period of realization. Working interest is not included in this statistical metric.

Predictability versus Portfolio Size – The number of prospects in a prospect portfolio influences the reliability of the forecast of drilling results. The relationship between predictability versus portfolio size (PPS) is also known in the petroleum industry literature as "Gambler's Ruin." The relationship of probability to portfolio size is described by the binomial probability equation given as follows:

$$P_{x^n} = (C_{x^n})(p)^x(1-p)^{n-x} \qquad (6)$$

where: P_{x^n} = the probability of x successes in n trials

C_{x^n} = the number of mutually exclusive ways that x successes can be arranged in n trials

p = the probability of success for a given trial (for petroleum exploration, this is P_g)

x = the number of successes (e.g., the number of discoveries)

n = the number of trials (e.g., the number of wells to be drilled)

Note: For the case of n successive dry holes, C_{x^n} and p each equals 1, so the probability of failure is the quantity (1-p) raised to the number of trials.

Probability of Economic Failure – The probability of economic failure P_f is defined as the probability that a given discovery will not be economically viable. It takes into account P_e, P_{TEFS}, TEFS, capital costs, operating expenses, the proposed development plan, the economic model (discounted cash flow analyses), and other business and economic factors. P_f is calculated as follows:

$$P_f = 1 - P_e \qquad (7)$$

Probability of Economic Success – The probability of economic success (P_e) is defined as the probability that a given discovery will be economically viable. It takes into account P_g, P_{TEFS}, TEFS, capital costs, operating expenses, the proposed development plan, the economic model (discounted cash flow analyses), and other business and economic factors. P_e is calculated as follows:

$$P_e = P_g \times P_{TEFS} \qquad (8)$$

Probability of Geologic Success – The probability of geologic success (P_g) is defined as the probability of discovering reservoirs that flow hydrocarbons at a measurable rate. The P_g is estimated by quantifying with a probability each of the following individual geologic chance factors: trap, source, reservoir, and migration. The product of the probabilities of these four chance factors is P_g. P_g is predicated and correlated to the minimum case prospective resources gross recoverable volume(s). Consequently, the P_g is not linked to economically viable volumes, economic flow rates, or economic field size assumptions.

Probability of the Mean Occurrence – The probability of the mean occurrence P_{MEAN} is defined as the probability of occurrence of the mean quantity as defined by the distribution(s) in the Monte Carlo simulation. The probability associated with the mean is dependent on the variance of the distribution, and type of distribution from which the mean is estimated. Typically, the range in probability of occurrence for the statistical mean estimate is 0.45 to 0.15 for lognormal (positively skewed) distributions. The statistical mean has a probability of occurrence of 0.50 for normal (symmetric) distributions.

Probability of TEFS – The probability of threshold economic field size (P_{TEFS}) is defined as the probability of discovering an accumulation that is large enough to be economically viable. P_{TEFS} is estimated by using the prospective resources recoverable volumes distribution in conjunction with the TEFS. The probability associated with the TEFS can be determined graphically from the prospective gross recoverable volumes distribution.

Prospect – A prospect is a potential accumulation that is sufficiently well defined to be a viable drilling target. For a prospect, sufficient data and analyses exist to identify and quantify the technical uncertainties, to determine reasonable ranges of geologic chance factors and engineering and petrophysical parameters, and to estimate prospective resources. In addition, a viable drilling target requires that 70 percent of the median potential production area be located within the block or license area of interest.

Prospective Resources – Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

Raw Natural Gas – Raw natural gas is the total gas produced from the reservoir prior to processing or separation and includes all nonhydrocarbon components as well as any gas equivalent of condensate.

Reservoir Chance Factor – The reservoir chance factor ($P_{reservoir}$) is defined as the probability associated with the presence of porous and permeable reservoir quality rock.

Sales Gas – Sales gas is defined as the total gas to be potentially produced from the reservoirs, measured at the point of delivery, after reduction for projected fuel usage, flare, and shrinkage resulting from field separation and processing.

Source Chance Factor – The source chance factor (P_{source}) is defined as the probability associated with the presence of a hydrocarbon source rock rich enough, of sufficient volume, and in the proper spatial position to charge the prospective area or areas.

Standard Deviation – Standard deviation (SD) is a measure of distribution spread. It is the positive square root of the variance. The variance is the summation of the squared distance from the mean of all possible values. Since the units of standard deviation are the same as those of the sample set, it is the most practical measure of population spread.

$$\sigma = \sqrt{\sigma^2} = \sqrt{\frac{\sum_{i=1}^{n} (x_i - \mu)^2}{n-1}} \tag{9}$$

where: σ = standard deviation
σ^2 = variance
n = sample size
x_i = value in data set
μ = sample set mean

Statistical Aggregation – The process of probabilistically aggregating distributions that represent estimates of resources quantities at the reservoir, prospect, or portfolio level and estimates of PPW_{10} at the prospect or portfolio level. Arithmetic summation yields different results, except for the mean estimate.

Threshold Economic Field Size – The threshold economic field size (TEFS) is the minimum amount of the producible petroleum required to recover the total capital and operating expenditure used to establish the potential accumulation as having a potential present worth at 10 percent equal to zero using the mid-price scenario.

Trap Chance Factor – The trap chance factor (P_{trap}) is defined as the probability associated with the presence of a structural closure and/or a stratigraphic trapping configuration with competent vertical and lateral seals, and the lack of any post migration seal integrity events or breaches.

Truncated Mean Estimate – The truncated mean estimate is the resulting statistical mean calculated from the truncation of the resources distribution by the threshold economic field size.

Truncated Volumes Estimates – The truncated volumes estimates are the resulting probabilistically determined volumes from the truncation of the prospective resources distribution by the threshold economic field size. This truncated distribution produces a new set of statistical metrics.

Unconventional Prospective Resources – Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional prospective resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called "continuous-type deposits"). Typically, such accumulations (once discovered) require specialized extraction technology (e.g., dewatering of CBM, massive fracturing programs for shale gas, shale oil, tight gas, steam and/or solvents to mobilize bitumen for in-situ recovery, and, in some cases, mining activities).

Variance – The variance (σ^2) is a measure of how much the distribution is spread from the mean. The variance sums up the squared distance from the mean of all possible values of x. The variance has units that are the squared units of x. The use of these units limits the intuitive value of variance.

$$\sigma^2 = \frac{\sum_{i=1}^{n} (x_i - \mu)}{n - 1} \tag{10}$$

where: σ^2 = variance
n = sample size
x_i = value in data set
μ = sample set mean

Working Interest – Working interest prospective resources are that portion of the gross prospective resources to be potentially produced from the properties attributable to the interests owned by "Company" before deduction of any associated royalty burdens, net profits payable or government profit share. Working interest is a percentage of ownership in an oil and gas lease granting its owner the right to explore, drill and produce oil and gas from a tract of property. Working interest owners are obligated to pay a corresponding percentage of the cost of leasing, drilling, producing and operating a well or unit. The working interest also entitles its owner to share in production revenues with other working interest owners, based on the percentage of working interest owned.

DEGOLYER AND MACNAUGHTON
F-716
TEXAS REGISTERED ENGINEERING FIRM

TABLE 1
PROSPECT PORTFOLIO SUMMARY
as of
DECEMBER 31, 2014
for
TANGIERS PETROLEUM LIMITED
in the
ICEWINE PROSPECT
NORTH SLOPE
USA

Prospect	Country	Area/Basin	State Leases	Working Interest (decimal)	Potential Hydrocarbon Phase
Icewine	USA	North Slope	Various	0.875*	Oil

*The leaseholds are to be awarded formally by the State of Alaska, likely to be in the second quarter of 2015, whereby subsequently Tangiers is to be nominated as operator and hold a net working interest of 87.5 percent.

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TEXAS REGISTERED ENGINEERING FIRM

TABLE 2
ESTIMATE of the GROSS PROSPECTIVE OIL RESOURCES
as of
DECEMBER 31, 2014
for
TANGIERS PETROLEUM LIMITED
in the
ICEWINE PROSPECT
NORTH SLOPE
USA

Prospect	Country	Area/Basin	State Leases	Gross Prospective Oil Resources Summary: Low Estimate (10^3bbl)	Best Estimate (10^3bbl)	High Estimate (10^3bbl)	Mean Estimate (10^3bbl)	Probability of Geologic Success, P_g (decimal)	P_g-Adjusted Mean Estimate (10^3bbl)
Icewine	USA	North Slope	Various	244,277	446,377	813,181	492,501	0.407	200,346
Statistical Aggregate				**244,277**	**446,377**	**813,181**	**492,501**	**0.407**	**200,346**
Arithmetic Summation				244,277	446,377	813,181	492,501	0.407	200,346

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P_{90}, P_{50}, P_{10}, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.
10. The range in P_{mean} for the statistical aggregate P_g-adjusted mean estimate is 0.14 to 0.20.

TABLE 3
ESTIMATE of the WORKING INTEREST PROSPECTIVE OIL RESOURCES
as of
DECEMBER 31, 2014
for
TANGIERS PETROLEUM LIMITED
in the
ICEWINE PROSPECT
NORTH SLOPE
USA

DEGOLYER AND MACNAUGHTON
F-716
TEXAS REGISTERED ENGINEERING FIRM

Prospect	Country	Area/Basin	State Leases	Working Interest Prospective Oil Resources Summary					
				Low Estimate (10^3bbl)	Best Estimate (10^3bbl)	High Estimate (10^3bbl)	Mean Estimate (10^3bbl)	Probability of Geologic Success, P_g (decimal)	P_g-Adjusted Mean Estimate (10^3bbl)
Icewine	USA	North Slope	Various	213,743	390,579	711,533	430,938	0.407	175,303
Statistical Aggregate				**213,743**	**390,579**	**711,533**	**430,938**	**0.407**	**175,303**
Arithmetic Summation				213,743	390,579	711,533	430,938	0.407	175,303

Notes:

1. Low, best, high, and mean estimates follow the PRMS guidelines for prospective resources.
2. Low, best, high, and mean estimates in this table are P_{90}, P_{50}, P_{10}, and mean respectively.
3. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
4. P_g has been rounded for presentation purposes. Multiplication using this presented P_g may yield imprecise results. Dividing the P_g-adjusted mean estimate by the mean estimate yields the precise P_g.
5. Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to prospective resources in this table.
7. Arithmetic summation of probabilistic estimates produces invalid results except for the mean estimate. Arithmetic summation of probabilistic estimates is presented in this table in compliance with PRMS guidelines.
8. Summations may vary from those shown here due to rounding.
9. There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.
10. The range in P_{mean} for the statistical aggregate P_g-adjusted mean estimate is 0.14 to 0.20.

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F-716
TEXAS REGISTERED ENGINEERING FIRM

TABLE 4
PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
as of
DECEMBER 31, 2014
for
TANGIERS PETROLEUM LIMITED
in the
ICEWINE PROSPECT
NORTH SLOPE
USA

Prospect	Potential Target	Parameter	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	Mean
Icewine	HRZ	Productive area, acres	10,016	16,619	39,331	79,107	99,328	43,809
		Net hydrocarbon thickness, feet	99	132	170	218	289	173
		Geometric correction factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.094	0.115	0.140	0.166	0.201	0.141
		Oil saturation, decimal	0.470	0.511	0.570	0.629	0.670	0.570
		Formation volume factor, Bo	1.260	1.208	1.144	1.081	1.039	1.142
		Recovery efficiency, decimal	0.010	0.025	0.058	0.101	0.132	0.061
		Prospective OOIP, barrels	622,938,900	1,488,585,000	3,605,875,000	7,450,030,000	17,054,460,000	4,107,714,000
		Prospective gross ultimate recovery, barrels	11,425,550	65,754,540	192,539,600	501,498,800	1,441,651,000	250,387,400
Icewine	Hue	Productive area, acres	2,926	14,411	38,178	78,883	99,912	42,581
		Net hydrocarbon thickness, feet	49	65	83	107	143	85
		Geometric correction factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.057	0.076	0.100	0.126	0.165	0.101
		Oil saturation, decimal	0.401	0.441	0.500	0.559	0.599	0.500
		Formation volume factor, Bo	1.260	1.208	1.144	1.081	1.037	1.142
		Recovery efficiency, decimal	0.010	0.025	0.058	0.101	0.133	0.061
		Prospective OOIP, barrels	81,915,300	377,604,100	1,042,541,000	2,382,153,000	5,258,610,000	1,236,578,000
		Prospective gross ultimate recovery, barrels	2.334,028	15,918,640	56,052,630	160,667,900	420,091,100	76,146,550
Icewine	Kingak	Productive area, acres	3,065	14,369	37,920	78,354	99,214	42,308
		Net hydrocarbon thickness, feet	42	84	119	169	249	124
		Geometric correction factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.057	0.076	0.100	0.126	0.162	0.101
		Oil saturation, decimal	0.400	0.441	0.500	0.559	0.599	0.500
		Formation volume factor, Bo	1.317	1.261	1.194	1.128	1.081	1.192
		Recovery efficiency, decimal	0.010	0.025	0.058	0.101	0.133	0.061
		Prospective OOIP, barrels	125,033,000	465,284,000	1,470,168,000	3,274,779,000	8,359,857,000	1,711,059,000
		Prospective gross ultimate recovery, barrels	1,893,209	19,632,590	80,361,640	213,105,600	924,106,000	104,028,900
Icewine	Shublik	Productive area, acres	2,368	14,321	37,937	78,444	99,183	42,308
		Net hydrocarbon thickness, feet	35	44	61	85	134	63
		Geometric correction factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.060	0.094	0.120	0.145	0.169	0.120
		Oil saturation, decimal	0.400	0.441	0.500	0.559	0.599	0.500
		Formation volume factor, Bo	1.370	1.313	1.244	1.175	1.129	1.242
		Recovery efficiency, decimal	0.010	0.025	0.058	0.101	0.133	0.061
		Prospective OOIP, barrels	89,189,260	295,118,200	843,760,800	1,903,260,000	4,996,851,000	994,198,700
		Prospective gross ultimate recovery, barrels	2,593,539	13,522,330	45,796,780	135,417,200	572,553,900	61,937,960

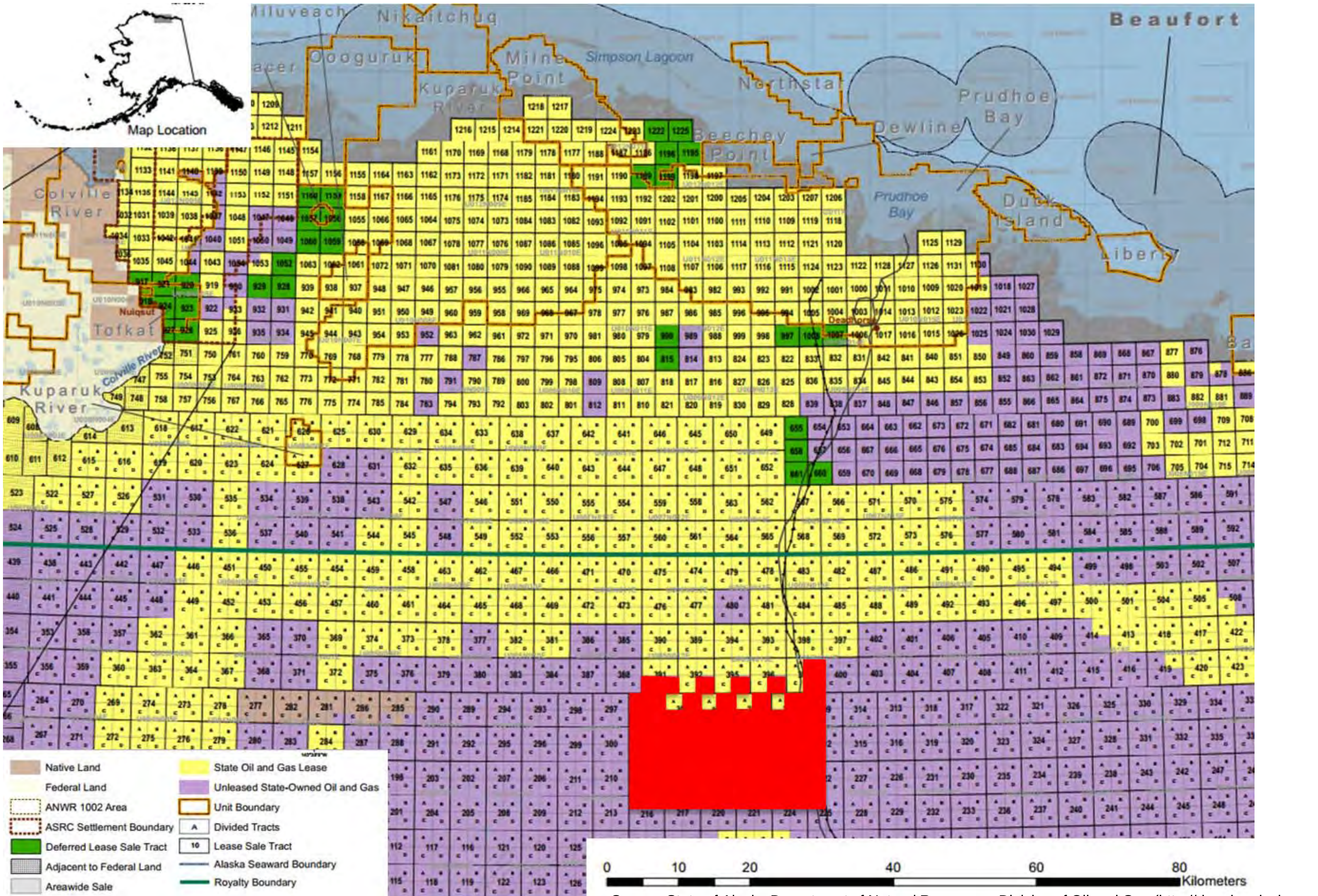
FIGURE 1

LEASE OWNERSHIP MAP

PROVIDED COURTESY OF TANGIERS PETROLEUM LIMITED

DeGolyer and MacNaughton Dallas, Texas

Texas Registered Engineering Firm F-716



Source: State of Alaska Department of Natural Resources, Division of Oil and Gas (http://dog.dnr.alaska.gov/)

North Slope State Leases to be awarded to Tangiers: 214,215,218,219,222,223,301,302,303,304,305,306,307,308 ,312,391,392,395,396, & 399 plus additional leases; 309,310, and 311, previously acquired by their Joint Venture partner Burgundy Xploration.

12. US LEGAL OPINION ON ICEWINE PROJECT

DONALD R. LOOPER
dlooper@loopergoodwine.com
713.335.8602

OFFICES:
Houston, TX
New Orleans, LA

February 10, 2015

Tangiers Petroleum Limited
Level 2, 5 Ord Street
West Perth, WA 6005
AUSTRALIA

RE: Report on Leasehold Interests

Dear Sir:

This report ("**Report**") is being prepared for inclusion in a prospectus relating to the offer by Tangiers Petroleum Limited (ACN 072 964 179) (the "**Company**") for a public offer of shares, the proceeds of which shall, in large part, fund the acquisition and development of the assets referenced herein.

We have been requested to report on the leasehold interests located in the State of Alaska to be acquired by Accumulate Energy Alaska, Inc., a wholly owned subsidiary of the Company, from Burgundy Xploration, LLC ("**Burgundy**").

I. Joint Development Agreement. Tangiers, via its subsidiary Accumulate Energy Alaska, Inc. ("**Accumulate**"), incorporated in the State of Alaska, and Burgundy entered into that certain Joint Development Agreement effective the 5th day of November, 2014 (the "**JDA**"), by which Accumulate agreed to provide funding for certain oil and gas leasehold interests located in the North Slope onshore area of the State of Alaska, to be acquired by Burgundy at the Competitive Oil and Gas Lease Sale ("**Lease Sale**") which was held on November 17, 2014.

The Sale Announcement and Instructions to Bidders ("**Instructions to Bidders**") for the Lease Sale, published by the State of Alaska Department of National Resources ("**DNR**"), provides that, along with the bid for acreage on offer through the Lease Sale, a 20% deposit of the total bid amount was required with the submission of the bid. Accumulate provided the 20% funding to Burgundy, which was a qualified bidder under the terms of the Instructions to Bidders, and therefore bid on behalf of both Burgundy and Accumulate. The results of the Lease Sale were made public on November 19, 2014, resulting in the announcement of Burgundy's successful bid on 63 leases, identification of which is provided on Exhibit A. The Award Notice will be sent to the winning bidder (Burgundy) no earlier than 60 days after bid opening, therefore no earlier than January 18, 2015, and the 80% balance is therefore due no earlier than February 17, 2015. According to the Instructions to Bidders, however, before issuance of an Award Notice the DNR will adjudicate the lease for award by completing a comprehensive evaluation of land status, ownership and survey information, and a final determination on what lands, if any, are available for oil and gas leasing. This lease adjudication may take several months to complete, according to the terms set forth by the Instructions to Bidders, and the Award Notice is not issued until adjudication is complete. Once the lease is adjudicated by the DNR and the Award Notice is sent, the successful bidder (Burgundy) shall wire transfer funds in the amount of the balance due and submit two fully executed copies of the lease form. If the successful Bidder fails to comply with the provisions of the Instructions to Bidders for payment of the balance of the cash bonus, the amount deposited with the bid is forfeited to the State of Alaska. According to Alaskan statute, upon compliance with the terms and conditions of the foregoing, the Commissioner of the DNR will sign the lease on behalf of the State of Alaska and mail one fully executed copy to the successful bidder/lessee.

Under the terms of the JDA, Accumulate will be responsible for a payment of the 80% balance of the winning bids, such payment to be due no later than 30 days from the date of receipt of an Award Notice from the DNR. Upon Tangiers/Accumulate's payment of the remaining 80% balance, Burgundy, the successful bidder, shall within fifteen (15) days of payment, assign to Accumulate an 87.5% working interest in the leases identified on Exhibit A and Exhibit B in accordance with the terms of the JDA. Upon commencement of joint drilling operations on the Leases, Accumulate shall assign back to Burgundy a working interest to compensate Burgundy for the contribution of the leases detailed on Exhibit B, resulting in Accumulate's retention of a 77.78% working interest in all of the leases identified on Exhibit A and Exhibit B. In the event that the Company pays at least 50% of the remaining 80% balance, but less than the full amount due, Burgundy shall use the amount to acquire as many Leases as possible, selected at Burgundy's sole discretion, and Accumulate's assigned interest in the Leases identified on Exhibit A and Exhibit B shall be reduced in accordance with the proportion of its contribution to the total amount actually delivered to the State of Alaska.

II. <u>**Summary of the Leases**</u>. Exhibit A identifies the Leases to be awarded to Burgundy, and subsequently partially assigned to Accumulate, as a result of the successful bid in the Lease Sale. Exhibit B is the description of the Leases currently held by Burgundy, to be partially assigned to Accumulate from Burgundy within fifteen (15) days of payment of the 80% balance of the lease bid amount by Accumulate. The total area covered by the Leases described in Exhibit A and B is approximately 99,360 acres. All of the Leases are substantially the same in form and content, which is a standard lease form promulgated by the Department of National Resources in the State of Alaska. The Leases include the following standard provisions:

- Term: The Leases have a primary term of a specified number of years, with the primary term then being extended for so long as oil or gas is produced on the lands covered by the Lease or on lands pooled with the Lease. In the case of these particular Leases, the primary term is a period of ten (10) years from the effective date of the Lease.

- Rentals: Each of the Leases provides that the Lessee shall pay an annual rental to the state, ranging from Ten Dollars ($10.00) USD per acre for the first seven years, up to Two Hundred and Fifty Dollars ($250.00) USD per acre for the eighth and subsequent years, provided that the state may increase the annual rental rate as provided by law upon extension of the Lease beyond the primary term.

- Royalty Paid by Lessee to State: Each of the Leases provides for a 12.5% royalty to be paid to the mineral owner, in this instance the State of Alaska.

III. Alaska Law. Because the Leases are not located on land owned by the United States government, Alaska Law will govern oil and gas drilling operations relating to the Leases. The State of Alaska Department of Natural Resources, Division of Oil and Gas is the regulatory agency that governs oil and gas drilling operations in Alaska and is the regulatory agency responsible for environmental regulation at the state level in Alaska.

In the United States, at common law the mineral estate has traditionally been considered dominate in the surface estate servient to the extent the mineral owner must use the surface to access the minerals.

IV. Recording of the Leases. Within fifteen (15) days of payment of the 80% balance of the lease bid amount by Accumulate, Burgundy shall record the assignment of Accumulate's working interest in the Leases by completing and filing an Application of Interest in Oil and Gas Lease form DO&G 25-84 (revised 3/12) with the State of Alaska Department of Natural Resources, Division of Oil and Gas. The recording of such assignment is a matter of public record in Alaska. Please note, however, that the State of Alaska Department of Natural Resources, Division of Oil and Gas must approve the assignment(s) of the of the Leases identified on Exhibit A and Exhibit B from Burgundy to Accumulate. Accumulate is officially qualified to participate in assignments of interest with the State of Alaska Department of Natural Resources, Division of Oil and Gas, under qualification file number 2458.

We consent to being named in the Prospectus as being responsible for the preparation of this Report. Except for this Report, we (a) have not authorized or caused the issuance of the Prospectus, (b) are not responsible for any matter included in or omitted from this Prospectus, (c) make no representation or warranty, either express or implied, with respect to the accuracy or completeness of the information contained in the Prospectus, and (d) disclaim liability to any persons in respect of any statement included in or omitted from the Prospectus.

This Report is made solely for the benefit of the Company in connection with the issuance of the Prospectus and is not be relied on or disclosed to any other person or used for any other purpose without our prior written consent.

Very truly yours,

LOOPER GOODWINE, P.C.

By: Don Looper
Donald R. Looper

EXHIBIT A

Lease Tracts to be Awarded to Burgundy and Partially Assigned to Energy Alaska

TRACT NO.	ADL	ACRES
214A	392719	1440.00
214B	392720	1440.00
214C	392721	1440.00
214D	392722	1440.00
215A	392723	1440.00
215B	392724	1440.00
215C	392725	1440.00
215D	392726	1440.00
218A	392727	1440.00
218B	392728	1440.00
218C	392729	1440.00
218D	392730	1440.00
219A	392731	1440.00
219B	392732	1440.00
219C	392733	1440.00
219D	392734	1440.00
222A	392735	1440.00
222C	392736	1440.00
223A	392737	1440.00
223B	392738	1440.00
223C	392739	1440.00
223D	392740	1440.00
301B	392741	1440.00
301C	392742	1440.00
301D	392743	1440.00
302A	392744	1440.00
302B	392745	1440.00
302C	392746	1440.00
302D	392747	1440.00
303A	392748	1440.00
303B	392749	1440.00
303C	392750	1440.00
303D	392751	1440.00
304A	392752	1440.00
304B	392753	1440.00

TRACT NO.	ADL	ACRES
304C	392754	1440.00
304D	392755	1440.00
305B	392756	1440.00
305C	392757	1440.00
305D	392758	1440.00
306B	392759	1440.00
306C	392760	1440.00
306D	392761	1440.00
307A	392762	1440.00
307B	392763	1440.00
307C	392764	1440.00
307D	392765	1440.00
308A	392766	1440.00
308B	392767	1440.00
308C	392768	1440.00
308D	392769	1440.00
310C	392770	1440.00
311A	392771	1440.00
311C	392772	1440.00
312A	392773	1440.00
312C	392774	1440.00
391C	392779	1440.00
391D	392780	1440.00
392D	392781	1440.00
395D	392782	1440.00
396D	392783	1440.00
399B	392784	1440.00
399D	392785	1440.00

EXHIBIT B

Existing Burgundy Leases to be Partially Assigned to Energy Alaska

TRACT NO.	ADL	ACRES
311B	392540	1440.00
311D	392541	1440.00
309C	392299	1440.00
310D	392302	1440.00
309A	392298	1440.00
310B	392301	1440.00

13. CORPORATE GOVERNANCE

13.1 ASX Corporate Governance Council Principles and Recommendations

TPT has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with TPT's needs.

To the extent applicable, TPT has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

Details on TPT's corporate governance procedures, policies and practices can be obtained from the Company website at www.tangierspetroleum.com.au

Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

As the Board only consists of four (4) members, the Company does not have a Nomination and Remuneration Committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues. The responsibilities of a Nomination and Remuneration Committee are currently carried out by the board.

The Board has established a Charter which includes the identification and recommendation of potential director appointments. Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next annual general meeting and is then eligible for re-election by the Shareholders.

Identification and management of risk

The entire Board is responsible for overseeing the risk management function. The Company believes that it is crucial for all Board members to be a part of the process and as such has not established a risk management committee as a subset of the full Board. The Board is responsible for ensuring the risks and opportunities are identified on a timely basis. To achieve this, the Board has implemented a risk system which allows for the monthly monitoring of identified risk areas and performance against the activities to minimise or control these identified risks.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that written notification to the Company Secretary must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

As the Board only consists of four (4) members, the Company does not have an audit committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues and an audit committee cannot be justified based on a cost-benefit analysis

In the absence of an audit committee, the Board sets aside time to deal with issues and responsibilities usually delegated to the audit committee to fulfil its corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

13.2 Departures from Recommendations

TPT will be required to report any departures from the Recommendations in its annual financial report.

14. MATERIAL CONTRACTS

14.1 Deed of Termination

The Company and DVM have entered into a Deed of Termination and Release with Galp and Galp Portugal setting out the terms of a settlement in relation to DVM's funding obligation for the TAO-1 exploration well, totalling US$18,563,979 and disposal of its interest in the Tarfaya Project (**Deed of Termination**).

The key terms of the Deed of Termination are set out in Section 6.3 of the Prospectus.

14.2 Icewine Term Sheet

The Company, BEX, Michael McFarlane, Paul Basinski and Arktos Energy Management, LLC (**AEM**) entered into a non binding terms sheet on 3 November 2014 setting out terms on which the parties agreed to acquire, through a bidding process conducted through BEX, an interest in the Leases.

Upon finalisation of the assignment of Leases under the agreements with BEX (expected to occur in Q2 2015 after formal award of the Leases has been granted and the additional Lease costs referred to below have been paid), it was agreed that Tangiers will have up to an 87.5% working interest over all of the Leases and BEX Leases with BEX retaining the remaining 12.5% working interest.

The initial cost to Tangiers was a 20% deposit paid to the Department of Natural Resources Alaska (US$520,000) on 11 November 2014.

The balance of the Lease costs (~US$2.98m, including first year rental cost of US$10 per acre, on the basis of participation in the total 99,360 acres) are likely to be payable in Q2 2015 post formal award. Any participant who fails to pay its proportion of these costs when due will relinquish its rights in the acreage awarded.

Under the Icewine Term Sheet, the parties agreed to enter into (and have entered into) a Joint Development Agreement to regulate each participant's right, duties and obligations in respect of the development of the oil and gas assets within the AMI, including reflecting the above terms of the Term Sheet, as detailed below.

14.3 Joint Development Agreement

On or around 5 November 2014, Energy Alaska, BEX, AEM, Michael McFarlane and Paul Basinski entered into a joint development agreement in relation to the Icewine Project. The material terms of the joint development agreement (**JDA**) are as follows.

(a) BEX has agreed to contribute its 8,640 acres and initially receive 12,420 acres across the entire Icewine Project in return (**Swap**).

(b) Post the Swap and upon payment of the remaining amounts due, Energy Alaska will acquire up to 86,940 net acres of a gross 99,360 acre (402 km^2) opportunity.

(c) The formal assignment of the Leases will occur once a formal award has been granted under the bidding process and payment of the remaining 80% of Lease costs by the parties has been paid. Formal award is expected to occur in Q2 2015 (which date is indicative only and dependent upon governmental processes), at which point the winning bidder has 30 days according to the State of Alaska bidding procedures to pay the remaining 80% of the Lease costs. Failure to pay this amount will cause a forfeiture of the right to the 1,440 acres of each Lease and forfeiture of the 20% deposit initially paid on each Lease (pro-rata the total of US$520,000). Once payment has been made, the Leases will be formally assigned and the Acquisition will be completed.

(d) Energy Alaska will be the operator of the Icewine Project under a joint operating agreement (the terms of which are summarised below).

(e) Michael McFarlane and Paul Basinski will be appointed to the board of Energy Alaska and may nominate a representative on the Company's Board, at the Company's election.

(f) On spud of the first well on the BEX Lease, Energy Alaska must assign part of its interest in the Icewine Project to BEX, being between 9.7% (if Energy Alaska has an 87.5% interest in the Icewine Project) and 13.3% (if Energy Alaska has an 80% interest). As a result, the Company's participating interest in the Icewine Project will reduce to between 77.8% and 66.8% and BEX's interest will increase from 12.5% to between 22.2% and 33.2%.

(g) Energy Alaska has agreed to free carry BEX in respect of the 2015 calendar year budget for the Icewine Project, which currently totals approximately US$2.1m of expenditure on the Leases but which Energy Alaska may reduce if deemed appropriate.

(h) If Energy Alaska or BEX defaults in paying its full share of the budgeted costs under the JDA, and the default is not remedied within three business days of receiving a default notice, the amount owed will bear interest at an agreed rate until paid. If the amount is not paid in full by the time the first well is spudded then the defaulting party will not participate in the first well or any other well under the JOA and will be treated as a non-consenting party on all proposed operations until such time as the amount and any non-consent penalties are paid.

(i) The JDA remains in effect for the term of the JOA (referred to below) and terminates immediately upon the first to occur of the bid for the Leases being rejected by the Alaskan Government, if the parties choose to withdraw or if the parties refuse to submit any bid for the Leases for a period of 6 months.

14.4 Joint Operating Agreement

On or around 14 November 2014, Energy Alaska and BEX entered into a joint operating agreement to govern the operation of the Icewine Project. Energy Alaska has been designated as the operator under the JOA. The JOA is on standard industry terms (being based on an AIPN model JOA).

The JOA remains in effect until the contracts assigning the Leases to them terminate (these assignments will be executed if and when a formal award of the Leases is granted), all materials used in connection with the operations have been removed and final settlement has occurred.

Energy Alaska and BEX have agreed under the JOA that the contracts assigning the Leases will terminate upon their unanimous agreement, if both parties are defaulting parties and have elected to withdraw from the project, if the parties unanimously determine to surrender the AMI or if all parties elect to withdraw.

14.5 ORRI and Net Profits Partnership Agreement

Energy Alaska entered into a Net Profits Partnership Agreement dated in or around November 2014 with BEX and Arktos Energy Management, LLC (**AEM**) under which AEM will receive:

(a) a 4% overriding royalty[10] over each participant's interest in the Icewine Project leases, payable monthly within 30 days of receipt of revenue; and

(b) a net profit interest (**NPI**) in respect of Energy Alaska's net profit from its interest in the Icewine Project and any lease within an area of mutual interest surrounding the Icewine Project (**AMI**) in which Energy Alaska acquires an interest before 31 December 2017.

The NPI starts at 5% of net profit once Energy Alaska's investment has been repaid (ie once Energy Alaska's cumulative net profit is at a multiple on cumulative invested capital (**MOIC**) of 1x), increasing by 5% with each MOIC increment up to a maximum of 45% of Energy Alaska's net profit where cumulative net profit is 9x MOIC. The MOIC is recalculated every 6 months on 1 January and 1 July each year, and applied to Energy Alaska's net profit for the following 6 months.

The NPI applies to any interest sold by Energy Alaska, other than through a farm out. Energy Alaska may encumber its interest in the Icewine Project or AMI leases but any loan secured by an encumbrance of its interest must only be used towards drilling and development of the leases, completion of wells or pipelines, the acquisition of additional acreage within the AMI or, with AEM's consent, outside the AMI before December 2017.

14.6 ECP Mandate

On 6 November 2014, the Company entered into a mandate with Energy Capital Partners (**ECP**) in respect of ECP's facilitation of the Acquisition (**ECP Mandate**). The key terms of the ECP mandate are set out in Section 6.6 of the Prospectus.

14.7 Arktos Energy Management

The Company has appointed AEM to provide technical services to the Company in respect of the Icewine Project and the AMI under a retainer agreement.

The key terms of the retainer are:

(a) the appointment is for a 12 month period, ending 30 November 2015, which may be renewed by agreement on an annual basis for up to a maximum of 3 years;

(b) AEM must procure Mr Paul Basinski and Mr Michael McFarlane to provide the services as representatives of AEM;

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[10] This assumes the royalty payable to the State of Alaska is 12.5%. If the royalty rate is higher than this, the ORRI rate will be reduced so that the combined Alaskan royalty rate and ORRI are capped at 16.5%.

(c) the Company must pay AEM a fee of US$29,166.67 a month for the services and reimburse approved expense;

(d) either party may terminate the retainer after 1 November 2015 with 14 days written notice; and

(e) the Company may terminate the retainer without notice if AEM or its representative commits a serious breach of the agreement or becomes insolvent or enters into liquidation.

14.8 Hartleys Mandate

On 22 September 2014, the Company entered into an 18 month mandate with Hartleys Limited (**Hartleys**) in relation to the provision of corporate advice and capital raising services to the Company (**Hartleys Mandate**).

Under the Hartleys Mandate, the Company has agreed:

(a) to pay Hartleys a corporate advisory fee of $5,000 per month, to be increased to $10,000 after the Company has raised a minimum of $4,000,000 as set out in the Hartleys Mandate (which will be triggered by raising the minimum subscription under the Offer);

(b) to issue 20,000,000 Options to Hartleys (or its nominee) on the terms and conditions set out in section 15.4 as soon as possible after the Company has raised a minimum of $4,000,000 as set out in the Hartleys Mandate;

(c) to pay Hartleys a fee of 6% of the amount subscribed for under the Offer (with Hartleys to pay for any distribution fee payable to any agreed Co-Managers and other participating AFSL holders); and

(d) to give Hartleys the first right to act as lead manager for any capital raising during the term and to give Hartleys the first right to act as lead or joint lead manager (as determined by the Company) for any capital raising within 6 months of the end of the term.

14.9 DJ Carmichael Mandate

On 16 February 2015, the Company entered into a mandate with DJ Carmichael Pty Limited (**DJ Carmichael**) appointing DJ Carmichael as co-manager for the Offer and the provision of corporate advisory services to the Company (.

14.10 BBY Mandate

On 9 February 2015, the Company entered into a 12 month mandate with BBY Limited (**BBY**) in relation to the provision of corporate advice and capital raising services to the Company.

14.11 RFC Ambrian Mandate

RFC Ambrian Limited is retained by the Company as its Nominated Adviser and Broker in relation to its AIM listing.

15. ADDITIONAL MATERIAL INFORMATION

15.1 Litigation

As at the date of this Prospectus, TPT is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against TPT.

15.2 Rights and liabilities attaching to Shares (including Shares to be issued under the Offer)

The Shares offered under this Prospectus will be fully paid ordinary shares in the issued capital of TPT and will, upon issue, rank equally with all other Shares then on issue.

The rights and liabilities attaching to Shares are regulated by TPT's Constitution, the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and common law. The following is a summary of the more significant rights and obligations attaching to the Shares (including Shares to be issued under the Offer). This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

General meetings

Shareholders are entitled to attend and vote at general meetings of the Company, in person, or by proxy, attorney or representative.

For so long as the Company remains a listed entity, Shareholders will be entitled to receive at least 28 days' prior written notice of any proposed general meeting.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of Shareholders or a class of Shareholders:

(a) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(b) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or her, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Board may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Board may also from time to time pay to the Shareholders such interim dividends as the Board may determine.

No dividend shall carry interest as against the Company. The Board may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Board, for any purpose for which the profits of the Company may be properly applied.

Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Shareholder liability

As the Shares offered by the Prospectus are fully paid shares, they are not subject to any calls for money by the Company and will therefore not become liable for forfeiture.

Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act, the ASX Listing Rules or the AIM Rules for Companies.

All Shares can be traded on either the ASX or AIM. To trade Shares on AIM, Shares must first be transferred from Tangiers Australian share registry into the form of Depository Interests (each of which represents a Share) held in a CREST account on Tangiers' UK sub-registry. The transfer process is relatively simple and is typically completed in a few days and is undertaken by contacting Tangiers' share registry, Computershare.

CREST is the UK equivalent of the CHESS system in Australia for the electronic settlement and registration of share trades. To hold Shares in a CREST account, a shareholder should contact an authorised UK stockbroker and establish an account with them. Alternatively, several Australian stockbrokers have existing accounts with UK stockbrokers that they can utilise for the purpose of trading in AIM shares by their clients. Tangiers can provide contact details for such stockbrokers in the UK and Australia which can facilitate trading Shares on AIM.

Variation of rights

The rights attaching to Shares may only be varied or cancelled by the sanction of a special resolution passed at a meeting of Shareholders or with the written consent of holders of three quarters of all Shares on issue. A special resolution is passed only where approved by at least 75% of all votes cast (and entitled to be cast) on the resolution at the meeting.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting.

15.3 Terms and conditions of Options offered under the Offer and the ECP Option Offer

(a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.

(b) The Options are exercisable at $0.02 each and expire three years from the date of issue.

(c) The Company will apply for the Options to be quoted.

(d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.

(e) The Options are transferable.

(f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.

(g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(i) This rule does not apply to Options issued pro rata on the same terms as Options already on issue.

(j) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.

(k) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

15.4 Terms and conditions of Options offered under the Hartleys Option Offer

(a) Each Option will only be issued once a total amount (in aggregate) of $4,000,000 has been raised by the Company through the Hartleys Mandate, entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.

(b) The Options are each exercisable at $0.014 each and expire three years from the date of issue.

(c) The Options will be unquoted.

(d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.

(e) The Options are transferable.

(f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.

(g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.

(i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.

(j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

15.5 Terms and conditions of Options offered under the Director Option Offer

The Options will be granted to each Director on the terms set out below and will otherwise be granted pursuant to the terms of the Scheme.

(a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.

(b) The Options are each exercisable at a price that is a 43% premium to the VWAP of Shares as at the Date of Acquisition of the Options and expire three years from the date of issue.

(c) The Options will be unquoted.

(d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.

(e) The Options are transferable.

(f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.

(g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

This rule does not apply to Options issued pro rata on the same terms as Options already on issue.

(i) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.

(j) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

15.6 Summary of Incentive Option Scheme

The Board has adopted an Incentive Option Scheme to allow eligible participants to be granted Options to acquire Shares in the Company. The principle terms of the Scheme are summarised below.

(a) **Eligibility and Grant of Options**: The Board may grant Options to any Director, full or part time employee, or casual employee or contractor who falls within ASIC Class Order 14/1000, of the Company or an associated body corporate (**Eligible Participant**). The Board may also offer Options to a prospective Eligible Participant provided the Offer can only be accepted if they become an Eligible Participant. Options may be granted by the Board at any time.

(b) **Consideration**: Each Option granted under the Scheme will be granted for nil or no more than nominal cash consideration.

(c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(d) **Exercise Price and Expiry Date**: The exercise price and expiry date for Options granted under the Scheme will be determined by the Board prior to the grant of the Options.

(e) **Exercise Restrictions**: The Options granted under the Scheme may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.

(f) **Lapsing of Options**: An unexercised Option will lapse:

   (i) on its Expiry Date;

   (ii) if any Exercise Condition is unable to be met and is not waived, as determined by the Board; or

   (iii) subject to certain good leaver exceptions, where the Eligible Participant ceases to be an Eligible Participant.

(g) **Disposal of Options:** Options will not be transferable except to the extent the Scheme or any offer provides otherwise.

(h) **Quotation of Options**: Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless an offer provides otherwise.

(i) **Trigger Events**: The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.

(j) **Disposal of Shares**: The Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued on exercise of Options, up to a maximum of seven (7) years from the date of grant of the Options.

(k) **Participation in Rights Issues and Bonus Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

(l) **Reorganisation**: The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

(m) **Limitations on Offers**: The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

15.7 Interests of Directors

Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of TPT;

(b) any property acquired or proposed to be acquired by TPT in connection with:

   (i) its formation or promotion; or

   (ii) the Offer;

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

   (i) the formation or promotion of TPT; or

   (ii) the Offer.

15.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of TPT;

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of TPT;

(b) any property acquired or proposed to be acquired by TPT in connection with:

    (i) its formation or promotion; or

    (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services provided in connection with:

(a) the formation or promotion of TPT; or

(b) the Offer.

BDO Corporate Finance has acted as Investigating Accountant of TPT and has prepared the Investigating Accountant's Report which is included in Section 10 of this Prospectus. TPT estimates it will pay BDO Corporate Finance a total of $4,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC BDO Corporate Finance has received $10,200 from TPT for their services.

Steinepreis Paganin has acted as the Australian solicitors to TPT in respect of the Prospectus. TPT estimates it will pay Steinepreis Paganin $50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC Steinepreis Paganin has received fees of $67,969(excluding GST) from TPT for legal services.

Looper Goodwine has acted as the United States solicitors to TPT. TPT estimates it will pay Looper Goodwine $18,500 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC Looper Goodwine has received fees of $126,577 (excluding GST) from TPT for legal services.

DeGolyer and MacNaughton has acted as Independent Petroleum Resource Evaluator for TPT and has prepared the Independent Prospective Resources Report which is included in Section 10 of this Prospectus. TPT estimates it will pay DeGolyer and MacNaughton a total of US$68,000 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC DeGolyer and MacNaughton has received $0 from TPT for their services.

Hartleys Limited will act as the Lead Manager to the Offer and will be paid a capital raising fee of up to 6% of the funds raised pursuant to the Offer (excluding GST) in respect of this service as summarised in section 14.8. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hartleys Limited has been paid fees totalling $64,900 by the Company.

DJ Carmichael Pty Ltd will act as Co-Manager to the Offer and will be paid a capital raising fee in respect of the Offer as summarised in section 14.9. During the 24 months preceding lodgement of this Prospectus with the ASIC, DJ Carmichael Pty Ltd has been paid fees totalling $177,540 by the Company.

BBY Limited will act as Co-Manager to the Offer and will be paid a capital raising fee in respect of the Offer as summarised in section 14.10. During the 24 months preceding lodgement of this Prospectus with the ASIC, BBY Limited has been paid fees totalling $0 by the Company.

15.9 Consents

(a) Other than as set out below, each of the parties referred to in this Section 15.9:

(i) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;

(ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and

(iii) did not authorise or cause the issue of all or any part of this Prospectus.

(b) Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Australian lawyers to TPT in relation to the Offer.

(c) Looper Goodwine has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Untied States lawyers to TPT in relation to the Offer.

(d) BDO Corporate Finance has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 10 of this Prospectus in the form and context in which the information and reports are included. BDO Corporate Finance has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

(e) DeGolyer and MacNaughton has given its written consent to being named as the Independent Petroleum Consultants - Resource Evaluation in this Prospectus and to the inclusion of the Independent Resource Report in Section 11 of this Prospectus and the extracts from that report contained in Sections 4 and 6.8 of this Prospectus in the form and context in which the information and report are included. DeGolyer and MacNaughton has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

(f) Hartleys Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Lead Manager to the Offer in the form and context in which it is named.

(g) DJ Carmichael Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named.

(h) BBY Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named.

15.10 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $536,983 (if the full subscription is raised) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	$3,500,000 Minimum Subscription under Offer ($)	$6,000,000 Full Subscription under Offer* ($)	$6,913,193 including max oversubscriptions ($)
ASIC fees	2,290	2,290	2,290
ASX fees	24,171	31,193	33,193
Broking Fees	210,000	360,000	414,792
Legal fees	68,500	68,500	68,500
Investigating Accountant's Fees	4,000	4,000	4,000
Independent Petroleum Consultants - Resource Evaluation Fees	68,000	68,000	68,000
Printing and Distribution	3,000	3,000	3,000
TOTAL	**$379,961**	**$536,983**	**$593,775**

15.11 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, TPT will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

15.12 Governing law

The Offer and the contracts formed on return of an Acceptance Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Shares under this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.

16. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

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Mr David Wall
Managing Director

For and on behalf of
TANGIERS PETROLEUM LIMITED

17. GLOSSARY AND INTERPRETATION

17.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

$ means an Australian dollar.

Acquisition means the proposed acquisition by the Company of up to an 87.5% interest in a large acreage position on a multiple objective, liquids-rich exploration opportunity in onshore North America known as the Icewine Project, as outlined in further detail in Section 6.4.

AIM means the AIM market operated by the London Stock Exchange plc.

AMI means the area of mutual interest in the Icewine Project in which the Company will acquire an interest under the Joint Development Agreement.

Applicant means a person who has submitted an Application Form.

Application means an application for Shares made on an Application Form.

Application Form means an application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

BEX means Burgundy Xploration, LLC.

BEX Leases means the interest in oil and gas leases over 8,640 acres located within the AMI held by BEX, as detailed in Section 6.4.

Board means the board of Directors as constituted from time to time.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Cleansing Offer means the offer of up to 1,000 Shares at an issue price of $0.01 per Share to raise up to $200 for the purpose of cleansing the issue of Shares, the details of which are set out in Section 7.9 of this Prospectus.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3 of this Prospectus (subject to TPT reserving the right to extend the Closing Date or close the Offer early).

Company or **TPT** means Tangiers Petroleum Limited (ACN 072 964 179) as the context requires.

Constitution means the constitution of TPT.

Corporations Act means the *Corporations Act 2001* (Cth).

Date of Acquisition means the date of acquisition of a security for Australian tax purposes.

Deed of Termination means the deed of termination dated 19 September 2014 between the Company, DVM, Galp and Galp Portugal, as described in Section 6.3 of this Prospectus.

Directors means the directors of TPT as at the date of this Prospectus.

Disposal means the proposed disposal of the Company's interest in the Tarfaya Project as outlined in Section .

DVM means the Company's subsidiary, DVM International SARL (a company incorporated in Morocco).

ECP means Energy Capital Partners.

ECP Mandate means the mandate between the Company and ECP dated on or around 6 November 2014, as described in Section 14.6.

ECP Option Offer means the offer of Options to ECP under this Prospectus set out a Section 7.8.

Eligible Participant has the meaning given to that term in Section 15.6.

Energy Alaska means Accumulate Energy Alaska Inc, a wholly owned subsidiary of the Company incorporated in the United States of America.

Flow Rate Condition means the achievement of, over at least a 30 day period, a stabilised flow rate of equal to or greater than 1,000boe/d from any well located on areas within the AMI.

Galp means Galp Energia Tarfaya BV (a company incorporated in the Netherlands).

Galp Portugal means Galp Energia SGPS S.A. (a company incorporated in Portugal), the operator of the Tarfaya Project.

General Meeting means the general meeting of TPT held on 12 February 2015.

Hartleys means Hartleys Limited.

Hartleys Option Offer means the offer of Options to Hartleys under this Prospectus set out a Section 7.8.

Icewine Project means an onshore petroleum exploration project located in Alaska and described in Section 6.4.

Icewine Term Sheet means the indicative term sheet the Company has entered into in respect of the Acquisition, as detailed in Sections 6.4 and 14.2.

JDA means the Joint Development Agreement entered into by the Company and other participants in the Acquisition, as detailed in Sections 6.4 and 14.3.

Leases means the oil and gas leases located within the AMI.

Loan Shares means a loan share issued under the Share Plan.

Minimum Subscription means TPT receiving Valid Applications for 350,000,000 Shares under the Offer to raise $3,500,000.

Offer means the offer of 600,000,000 Shares at an issue price of $0.01 per Share to raise up to $6,000,000 (with a minimum subscription of $3,500,000) under this Prospectus together with one free attaching listed Option (exercisable at $0.02 each and expiring three years from the date of issue) for every two (2) Shares subscribed for.

Offers means the Offer, the Options Offers and the Cleansing Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

ONHYM means Office National des Hydrocarbures et des Mines in Morrocco.

Option means an option to acquire a Share.

Option Offers means the ECP Option Offer, the Hartleys Option Offer and the Director Option Offer as set out in Section 7.8.

Optionholder means a holder of an Option.

Outstanding Amount means the total amount of US$3,436,019 owing to Galp, as described in Section 6.3.

Prospectus means this prospectus.

Public Authority means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them as the context requires.

Scheme means the Incentive Option Scheme adopted at the General Meeting and as summarised in Section 15.6.

Section means a section of this Prospectus.

Securities means Shares and/or Options.

Securityholder means a holder of a Security.

Share or TPT Share means a fully paid ordinary share in the capital of TPT.

Shareholder means a holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Limited.

Tarfaya Project means the Tarfaya Offshore Block, an oil and gas project in Morocco.

Valid Application means a valid and complete Application to subscribe for Shares under the Offer, accompanied by the appropriate Application money in full.

WST means Western Standard Time as observed in Perth, Western Australia.

17.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

(a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;

(b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(c) the singular includes the plural and vice versa;

(d) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;

(e) a reference to Australian dollars, AUD, $ or dollars is to the lawful currency of the Commonwealth of Australia; and

(f) a reference to time is to WST.