

30 April 2010

Company Announcements Office  
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## Activities report for the quarter ending 31 March 2010

### Highlights

- **Acquisition of Tarfaya Offshore Block comprising eight permits, Morocco; and**
- **Acquisition of Turtle and Barnett Oil Fields, Bonaparte Basin.**

### Tarfaya Offshore Block

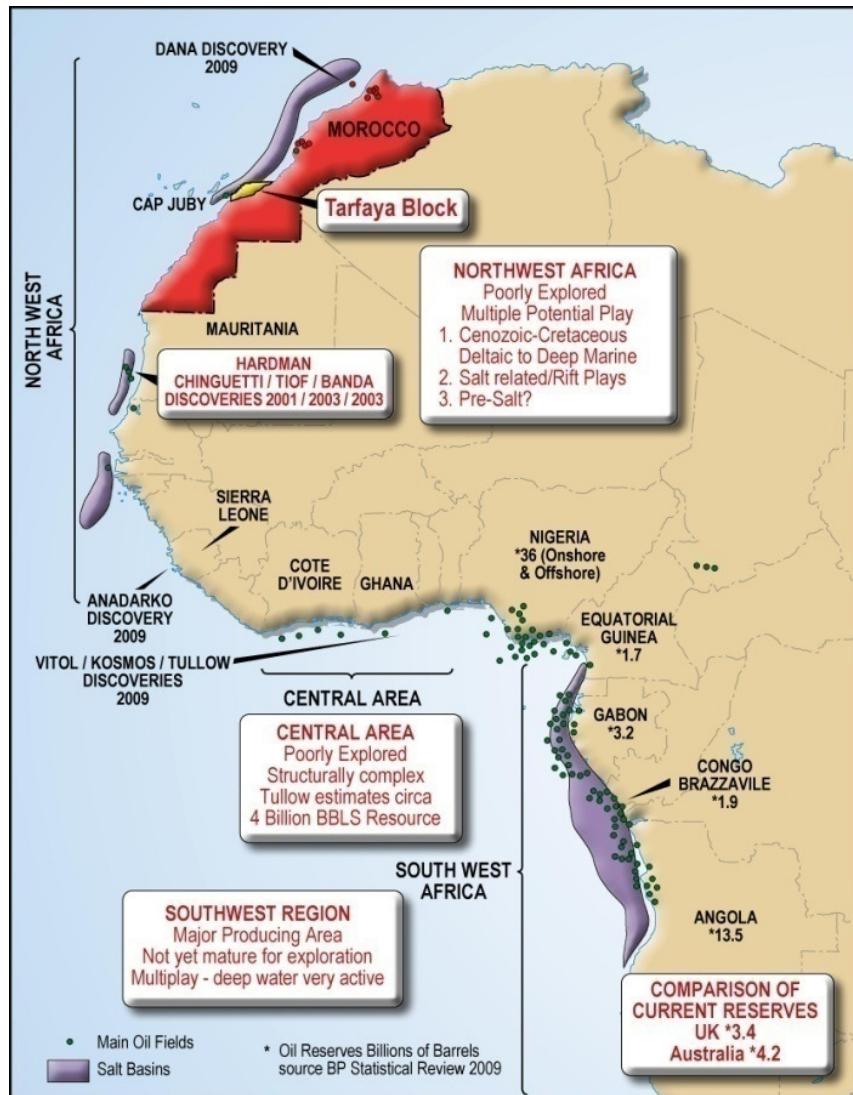
On 8 February 2010, the Company announced to the ASX that it had reached agreement to acquire a 75% working interest and operatorship in the large and highly prospective Tarfaya Offshore Block located in the Kingdom of Morocco. The project comprises eight individual contiguous permits with a gross area of 15,041 square kilometres and is situated in shallow waters with the maximum water depth of around 1,000 metres. The project contains multiple established targets and presents DVM with the opportunity to fast track exploration activity.



*Official signing of Petroleum Agreement for the Tarfaya Offshore Block*

The permit is inshore from the Canary Islands and is situated about 600 kilometres southwest of Morocco's capital Rabat.

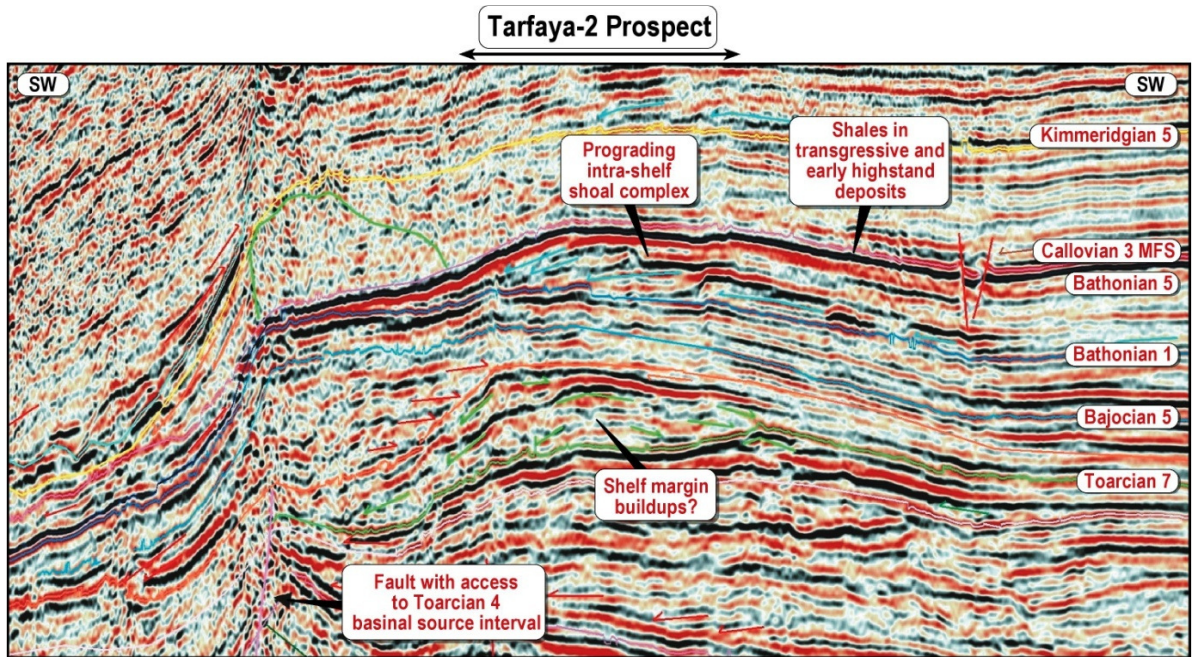
The project area is located only 23 kilometres from the undeveloped Cap Juby Oil Field and in 2009 five hydrocarbon discoveries were made within Morocco.



Morocco is a net importer of both oil and gas. The Moroccan tax regime is very favourable for oil and gas exploration with no corporate tax being paid for each and every discovery for a period of 10 years. The Government royalty on oil is only 10% and 5% for gas. The Moroccan Government retains a carried 25% interest through exploration and has the option to convert to a 25% working interest in any hydrocarbon pool that is developed.

The Tarfaya Offshore Block provides DVM with a considerable data package, which is expected to enable the Company to work up and further define existing targets in a timely and cost effective manner. It is the intention of DVM to seek a joint venture partner for this project to assist in the evaluation and, if possible, the drilling of one well within the next 12 -24 months.

The permits contain an existing 2D seismic grid of 19,000 square kilometres and 500 square kilometres of 3D data. This existing seismic has highlighted a number of prospects and leads within the Cretaceous, Upper and Lower Jurassic sedimentary sequences. The Block is, however, under explored with only four wells drilled, providing a drilling density of 1 well per 3,750 square kilometres. Even though three of the four historic wells drilled within the Block recorded hydrocarbon shows, most were drilled without the aid of modern seismic data and are considered not to be valid structural tests. Cumulatively, the current seismically defined features within the Tarfaya Block have the potential to contain 1 billion barrels of oil in place.



DVM will be actively working to mature one or more of the seismically defined features for drilling in the earliest possible time frame. It intends to reprocess selected existing seismic data to highlight direct hydrocarbon indicators and porosity variations.

Under the terms of the agreement, DVM must spend \$US 1 million over the first 30 months of the project's tenure.

**W09-Special (Turtle) & NT09-Special (Barnett)**

On 14 April 2010, DVM announced to the ASX that it had accepted the offer for the award of W09-Special and NT09-Special as petroleum exploration permits.

These shallow water permits are situated southwest of the producing Blacktip Gas Field and the pipeline connecting that gas field to the mainland traverses through the north eastern corner of NT09-Special.

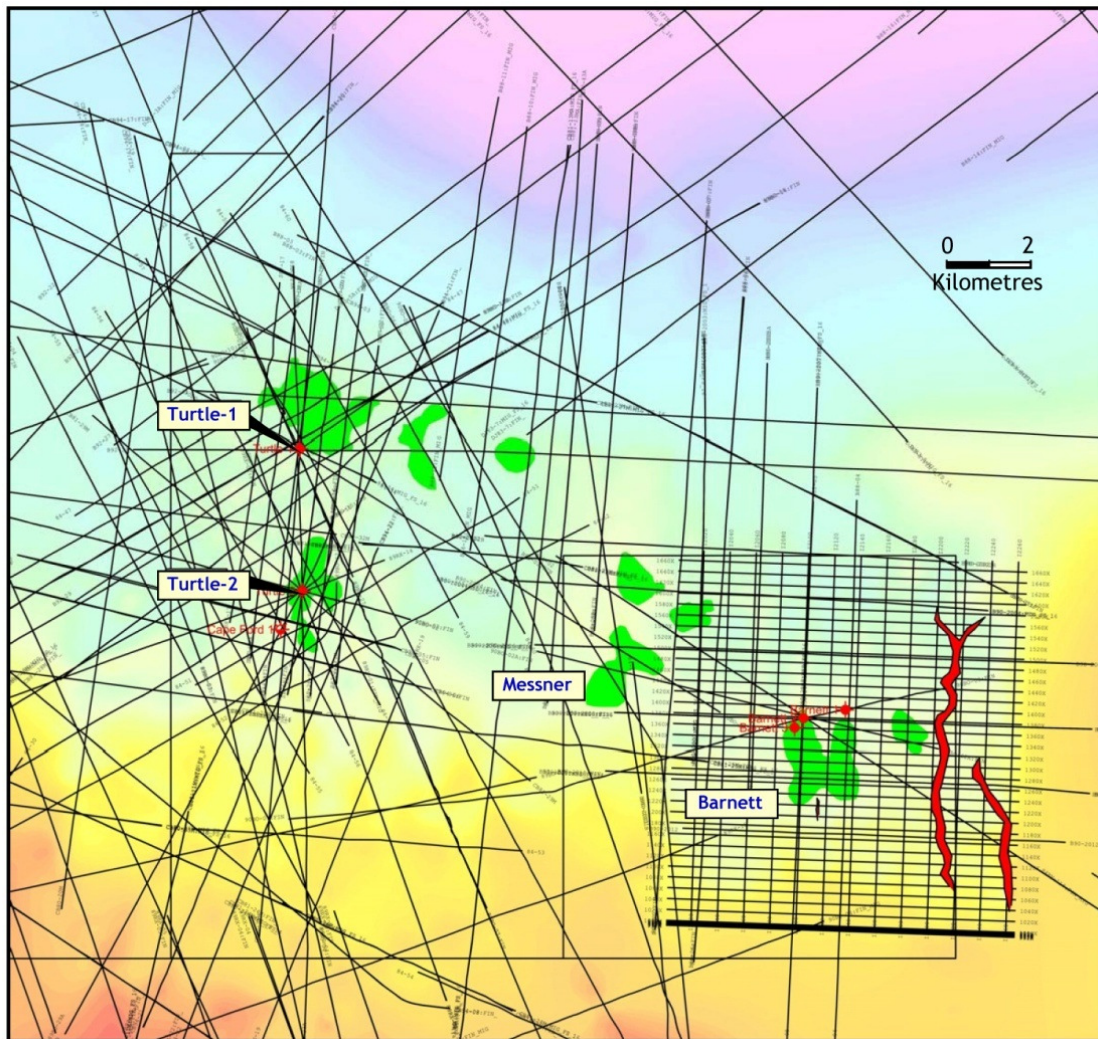
Located in Federal waters, the contiguous permits have a combined area of approximately 3,900 square kilometres and contain the Turtle and Barnett Oil Fields. Independent studies indicate these fields contain  $P_{50}$  in place 44 million barrels of oil.



DVM will reprocess existing seismic during the forthcoming 12 months aimed at better defining these two oil fields and adjacent prospects and leads. At the same time, the Company will commence engineering work aimed at preparing for drilling and field development.

A detailed good quality 3D seismic grid has already been recorded over the Barnett Oil Field. While it is the intention to reprocess and remap this seismic data during the next 12 months to obtain the maximum information from the data, the Company believes it does not require any more seismic before a well can be drilled. DVM has, therefore, scheduled a well to further appraise this permit during the second year of tenure.

A good quality 2D seismic grid has already been acquired over the Turtle Oil Field. DVM believes a portion of W09-Special would greatly benefit from the addition of new 3D seismic prior to drilling a well in this permit. For this reason, the Company plans to record new 3D seismic data during the second year of tenure.



The Turtle and Barnett Oil Fields have remained shut-in since their discovery because of their perceived isolation and size. Since that time, however, there have been significant infrastructural developments within the Northern Territory, increased drilling and advances in development technology. All of these features will assist in the evaluation of production from both fields and, as a consequence, DVM has commenced development concept planning.

#### **ATP-587-P**

ATP-587-P comprises an area of approximately 946 square kilometres and is situated in south western Queensland. Geologically the tenement is within the Eromanga Basin, which is in turn

underlain by the north eastern edge of the Cooper Basin and the Barcoo Trough of the older Devonian Adavale Basin. A good quality 2D seismic grid has been recorded over the tenement with several prospects considered ready for drilling.

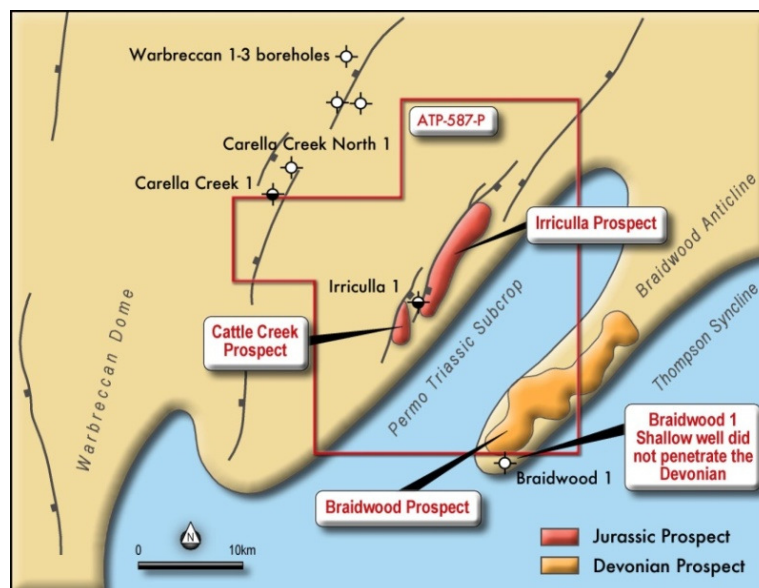
The Eromanga Basin is a proven oil province in both Queensland and South Australia. Production within the Basin comes from multiple reservoirs of Jurassic age. Most of this oil is considered to have been generated within Permian sediments belonging to the underlying Cooper Basin. Hydrocarbons are believed to have migrated updip into the overlying Eromanga Basin sediments near the Basin margins.

Exploration areas, such as ATP-587-P, which lie near the Cooper Basin margin are therefore considered particularly attractive for hydrocarbon exploration.



Oil shows have been encountered in the Eromanga Basin section with several wells drilled in the area. Within ATP-587 the historic Irriculla 1 well is interpreted to have penetrated a reverse fault above the basal Jurassic sand which exhibited oil shows on the downthrown side. It is considered that there is a strong possibility of an oil accumulation within this formation on the upthrown side of the fault.

A second target to the south of the Irriculla Prospect is contained within the Cattle Creek structure where the Eromanga Basin sediments drape over a faulted basement anticline. Evaluation indicates these prospects are of low exploration risk.



The Carella Creek 1 well, located near the north western boundary of the permit intersected a good oil show in a Birkhead Formation sand and the subsequent Carella Creek North 1 well showed the structure is tilted down to the north. A high was been mapped from seismic data to the south (Carella Creek South) and is therefore updip of the oil show recorded in the Carella Creek 1 well.

With good well control and reservoir parameters, potential reserves for these Eromanga Basin prospects range at the medium level from 2 to 12 million barrels of oil in place with an upside at Irriculla of 35 million barrels. If oil is discovered in any one of these prospects, the recoverable amount is likely to be in the order of 40% of the in place oil.

A deep Devonian Adavale Basin prospect has been mapped in south western ATP-587-P. The Braidwood Anticline has a seismically mapped closure of about 60 square kilometres. Approximately 60% its areal extent is situated within ATP-587-P. This feature has the potential to contain 500 BCF within the Lissoy Sandstone and Log Creek Formation.

Development, of even small, oil discoveries in this area are likely to be commercial and offer attractive rates of returns. A number of development options are available in the event of a gas discovery of the Braidwood Prospect's size.

### Project Schedule

The following table sets out the Company's exploration projects:

PROJECT SCHEDULE				
Project	Basin	Proposed drilling	Equity	Operator
<b>AUSTRALIA</b>				
W09-Special Turtle	Bonaparte	2011/12	90%	DVM
NT09-Special Barnett	Bonaparte	2011	90%	DVM
ATP-587-P	Eromanga/Cooper/Adavale	2010	100%	DVM
<b>MOROCCO</b>				
Tarfaya Offshore	Tarfaya	2012/13	75%	DVM

### Corporate

#### **Change of Company Name to Tangiers Petroleum Limited**

At the Company's Annual General Meeting, which is to be held on Monday 24 May 2010, shareholder approval will be sought to change the name of the Company to **Tangiers Petroleum Limited**. Assuming shareholder approval for the change is obtained, then the Company's new ASX code will be **TPT**.

#### **1:1 Entitlement Issue**

During the quarter the Company successfully completed a 1:1 Entitlement Issue of 35,621,547 fully paid shares at an issue price of 4 cents per share. The issue closed on 19 March 2010 and subsequent to the end of the quarter 100% of the shortfall was successfully placed to clients of DJ Carmichael. The issue raised \$1,424,862 (before costs).

For further information please contact:



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