

22 May 2013

Tangiers executes farm-out agreement on Australian exploration acreage

Deal gives Tangiers ongoing exposure to the exploration upside while enabling it to focus its resources on acquiring interests in African oil and gas assets

Tangiers Petroleum Limited (ASX: TPT; AIM: TPET) is pleased to announce the execution of its Farm-Out Agreement with CWH Resources (ASX: CWH) and Ansbachall Pty Limited covering two of Tangiers' Australian exploration permits.

The Farm-Out Agreement covers the permits WA-442-P and NT/P81, which are located in the southern Bonaparte Basin, about 250km south-west of Darwin (*see announcements dated December 3, 2012 and May 10, 2013*).

The participating interests of the parties from the date of execution are:

Tangiers	27%
Ansbachall	3%
CWH	70%

Under the Farm-Out Agreement, CWH will fund all costs and expenses associated with seismic work, drill planning and exploration drilling within the permit areas up to a cap of A\$35 million. Once CWH has spent that amount, Tangiers will be required to pay 27% of the ongoing costs relating to exploration and operations.

The Farm-Out Agreement is subject to conditions precedent including Tangiers obtaining from the relevant government authority an extension of the time to complete the minimum work commitments, and an agreement between Tangiers and CWH on the terms of the joint operating agreement.

The execution of the Farm-Out Agreement represents another key milestone in Tangiers' strategy to build an international oil and gas company with strong growth prospects.

The Farm-Out Agreement is consistent with the Company's stated plan to either reduce or eliminate altogether its near-term expenditure commitments on its existing assets while retaining significant exposure to their potential upside.

At the same time, Tangiers is seeking opportunities to acquire interests in African petroleum assets, either onshore or in shallow water, with strong exploration potential and ultimately cash flow.

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