

10 May 2013

Tangiers takes another key step in growth strategy with agreement on Australian farm-out deal

Tangiers Petroleum Limited (ASX: TPT; AIM: TPET) (**Tangiers** or the **Company**) is pleased to announce that its Board has approved the final terms of its Farm-Out Agreement with CWH Resources Limited (ASX:CWH) (**CWH**) and Ansbachall Pty Limited (**Ansbachall**) covering two of Tangiers' Australian exploration permits (the **Farm-Out Agreement**).

Tangiers has also been informed that the Boards of CWH and Ansbachall have approved the final terms and conditions of this Farm-Out Agreement, which will be executed by the parties at a signing ceremony to be held during the week commencing 20 May 2013.

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

Subject to completion, the participating interests of the parties will be:

Tangiers	27%
Ansbachall	3%
CWH	70%

From the date of execution of 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.

Agreement on the terms of the Farm-Out Agreement represents another key milestone in Tangier's 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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