

This document is important and should be read in its entirety. If you are in any doubt about the contents of this document, you should consult an independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.



(Incorporated in Australia with Australian Business Number 80 072 964 179)

**APPENDIX TO PRE ADMISSION ANNOUNCEMENT
FURTHER INFORMATION ON TANGIERS PETROLEUM LIMITED
IN CONNECTION WITH ITS PROPOSED ADMISSION TO TRADING ON AIM**

Nominated Adviser

RFC Corporate Finance Ltd



Joint Brokers

Shore Capital Stockbrokers Ltd & Old Park Lane Capital plc



OLD PARK LANE CAPITAL PLC*

Application will be made for the entire issued ordinary share capital of Tangiers Petroleum Limited (the "Company") to be admitted to trading ("Admission") on the AIM market operated by the London Stock Exchange plc ("London Stock Exchange"). It is expected that Admission will become effective and dealings in the ordinary shares of the Company will commence on AIM on 3 February 2012.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Directors Declaration

The Directors of the Company, whose names appear on page 3 of this document, and the Company, accept responsibility both individually and collectively for the information contained in this document. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and when read in accordance with the Public Record (as defined below) makes no omission likely to affect the import of such information.

Information in Appendix and Public Record

This Appendix has been prepared in accordance with Schedule One (and its supplement for quoted applicants) of the AIM Rules for a quoted applicant. It includes, inter alia, all information that is equivalent to that required for an admission document and which is not currently public. Information which is public includes, without limitation, all information filed with the Australian Securities Exchange (available at www.asx.com.au) and all information available on the Company's website at www.tangierspetroleum.com (together comprising the Company's "Public Record"). This document, which is dated 5 January 2012, will be available on the Company's website from that date. This Appendix should be read in conjunction with the 20 Day Announcement Form made by the Company and the Company's Public Record. This Appendix and the 20 Day Announcement Form together constitute "the Announcement".

Notice from Nominated Adviser and Brokers

RFC Corporate Finance Limited ("RFC") is the Company's nominated adviser. RFC's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules, are owed to the London Stock Exchange. RFC is not acting for and will not be responsible to any other persons for providing protections afforded to customers of RFC nor for advising them in relation to the proposed arrangements described in the Announcement.

Shore Capital Stockbrokers Limited ("Shore Capital") and Old Park Lane Capital plc ("Old Park Lane") are the Company's joint brokers and are regulated by the Financial Services Authority. Shore Capital and Old Park Lane are acting for the Company and no one else in connection with the proposed arrangements described in the Announcement. They will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the clients of Shore Capital and Old Park Lane nor for providing advice to any other person in connection with the arrangements described in the Announcement.

No representation or warranty, express or implied, is made by Shore Capital, Old Park Lane or RFC as to the contents of this Announcement and no liability is accepted by Shore Capital, Old Park Lane or RFC for the accuracy or opinions contained in, or for the omission of any material information from the Announcement, for which the Company and the Directors are solely responsible.

DEFINITIONS

"A\$"	Australian Dollars
"Admission"	Admission of the Shares to trading on AIM in accordance with the AIM Rules
"AIM"	The AIM market operated by the London Stock Exchange
"AIM Rules"	The AIM Rules for Companies as published by the London Stock Exchange from time to time
"ASIC"	Australian Securities and Investments Commission
"Associates"	Persons and entities closely associated with an entity, as defined in sections 10 to 17 of the Australian Corporations Act (in the context of Australia) and as defined in paragraph (c) of the definition of "related party" in the AIM Rules (in the context of the UK)
"ASX"	The Australian Securities Exchange operated by ASX Limited
"ASX Listing Rules"	The Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of the ASX
"Australian Corporations Act"	The Corporations Act 2001 of the Commonwealth of Australia (as amended)
"Australian Registrar"	Computershare Investor Services Pty Ltd, a company incorporated in Australia
"Board" or "Directors"	The directors of the Company whose names are set out on page 3 of this document
"Brokers"	Shore Capital and Old Park Lane, acting as joint brokers to the Company
"CHESS"	The Clearing House Electronic Sub register System, the system used to settle securities traded on the ASX
"Company" or "Tangiers"	Tangiers Petroleum Ltd, a company incorporated in Australia with Australian Business Number 80 072 964 179, and where the context allows, including the subsidiary of the Company
"Constitution"	The constitution of the Company at the date of this document
"CREST"	The system for paperless settlement of trades and holdings of uncertificated securities administered by Euroclear UK & Ireland Limited in the UK
"Depository Interests"	The depository interests representing Shares which may be traded through CREST in uncertificated form, details of which are set out in Section 5 of this Appendix
"ISIS"	ISIS Petroleum Consultants Pty Limited, who have prepared a competent person's report on the material Australian oil and gas assets of the Company
"London Stock Exchange"	London Stock Exchange plc
"Nomad"	Nominated Adviser as defined in the AIM Rules (currently being RFC)
"NSAI"	Netherland, Sewell & Associates, Inc. who have prepared a competent person's report on the Moroccan oil and gas assets of the Company
"Old Park Lane"	Old Park Lane Capital plc, one of the joint brokers to the Company
"Options"	Options to subscribe for Shares
"Public Record"	Without limitation, all disclosures made by the Company to the ASX (available at www.asx.com.au) and all information available on the Company's website at www.tangierspetroleum.com as at the date of this document
"RFC"	RFC Corporate Finance Ltd, incorporated in Australia, the Nomad of the Company
"Shareholders"	Holders of Shares from time to time
"Shares"	Fully paid ordinary shares of no par value in the capital of the Company
"Shore Capital"	Shore Capital Stockbrokers Ltd, one of the joint brokers to the Company
"UK"	The United Kingdom of Great Britain and Northern Ireland
"UK Registrar"	Computershare Investor Services plc, a company incorporated in England and Wales
"£"	UK Pounds

DIRECTORS, SECRETARIES AND ADVISERS

Directors	Mr Mark Joseph Ceglinski Mr Brent Jude Villemarette Mr Graham Douglas Anderson	<i>Executive Chairman</i> <i>Executive Director</i> <i>Non-Executive Director</i>
Company Secretaries	Ms Krystel Kirou Mr Graham Anderson	
Registered Office & Principal Place of Business	<i>Registered Office</i> Suite 1, 681 Murray Street West Perth WA 6005 Australia Phone: +61 (0)8 9322 2700	<i>Principal Place of Business</i> Suite 3, 47 Havelock Street West Perth WA 6005 Australia
Company Website	www.tangierspetroleum.com	
Ticker Codes	TPET (AIM), TPT (ASX)	
Nominated Adviser	RFC Corporate Finance Ltd Level 15, QV1 Building 250 St George's Terrace Perth WA 6000 Australia	<i>and</i> Level 14 19-31 Pitt Street Sydney NSW 2000 Australia
Brokers	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU United Kingdom	Old Park Lane Capital plc 49 Berkeley Square London W1J 5AZ United Kingdom
Solicitors to the Company	<i>In Australia</i> Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 Australia Gadens Lawyers Level 1, 16 St Georges Terrace Perth WA 6000 Australia	<i>In the UK</i> Watson, Farley & Williams LLP 15 Appold Street London EC2A 2HB United Kingdom
Moroccan Title Opinion Lawyers	El Amari & Associés 7, rue Darâa Casablanca	
Competent Persons	Netherland, Sewell & Associates, Inc. 4500 Thanksgiving Tower 1601 Elm Street Dallas Texas 75201 United States	Isis Petroleum Consultants Pty Limited Ground Floor, 47 Colin Street West Perth WA 6005 Australia
Auditors	RSM Bird Cameron Partners 8 St Georges Terrace Perth WA 6000 Australia	
Share Registry	<i>In Australia</i> Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Australia	<i>In the UK</i> Computershare Investor Services plc The Pavilions Bridgwater Road Bristol BS99 6ZZ United Kingdom

1. DESCRIPTION OF THE COMPANY'S BUSINESS

Tangiers Petroleum Ltd ("Tangiers" or "the Company") is an ASX listed exploration company with onshore and offshore oil and gas exploration projects located in Morocco and Australia.

The Company's activities and assets are more fully described in announcements and documents available on the Company's website, on the ASX's website (available at www.asx.com.au), and in competent person reports prepared by NSAI and ISIS on the Company's material Moroccan and Australian exploration assets respectively, which are also available on the Company's website.

Separate competent person's reports were prepared on the Moroccan and Australian exploration assets for pragmatic reasons, rather than a single competent person's report covering both assets, reflecting better familiarity of NSAI with the Moroccan assets and ISIS with the Australian assets. The methodology and reporting standards used in the two reports were essentially the same.

2. INCORPORATION

The Company is domiciled in Australia and was incorporated and registered in Australia as an Australian public company limited by shares on 21 February 1996. The Company's Australian Business Number is 80 072 964 179. Tangiers was formed and operates under the Australian Corporations Act and is headquartered in Perth, Western Australia.

Tangiers has the following subsidiary:

Subsidiary	Country of Registration	Tangiers's Ownership Interest	Tangiers's Voting Interest
DVM International Limited SARL	Morocco	100%	100%

3. AUSTRALIAN CORPORATIONS ACT

Below is a general description of the relevant corporate laws and policies in Australia. The law, policies and practice are subject to change from time to time and should not be relied upon by Shareholders or any other person. It does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of Shares or interests in Shares. If you are in any doubt as to your own legal position, you should seek independent advice without delay.

The Company is obliged to comply with the Australian Corporations Act and also with specific obligations arising from other laws that relate to its activities.

ASIC is responsible for administering and enforcing the Australian Corporations Act.

Takeovers

The Company is incorporated in, is resident in and has its head office and central place of management in Australia. Accordingly, transactions in Shares will not be subject to the provisions of the UK City Code on Takeovers and Mergers (the "City Code") published by the Panel on Takeovers and Mergers. There are, however, provisions under Australian law and regulations applicable to the Company, particularly Chapter 6 of the Australian Corporations Act, that are, in part, similar or analogous to certain provisions of the City Code.

As an Australian public listed company, a takeover of the Company is governed by the Australian Corporations Act. The Australian Corporations Act contains a general rule that a person must not acquire a 'relevant interest' in issued voting shares of a company as a result of a transaction in relation to securities entered into by or on behalf of the person if, because of the transaction, a person's voting power in the company:

- increases from 20 per cent or below to more than 20 per cent; or
- increases from a starting point which is above 20 per cent but less than 90 per cent.

A person's voting power is deemed to be that of that person and his/her Associates.

Certain acquisitions of relevant interests are exempt from the above rule including among others, acquisitions under takeover bids, acquisitions approved by Shareholders, acquisitions of less than 3 per cent in any 6 month period, and acquisitions that result from rights issues, dividend reinvestment schemes and underwritings.

If a person wishes to acquire more than 20 per cent of a company, or increase a holding which is already beyond 20 per cent, but not under one of the exemptions (including those noted above), the person must undertake a takeover bid in accordance with the Australian Corporations Act.

A person who holds more than 90 per cent of the shares in a company may conduct a compulsory acquisition of all remaining shares under the Australian Corporations Act. There is no provision under the Australian Corporations Act for minority shareholders to require a person who holds more than 90% of the shares in a company to buy them out.

Substantial Shareholdings

Under the Australian Corporations Act, a person has a "substantial holding" if that person and that person's Associates have a relevant interest in 5 per cent or more of voting shares in the company.

A person who:

- begins to or ceases to have a substantial holding in a listed company; or
- has a substantial holding in a listed company and there is movement by at least 1 per cent in their holding,

must give notice to the company and to the ASX. The contents of the notice are prescribed in the Australian Corporations Act, section 671B(3)/(4).

Foreign Investment

In Australia, foreign investment in, and ownership of, companies and property is regulated by the *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("FATA"), which is administered by the Foreign Investment Review Board ("FIRB"), a division of the Treasury department of the Australian federal government. FIRB's functions are advisory only, and responsibility for making decisions on proposals rests with the Treasurer of the Australian federal government ("Treasurer").

FATA provides a notification and approval process for proposed investments in Australia by "foreign persons" (individuals, corporations or trusts), which may result in foreign control or ownership of Australian businesses or companies. Small proposals are generally exempt from notification, and larger proposals are approved unless judged contrary to the national interest. The threshold requirements for notification vary according to the nature of the business to be acquired and the aggregate Australian land holding of that business.

FATA provides where:

- the Treasurer is satisfied a person proposes to acquire shares in a corporation which carries on an Australian business;
- the acquisition would result in the corporation being controlled by a foreign person; and
- the result would be contrary to the national interest,

the Treasurer may make an order prohibiting the acquisition. This generally does not apply to existing Australian corporations or businesses that are valued at less than A\$231 million.

A proposed acquisition of shares (unless an exempt dealing under FATA) will have the effect of a foreign person acquiring a controlling interest in an Australian corporation if one of the following applies:

- that person alone, or together with his/her Associates, directly or indirectly proposes to acquire 15 per cent of the shares or voting power in an Australian corporation or business; or
- that person, together with other foreign persons and each of their Associates, directly or indirectly proposes to acquire 40 per cent of the shares or voting power in an Australian corporation or business.

If a foreign person must give notice to FIRB under FATA it must await the decision of the Treasurer before entering into a binding agreement to acquire shares which will result in a foreign person acquiring a controlling interest in a corporation.

ASX Listing Rules

As a company admitted to the official list of the ASX, the Company is bound to comply with the ASX Listing Rules, as amended from time to time. The ASX Listing Rules address such matters as Admission to listing, quotation of securities, continuous disclosure, periodic disclosure, certain requirements for terms of securities, issues of new capital, transfers of securities, disclosure of corporate governance practices, mining and exploration reporting requirements, escrow (lock-in) arrangements, transactions with related/controlling parties, significant transactions, shareholder meetings, trading halts and suspensions and fees payable. The ASX also publishes guidance notes regarding the interpretation of parts of the ASX Listing Rules.

The ASX Listing Rules and guidance notes can be found at www.asx.com.au.

4. SHARE CAPITAL

All Shares of Tangiers are currently admitted to dealing on the ASX and trade under the ASX ticker "TPT". The Shares have been traded on the ASX since 20 January 2000. The Shares are registered shares, have been created under the Australian Corporations Act and are uncertificated.

The International Securities Identification Number (ISIN) Code for the Shares is AU000000TPT1.

The Company, as at the date of this document, has in issue 87,743,244 Shares and a total of 52,449,646 Options. The Shares were issued in A\$, have no nominal or par value and are recorded in the accounts of the Company at their issue price less expenses associated with their issue. Shareholders have no further liability in respect of their Shares.

The Company intends to make an application for all of its Shares to be admitted to trading on AIM. The Shares and Options that the Company expects to have on issue as at Admission are set out in the table below.

Shares	Number
Listed ordinary fully paid Shares	87,743,244
Options	Number
Listed Options exercisable at A\$0.16 on or before 31 October 2013	44,449,646
Unlisted Options exercisable at A\$0.22 on or before 19 July 2014	1,000,000
Unlisted Options exercisable at A\$0.22 on or before 16 December 2014	1,000,000
Unlisted Options exercisable at A\$0.60 on or before 16 December 2014	6,000,000
Total Number of Options	52,449,646

The listed Options shown in the table above are listed on the ASX. No application is to be made for the unlisted Options to be listed on the ASX or any other market and no application is to be made for the listed or unlisted Options to be admitted to trading on AIM. However, application will be made for any Share issued on exercise of any Option to be listed on the ASX and admitted to trading on AIM.

The 1,000,000 Options exercisable at A\$0.22 on or before 16 December 2014 have been issued to Ms Margaret Hildick-Pytte, a senior executive in the Company, vest on 14 July 2012 provided that Ms Hildick-Pytte is still employed or contracted by the Company at that time.

The 6,000,000 Options exercisable at A\$0.60 on or before 16 December 2014 have been issued to Directors (as set out in Section 10) and senior management of the Company and will not vest unless the share price of the Company exceeds A\$1.20 for 5 consecutive trading days.

Potential and/or Contingent Share and Option Issues

In addition to the Shares and Options tabled above, the Company has (i) entered into agreements under which it has agreed, or (ii) is otherwise considering plans, to issue the following further securities subject to certain conditions:

- The Company intends to undertake a placing of new Shares to UK investors prior to or concurrent with Admission to raise further working capital to support its ongoing exploration programs. The size and pricing of such placing has not yet been determined but it is intended that minimum gross proceeds of A\$4 million and up to A\$8 million will be raised. This is expected to result in the issue of between approximately 6 million and 13 million new Shares.
- The Company has implemented, and has received Shareholder approval for, an employee share option plan. Pursuant to such plan, the Company may issue options to non-Director employees of the Company with exercise prices, expiry dates and vesting conditions to be decided at the discretion of the Board at their time of issue.
- Pursuant to its Nomad agreement with RFC (as described in Section 15), on Admission the Company will issue RFC 500,000 Options exercisable at A\$0.50 within 3 years after Admission.
- Should the proposed placing proceed, the Company has agreed to issue Options to both Shore Capital and Old Park Lane equivalent to five per cent. of the shares issued by Tangiers to parties introduced by them.

Future Share Issue Restrictions

The Company does not have any unauthorised share capital. There is generally no limit in the Australian Corporations Act or the Constitution on the power of the Directors to issue shares. In particular, the general concept under English law that existing Shareholders have a statutory right (subject to certain exceptions) to be offered newly issued shares in a company for cash only before such shares can be offered to new investors does not apply to Australian companies unless it is specifically included in their constitution, which is not the case in respect of the Company. However, subject to certain exceptions (including those in respect of pro rata issues and issues under employee schemes):

- (a) Rule 7.1 of the Listing Rules prohibits a company which is listed on the ASX from issuing or agreeing to issue securities (including shares or options) representing more than 15 per cent of its issued capital in any 12 month period without shareholder approval unless one of the exceptions set out in ASX Listing Rule 7.2 apply. Such shareholder approval requires an ordinary resolution passed by a simple majority;
- (b) As explained in Section 3 above, save in relation to certain exempt acquisitions, Chapter 6 of the Australian Corporations Act forbids the acquisition of a "relevant interest" in voting shares in a company (whether by transfer or issue) if, as a result, the "voting power" of the acquirer (or any other person) would increase:
 - (i) from 20 per cent or below to more than 20 per cent; or
 - (ii) at all from a starting point which is above 20 per cent but less than 90 per cent; and
- (c) the Australian Corporations Act contains provisions governing the disclosure obligations of a company making an offer/issue of securities. The general rule is that an offer of securities must be accompanied by disclosure to potential investors in a prescribed document (either a prospectus, a short form prospectus, a profile statement or an offer information statement) unless the type of offer falls within an exemption. Types of offers which do not require disclosure include offers to sophisticated investors and professional investors, offers to people associated with the company, certain offers to existing holders of securities and issues for no consideration.

Unless otherwise disclosed in this document or in the Company's Public Record:

- (a) no Share of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- (b) no Share of the Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no commission, discount, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share capital of the Company;

- (d) no founder, management or deferred shares have been issued by the Company; and
- (e) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.

5. ADMISSION, SETTLEMENT (CREST) AND DEALINGS

To be traded on AIM, securities must be capable of transfer and settlement through the CREST system, a UK computerised paperless share transfer and settlement system, which allows shares and other securities, including depositary interests, to be held in electronic form rather than in paper form. The Australian equivalent of this system is called CHESS. For foreign securities, in this case the Shares, to be effectively transferred and settled through CREST they need to be in the form of depositary interests.

The Company, through its UK Registrar, is establishing a facility whereby (pursuant to a depositary deed poll executed by the UK Registrar) depositary interests representing Shares (the "Depositary Interests"), will be issued by the UK Registrar (or its nominee), acting as depositary, to persons who wish to hold the Shares in electronic form within the CREST system. It is intended that the Company will apply for the Depositary Interests, to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Depositary Interests following Admission may take place within the CREST system if the relevant Shareholders so wish.

The Shares will remain listed and traded on the ASX, with trades settled electronically on the Australian register through CHESS.

Shares held on the Australian register cannot be used to settle trades on AIM and similarly, Shares (or Depositary Interests) held on the UK Registrar's register cannot be used to settle trades on the ASX. However, subject to the relevant regulations, Shares held through CHESS on the Australian register may be transferred into Depositary Interests held through CREST on the UK Registrar's register and vice versa.

Shareholders wishing to undertake such a transfer will generally need to contact their broker and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with a broker in the market to which they are transferring their Shares in order to trade their Shares on that market.

6. LOCK-IN ARRANGEMENTS

Pursuant to the AIM Rules, Tangiers' Directors, Mr Mark Ceglinski, Mr Brent Villemarette and Mr Graham Anderson, whose interests in Shares and Options are detailed in Section 10, have undertaken, in accordance with Rule 7 of the AIM Rules, to RFC, not to dispose of any Shares or Options in the Company (including any Shares which they may subsequently acquire within 12 months of Admission) that they or any of their "related parties" (as defined in the AIM Rules) own for a period of 12 months from Admission except in the very limited circumstances allowed by the AIM Rules.

The Company has no other "related parties" or "applicable employees", as defined in the AIM Rules, who would be required to enter into a lock-in agreement.

7. DIVIDEND POLICY

The Directors anticipate that the Company will be focussed on exploration activities and will not earn any operating revenue during the 12 month period following Admission. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter, it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow and in accordance with the Company's strategy for growth. However, the Directors can give no assurance as to the payment of future dividends.

8. RISK FACTORS

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of Tangiers and the value of Tangiers' securities, and if any such risks materialise an investor could lose all or part of its investment. These include risks that are general risks associated with any form of business and specific risks associated with Tangiers's business and

its involvement in oil and gas exploration in Morocco and Australia. Whilst many of these risk factors are largely beyond the control of Tangiers and its Directors, the Company will seek to mitigate these risks to the extent that the Directors consider appropriate for a company of the size and nature of the Company, where possible.

The Directors believe the following risks to be the most relevant and material to the Company. However, the list below is not an exhaustive list, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority (save that those risks that the Directors believe to be specific to the Company are set out ahead of those risks they consider to be general). Further risks which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the business, financial condition, prospects and share price of the Company.

(i) Specific risks relating to Tangiers's business activities

Oil and gas exploration project permit risk

The Company's key assets are oil and gas exploration projects located in Morocco and Australia. The oil and gas industry and title and permitting system is considerably less established in Morocco than it is in Australia. Morocco is, at present, a stable democracy but the Company cannot guarantee access, surety of title and/or tenure of its Moroccan based assets.

The acquisition and retention of title to exploration and mining permits in Morocco is a detailed and time-consuming process. Title to, and the area of, permit claims may be disputed or challenged. Although the Company believes it has taken and is taking reasonable measures to secure and maintain title to its projects, there is no guarantee that title to its projects will be granted, retained and not challenged or impaired. Any successful challenges to the title of the Company's projects could stop, materially delay or restrict the Company from proceeding with exploration activities, any development, or mining operations.

Exploration commitments, access to capital and farm-out risks

Tangiers' oil and gas exploration permits in both Australia and Morocco have certain staged future work program commitments, including undertaking seismic data acquisition programmes and the drilling of wells, which must be completed in order to maintain title to the permits. The cost of such programs, in particular the drilling of any offshore wells, can be very significant relative to the current financial resources of the Company. Whilst the Company may fund some aspects of these programs itself, the Company intends to seek farm-in partners to help fund some of these future costs, especially the cost of drilling any wells.

As such, Tangiers is in the process of seeking interested parties to farm-in or otherwise fund part of its exploration programs on its Tarfaya Block permits in Morocco and also its WA-442-P and NT/P81 permits in Australia. There can be no assurances that the Company will be able to attract farm-in partners or otherwise access capital from other sources, including equity markets, on terms acceptable to the Company, or at all. Such failure to access farm-in or equity capital if and when needed could delay or suspend the Company's work programs and result in its permit work program commitments not being met and title being lost. This could therefore have a material adverse effect on the Company's activities and the price of its Shares.

Furthermore, any project farm-outs or additional equity financing may be dilutive to the Company's interest in its projects or Shareholders' interest in the Company.

Resource estimates

As set out in the competent persons' reports produced by ISIS and NSAI, "Prospective Resource" estimates have been made for prospects identified on the Company's Tarfaya Block permits in Morocco and its WA-442-P and NT/P81 permits in Australia. Prospective resources represent quantities of oil or gas which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Until such prospects are drilled and production flow testing is undertaken, there can be no assurance that hydrocarbons are present or, if they are present, the quantity, if any, that can be economically recovered. A lack of economic producible hydrocarbons could result from many uncertain variables, including the lack of adequate closure (seal or otherwise) on the postulated reservoir structures, inadequate hydrocarbon migration pathways and poor reservoir porosity.

The size of the prospective resource estimates are expressions of judgment based on knowledge, experience, interpretation of geological and geophysical data and reservoir modelling. As such, resource estimates are inherently imprecise and rely to a large extent on interpretations made and the application of many assumptions about reservoir parameters. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate.

Contractor and partner risks

The Company's ongoing exploration programs depend significantly on the maintenance of good relationships with, and the solvency of, its key contractors and project partners, including seismic survey contractors and future joint venture partners and drilling contractors. It also relies on the maintenance of good relationships with regulatory and governmental departments. Failure to maintain these relationships may adversely impact the Company's performance.

In particular the bankruptcy, insolvency or financial distress of one of the partners or any failure by any partner to pay amounts due, may result in the Company assuming liability for a greater portion of obligations than it would otherwise bear or could otherwise adversely affect the Company's operations, financial condition or performance.

Dependence on key executives and personnel

The Company is heavily reliant on the expertise and relationships of its relatively small executive team, and it may be adversely affected if it was unable to retain the services of these personnel or other suitable senior personnel.

Potential acquisitions

As part of its current business strategy, the Company may make acquisitions of or significant investments in additional oil and gas projects or companies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or resource projects.

(ii) General risks relating to Morocco and Australia

Morocco

The Kingdom of Morocco is, at present, a stable constitutional monarchy with a democratically elected parliament. However, in recent history, the North African region in general has experienced greater economic, social and political volatility than most developed Western countries, including significant civil unrest in several countries, notably the overthrow of the ruling regimes in Tunisia and Libya during 2011. Whilst there are significant differences between the different countries in the region, this still creates a higher degree of geo-political risk associated with doing business in the region as a whole. As a result, the Company's future operations there may be impacted by:

- potential difficulties in enforcing agreements and collecting receivables through the local legal and regulatory systems;
- potential difficulties in protecting rights and interest in assets, including changes in laws relating to foreign ownership and government or local partner participation rules;
- changes in government policies and procedures, including restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes, restrictions on the transfer / repatriation of funds and monetary policies;
- currency fluctuations, high inflation and deteriorating economic conditions; and
- civil unrest and industrial action, personal security issues, disease outbreaks, and social and religious conflict.

The likelihood of any of these risks eventuating, and their possible effects, if any, cannot be determined by the Company with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate its current and future oil and gas exploration, development and production activities.

Australia

Legal, tax and regulatory changes in Australia, where the Company is incorporated, may also impose additional financial obligations on the Company or otherwise adversely affect the value of the Company's oil and gas exploration permits and the financial position and performance of the Company. Of note, the recent introduction of a carbon tax on certain carbon containing emissions in Australia from 1 July 2012 may adversely impact the potential economics of the development of any oil and gas reserves that the Company may define on its Australian permits.

(iii) General resource company business risks relating to the Company

Exploration and evaluation risks

Resources exploration is a high risk undertaking. The success of the Company depends on the discovery of economic reserves and resources and there can be no assurance that the exploration and evaluation activities of the Company will result in the discovery and definition of economic reserves. If the exploration activities of the Company are unsuccessful, this may result in a reduction of the value of those permits, diminution in the cash reserves of the Company and possible relinquishment of the exploration permits.

The timing and cost of exploration and evaluation programs may also be unexpectedly impacted by adverse weather conditions, unforeseen equipment failures and the availability of drilling rigs, seismic vessels and appropriately skilled consultants.

Permitting and environmental risks

The Company's exploration activities are subject to laws and regulations in Morocco and Australia governing the acquisition and retention of title to permits, health and worker safety, employment standards, waste disposal, protection of the environment and other matters. It is possible that future changes in applicable laws, regulations and agreements, or changes in their enforcement, regulatory interpretation or application could result in changes to legal or practical requirements or the terms of existing permits, rights and agreements applicable to the Company or its projects. This could have a material and adverse impact on the Company's current and potential future exploration, development and extraction activities, including by requiring the Company to cease, materially delay or restrict its activities.

Uninsured risks

As a participant in exploration activities the Company may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. In particular, insurance against risks such as environmental pollution or other hazards as a result of hydrocarbon exploration and production may not be generally available on acceptable terms. Losses from uninsured risks may cause the Company to incur costs that could have a materially adverse effect upon the Company's financial performance.

Risks associated with the need to maintain an effective system of internal controls

There can be no assurance that the Company will be able to effectively manage its proposed growth plans, or that the Company's current personnel, systems, procedures and internal controls will be adequate to support the Company's future developments. Any failure of the Board to manage effectively the Company's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated.

Litigation

Whilst the Company currently has no outstanding material litigation, there can be no guarantee that the current or future actions of the Company will not result in litigation since the oil and gas industry, as all industries, is subject to claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Owing to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Company's financial position or results of operations.

Commodity prices

To the extent the Company may be involved in future oil and gas production the revenue derived through the sale of hydrocarbons may expose the potential income of the Company to commodity

price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for hydrocarbons, technological advancements, forward selling activities and other macro-economic factors.

Currency risk

The Company's financial statements are presented in Australian dollars, and its current costs and financial assets and liabilities are denominated in various currencies, mainly a mix of Australian dollars, United States dollars, British pounds and Moroccan dirhams. The Company's budgeted expenditure levels and financial position are therefore subject to exchange rate fluctuations.

(iv) Share ownership and investment risks

Share price volatility and share market risks

Prospective investors should be aware that the value of an investment in the Shares may go down as well as up and that the market price of the Shares may not reflect the operating performance and underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

The share prices of quoted companies can be highly volatile and shareholdings may be illiquid. The price at which the Shares are quoted and the price which investors may realise for their Shares may be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors include, without limitation:

- the operating performance of the Company and market expectations of future performance;
- changes in general economic conditions and outlook, including interest rates, inflation rates, exchange rates, commodity prices and the demand for, and supply of, capital;
- natural disasters, terrorism events and other hostilities and conflicts;
- changes in Government policies, taxation and other laws;
- large purchases or sales of Shares by other investors;
- changes in investor sentiment towards particular market sectors and the equity markets in general; and
- other factors which are outside of the control of the Company.

Such factors also impact on the ability of the Company to raise further funds by the issue of further Shares or other securities in the Company.

Share trading liquidity and future sales of Shares

Although the Shares are already listed on the ASX and are to be admitted to trading on AIM, there is no guarantee that there will be a liquid market in the Shares on either AIM or the ASX. It may therefore be difficult, in certain circumstances, to achieve the prevailing market price for sales of Shares or to sell Shares at all, and to realise a return on investment in the Shares.

Although the Shares are to be admitted to trading on AIM, they will not be listed on the Official List of the London Stock Exchange (the "Official List"). An investment in securities traded on AIM may carry a higher degree of risk than securities quoted on the Official List.

Options and dilution

The Company has issued Options, and the Board has approved and may in the future issue new Options to certain parties, including advisers, employees, directors, senior management and consultants of the Company. Whilst the exercise of such Options would result in the inflow of cash into the Company, such exercise would also result in the dilution of the shareholdings of other investors.

9. RIGHTS ATTACHING TO SHARES AND POWERS OF THE COMPANY

A shareholding in the Company is held subject to the Company's Constitution, which has similar provisions to the constitutions of most other limited liability companies listed on the ASX. The Company's Constitution can be accessed on the Company's website at www.tangierspetroleum.com.

The Constitution contains provisions in relation to voting rights, dividends, issues of new securities, the transfer of Shares, meetings and notices, election of directors, the indemnification of directors, rights on winding up and alterations to the Constitution.

It should also be noted that as an ASX listed company, the requirements of the ASX Listing Rules override what may be contained in the Constitution. However, the Company is not aware of any areas of its Constitution which are inconsistent with the requirements under the ASX Listing Rules.

10. DIRECTORS' INTERESTS IN SHARE CAPITAL

As at the date of this document and as expected at Admission, the Directors and entities in which the Directors have a substantial interest hold no fully paid ordinary Shares and a total of 11,542,444 Options in the capital of the Company representing 8.2% of the Company's fully diluted share capital. As such, as at the date of this document the Company currently has, and assuming that no such Options are exercised, as at Admission will have, no Shares which are not in public hands.

As at the date of this document, and as expected at Admission, the holdings of the Directors and any other applicable employee of the Company (as defined in the AIM Rules), and their spouses, civil partner or children under the age of eighteen years, in the share capital of the Company or a related financial product referenced to the Shares: (i) which would be required to be notified by the Company pursuant to Rule 17 of the AIM Rules; or (ii) are holdings of a person connected (within the meaning of sections 252 to 254 of the UK Companies Act 2006 (as amended)) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) above and the existence of which is known to, or could with reasonable due diligence be ascertained by, the Directors are as follows:

Director	Number of Shares Held	Number of Options Held
Mr Mark Ceglinski	0	5,271,222 ⁽¹⁾
Mr Brent Villemarette	0	4,771,222 ⁽²⁾
Mr Graham Anderson	0	1,500,000 ⁽³⁾
Total (all Directors)	0	11,542,444

1. All Options held by Mr Ceglinski are held indirectly through Bluerise Holdings Pty Ltd as trustee for The Bluerise Trust. 3,271,222 Options are listed and exercisable at A\$0.16 on or before 31 October 2013. 2,000,000 Options are unlisted and exercisable at \$0.60 on or before 16 December 2014. The 2,000,000 unlisted Options have been granted but will not vest unless the share price of the Company exceeds A\$1.20 for 5 consecutive trading days.

2. All Options held by Mr Villemarette are held indirectly through Villemarette Nominees Pty Ltd as trustee for the Villemarette Family Trust. 3,271,222 Options are listed and exercisable at A\$0.16 on or before 31 October 2013. 1,500,000 Options are unlisted and exercisable at A\$0.60 on or before 16 December 2014. The 1,500,000 unlisted Options have been granted but will not vest unless the share price of the Company exceeds A\$1.20 for 5 consecutive trading days.

3. 500,000 Options held by Mr Anderson are held indirectly by Graham Anderson Pty Ltd as trustee for the Alesse Superannuation Fund. These Options are listed and exercisable at A\$0.16 on or before 31 October 2013. 1,000,000 Options held by Mr Anderson are held directly. These Options are unlisted and exercisable at A\$0.60 on or before 16 December 2014. The 1,000,000 unlisted Options have been granted but will not vest unless the share price of the Company exceeds A\$1.20 for 5 consecutive trading days.

The Directors have entered into lock-in arrangements as set out in Section 6 of this document.

11. ADDITIONAL INFORMATION ON THE DIRECTORS

Details of the Directors and their backgrounds can be found at www.tangierspetroleum.com and in the Company's Public Record.

The directorships and partnerships of the Directors, other than of the Company and the Company's subsidiary, held at present and within the five years preceding the date of this document are provided in the table below.

Name	Current Directorships/Partnerships	Past Directorships/Partnerships (within past 5 years)
Mr Mark Ceglinski (Aged 44)	DJ Carmichael Pty Ltd Swings and Roundabouts Ltd Bluerise Holdings Pty Ltd Sunboat Investments Pty Ltd Westside Capital Pty Ltd Ceglinski & Co Pty Ltd	Cougar Metals Ltd Peak Coal Pty Ltd Arafura Pearls Holdings Ltd Pitcher Partners Mel Oil Ltd Kempo Mining Ltd Red Cat Minerals Ltd Global Higher Education Pty Ltd African Resources & Capital Pty Ltd BB1 Investments Pty Ltd Monster Capital Pty Ltd NC Company Pty Ltd Waiheke Nominees Pty Ltd
Mr Brent Villemarette (Aged 52)	Villemarette Nominees Pty Ltd Latent Petroleum Pty Ltd	Mel Oil Ltd
Mr Graham Anderson (Aged 49)	Graham Anderson Pty Ltd (trading as GDA Corporate) Braemore Nickel Pty Ltd Echo Resources Ltd APA Financial Services Ltd Mako Energy Ltd Oakajee Corporation Ltd Pegasus Metals Ltd Emperor Minerals Pty Ltd M6 Securities Pty Ltd M6 Treasury Pty Ltd Portico Financial Management Pty Ltd BVA Capital Pty Ltd Ore West Limited Polo Partners Pty Ltd	Ethan Minerals Ltd Dynasty Metals Australia Ltd Allegra Resources Ltd Apex Copper Mountain Pty Ltd Apex Greenstone Mountain Pty Ltd Apex Xinjian NL Cat Tech Pty Ltd Jackson Central Asia Pty Ltd Allmajor Investments Pty Ltd Buchanan Resources Ltd Ezeatm Ltd Gumala Investments Pty Ltd Iron Road Ltd Jacka Chia (Australia) Pty Ltd Jupiter Properties (Australia) Pty Ltd Livingstone Minerals Ltd New World Capital Pty Ltd Pointway Holdings Pty Ltd Torcida Resources Ltd Triple C Consultants Pty Ltd Victory (BW) Pty Ltd Victory (KJ) Pty Ltd Victory Australian Pty Ltd

Mr Ceglinski was a non-executive director of Arafura Pearls Holdings Limited from 2 August 2007 until his resignation on 23 November 2010. The company entered into voluntary administration on 21 April 2011. The company remains in administration and no impropriety has been alleged and no actions have been made or threatened against Mr Ceglinski in relation to his role as a director of the company.

Mr Anderson was non-executive chairman of Ethan Minerals Limited from 9 March 2007 until his resignation on 13 October 2010. The company went into voluntary administration on 1 July 2011 due to insolvency. On 25 November 2011 the company executed a Deed of Company Arrangement.

Other than as set out above, none of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to the assets of such director; or
- (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Mr Ceglinski is currently a director of DJ Carmichael Pty Ltd, which provides non-exclusive investment banking and stockbroking services to the Company. These services are provided on an arms-length basis and are approved by the non-associated members of the Board. Details of the services provided by DJ Carmichael Pty Ltd and related fees paid by the Company in the last two financial years are set out in the Company's 2010 annual report which is available on the Company's website www.tangierspetroleum.com.

Mr Villemarette acts as a consultant to Transerv Energy, another oil and gas exploration company, in the capacity of Chief Operating Officer. There are no perceived conflicts between the areas of operation between Transerv Energy, whose assets are in the United States, and Tangiers.

12. DIRECTORS' SERVICE AGREEMENTS AND REMUNERATION

Details of the current remuneration arrangements of the Directors and their remuneration for the financial year ending 31 December 2010 are disclosed in the Directors' Report included in the Company's Annual Report for the year ending 31 December 2010 which is available on the Company's website www.tangierspetroleum.com. There are no termination notice periods or required payments in relation to the employment of the Directors.

The Directors are indemnified by the Company in accordance with the Constitution and deeds of indemnity, insurance and access between each Director, individually, and the Company.

13. SIGNIFICANT SHAREHOLDERS

Other than as tabled below, the Company is not aware of any holding (within the meaning of the AIM Rules) in its issued Share capital which would, immediately following Admission, represent three (3) per cent or more of the Company's issued Shares:

Shareholder	No. of Ordinary Shares Owned*	% of Fully Paid Ordinary Shares*
Range Resources Ltd	5,000,000	5.70%
Ablett PL	4,050,000	4.62%
Peninsula Inv WA Pty Ltd	4,000,000	4.56%
Aust Global Cap Pty Ltd	4,000,000	4.56%

*Note: The above percentage holdings are on an undiluted basis based on the total issued fully paid share capital of 87,743,244 (as tabled in Section 4 of this document) which does not include any of the potential Shares that may be issued upon the exercise of the 52,449,646 Options on issue or any of the potential new issues of Shares as set out in Section 4.

None of the Company's significant Shareholders have voting rights that are different from the other Shareholders.

Save as disclosed in this Appendix or in the Public Record, the Directors are not aware of any person who either, at the date of this Appendix, or immediately following Admission, exercises or could exercise, directly or indirectly, jointly or severally, control over the Company.

The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

14. TAXATION IMPLICATIONS FOR AUSTRALIAN AND UK RESIDENTS INVESTING IN TANGIERS

The paragraphs below comment on the general Australian and UK taxation position of individual and corporate resident and non-resident Shareholders in relation to the payment of dividends by the Company and the future disposal of their Shares.

The following comments are intended as a general guide to the Australian and UK tax implications only. This should not be a substitute for individual advice from an appropriate professional adviser and all Shareholders or prospective Shareholders are strongly advised to obtain their own professional advice on the tax implications of acquiring, owning and disposing of Shares based on their own specific circumstances.

The comments are based on the law and understanding of the practice of the tax authorities in Australia and the UK at the date of this document.

(i) Australian taxation

(a) *Taxation of future Share disposals*

Australian resident Shareholders – General

Australian resident Shareholders who trade Shares in the ordinary course of their business will hold their Shares as trading stock. These Shareholders will include profits from the disposal of their Shares in their assessable income. These Shareholders may value their trading stock of Shares at the end of an income year at its cost, market selling value or replacement value. The choice as to which valuation method to use varies as the value of closing stock directly affects the calculation of the assessable income of these Shareholders. Any difference between the value of their opening and closing stock of Shares on hand for an income year will be brought to account as either assessable income (in the case of an increase in the value of their stock of Shares on hand) or as a deduction from their assessable income (in the case of a decrease).

Shareholders who acquire Shares for the purpose of re-sale at a profit (but do not hold those shares as trading stock or as an investment) will hold those Shares on revenue account. Shareholders must include any profits made on the disposal of Shares held on revenue account in their assessable income when the profits are realised. Losses realised by Shareholders who dispose of Shares held as trading stock or on revenue account may be entitled to deduct the loss against their assessable income.

All other Australian resident Shareholders will hold their Shares on capital account. These Australian resident Shareholders must consider the impact of Australian capital gains tax rules on the disposal of their Shares.

A Shareholder derives a capital gain on the disposal of Shares where the consideration received on disposal exceeds the capital gains tax cost base of the Shares.

A Shareholder derives a capital loss on the disposal of Shares where the consideration received on disposal is less than the capital gains tax reduced cost base of the Shares.

All capital gains and losses for the year are added together to produce a net capital gain or loss position. A net capital gain for a financial year is included in the resident taxpayer's assessable income and is subject to taxation in Australia. A net capital loss may generally be carried forward to future years to be deducted against future capital gains.

Non-Australian resident Shareholders – General

Non-Australian resident Shareholders who hold Shares as trading stock or on revenue account may need to include profits from the sale of Shares in their assessable income on the same basis as that described above for Australian resident shareholders. Applicable double taxation agreements may provide relief from Australian taxation.

Non-Australian resident Shareholders who hold Shares on capital account would only be subject to Australian capital gains tax upon disposal of their Shares where the following conditions are met:

- if the non-Australian resident Shareholders (together with their associates) held 10 per cent or more of the Company's issued capital at the time of disposal or for any 12 month period in the 24 months preceding the disposal; and
- at the time of disposal, more than 50 per cent of the market value of the assets of the Company are represented (either directly or indirectly) by real property interests situated in Australia or mining rights in respect of certain resources situated in Australia.

Non-Australian resident Shareholders who are subject to Australian capital gains tax may be able to obtain relief from Australian capital gains tax via the application of any relevant double taxation agreement.

Capital gains tax discount

Shareholders that are individuals, trusts or complying superannuation funds (and in some cases a life insurance company) (whether Australian resident or non-Australian resident) may be entitled to the capital gains tax discount in relation to capital gains derived from the disposal of Shares, provided that the Shares were held for at least 12 months prior to disposal. If the capital gains tax discount applies, the amount of the taxable capital gain resulting from the disposal will be reduced by 50 per cent (in the case of Shareholders who are individuals or trusts) and 33 1/3 per cent (in the case of complying superannuation funds and, in certain circumstances, life insurance companies). Shareholders that are companies are not eligible for the capital gains tax discount.

(b) Dividends

Dividends may be paid to Shareholders from the accounting profits of the Company as declared by the Directors. Australian resident Shareholders may receive credits for any corporate tax that has been paid on these profits. These credits are known as "franking credits" and they represent the extent to which a dividend is "franked". It is possible for a dividend to be either fully or partly franked. Where a dividend is partly franked, the franked portion is treated as fully franked and the remainder as being unfranked.

In order for individual shareholders to be entitled to claim the "tax offset" in relation to franked dividends, the recipient of the dividend must be a "qualified person". To be a qualified person, the two tests that need to be satisfied are the "holding period rule" (generally referred to as the "45 day rule") and the "related payments rule".

Broadly, if individual shareholders have held shares at risk for at least 45 days (excluding the dates of acquisition and disposal), they are able to claim the tax offset for the amount of any franking credits attaching to the dividend.

It should be noted that the definition of dividend for Australian tax purposes is broad and can include certain capital returns and off-market share buy-backs.

Australian resident Shareholders - Non-corporate

Resident non-corporate Shareholders will need to include dividends in their assessable income for the period in which they receive the dividends. The amount to be included is the amount of the dividend plus the franking credit attached to it. Resident non-corporate Shareholders who are individuals, trustees who are assessed on a resident beneficiary's share of income, complying superannuation funds, certain exempt institutions and certain life insurance companies will be entitled to receive tax credits for the franking credit attached to dividends. Non-corporate Shareholders might receive a tax refund, if the franking credit attached to the dividend exceeds the tax payable on their taxable income. In the case of certain exempt institutions, a refund of the whole of the franking credit may be obtained. Non-corporate Shareholders will be liable to pay additional tax if the tax payable as a result of receiving the dividend exceeds the franking credits which are attached to the dividend.

Australian resident Shareholders – Corporate

Dividends payable to Australian resident corporate Shareholders will be included in their assessable income in the year the dividend is paid. The corporate Shareholder will be entitled to a franking credit to the extent that the dividend is franked. This would result in the dividend being free of further company tax to the extent that it is franked. A fully franked dividend should effectively be free of tax to an Australian resident corporate Shareholder.

Quotation of Tax File Number/Australian Business Number

Australian resident shareholders will be required to provide their Tax File Number or Australian Business Number as applicable. If this requirement is not met, an amount (up to 46.5 per cent) could be withheld from unfranked dividends paid by the Company. The amount withheld will be credited against the Shareholder's Australian income tax liability. No amount should be withheld in respect of the franked part of a dividend.

Non-Australian resident Shareholders – General

Unfranked dividends paid to non-Australian resident Shareholders will generally be subject to withholding tax. Withholding tax is imposed at 30 per cent unless a Shareholder is a resident of a country with whom Australia has a double taxation agreement. The double taxation agreement may reduce the withholding tax rate to a range of between 5 per cent and 15 per cent depending on the country of residence of the non-Australian resident Shareholder.

Where the Company pays an unfranked dividend out of certain profits derived from non-Australian sources, the Company may declare a portion of the unfranked dividend to consist of conduit foreign income. Where this is the case, the portion of the unfranked dividend that consists of conduit foreign income will not be subject to Australian withholding tax and will not be subject to further Australian income tax in the hands of non-Australian resident Shareholders.

The franked part of a dividend paid to a non-Australian resident shareholder is not subject to withholding tax.

Non-Australian resident Shareholders may be assessable for tax on any dividends in their country of residence. They should consider the impact of dividends under their domestic tax regime.

(c) Goods and Services Tax (GST) and stamp duty

No Australian GST or stamp duty is payable on the acquisition or disposal of Shares.

(ii) UK Taxation

The Company

It is expected that the the Company will carry on its business activities so that for United Kingdom (UK) corporation tax purposes it will not be regarded as either resident within the UK, nor carrying on a trade through a permanent establishment located in the UK. On this basis the Company should have no liability in respect of UK corporation tax.

UK Shareholders

The following paragraphs broadly outline the taxation position of Shareholders in the Company who are resident (and, if individuals, ordinarily resident and domiciled) in the UK for tax purposes. The statements are based on current UK tax legislation and HM Revenue and Customs common practice. The statements may be subject to change, perhaps with retrospective effect. The statements may also not apply to certain classes of Shareholder such as individuals who acquire the shares in the course of employment, dealers, insurance companies and charities.

The following paragraphs are intended as a general guide only. Each Shareholder's specific circumstances will impact on their taxation position. All Shareholders are recommended to obtain and to rely on their own taxation advice.

In particular, all Shareholders, including UK tax resident Shareholders are advised to consider the potential impact of any relevant double tax agreements on their shareholding.

(a) *Taxation of Capital Gains*

UK Resident Shareholders

A disposal of Shares by a Shareholder who is (at any time in the relevant UK tax year) resident or ordinarily resident in the UK may give rise to a capital gain or allowable loss for the purpose of UK taxation of chargeable gains.

For the purpose of UK tax on chargeable gains, the issue of Shares will be regarded as an acquisition of a new holding in the share capital of the Company. The date of issue will be treated as the date of acquisition under the chargeable gains regime.

The amount paid for the Shares will constitute the base cost of a Shareholder's holding. If a Shareholder disposes of all or any of the Shares in the Company, he may incur a liability to tax on chargeable gains depending on the Shareholder's individual circumstances.

For individuals and trustees subject to UK capital gains tax, capital gains are chargeable at a flat rate of 18 per cent or 28 per cent, depending on the individual's total taxable income and gains subject to certain reliefs and exemptions. For corporations subject to UK corporation tax on chargeable gains, any gain would be taxable at a maximum rate of 26 per cent subject to the application of certain reliefs and exemptions.

(b) *Dividends*

The Company will not be required to withhold UK tax from dividends paid on the Shares. Any individual who holds Shares who is resident in the UK, or who carries on a trade, profession or vocation in the UK to which the Shares are attributable, will generally be subject to UK tax on income in respect of any dividends paid on the Shares.

UK resident individual Shareholders who receive a dividend from the Company will generally be entitled to a tax credit, which can be set off against the individual's income tax liability on the dividend payment. The rate of tax credit on the dividend paid by the Company will be 10 per cent of the total of the dividend payment and the tax credit (the "gross dividend"), or one ninth of the dividend payment.

UK resident individual Shareholders will generally be taxable on the gross dividend, which will be regarded as the top slice of the Shareholder's income. In the case of a UK resident Shareholder who is not liable to income tax at the higher rates (taking account of the gross dividend he or she receives), the tax credit will satisfy in full such Shareholder's liability to income tax.

To the extent that a UK resident individual Shareholder's income (including the gross dividend) is subject to 40 per cent income tax, such Shareholders will be subject to income tax on the gross dividend at the distribution income upper rate of 32.5 per cent but will be able to set the tax credit against this liability. This results in an effective tax rate of 25 per cent on the net dividend.

UK Shareholders receiving dividends within the 50 per cent band will be subject to an income tax rate of 42.5 per cent on the gross dividend and an effective rate of approximately 36 per cent on the net dividend.

Dividends payable by the company may suffer withholding tax ("WHT") (see Section 14(i)(b) - *Non-Australian resident Shareholders – General*). If the dividend has been subject to Australian dividend withholding tax, the amount of the dividend received plus the WHT will be included in the assessable income of the UK Shareholder. In these circumstances the Shareholder should be entitled to a credit for the WHT. The credit would be limited to the lesser of the WHT or the UK tax payable on the combined amount of the dividend plus WHT, subject to a maximum of 15 per cent of the gross dividend.

UK resident Company Shareholder

Any dividends received by a UK resident company Shareholder may be treated as exempt from UK corporation tax, provided the dividend falls into an exempt class. These include distributions from portfolio holdings and controlled companies. If the dividend has been subject to WHT, no further relief will be available thereon.

(c) *Inheritance tax*

The value of the Shares will form part of the estate of a UK domiciled Shareholder for inheritance tax purposes.

(d) *UK stamp duty and stamp duty reserve tax*

There is generally no liability to UK stamp duty or stamp duty reserve tax ("SDRT") on the issue of Shares by the Company, or on the creation of the Depositary Interests.

Any person who is in any doubt as to their tax position or is subject to taxation in a jurisdiction other than Australia or the UK should consult an appropriate professional adviser.

15. MATERIAL CONTRACTS

In addition to the agreements summarised in the Company's Public Record, the following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiary during the two years immediately preceding the date of this document and are, or may be, material as of the date of this document:

- An engagement letter dated 26 August 2011 between the Company and RFC under which RFC has agreed to act as Nomad for the Company in relation to the application for Admission and thereafter on an ongoing basis until terminated by either party providing two months' notice. The engagement letter provides for a monthly retainer for three (3) months following appointment as Nomad, a fee on Admission and a quarterly retainer fee to be paid to RFC for its services. The engagement letter also contains an indemnity and various undertakings from the Company in respect of the services provided by RFC. The agreement also provides for RFC to be issued with 500,000 Options on Admission, with each Option exercisable at A\$0.50 within 3 years after Admission.
- An engagement letters dated 24 October 2011 between the Company and Shore Capital under which Shore Capital has agreed to act as the Company's joint Broker in relation to the application for Admission and on an ongoing basis thereafter until terminated by either of the parties providing one month's written notice. The engagement letter provides for an annual retainer fee to be paid quarterly in advance to Shore Capital for their services and contains an indemnity and various undertakings from the Company in respect of the services provided by Shore Capital.
- An engagement letter dated 26 October 2011 between the Company and Old Park Lane under which Old Park Lane has agreed to act as the Company's joint Broker in relation to the application for Admission and on an ongoing basis thereafter until terminated by either of the parties providing three month's written notice after an initial minimum term of 12 months. The engagement letter provides for a monthly retainer fee to be paid to Old Park Lane for their services and contains an indemnity and various undertakings from the Company in respect of the services provided by Old Park Lane.

16. LITIGATION

Other than as disclosed in this document or in the Company's Public Record, the Company is not, and has not in the previous 12 months, been involved in any governmental, legal or arbitration proceedings, nor so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened by or against the Company which are having, may have or have had a significant effect on the financial position or profitability of the Company.

17. GENERAL

There are no other persons (excluding professional advisers otherwise disclosed in this document or in the Company's Public Record and trade suppliers) who have received, directly or indirectly, from the Company within the 12 months preceding the date of this document or with whom the Company has entered into contractual arrangements (not otherwise disclosed in this document or in the Company's Public Record) to receive, directly or indirectly from the Company on or after Admission, fees or

securities in the Company or any other benefit, with a value of £10,000 or more at the date of Admission.

The Company's position on corporate governance, including in relation to the prescribed corporate governance regime for ASX listed companies, is set out in the Company's Annual Report for the year ended 31 December 2010, which is available on the Company's website www.tangierspetroleum.com. The Company also intends to establish procedures to ensure that no member of the Company engages in conduct for which a prosecution under the UK Bribery Act 2010 might result.

The Company, together with its subsidiary, had a total of 5 employees (including those employed under consultancy and service agreements) as at the date of this document. The estimated total employees of the Company and its subsidiary as at 31 December 2008, 31 December 2009 and 31 December 2010 was 2, 2 and 2 respectively.

The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal fees and expenses are estimated to amount to approximately A\$480,000 excluding Goods and Services Tax (in Australia), Value Added Tax (in the UK) and the Options to be granted to RFC.

Information equivalent to that required for an admission document which has not previously been made public (in consequence of the Company having its Shares traded on the ASX) is included in this document or is available in the Company's Public Record.

Copies of this document are available to the public free of charge at the Company's website www.tangierspetroleum.com and will also be available in hard copy to the public free of charge, during business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Watson Farley & Williams LLP from the date of this Appendix until at least one month from the date of Admission.

18. CONSENTS

RFC, Shore Capital and Old Park Lane have each given and have not withdrawn their consent to the inclusion in this document of references to their names in the form and context in which they appear, but have not made any statements that are included in this document nor are statements identified in this document based on any statements made by those persons.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the document other than the references to their name.

Dated 5 January 2012