

tangiers  
petroleum limited

# TANGIERS PETROLEUM HAS WORLD CLASS PROSPECTS WITHIN ITS "GIANT" FAMILY

Like any good parent, **Tangiers Petroleum Limited (ASX: TPT)** Chairman Mark Ceglinski is proud of his children.

"We have two beautiful kids and it is hard to choose a favourite between them," Mark told **The Pick** recently.

And he has good reason to be proud as Tangiers has two very exciting "prospects" within its portfolio.

As is the case with many modern families, Tangiers' children are located on the other side of the world from each other - but they do have one thing in common - they have the potential to grow up to be very large individuals.

Which has placed Tangiers firmly on the radar of a number of oil companies and potential investors.

So as not to be seen as playing favourites at **The Pick**, we thought we would introduce our readers to the "kid" that is the furthest away from home.

## MOROCCO

Tangiers looks to be ahead of the curve in its decision to acquire the large and highly prospective Tarfaya Block, offshore Morocco, in February 2010.

Located to the north of Mauritania, Morocco is gaining increased attention from the global oil and gas industry following a string of successes in nearby West African waters.

And by being an early mover into Morocco, Tangiers has been able to gain a sizeable position in an area which is proven to contain hydrocarbons.

In an agreement negotiated with the Kingdom of Morocco, Tangiers holds a 75% interest and is operator of the Tarfaya Block which includes 8 permits totalling 15,041 square kilometres (approximately 3.7 million acres) situated in shallow water on the Atlantic Margin, inboard from the Canary Islands.

The Block contains multiple prospects and leads within Jurassic and Cretaceous sediments as well as emerging potential within Tertiary and Triassic Formations.

Over the past 12 months Tangiers has accelerated its activities to gain a better understanding of the various hydrocarbon reservoirs within the Block with the aim of

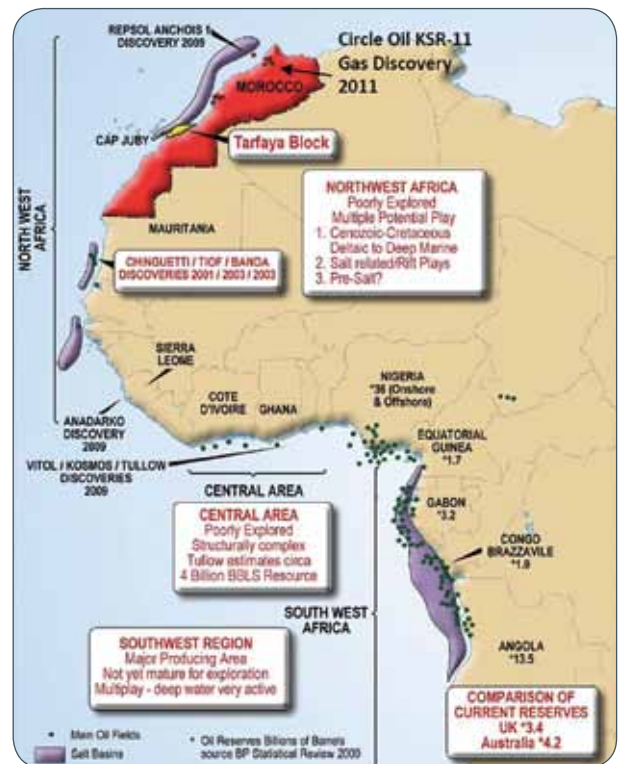
undertaking potential farm-out discussions.

It has already received an independent report prepared by well regarded international petroleum consultants Netherland Sewell and Associates Inc. which estimates that Tangiers' initial four Jurassic aged prospects (Assaka, Trident, TMA, and La Dam) have an unrisks best estimate prospective resource of 867 million barrels of oil and a high side of 4.9 billion barrels of oil. With La Dam already covered by 3D seismic, Tangiers is considering having 3D seismic acquired over the crests of the greater Assaka, Trident, and TMA prospects. It is currently seeking expressions of interest from various seismic acquisition contractors in order to solidify budgetary costs to acquire a 3D seismic survey ranging in size from 600 to 1500 square kilometres.

As if Tangiers' Jurassic-aged targets in Tarfaya weren't enough to whet your appetite, the Company's ongoing exploration efforts have identified potentially even bigger prospects in Zeus and Little Zeus - which are located at the Top Jurassic horizon, along with multiple leads within the shallower Cretaceous sandstone intervals.

Recent interpretation of seismic acquired over the Zeus and Little Zeus prospects has mapped the Zeus four-way dip closure at over 1030 square kilometres alone, with the total area enclosed for Zeus, Little Zeus, and an additional six prospects at this level estimated at approximately 1640 square km.

To gain a better understanding of how much oil and gas may be contained in these areas, Tangiers has contracted independent experts ISIS Petroleum Consultants to produce a probabilistic estimate of the



prospective resource potential for the Zeus and Little Zeus prospects, with a report expected to be completed by year end.

## CRETACEOUS POTENTIAL GROWING

Tangiers' current major focus on maturing multiple leads identified within the shallower Cretaceous sandstone intervals to prospect status has been boosted by the some exciting initial results from new mapping undertaken by Schlumberger-Western Geco.

In late November Tangiers reported that ongoing interpretation of processed 2D seismic data has identified three new prospects and multiple additional leads. The new prospects, named Apollo, Hermes and Hercules, sit in the Lower Cretaceous Tan Tan intervals. Historic well log data from these intervals indicate that they are a series of stacked sand units which have excellent reservoir qualities and expected

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porosities upwards of 25% in the upper portion of the unit.

Mark Ceglinski said the delineation of the three new prospects was an exciting result.

"The company believes that the resource potential of the Cretaceous section will rival that previously validated by the Assaka, Trident, TMA, and La Dam prospects. The Tarfaya Block is demonstrating its extraordinary potential through the number and size of prospects identified thus far," he said.

Tangiers is continuing the seismic interpretation of the Lower Cretaceous so as to mature many of the recognised leads to prospect status.

Once this mapping program is complete the Cretaceous prospects will be submitted to an independent petroleum consultant in order to validate prospective resources.

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## FAVOURABLE TAX REGIME

If all that prospectivity isn't enough, the Moroccan tax regime is considered to be one of the most favourable in the world, with a zero tax rate for the first ten years of each field development and a royalty rate not exceeding 10% for oil and 5% for gas.

With so many options available to it within Tarfaya, Tangiers has understandably attracted interest from potential farm-in partners and the company has opened a data room, with a number of international companies already active in the data room.

The company is progressively adding more material into the data room as it further develops its prospects such as Zeus/Little Zeus and the Cretaceous leads. This includes the reprocessed Fugro seismic, the imminent ISIS evaluation of Zeus/Little Zeus and the finalised mapping of the Cretaceous and it is anticipated that an announcement on a farm-out agreement may be made in early 2012.

## A GIANT LOCAL

Tangiers' other "big child" is much closer to home - and it has the potential to be a giant.

The Nova and Super Nova structures are currently assessed to be truly world class in size. Tangiers has reported that the probabilistic gas-in-place for these two prospects ranges from 71 trillion cubic feet of gas to 148 trillion cubic feet of gas, with a best estimate of 107 trillion cubic feet of gas. That is more than enough to supply a number of very large LNG projects.

The Nova/Super Nova prospects are located in the Company's WA- 442-P and NT/P81 permit areas within the shallow offshore Bonaparte Basin in the Timor Sea and were discovered by the Company to be lying underneath two known oil fields.

Tangiers has poured a lot of work into defining just how big these world class gas structures are and recently contracted leading international asset interpretation specialists ISIS Petroleum Consultants to undertake an assessment of the Nova structure.

ISIS' Competent Persons Report (CPR), which was prepared as part of Tangiers documentation in relation to its proposed admission to trade on the AIM market of the London Stock Exchange, confirmed that Nova has world class gas prospectivity.

ISIS estimated mean undiscovered unrisksed gas initially in place of 6.93 trillion cubic feet (TCF) and the estimated mean unrisksed prospective gas resources to be 3.46 TCF.

That is just Nova - how big must Super Nova be?

## TOP TEN GAS POTENTIAL

The current estimate is that it could contain up to 80.6 TCF. If Tangiers is successful in proving that figure up, then that would rank Super Nova in the top 10 gas fields in the world.

And it is an added bonus when you know two proven oil fields (Turtle and Barnett) sit above Nova and Super Nova.

The Turtle and Barnett oil fields were discovered in the mid 1980s. Multiple oil bearing reservoirs were encountered and three wells tested oil with Barnett-2 having flowed up to 921 barrels of oil per day on jet pump from the Carboniferous to Permian Lower Treachery Sandstone. The crude was of excellent quality at 38.6° API gravity.

Tangiers has contracted Netherland Sewell and Associates Inc. to conduct an independent assessment of the oil resource potential in the Turtle and Barnett oil fields, as well as the Messner lead, which is situated between the Turtle and Barnett fields.

The Company is also considering acquiring an expanded 3D seismic survey which would fully encompass the Turtle and Barnett oil fields, Milligans Fans, the Nova and Super Nova prospects, and the Messner lead.

With the world-class size of Nova and Super Nova and the oil development potential within the WA- 442-P and NT/P81 permits, it is no wonder that Tangiers main Australian asset is also attracting international attention.

The Company is currently preparing for farm-out discussions for the WA-442-P and NT/P81 exploration permits, with the aim of being carried through future drilling programs.

With two company-making projects on its books, Tangiers Petroleum is definitely someone that investors should be keeping a close eye on.

