

Letter to Shareholders

16 September 2013

Dear Shareholder

I would like to take this opportunity to update you on the activities of your Company, including the asset farm-out process and the search for suitable growth opportunities. While this two-pronged strategy is still being implemented, as outlined below, your Board is confident that it will deliver strong returns for shareholders over the short to medium term.

Tarfaya Offshore Block – Morocco

The Farm-out Agreement between Tangiers and Galp Energia is almost finalised. The only remaining condition to be met is the signing of the Joint Order by the Ministers of Energy and Finance in Morocco. This has been delayed slightly by the resignation of the Minister of Energy. However, it is expected that the agreement will be approved shortly after the appointment of a new minister. While waiting for approval, preparations for drilling the TAO-1 well are continuing. Galp Energia is moving forward with environmental approvals and well planning with a view to spudding the well in the first half of next calendar year.

Exploration Permits WA-442-P & NT/P81 – Australia

The call for tenders for the acquisition of 500 sq km of 3D seismic data closed on 13 September. The tenders will now be evaluated and a contract is expected to be awarded in the coming weeks. Tangiers has been assisting CWH with the tender process.

New Ventures

Over the past six months, Tangiers has rigorously assessed many growth opportunities in Africa. Although some have been quite attractive, none have satisfied all the criteria your Company has set for its next project. We are currently assessing a number of further opportunities but none has progressed as yet to a point of an advanced negotiation.

The Board believes that it is important to take the time needed to secure the right growth asset for your Company. That said, we can assure you that extensive efforts are being made to identify and examine as many opportunities as possible. We look forward to updating you on this process when the right opportunity emerges.

Road Show

Tangiers will conduct an intensive investor relations roadshow from 24 September to 17 October. This will include broker-sponsored presentations in Perth, Sydney, Melbourne, Hong Kong and London. Tangiers will also be presenting at the upcoming “Resources Rising Stars” conference on the Gold Coast on 2-3 October and a MRQ Investor Event in London on 17 October.

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