

20 January 2014

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sirs

Bidder's Statement

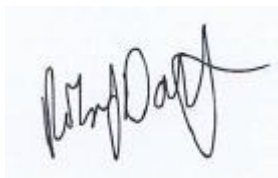
Further to Tangiers Petroleum Limited's ("Tangiers") proposed takeover offer for Jacka Resources Limited ("Jacka") announced to ASX on 5 December 2013, a copy of Tangiers' bidder's statement is attached. It was lodged with ASIC earlier today.

Please note the following key dates:

- Register Date (the date for determining the Jacka Shareholders who are to receive the bidders statement, inclusive of the takeover offer therein): 20 January 2014.
- Offer opens: 4 February 2014.
- Offer closes (unless extended or withdrawn): 18 March 2014.

We attach, by way of service pursuant to subsection 633(4) of the Corporations Act 2001 (Cth) (the Corporations Act), a notice confirming the people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act in relation to Tangiers Petroleum Limited off-market takeover bid for all the ordinary shares and listed options in Jacka Resources Limited.

Yours sincerely,



Robert Dalton
Joint Company Secretary
Tangiers Petroleum Ltd

Tangiers Petroleum Limited

ACN 072 964 179

Company Notice – paragraph 633(4)(a) Corporations Act

Notice of people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act

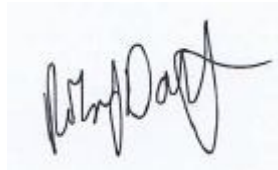
To: ASX Limited

In accordance with paragraph 633(4)(a) of the *Corporations Act 2001* (Cth) (the **Corporations Act**), Tangiers Petroleum ACN 072 964 179 (**Tangiers**) has set 9am (Perth time) on 20 January 2014 as the time and date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act in relation to its off-market takeover bid for all of the ordinary shares and listed options in Jacka Resources Limited ACN 140 110 130, as described in its bidder's statement dated 20 January 2014.

date 20 January 2014

Signed for and on behalf of
Tangiers Petroleum
by

sign
here
►

A handwritten signature in black ink, appearing to read 'Robert Dalton', is written over a light blue rectangular background.

Robert Dalton
Company Secretary



This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing Offers by

Tangiers Petroleum Limited

ACN 072 964 179

to purchase all of your Jacka Shares and all of your Jacka Listed Options in

Jacka Resources Limited

ACN 140 110 130

For:

0.468 Tangiers Share per Jacka Share

and

0.468 Tangiers Option per Jacka Listed Option



Financial Adviser



**HERBERT
SMITH
FREEHILLS**

Legal Adviser

Key dates

Date of this Bidder's Statement	20 January 2014
Date of Offers	4 February 2014
Offers closes (unless extended or withdrawn)	7.00 pm (Sydney time) on [18 March 2014]

Key Contacts

Share registrar for the Offers:
Computershare Investor Services Pty Ltd
GPO Box 52
Melbourne VIC 3001
Australia

Tangiers Offers Information Line*
1300 453 060 or +61 3 9415 4040

*Calls to these numbers may be recorded.

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Attachment 1 – Announcement in relation to the Offers

Attachment 2 – ASX Announcements since 30 April 2013

Corporate directory

Important notices

Nature of this document

This Bidder's Statement is issued by Tangiers under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 20 January 2014. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

Investment advice

In preparing this Bidder's Statement, Tangiers has not taken into account the individual objectives, financial situation or needs of individual Jacka Securityholders. Accordingly, before making a decision whether or not to accept the Offers, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Jacka and Tangiers and the members of the Jacka Group and Tangiers Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Tangiers, the officers or employees of Tangiers, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Jacka and Merged Group information

The information on Jacka, Jacka Securities and Jacka Group contained in this Bidder's Statement has been prepared by Tangiers using publicly available information and limited information made available to Tangiers by Jacka.

The information in this Bidder's Statement concerning Jacka and the assets and liabilities, financial position and performance, profits and losses and prospects of the Jacka Group, has not been independently verified by Tangiers. Accordingly Tangiers does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Jacka and Jacka Group, has also been prepared using publicly available information and limited information made available to Tangiers by Jacka. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Further information relating to Jacka's business may be included in Jacka's Target's Statement which Jacka will be providing to its securityholders.

Foreign jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia and its external territories may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Tangiers Securities have not been, and will not be, registered under the United States Securities Act of 1933 (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

Privacy

Tangiers has collected your information from the Jacka register of shareholders and option holders for the purpose of making these Offers and, if accepted, administering an acceptance over your holding of Jacka Securities and for issuing the offer consideration to you. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Tangiers' related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC. The registered address of Tangiers is Level 2, 5 Ord Street, West Perth, WA 6005, Western Australia.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in clause 14 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Chairman's letter

20 January 2014

Dear Jacka Securityholders

Recommended scrip takeover bid for Jacka Resources Limited

On behalf of the Board of Tangiers Petroleum Limited (**Tangiers**), I am pleased to present our Offers to acquire all your ordinary shares and listed options in Jacka Resources Limited (**Jacka**).

The Offers are:

- 0.468 Tangiers shares for every Jacka share you own (**Share Offer**); and
- 0.468 new Tangiers listed options (with an exercise price of \$0.75 and expiry date of 1 February 2015) for every Jacka Listed Option you own (**Option Offer**).

The Offers are subject to a limited number of conditions, including Tangiers obtaining a relevant interest in more than 90% of the Jacka Shares and more than 53% of the aggregate of Jacka Listed Options and Jacka Unlisted Options, no material adverse change and no prescribed occurrences. Full details of the conditions to the Offers are contained in sections 12 and 13 of the Bidder's Statement.

The Jacka Board unanimously supports and recommends the Offers in the absence of a superior proposal. The Jacka directors who own or control Jacka Shares and/or Jacka Listed Options intend to accept the Offers in the absence of a superior proposal.

The Offers provide you with a compelling opportunity to gain exposure to the combined Tangiers and Jacka asset portfolio, which will consist of highly prospective exploration, appraisal and development assets across Africa.

There are a number of other significant benefits to accepting the Offers:

- Tangiers offer values Jacka Shares at \$0.112, based on Tangiers' closing price of \$0.24 per share on 29 November 2013 (using the last trading day prior to the announcement of the takeover bid), representing a significant 56% premium to Jacka's closing price of \$0.072 on 29 November 2013;
- The Offers provide Jacka Securityholders with additional geographical diversity in the highly sought after oil exploration region of offshore Morocco, with exposure to potential value creation through exploration discovery;
- Jacka Securityholders will be able to participate in Tangiers' growth plans and have direct exposure to Tangiers' exploration assets and expertise; and
- If the Offers are successful, they will provide Jacka with access to capital upon completion of the transaction of approximately A\$16 million in cash, which will assist in funding Jacka's work plan throughout 2014.

Tangiers is a junior oil and gas exploration company listed on the ASX and AIM with a current market capitalisation of approximately A\$38.4 million and with cash holdings of approximately A\$6 million (as at 31 December 2013).

Tangiers' focus is on Africa's petroleum potential, with the flagship Tarfaya Project being located offshore Morocco. Tangiers retains a 25% equity interest in the Tarfaya Offshore Block and is carried (up to a gross expenditure cap of US\$33 million) for the first well by Galp Energia (50% interest and operator). The well is planned to be drilled in Q2 2014.

The takeover of Jacka will enable Tangiers to diversify its current asset portfolio (which has limited near term funding requirements). This is in line with Tangiers' strategy to develop an African focused exploration and production company and will add further capabilities to the Tangiers board and management, with the proposed addition of two Jacka representatives upon completion including Bob Cassie as Managing Director of the Merged Group.

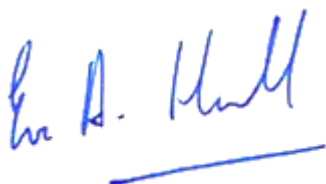
If the Offers are successful, Tangiers believes that the Merged Group will have the financial strength, operational and technical expertise to ensure the potential of the combined asset portfolio of Tangiers and Jacka is fully realised.

I encourage you to read the Bidder's Statement in detail. If Tangiers acquires all of the issued shares and listed options in Jacka, Jacka's Securityholders will then hold approximately 47% (undiluted) of Tangiers. As a new Tangiers securityholder, you will be able to participate on the same basis as an existing Tangiers securityholder in the benefits and potential value arising from the combination of Tangiers and Jacka. As with all investments, there are risks and these are described in section 9 of the Bidder's Statement.

I encourage you to ACCEPT these Offers for the reasons set out in this Bidder's Statement, so that you receive a full and fair value for your investment in Jacka and importantly gain exposure to the enlarged Merged Group for the future.

The Offers are scheduled to close at 7:00pm (Sydney time) on [18 March 2014] (unless extended as permitted by the Corporations Act). To accept an Offer, please follow the instructions on the accompanying Acceptance Form. If you have any questions about the Offers, please contact the Tangiers Offer Information Line on 1300 453 060 or +61 3 9415 4040.

Yours sincerely



Eve Howell
Executive Chairman

Why you should accept the Offers

- 1. The Jacka Board unanimously recommends you accept the Offers in the absence of a superior proposal.**
- 2. Tangiers is offering you an attractive premium to recent trading.**
- 3. The Jacka Share price may fall if the Offers are unsuccessful.**
- 4. Establishes a more diversified, African focused oil and gas exploration and development company.**
- 5. Equity exposure to the Merged Group.**
- 6. Merged Group will have a highly experienced board with enhanced oil and gas industry experience and diversity.**
- 7. The Offers represent the best offers for your Jacka Shares and Jacka Listed Options.**
- 8. Offers subject to a limited number of conditions.**

The Jacka Board unanimously recommends you accept the Offers in the absence of a superior proposal

The Jacka Board has unanimously recommended that Jacka Shareholders and Jacka Optionholders accept the Offers, in the absence of a superior proposal.

All Jacka directors intend to accept the Share Offer and the Option Offer for all the Jacka Shares and Jacka Listed Options, respectively, that they own or control as at the Announcement Date, in the absence of a superior proposal.

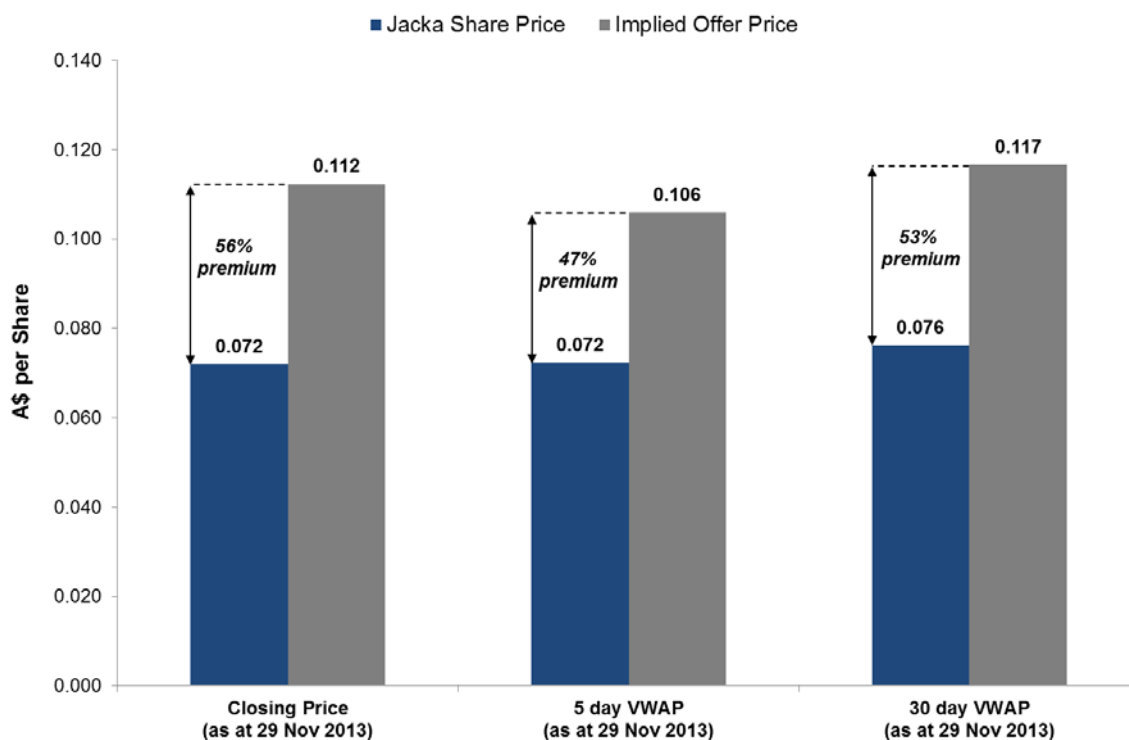
Tangiers is offering you an attractive premium to recent trading

The offer ratio of 0.468 Tangiers Shares for every one Jacka Share held represents an attractive premium based upon Tangiers' recent trading prior to the announcement of the Offers on 5 December 2013.

More specifically, the offer ratio of 0.468 represents a:

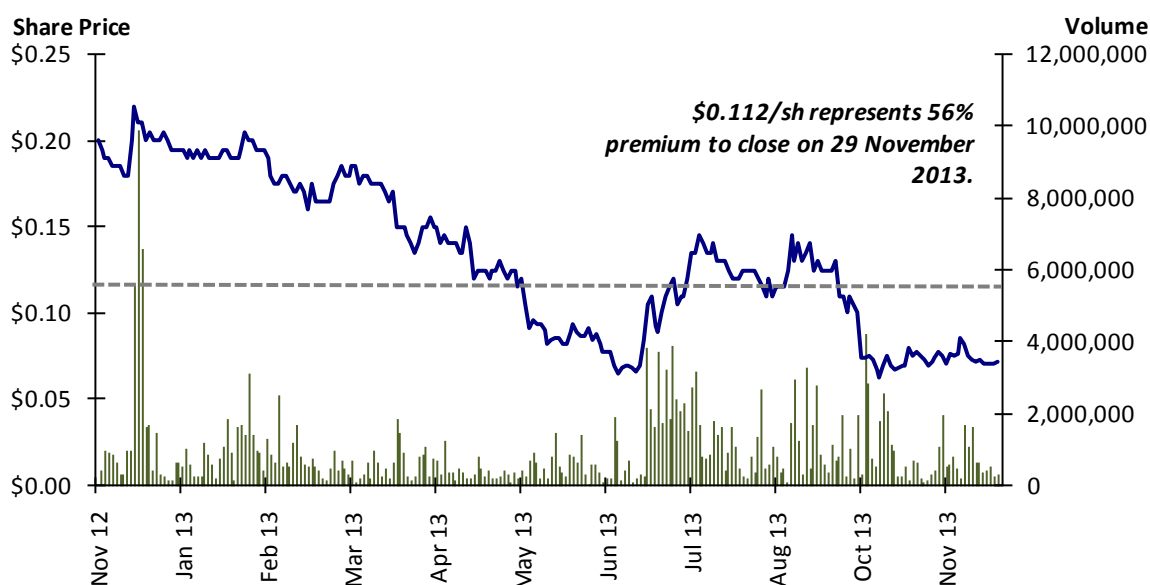
- 56% premium to Jacka's closing price on 29 November 2013, based upon Tangiers' closing price on 29 November 2013;
- 47% premium to Jacka's 5 day VWAP in the period ending 29 November 2013, based upon Tangiers' 5 day VWAP up until the period ending 29 November 2013; and
- 53% premium to Jacka's 30 day VWAP in the period ending 29 November 2013, based upon Tangiers' 30 day VWAP up until 29 November 2013.

The below chart shows the respective implied offer prices and premiums relative to the last close, 5 day VWAP and 30 day VWAP. The offer prices are implied based upon Tangiers' share price for the respective periods and up to the close of trading on 29 November 2013, being the last trading day before the announcement of the Offers:



Source: IRESS. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from IRESS Ltd without its consent.

The chart below details the Jacka 12 month share price performance relative to the implied Share Offer Price of \$0.112 per Jacka Share (based on Tangiers' share price of \$0.24 as at 29 November 2013), a 56% premium to the last close on 29 November 2013 prior to the announcement of the Offers.



Source: IRESS. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from IRESS Ltd without its consent.

The Jacka Share Price may fall if the Offers are unsuccessful

If the Offers do not proceed and no other offers are made for Jacka Shares, it is likely that Jacka's share price will fall below the share trading price following the announcement of the Offers. It is likely that this will be accompanied by a fall in the value of Jacka Listed Options that are subject to the Option Offer.

In addition, Jacka's cash position as at 31 December 2013 was \$0.9 million. Jacka's assets will require further capital in the near term to advance exploration, appraisal and development activities. The \$2.5m standby loan facility that Tangiers has provided in conjunction with making the Offers ensures funding is in place during the Offer Period. See section 11.10 for further details about the standby loan facility. However, if Jacka Shareholders and Jacka Optionholders do not accept the Offers, the Tangiers loan must be repaid and Jacka's existing funding requirements will mean that Jacka is likely to require a fundraising, for example via a rights issue (requiring extensive additional funding by existing Jacka Shareholders) or dilutive placements to third parties. These mechanisms for raising capital typically are done at a discount to the prevailing share price.

Establishes a more diversified, African focused oil and gas exploration and development company

Jacka Securityholders will be exposed to a more diversified exploration portfolio with the combination of the high reward exploration potential of Tangiers' ready-to-drill Moroccan acreage with Jacka's less advanced exploration areas in Tanzania and Somaliland. The portfolio of the Merged Group will deliver short-term exposure to large exploration potential as well as appraisal and potential field development (Tunisia and Nigeria) and longer-term exposure to maturing exploration areas.

Equity exposure to the Merged Group

Given Tangiers Shares and Tangiers Options are to be issued as consideration, Jacka Shareholders and Jacka Optionholders will be given the opportunity to gain additional equity exposure to diversified oil and gas assets following completion of the transaction. If Tangiers is successful in acquiring 100% of Jacka, Jacka shareholders will retain a 47% interest in the Merged Group on an undiluted basis and retain exposure to all (or a majority) of Jacka's and Tangier's existing and diversified asset portfolio.

The Merged Group will also be in a stronger financial position than the entities on a stand-alone basis, with a pro-forma cash position of \$7 million (before payment of transaction costs of \$1.94 million and repayment of Jacka's short term loan facility of \$1.7 million) and a larger market capitalisation of \$80 million expected to attract additional institutional investors to support financing when required. The larger market capitalisation and exposure to the UK market through the AIM listing should also benefit Jacka with the increased likelihood of additional institutional investors and broker research coverage.

Merged Group will have a highly experienced board with enhanced oil and gas industry experience and diversity

The Tangiers' directors proposed for the Merged Group's board, bring over 100 years of combined experience in the oil and gas industry with skills in exploration, development, production, business development, marketing and extensive knowledge of doing business and living in African countries. Combined with the experience and knowledge of the two Jacka directors who will join the board of the Merged Group, a highly experienced and diversified board will be established. Brief profiles of the proposed board members of the Merged Group are provided in sections 2.2 and 8.3 of this Bidder's Statement.

The Offers represent the best offers for your Jacka Shares and Jacka Listed Options

The Jacka Board has concluded that, in the absence of a superior proposal, the Offers represent the best opportunity for Jacka Shareholders and Jacka Optionholders to maximise value from their investment.

Offers subject to a limited number of conditions

The Offers are subject to a limited number of conditions, with the key conditions being (1) Tangiers obtaining a Relevant Interest in more than 90% of the Jacka Shares and 53% of the aggregate of the Jacka Listed Options and the Jacka Unlisted Options, (2) there is no material adverse change in Jacka and (3) there are no prescribed occurrences.

1 Summary of the Offers

What Tangiers is offering to buy

Tangiers is offering to buy all Jacka Shares, including Jacka Shares that are issued during the Offer Period whether due to the conversion of Jacka Listed Options or otherwise, on the terms set out in this Bidder's Statement.

Tangiers is also offering to buy all Jacka Listed Options.

You may only accept the Share Offer in respect of all the Jacka Shares held by you.

You may only accept the Option Offer in respect of all the Jacka Listed Options held by you.

What you will receive if you accept the Share Offer

If you accept the Share Offer, subject to the satisfaction or waiver of the conditions to the Share Offer, for every 1 of Your Shares, you will receive 0.468 Tangiers Shares.

What you will receive if you accept the Option Offer

If you accept the Option Offer, subject to the satisfaction or waiver of the conditions to the Option Offer, for every 1 of Your Options, you will receive 0.468 Tangiers Options (with an exercise price of \$0.75 and an expiry date of 1 February 2015).

When you will receive the Tangiers Securities

Generally, Tangiers will issue the Tangiers Securities to you under the Offers on or before the earlier of:

- one month after these Offers are accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and
- 21 days after the end of the Offer Period.

Full details of when consideration will be provided are set out in clauses 12.6 and 13.6 of this Bidder's Statement.

Will you need to pay brokerage or stamp duty on acceptances?

If your Jacka Securities are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Tangiers, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If your Jacka Securities are registered in a CHESS Holding, or if you are a beneficial owner whose Jacka Securities are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offers, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offers.

If you are a Foreign Securityholder, brokerage will be payable in respect of the Tangiers Shares and Tangiers Options sold under the nominee facility and will be deducted from the proceeds of sale.

Broker handling fees	Tangiers may offer to pay a commission to brokers who solicit acceptances of the Offers from their clients, but has made no final decision in relation to the matter at this stage. See section 11.2 for further information.
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Close of the Offers	The Offers close at 7.00pm (Sydney time) on [18 March 2014], unless it is extended as permitted by the Corporations Act.
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There are some conditions to the Share Offer	The Share Offer is subject to the following key conditions: • no material adverse change; • a minimum acceptance condition of 90% of the Jacka Shares <u>and</u> 53% of the aggregate of the Jacka Listed Options and the Jacka Unlisted Options; and • absence of 'prescribed occurrences'. The full set of conditions of the Share Offer and their full terms are set out in clause 12.8 of this Bidder's Statement.
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There are some conditions to the Option Offer	The Option Offer is subject to the following key conditions: • no material adverse change in Jacka; • a minimum acceptance condition of 90% of the Jacka Shares <u>and</u> 53% of the aggregate of the Jacka Listed Options and the Jacka Unlisted Options; and • absence of 'prescribed occurrences'. The full set of conditions of the Option Offer and their full terms are set out in clause 13.8 of this Bidder's Statement.
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What happens if the conditions of the Offers are not satisfied or waived?	If the conditions of the Offers are not satisfied or waived by the closing date, the Offers will lapse and your acceptance will be void.
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Share Offer in respect of converted Jacka Options	Optionholders who hold Jacka Options (being Jacka Listed Options or Jacka Unlisted Options) and whose Options are converted into Jacka Shares during the Offer Period, will be able to accept the Share Offer in respect of the Jacka Shares which they are issued. The final date for converting Jacka Options into Jacka Shares in order to participate in the Share Offer is [5 March 2014] unless
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the Offer Period is extended under the Corporations Act.

How you accept the Offers

You may only accept the Share Offer for all Your Shares and the Option Offer for all Your Options.

Issuer sponsored security holders

If your Jacka Securities are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the accompanying Acceptance Form), to accept the Offers, you must complete and sign the Acceptance Form accompanying this Bidder's Statement and return it in the supplied envelope or post it to the address specified on the form so that it is received before the Offers close.

CHESS security holders

If your Jacka Securities are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the accompanying Acceptance Form), you may accept the Offers by either:

- completing and signing the Acceptance Form accompanying this Bidder's Statement and returning it in the supplied envelope to the address specified on the form; or
- instructing your Controlling Participant (normally your broker) to accept the Offers on your behalf,

in sufficient time for it to be processed before the Offers close.

Participants

If you are a Participant, acceptance of the Offers must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offers close.

Full details on how to accept the Share Offer are set out in clause 12.3 of this Bidder's Statement.

Full details on how to accept the Option Offer are set out in clause 13.3 of this Bidder's Statement.

Can you accept the Offers for part of your holdings

No. You cannot accept for part of your holding. You can only accept the Share Offer for ALL of Your Shares and accept the Option Offer for ALL of Your Options.

What if you are a Foreign Securityholder

Jacka Foreign Securityholders, being Jacka Securityholders with a registered address outside of Australia and its external territories or New Zealand, that accept the Offers will not receive Tangiers Shares or Tangiers Options. Rather, the Tangiers Shares and Tangiers Options that Foreign Securityholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Foreign Securityholder will be paid to them by cheque in

Australian dollars drawn on an Australian bank account.
Foreign Securityholders should read clauses 12.7 and 13.7 which provide further information on Foreign Securityholders and the Nominee sale process.

What happens if you do not accept the Offers

You will remain a Jacka Securityholder and will not receive the consideration under the Offers. If Tangiers becomes entitled to compulsorily acquire your Jacka Securities, it intends to proceed with the compulsory acquisition.

Where to go for further information

For queries on how to accept the Offers, see the enclosed Acceptance Form or call the Tangiers Offers Information Line on 1300 453 060 or +61 3 9415 4040.

For queries in relation to your Jacka shareholding or option holding, call Jacka Securityholder Information Line on 1300 433 306 between 9.00am and 5.00pm (Perth time).

For all other queries in relation to the Offers, please contact the Tangiers Offers Information Line on 1300 453 060 or +61 3 9415 4040.

Please note that any calls to the above numbers may be recorded. Inquiries in relation to the Offers will not be received on any other telephone numbers of Tangiers or its advisers.

Important notice

The information in this clause 1 is a **summary only** of Tangiers' Offers and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the Target's Statement that Jacka sends to you, before deciding whether to accept the Offers.

2 Information on Tangiers

2.1 Overview of Bidder

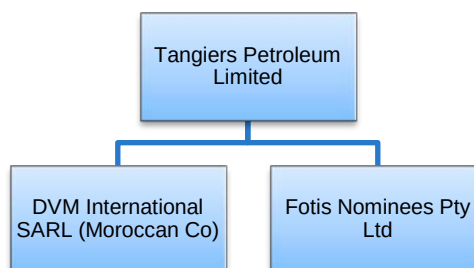
The bidder under the Offers is Tangiers Petroleum Limited. Tangiers was registered on 21 February 1996. On 17 September 1999, Tangiers converted to a public company and was admitted to the Official List of ASX on 19 January 2000.

From official listing on ASX on 19 January 2000 to 2007, Tangiers was known at various times as POS Media Online Limited, Digital and Voice Media Limited and changed its name in 2007 to DVM International Limited and was a digital and media technology company.

In 2007, Tangiers undertook a change of direction and entered into the petroleum industry. In 2010, the Bidder changed its name to Tangiers Petroleum Limited. Since 2007, Tangiers has focused on exploration in several international and Australian petroleum provinces. Tangiers currently holds the Tarfaya Offshore Block, located offshore Morocco.

As at 19 January 2014, Tangiers had 1,721 shareholders and a market capitalisation of approximately \$38.4 million.

The corporate structure of Tangiers is shown in the diagram below.



2.2 Directors of Tangiers

Brief profiles of the directors of Tangiers as at the date of this Bidder's Statement are as follows:

Ms Eve Howell (Executive Chairman)

Ms Howell is an experienced explorationist, executive and company director having worked over 40 years in the oil and gas industry. Ms Howell had previous senior roles with Woodside Energy Ltd and Apache Energy Ltd. With the former, she was Executive Vice President Northwest Shelf as well as CEO of the North West Shelf Project (Australia's largest resource project). She worked for 17 years for Apache Energy in senior roles in exploration and business development and as Managing Director. Ms Howell holds a B.Sc in Geology and Mathematics and a MBA. She is also a Non-executive Director of ASX listed Downer EDI Ltd and Mermaid Marine Australia Ltd.

Mr Brent Villemarette (Executive Director)

Mr Brent Villemarette is a reservoir engineer with more than 30 years' experience in the international oil and gas industry. His experience spans a wide range of disciplines including exploration, development, operations, marketing, acquisitions and new ventures. He is presently Chief Operations Officer for Transerv Energy, which has assets in the onshore Perth Basin in Western Australia and in Alberta Canada. He has

previously been Operations Director for Latent Petroleum, a private oil and gas exploration company co-founded with a small team of industry professionals engaged in commercialising the Warro tight gas field in the northern Perth Basin. He has also held the roles of International Reservoir Engineering Manager for New Ventures with Apache Corporation based in Houston, Texas, Reservoir Engineering Manager for Apache Energy Limited based in Perth, and several senior engineering positions in the US with Apache Corporation and Oryx Energy (formerly Sun E&P).

Mr Max de Vietri (Non-Executive Director)

Mr de Vietri is a graduate geologist with 38 years of international experience. He has been instrumental in finding and promoting the evaluation of significant hydrocarbon and mineral discoveries. He is an Officer of the National Order of Merit for the Islamic Republic of Mauritania, awarded in recognition of his inaugural efforts in starting the petroleum industry in Mauritania. Mr de Vietri is the Honorary Consul of the Republic of Mali in Perth awarded in recognition for his successful efforts in establishing the country as a petroleum province. Mr de Vietri has a Graduate Diploma in Business and is a Master in International Relations. He is currently completing a research doctorate in Political Science.

Election of Directors

Following the resignation of Mr Mark Ceglinski and Mr Graham Anderson on 6 September 2012, Ms Eve Howell and Mr Max de Vietri were appointed by a single executive director of Tangiers on 6 September 2012, which ensured that Tangiers had three directors as required under Rule 11.1 of Tangiers' Constitution and the Corporations Act.

Under the Tangiers' Constitution, the re-elections of Ms Eve Howell and Mr Max de Vietri as directors by the shareholders should have been carried out during the general meeting held 16 November 2012, but due to an administrative oversight these resolutions were not put to shareholders at that meeting. Tangiers has taken steps to rectify this administrative oversight by resolving at board level to appoint Ms Howell and Mr Max de Vietri as directors on 21 October 2013 and calling a meeting of shareholders under Rule 9.1 of Tangiers' Constitution to allow the shareholders to vote on their elections as directors, previously scheduled for 11 December 2013.

The general meeting scheduled for 11 December 2013 was cancelled to ensure that all Tangiers' Shareholders have enough time to contemplate the takeover bid for Jacka prior to making a decision whether to re-elect these directors, as it is seen as a material transaction for Tangiers. The general meeting has been rescheduled for 10.00am Perth time on Thursday 6 February 2014.

2.3 Principal activities of Tangiers

This clause 2.3 contains a summary of Tangiers' activities. Further information on Tangiers can be obtained from Tangiers' website (www.tangierspetroleum.com.au).

Tangiers is an Australian public company, listed on ASX and AIM. The company's goal is to build an African focused exploration and production company that delivers material benefits to its shareholders and contributes to the development of the countries in which it works.

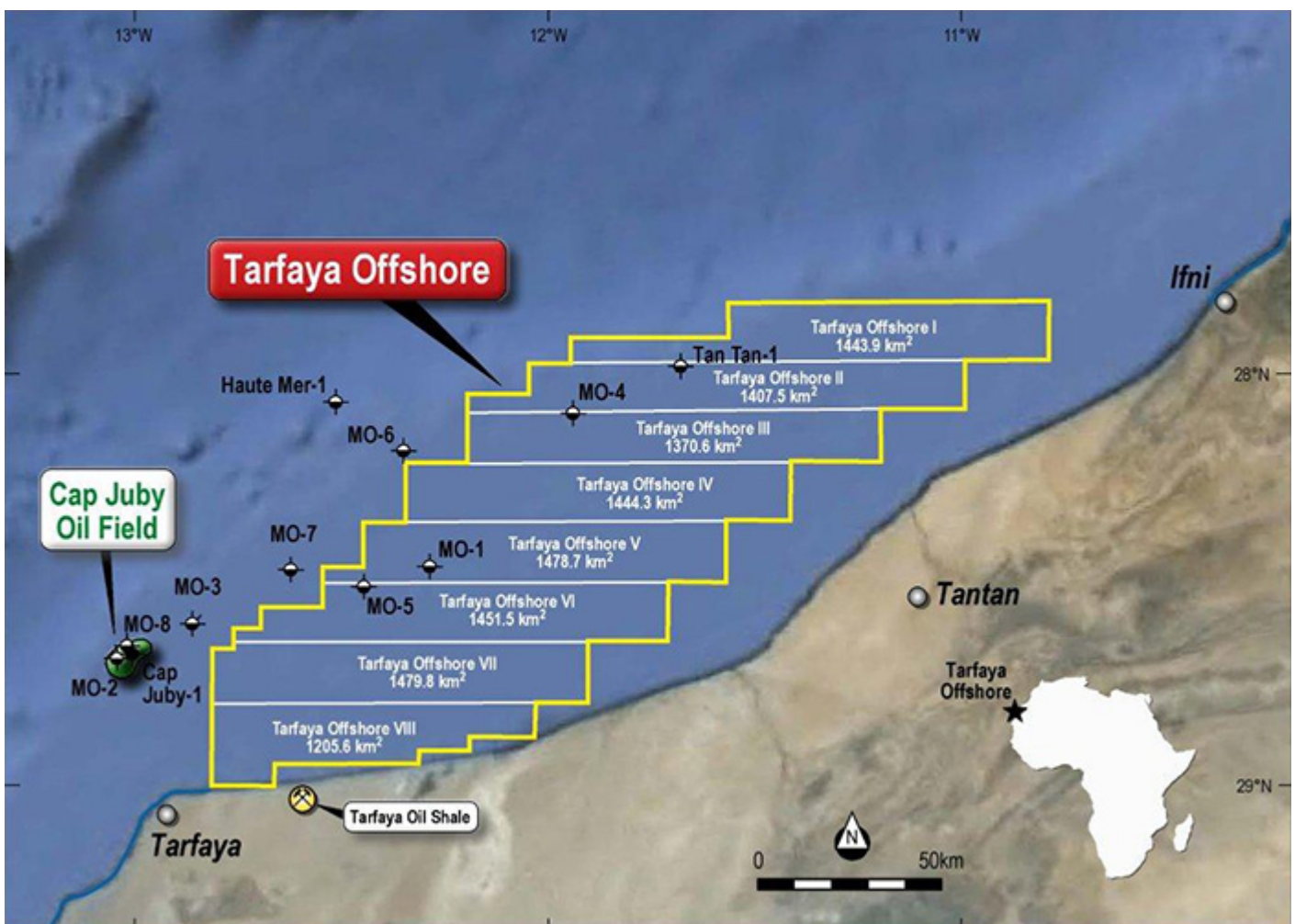
It aims to achieve this by building a portfolio of assets with a balance of low risk, moderate reward exploration, development or production opportunities and higher risk, large exploration potential in shallow water and onshore basins.

The opportunities Tangiers will seek will be based on robust technical evaluation together with informed socio-political decisions and cultural sensitivity in business relationships.

(a) Tarfaya Offshore Block, Morocco

Following a farm-in agreement with Galp (as described further below), Tangiers' key asset is its 25% interest in the Tarfaya Offshore Block, located offshore Morocco. Galp is the operator with a 50% interest and the Moroccan state company, Office National des Hydrocarbures et des Mines (**ONHYM**) holding the remaining 25%.

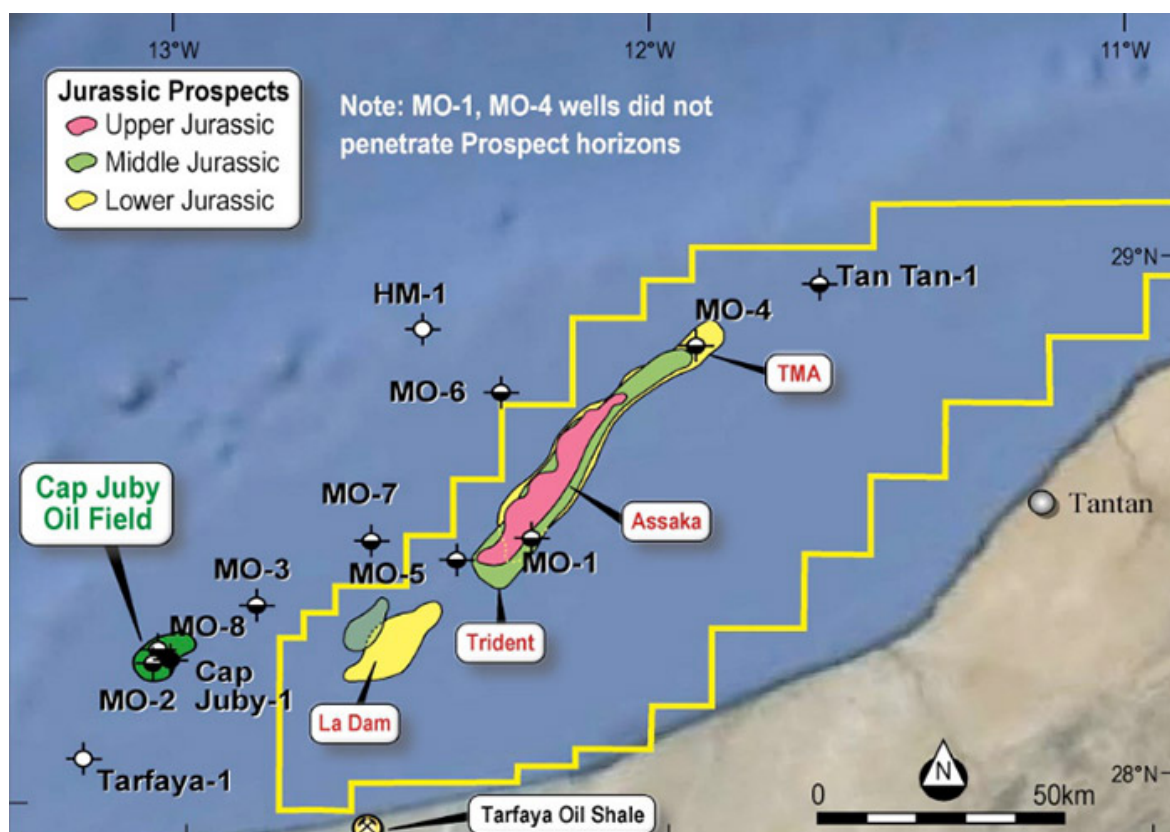
The Tarfaya Offshore Block is located on the Moroccan Atlantic margin and a 75% interest was awarded to Tangiers by Joint Ministerial Order on 2 February 2010. The Tarfaya Offshore Block currently comprises 8 contiguous permits covering an area of 11,281 square km (approximately 2.8 million acres). The Tarfaya Offshore Block is located approximately 600 km southwest of Morocco's capital Rabat, inboard of the Canary Islands on a shallow shelf with water depths generally under 200 m.



The Tarfaya Offshore Block is located in an area with an already proven hydrocarbon system associated with a Jurassic carbonate fairway. The Cap Juby Field, in neighbouring acreage to the west, was discovered by Esso in 1968 and is currently being appraised further by new operator Cairn Energy plc.

The Jurassic carbonate fairway has a direct link to its conjugate margin basin, offshore Nova Scotia, Canada where material discoveries have been made in analogous settings.

Following the reprocessing of 2D seismic data and the acquisition of 3D seismic data in the Tarfaya Offshore Block, a prospects and leads inventory has been matured for the block. The main exploration focus is currently the Jurassic carbonate fairway.



Primary Jurassic prospects covered by 3D seismic data are: Trident, TMA, Assaka and La Dam. These prospects have been independently assessed by Netherland Sewell and Associates (**NSAI**) as at 1 May 2011 to have a combined unrisked P50 (best estimate) Prospective Resource of 217 million barrels of oil net to Tangiers (25% interest) (NSAI Assessment of Prospective Oil Resources, announced to the market on 27 May 2011). A table of the gross and net Prospective Resource estimates across the four assessed Tarfaya Offshore Block prospects is as follows:

Estimated Unrisked Oil Volumes (MMBBL)	Gross (100%)			Net Attributable (25%)		
	Low (P90)	Best (P50)	High (P10)	Low (P90)	Best (P50)	High (P10)
Prospective Resources	156	867	4,959	39	217	1,240

The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Prospective Resource estimates above have been reviewed by Mr Brent Villemarette who is an Executive Director of Tangiers. Mr Villemarette is a reservoir engineer with over 30 years of experience and is a member of the Society of Petroleum Engineers. Mr Villemarette has reviewed the technical information on Tangiers' projects contained in this Bidder's Statement and consents to its release.

Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document, with definitions of key terms contained in the Definitions section at the end of this Bidder's Statement.

The estimates of Prospective Resources were prepared using a combination of the probabilistic and deterministic methods. Tangiers confirms that it is not aware of any new information or data that materially affects the information included in the market announcement on 27 May 2011, and all material assumptions and technical parameters underpinning the estimates in the market announcement on 27 May 2011 continue to apply and have not materially changed.

The international oil and gas industry has shown unprecedented interest in Morocco over the last 18 months as evidenced by the high level of farm-out transactions.

Tangiers capitalised on this interest and in December 2012 signed a farm-out agreement with Galp. Galp is an integrated Portuguese energy group with global oil and gas exploration, production, refining and marketing activities. Under the terms of the farm-out agreement, Galp will earn a 50% interest in the Tarfaya Offshore Block (leaving Tangiers with a retained 25% interest) by spending US\$40.5 million, which includes a carry on the exploration well capped at US\$33 million and reimbursement of US\$7.5 million for past costs. In addition, a US\$3 million bank guarantee will be returned to Tangiers, representing a total net cash inflow of \$US10.5 million. Approval of the assignment of 50% interest and transfer of operatorship to Galp was received upon signature of the Joint Ministerial Order by the Moroccan government. The reimbursement of the back costs is expected to be paid shortly, on signature of the relevant association contract by ONHYM.

Galp has commenced the planning of the first exploration well, TAO-1 which is expected to be drilled Q2 2014. If costs from the Tarfaya Offshore Block exceed US\$33 million, Tangiers is contractually obligated to contribute 33% of any additional costs above US\$33 million.

(b) Exploration Permits WA-442-P and NT/P81, Offshore Australia

Tangiers holds 90% equity in WA-442-P and NT/P81, with the permits being located in the Bonaparte Basin, offshore northern Australia. The permits are in the process of being cancelled.

2.4 Historical Consolidated Financial Information on Tangiers

(a) Basis of presentation of historical consolidated financial information

The historical consolidated financial information below relates to Tangiers on a stand-alone basis and accordingly does not reflect any impact of the Offers. It is a summary only and extracted from the full financial accounts for Tangiers for the financial periods described below. The full financial accounts for Tangiers, which include the notes to the accounts, can be found in Tangiers' reports for those periods.

The Tangiers historical consolidated financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards.

(b) Historical consolidated financial information of Tangiers

(1) Historical consolidated statement of Financial Position

The following is Tangiers' Historical Consolidated Statement of Financial Position as at 31 December 2013 (unaudited), 30 June 2013 (unaudited) and 31 December 2012 (audited).

	December 2013 \$	June 2013 \$	December 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6,089,313	1,741,636	4,174,910
Other receivables	121,212	259,159	307,949
Total Current Assets	6,210,525	2,000,795	4,482,859
Non-Current Assets			
Plant and equipment	49,243	60,035	43,710
Other financial assets	3,566,500	3,459,898	2,939,949
Exploration and evaluation expenditure	7,742,856	9,502,039	9,165,356
Total Non-Current Assets	11,358,599	13,021,972	12,149,015
TOTAL ASSETS	17,569,124	15,022,767	16,631,874
LIABILITIES			
Current Liabilities			
Trade and other payables	915,761	521,956	445,423
Total Current Liabilities	915,761	521,956	445,423
TOTAL LIABILITIES	915,761	521,956	445,423
NET ASSETS	16,653,363	14,500,811	16,186,451
EQUITY			
Contributed equity	55,889,563	49,198,225	49,196,225
Reserves	10,761,256	10,546,273	10,096,102

	December 2013 \$	June 2013 \$	December 2012 \$
Accumulated losses	(49,997,456)	(45,243,687)	(43,105,876)
TOTAL EQUITY	16,653,363	14,500,811	16,186,451

(2) **Historical Consolidated Statements of Comprehensive Income**

The following is Tangiers' Historical Consolidated Statement of Comprehensive Income for the year ended 31 December 2013 (unaudited), for the six month period ended 30 June 2013 (unaudited) and for the year ended 31 December 2012 (audited).

	December 2013 \$	June 2013 \$	December 2012 \$
Income	505,937	431,800	46,827
Administration expenses	(2,549,059)	(992,204)	(1,826,625)
Occupancy expenses	(616,565)	(308,905)	(369,035)
Employee benefit expenses	(1,022,062)	(510,022)	(827,774)
Share based payment expense	(604,843)	(450,171)	(1,691,289)
Depreciation and amortisation expense	(24,933)	(12,060)	(35,767)
Exploration expenditure expensed as incurred	(172,818)	(10,816)	(35,765)
Exploration expense written off	(2,112,508)	-	(30,528)
Impairment of available for sale investments	(230,782)	(230,782)	-
Loss on sale of available for sale investments	(63,120)	(53,948)	-
Interest expense	(827)	(703)	(1,840)
Loss before income tax	(6,891,580)	(2,137,811)	(4,771,796)
Income tax expense	-	-	-
Net loss attributable to members of the parent	(6,891,580)	(2,137,811)	(4,771,796)
Other comprehensive income for the period		-	-
Change in fair value of available-for-sale-investments	60,061		
Total comprehensive income for the period	(6,831,519)	(2,137,811)	(4,771,796)

2.5 Publicly available information about Tangiers

Tangiers is a listed disclosing entity for the purposes of the *Corporations Act 2001* (Cth) and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Tangiers is subject to the listing rules of ASX which require continuous disclosure of any information Tangiers has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Tangiers is also listed on AIM and is subject to the AIM Rules for Companies, which also require Tangiers to disclose price-sensitive information.

ASX maintains files containing publicly disclosed information about all listed companies. Tangiers' file is available for inspection at ASX during normal business hours.

In addition, Tangiers is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Tangiers may be obtained from, or inspected at, an ASIC office.

On request to Tangiers and free of charge, Jacka Securityholders may obtain a copy of:

- the annual financial report of Tangiers for the year ended 31 December 2012 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- any half-year financial report lodged with ASIC by Tangiers after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- any continuous disclosure notice given to ASX by Tangiers since the lodgement with ASIC of the 2012 annual report for Tangiers referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of announcements made by Tangiers to ASX since 30 April 2013 is contained in **Attachment 2**.

A substantial amount of information about Tangiers is available in electronic form from: www.tangierspetroleum.com.

2.6 Announcement by Tangiers in relation to the Offers

On 5 December 2013, Tangiers made a public announcement to ASX in relation to the Offers. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

3 Information on Tangiers' securities

3.1 Tangiers issued securities

As at the date of this Bidder's Statement, Tangiers' issued securities consisted of:

- 174,579,220 fully paid ordinary shares; and
- 27,775,087 unlisted options.

3.2 Recent trading of Tangiers Shares

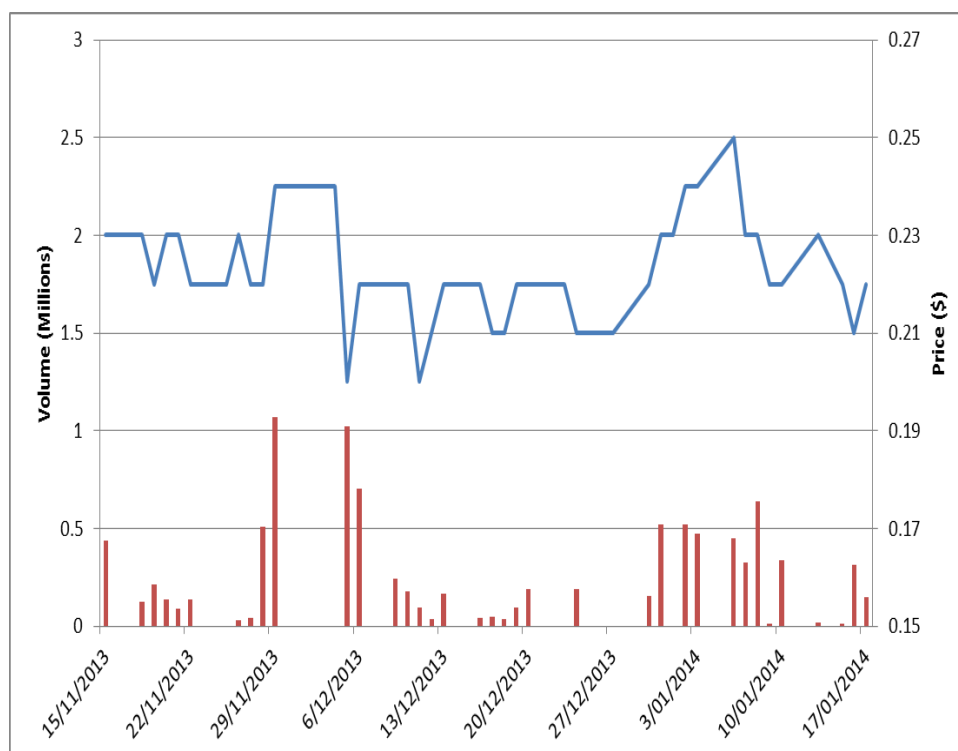
The latest recorded sale price of Tangiers Shares on ASX before the Announcement Date was \$0.24 as at close of trading on ASX on 29 November 2013.

The latest recorded sale price of Tangiers Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$0.22.

The highest recorded sale price of Tangiers Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.31.

The lowest recorded sale price of Tangiers Shares on ASX in the last 4 months before this Bidder's Statement was lodged with ASIC was \$0.18.

The following chart shows the last sale price of Tangiers Shares on ASX in the two months before the date on which this Bidder's Statement was lodged with ASIC .



Source: Yahoo Finance. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from Yahoo Finance without its consent.

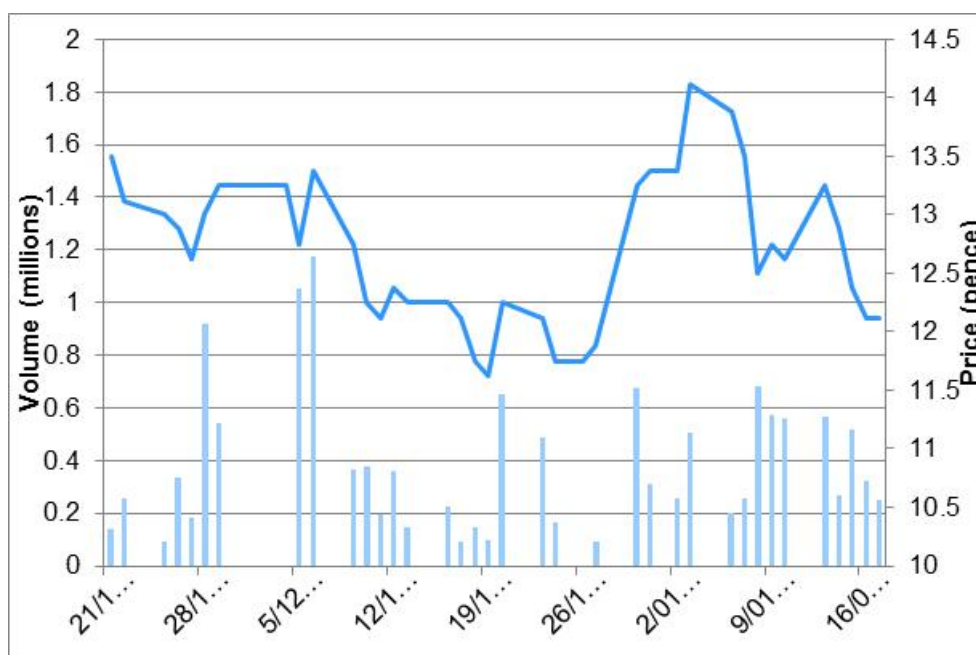
The latest recorded sale price of Tangiers Shares on AIM before the Announcement Date was £0.1325 as at close of trading on ASX on 29 November 2013.

The latest recorded sale price of Tangiers Shares on AIM before the date on which this Bidder's Statement was lodged with ASIC was £0.1212.

The highest recorded sale price of Tangiers Shares on AIM in the last 4 months before this Bidder's Statement was lodged with ASIC was £0.1850.

The lowest recorded sale price of Tangiers Shares on AIM in the last 4 months before this Bidder's Statement was lodged with ASIC was £0.1125.

The following chart shows the last sale price of Tangiers Shares on AIM in the two months before the date on which this Bidder's Statement was lodged with ASIC.



Source: Yahoo Finance. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from Yahoo Finance without its consent.

3.3 Dividend history

Tangiers has not previously paid, and does not currently intend to pay, dividends.

3.4 Rights and liabilities attaching to Tangiers Shares

(a) Introduction

The rights and liabilities attaching to the Tangiers Shares which will be issued as the consideration under the Share Offer are set out in Tangiers' constitution and in the Corporations Act.

The main rights and liabilities attaching to the Tangiers Shares are summarised below.

(b) Meetings of shareholders and voting rights

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Tangiers.

Subject to restrictions on voting from time to time affecting any class of Tangiers Shares, at general meetings of members:

- (1) subject to paragraphs (2) and (3), on a show of hands, each member present has 1 vote;
- (2) where a member has appointed more than 1 person as representative, proxy or attorney for that member, none of the representatives, proxies or attorneys is entitled to vote on a show of hands;
- (3) where a person is entitled to vote by virtue of paragraph (a) in more than 1 capacity, that person is entitled to only 1 vote on a show of hands; and
- (4) on a poll, each member present:
 - (A) has 1 vote for each fully paid Tangiers Share held; and
 - (B) for each other Tangiers Share held has a fraction of a vote equivalent to the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) for the Tangiers Share. When calculating this proportion, amounts paid in advance of a call are to be ignored.

(c) **Dividends**

The Tangiers board may determine that a dividend (including an interim dividend on account of the next forthcoming dividend) is payable and fix the amount, time for payment and method of payment. The methods of payment may include the payment of cash, the issue of Tangiers Shares, the grant of options and the transfer of assets.

Any dividend or interim dividend is (subject to the rights of, or any restrictions on, the holders of Tangiers Shares created or raised under any special arrangement as to dividend) payable on each Tangiers Share on the basis of the proportion which the amount paid or agreed to be considered to be paid bears to the amount of total issue price for the time being paid or agreed to be considered as paid or payable in respect of the Tangiers Share. The dividend may be fixed at a rate per annum in respect of a specified period but no amount paid on a Tangiers Share in advance of calls is to be treated as paid on the Tangiers Share.

A transfer of a Tangiers Share only passes the right to any dividend determined but not paid on the Tangiers Share at the time of transfer:

- (1) in the case of a proper transfer, if this is the effect of the operating rules; and
- (2) in any other case, if the transfer is effected by the relevant record date.

The Tangiers board may retain the dividends payable on Tangiers Shares which any person is under Tangiers' Constitution entitled to transfer until the person becomes registered as a member in respect of the Tangiers Shares or properly transfers them. All unclaimed dividends may be invested or otherwise made use of by the Tangiers board for the benefit of Tangiers until claimed or otherwise disposed of according to law.

Payment of any dividend may be made in any manner and by any means as determined by the Tangiers board. Without affecting any other method of payment which the Tangiers board may adopt, payment of any dividend may be

made to the member entitled to the dividend or, in the case of joint holders, to the member whose name appears first in the register in respect of the joint holding.

(d) **Winding up**

If Tangiers is wound up, whether voluntarily or otherwise, the liquidator may divide among all or any of the contributories as the liquidator thinks fit in specie or kind any part of the assets of Tangiers, and may vest any part of the assets of Tangiers in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit.

If thought expedient, any division may be otherwise than in accordance with the legal rights of the contributories and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part. However, any contributory who would be prejudiced by the division has a right to dissent and ancillary rights as if the determination were a special resolution passed under the Corporations Act relating to the sale or transfer of Tangiers' assets by a liquidator in a voluntary winding up.

If any Tangiers Shares to be divided as above involve a liability to calls or otherwise, any person entitled under the division to any of the Tangiers Shares may by notice in writing within 10 Business Days after the passing of the special resolution, direct the liquidator to sell the person's proportion and pay the person the net proceeds and the liquidator is required, if practicable, to act accordingly.

(e) **Transfer of shares**

Generally, Tangiers Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act, the ASX Listing Rules or the AIM Rules for Companies.

All Tangiers' Shares can be traded on either the ASX or AIM. To trade Tangiers Shares on AIM, Shares must first be transferred from Tangiers Australian share registry into the form of Depository Interests (each of which represents a Tangiers Share) held in a CREST account on Tangiers' UK sub-registry. The transfer process is relatively simple and is typically completed in a few days and is undertaken by contacting Tangiers share registrar, Computershare.

CREST is the UK equivalent of the CHESS system in Australia for the electronic settlement and registration of share trades. To hold shares in a CREST account, a shareholder should contact an authorised UK stockbroker and establish an account with them. Alternatively, several Australian stockbrokers have existing accounts with UK stockbrokers that they can utilise for the purpose of trading in AIM shares by their clients. Tangiers can provide contact details for such stockbrokers in the UK and Australia which can facilitate trading Tangiers shares on AIM.

(f) **Alteration of capital**

Subject to Section 246B of the Corporations Act, Tangiers may, with the sanctions of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Tangiers Shares.

3.5 Rights and liabilities attaching to Tangiers Options

A summary of the terms of the Tangiers Options to be issued under the Option Offer are set out below. The terms of the Tangiers Options are on equivalent terms to the Jacka Listed Options, apart from the exercise price. More detail regarding the calculation of the Tangiers Option exercise price is set out in clause 6.2 of this Bidder's Statement.

- (a) Each Tangiers Option gives the holder the right to subscribe for one Tangiers Share.
- (b) The exercise price of each Tangiers Option is \$0.75 (**Exercise Price**).
- (c) The Tangiers Options will expire at 5.00pm (WST) on 1 February 2015 (**Expiry Date**) unless earlier exercised. A Tangiers Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Tangiers Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion (or in the event that the holder holds a lesser amount of Tangiers Options, that lesser amount).
- (e) A holder of Tangiers Options may exercise their Tangiers Options by lodging with Tangiers, before the Expiry Date:
 - (1) a written notice of exercise of Tangiers Options specifying the number of Tangiers Options being exercised; and
 - (2) a cheque or electronic funds transfer for the Exercise Price for the number of Tangiers Options being exercised,**(Exercise Notice)**.
- (f) An Exercise Notice is only effective when Tangiers has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, Tangiers will allot the number of Tangiers Shares required under the terms and conditions of the Tangiers Options in respect of the number of Tangiers Options specified in the Exercise Notice.
- (h) The Tangiers Options will be freely transferable.
- (i) All Tangiers Shares allotted upon the exercise of Tangiers Options will upon allotment rank pari passu in all respects with other Tangiers Shares.
- (j) Tangiers will apply for quotation of the Tangiers Options on ASX within 7 days of the close of the Option Offer. In addition, Tangiers will also apply for quotation of all Tangiers Shares allotted pursuant to the exercise of Tangiers Options on ASX within 10 Business Days after the date of allotment of those Tangiers Shares.
- (k) If at any time the issued capital of Tangiers is reconstructed, all rights of a holder of Tangiers Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) Holders of Tangiers Options do not participate in any dividends unless the Tangiers Options are exercised and the resultant Tangiers Shares are issued prior to the record date to determine entitlements to the dividend.
- (m) There are no participating rights or entitlements inherent in the Tangiers Options and holders will not be entitled to participate in new issues of capital offered to holders of Tangiers Shares during the currency of the Tangiers Options without first exercising the Tangiers Options. Tangiers will, where

required pursuant to the ASX Listing Rules, provide Tangiers Option holders with notice prior to the books record date (to determine entitlement to any new issue of securities made to holders of Tangiers shares generally) to exercise the Tangiers Options, in accordance with the requirements of the ASX Listing Rules.

- (n) A Tangiers Options does not confer the right to a change in Exercise Price or a change in the number of underlying Tangiers Shares over which the Tangiers Options can be exercised.

3.6 Tangiers Share and Option Plans

As at the date of this Bidder's Statement, Tangiers does not have share and option plans in operation.

3.7 Unlisted Tangiers options

The exercise prices and expiry dates for the unlisted Tangiers options on issue as at the date of this Bidder's Statement are as follows:

Exercise price	Expiry date	Number issued
\$0.22	19 July 2014	1,000,000
\$0.60	16 December 2014	6,000,000
\$0.22	16 December 2014	1,000,000
\$0.50	2 April 2015	500,000
\$0.60	2 April 2015	3,274,124
\$0.70	2 April 2015	3,500,000
\$0.50	10 April 2016	300,000
£0.256	19 November 2015	213,733
£0.242	19 November 2015	487,230
\$0.28	26 November 2015	2,000,000
\$0.28	26 November 2015 (vesting conditions apply)	1,500,000
\$0.28	26 November 2015	3,000,000

Exercise price	Expiry date	Number issued
\$0.45	31 March 2016	2,500,000
\$0.45	31 October 2016 (voluntary escrow for 12 months)	2,500,000

3.8 Substantial holders in Tangiers Shares and Options

As at the date of this Bidder's Statement, so far as known to Tangiers based on publicly available information, there are no substantial holders of Tangiers Shares and Tangiers Options except as set out below, which is a list of Tangiers' top 20 shareholders:

	Shareholder	No of Tangiers Shares	Percentage of total Tangiers Shares (%)
1	ABLETT PTY LTD <DAVID EDWARDS FAMILY A/C>	6,550,000	3.75
2	AUSTRALIAN GLOBAL CAPITAL PTY LTD	6,085,509	3.49
3	PENINSULA INVESTMENTS (WA) PTY LTD	5,475,000	3.14
4	HSBC CUSTODY NOMINEES <AUSTRALIA>	4,685,716	2.68
5	BARCLAYSHARE NOMINEES LIMITED	3,224,364	1.85
6	PHANTOM WA PTY LTD <KIRKHAM FAMILY A/C>	3,142,165	1.80
7	HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	2,828,244	1.62
8	EKCO INVESTMENTS PTY LTD	2,779,900	1.59
9	HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	2,691,617	1.54
10	BANKSIA INVESTMENTS PTY LTD <BANKSIA INVEST CORP S/F A/C>	2,687,250	1.54

11	MULATO NOMINEES PTY LTD	2,564,451	1.47
12	CITICORP NOMINEES PTY LIMITED	2,413,528	1.38
13	TD DIRECT INVESTING NOMINEES (EUROPE) LIMITED <SMKTNOMS>	2,390,761	1.37
14	HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	2,042,193	1.17
15	L R NOMINEES LIMITED <NOMINEE>	2,005,738	1.15
16	MS EVE HOWELL <THE HOWELL FAMILY TRUST A/C>	2,000,040	1.15
17	DREAMLIGHT NOMINEES PTY LTD <THE TYREN A/C>	1,930,000	1.11
18	MR GREGORY ROSS	1,789,629	1.03
19	JP MORGAN NOMINEES AUSTRALIA	1,601,955	0.92
20	MARKET PROPERTIES PTY LTD	1,570,456	0.90

4 Information on Jacka and Jacka Group

4.1 Overview of Jacka

Jacka is an Australian ASX-listed oil and gas exploration company (ASX: JKA). Jacka listed on ASX in July 2010 and since that time has assembled a diverse portfolio of exploration and appraisal assets.

Jacka's main focus of operations is on its African oil and gas exploration interests in Tunisia, Nigeria, Tanzania and Somaliland, namely:

- a revenue interest of 5% in the Aje oil and gas field offshore Nigeria;
- an equity interest of 15% in the Bargou block, offshore Tunisia, containing the Hammamet West Oilfield;
- an equity interest of 30% in the Odewayne block, onshore Somaliland, (with an option over an additional 5% equity interest) which will reduce to 15% upon completion of the farm-in agreement with AIM-listed Sterling Energy (East Africa) Ltd; and
- an equity interest of 100% in the Ruhuhu block, onshore Tanzania.

4.2 Directors

As at the date of this Bidder's Statement, the directors of Jacka are:

Bob Cassie
Managing Director

Mr Cassie has more than 30 years technical, commercial and management experience in exploration, appraisal and development of oil and gas assets, having worked for Hardman Resources, Tap Oil, Mobil and Ampolex.

He has significant experience in Asia and Africa and led Hardman's Uganda exploration project to first discovery.

Scott Spencer
*Non-Executive
Chairman*

Mr Spencer spent nearly 20 years working on international political and economic issues with the Australian Government. From 1994 he was a Director of Hardman Resources, where he worked extensively on the establishment of Hardman's successful international exploration portfolio until the \$1.5 billion takeover of Hardman by Tullow Oil in 2006.

Justyn Wood
Technical Director

Mr Wood has 18 years technical, commercial and management experience in exploration, appraisal and development of oil and gas resources in the upstream oil and gas industry with Hardman Resources and Chevron Australia.

Mr Wood has explored more than a dozen basins around the globe and has managed a number of international frontier exploration projects. He played a key role in the early exploration of the East African Rift in the Lake Albert region of Uganda where subsequently more than one billion barrels has been discovered since 2006.

Stephen Brockhurst <i>Non-Executive Director</i>	Mr Brockhurst has 12 years' experience in the finance and corporate advisory industry. Mr Brockhurst's experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements. Mr Brockhurst is a director of several other ASX listed entities.
Brett Smith <i>Non-Executive Director</i>	Mr Smith had acquired over 20 years of experience in the mining and exploration industry as a geologist, manager, consultant and director. His industry experience is broad, dominated by exploration and resource definition. Mr Smith is a director of several other ASX listed entities.

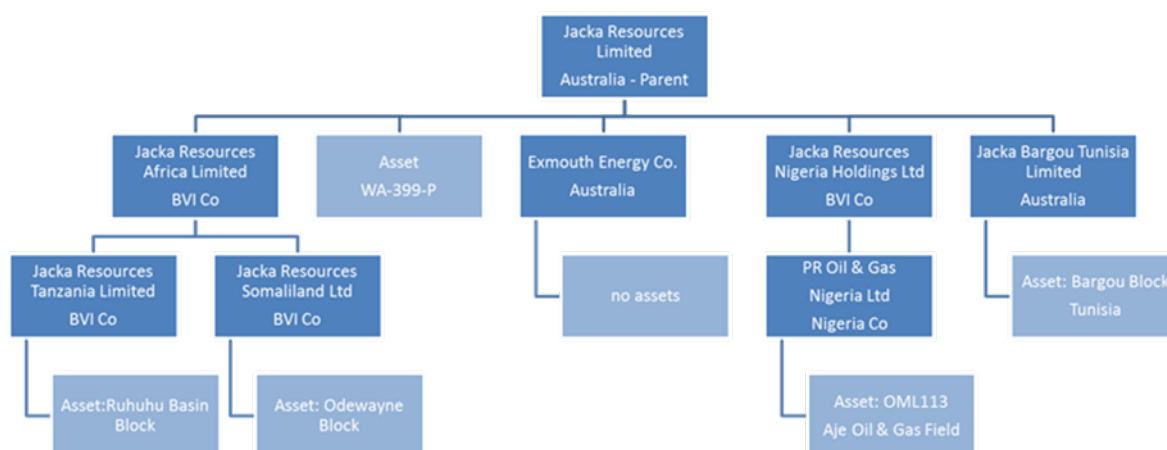
4.3 History, structure and ownership of Jacka Group

(a) **History**

Jacka was incorporated in 2009 and listed on ASX in July 2010.

(b) **Structure**

An overview of the corporate structure of Jacka is set out below:



(c) **Ownership**

As at 19 January 2014, being the last practicable date prior to lodgement of this Bidder's Statement, there were no substantial shareholders of Jacka.

4.4 Principal activities of Jacka and Jacka Group

Jacka has assembled a portfolio of exploration and appraisal assets at various stages of the project life cycle from frontier exploration areas in Tanzania and Somaliland to

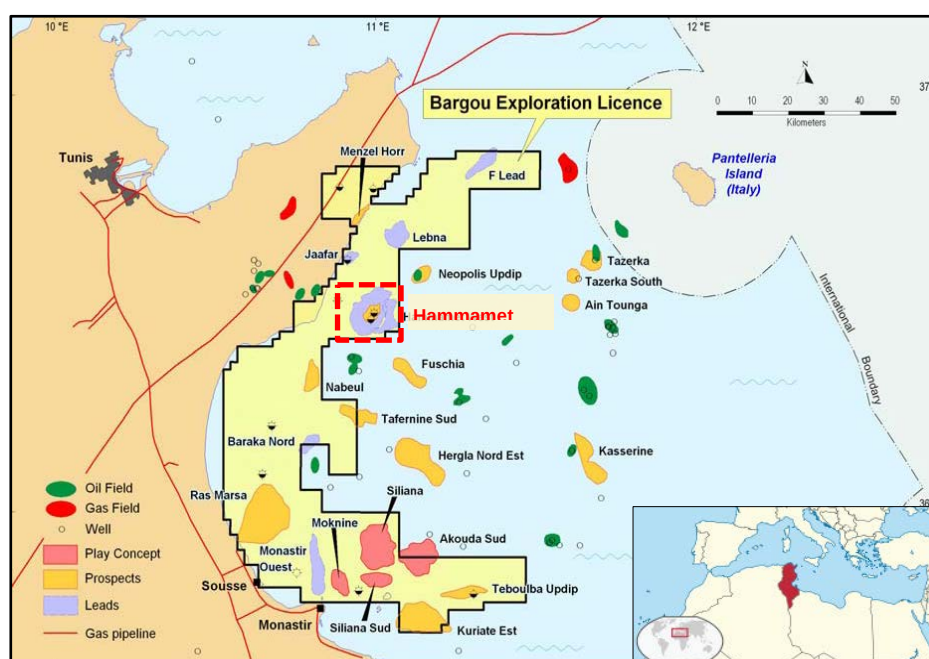
appraisal in Tunisia and pre-development in Nigeria. The projects are described in greater detail below and in Jacka's Target's Statement.

(a) **Bargou block, Tunisia**

Jacka holds a 15% working interest in the Bargou Joint Venture along with Cooper Energy (ASX:COE 30%, Operator) and Dragon Oil (55%).

The Bargou block is located within the Pelagian Basin in the Gulf of Hammamet, offshore Tunisia in relatively shallow water depths (generally less than 100 m) and covers an area of approximately 4,600 square km.

Bargou block, Offshore Tunisia



(b) **Aje Field, Nigeria**

Jacka holds a 5.0006% revenue interest (2.667% participating interest, 6.675% contributing interest) in the Aje Field located in OML 113 located offshore, western Nigeria on the West African Transform Margin. The other joint venture parties are Yinka Fawaleye Petroleum 25% (Operator), First Hydrocarbons Nigeria 16.875%, Energy Equity Resources 16.875%, New Age 24.05% and Pan Petroleum Aje Ltd 12.19% (all interests shown are revenue participation interests in the Aje Field).

(c) **Odewayne Block, Somaliland**

Jacka currently holds an equity interest of 30% (with an option over an additional 5% equity interest) in the Odewayne block, onshore Somaliland.

Jacka has recently entered into a farmout agreement with AIM-listed Sterling Energy (East Africa) Ltd, a subsidiary of Sterling Energy plc which is due to be completed in the near future and will see Jacka's equity interest reduce from 30% to 15% (with Jacka retaining an option to acquire an additional 5% interest). As part of the farmout agreement, Jacka will also be paid an aggregate amount of up to US\$12 million upon achieving certain project milestones, up to and including the first exploration well.

The Odewayne block lies in the south west of Somaliland and covers an area of approximately 22,000 square km.

(d) **Ruhuhu Basin, Tanzania**

Jacka was awarded the 10,343 square km Ruhuhu block on 20 March 2013. Jacka has 100% of the block and is operator.

The Ruhuhu licence is located in south-west Tanzania. It provides Jacka with the petroleum exploration rights to the entire Ruhuhu Karoo rift basin and to a portion of the Lake Nyasa rift basin, part of the East African rift system which holds significant oil discoveries in Uganda and Kenya.

(e) **WA-399-P, Offshore Western Australia**

Jacka holds a 15% equity interest in the WA-399-P joint venture, with the permit being located in the Carnarvon Basin, offshore Western Australia. No further exploration is planned in relation to this permit, and Jacka expects the permit to be surrendered during the course of 2014.

4.5 Financial information on the Jacka Group

Jacka Group released its half year report and accounts on 16 January 2014. An electronic copy of this report can be obtained from Jacka's website www.jackaresources.com.au or from ASX.

4.6 Publicly available information about Jacka Group

Jacka is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Jacka is subject to the listing rules of ASX which require continuous disclosure of any information Jacka has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Jacka file is available for inspection at ASX during normal business hours.

In addition, Jacka is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Jacka may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Jacka is available in electronic form from: www.jackaresources.com.au.

4.7 Announcement by Jacka in relation to the Offers

On 5 December 2014, Jacka made a public announcement to ASX in relation to the Offers. A copy of that announcement is contained in Attachment 1 of this Bidder's Statement.

5 Information on Jacka's securities

5.1 Jacka's issued securities

According to documents provided by Jacka to ASX, as at the date of this Bidder's Statement, Jacka's issued securities consisted of:

- 336,013,503 Jacka Shares;
- 50,000,000 Jacka Listed Options; and
- 35,400,000 Jacka Unlisted Options.

5.2 Jacka Share and Option Plans

As at the date of this Bidder's Statement, Jacka currently has the following share and option plans in operation:

- Jacka Resources Limited Employee Share Scheme as approved by shareholders at the AGM on 28 November 2011.
- Jacka Resources Limited Employee Incentive Option Scheme as approved by shareholders at the AGM on 28 November 2011.

5.3 Options

So far as is known to Tangiers, the exercise prices and expiry dates for the Jacka Listed Options on issue as at the date of this Bidder's Statement are as follows:

Exercise price	Expiry date	Number issued
\$0.35	1 February 2015	50,000,000 Jacka Listed Options

So far as is known to Tangiers, the exercise prices and expiry dates for the Jacka Unlisted Options on issue as at the date of this Bidder's Statement are as follows:

Exercise price	Expiry date	Number issued
\$0.50	31 July 2014	11,700,000 Jacka Unlisted Options
\$0.14	1 February 2015	19,250,000 Jacka Unlisted Options
\$0.20	11 October 2015	500,000 Jacka Unlisted Options
\$0.20	11 September 2016	2,700,000 Jacka Unlisted Options
\$0.20	3 May 2017	1,250,000 Jacka Unlisted Options

5.4 Tangiers' interests in Jacka securities

As at the date of this Bidder's Statement:

- Tangiers's voting power in Jacka was 0.5% through Tangiers' wholly owned subsidiary Fotis Nominees Pty Ltd's holding of 1,705,833, acquired in January 2013;
- Tangiers had a relevant interest in 1,705,833 Jacka Shares through Tangiers' wholly owned subsidiary Fotis Nominees Pty Ltd's holding, acquired in January 2013;
- Tangiers had no relevant interest in any Jacka Listed Options; and
- Tangiers had no relevant interest in any Jacka Unlisted Options.

As at the date of the Offers:

- Tangiers's voting power in Jacka was 0.5% through Tangiers' wholly owned subsidiary Fotis Nominees Pty Ltd's holding of 1,705,833, acquired in January 2013;
- Tangiers had a relevant interest in 1,705,833 Jacka Shares through Tangiers' wholly owned subsidiary Fotis Nominees Pty Ltd's holding, acquired in January 2013;
- Tangiers had no relevant interest in any Jacka Listed Options; and
- Tangiers had no relevant interest in any Jacka Unlisted Options.

5.5 Dealings in Shares and Options

(a) Previous four months

Neither Tangiers nor any associate of Tangiers has provided, or agreed to provide, consideration for Shares or Options under any purchase or agreement during the 4 months before the date of this Bidder's statement.

(b) Period before Offers

Neither Tangiers nor any associate of Tangiers has provided, or agreed to provide, consideration for Shares or Options under any purchase or agreement during the period starting on the date of this Bidder's statement and ending on the date immediately before the date of the Offers.

5.6 Recent share price performance of Jacka

The latest recorded sale price of Jacka Shares on ASX before the Announcement Date was \$0.072 as at close of trading on ASX on 29 November 2013.

The latest recorded sale price of Jacka Options on ASX before the Announcement Date was \$0.004 as at close of trading on ASX on 29 November 2013.

The latest recorded sale price of Jacka Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$0.085.

The latest recorded sale price of Jacka Options on ASX before the date on which this Bidder's Statement was lodged with ASIC was \$0.005.

The following chart shows the last sale price of Jacka Shares on ASX prior to the Announcement Date.



Source: IRESS. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from IRESS Limited without its consent.

5.7 Effect of the Offers on Jacka Options

The Option Offer extends to the Jacka Listed Options but not to other Jacka Options issued by Jacka.

Tangiers will make contemporaneous offers to holders of Jacka Unlisted Options on terms to be agreed with Jacka. Further details are set out in section 11.11 of this Bidder's Statement.

The Share Offer extends to Jacka Shares that are issued on the exercise of any Jacka Options during the period from the Register Date to the end of the Offer Period. The final date for converting Jacka Options into Jacka Shares is [5 March 2014] unless the Offer Period is extended under the Corporations Act.

If Tangiers and its associates have relevant interests in at least 90% of the Jacka Shares during, or at the end of the Offer Period, Tangiers will (if it and its associates have a relevant interest in more than 90% of Jacka Shares at the time) give a notice of compulsory acquisition to all outstanding Jacka Shareholders, even if the Jacka Shares to which those notices relate are issued:

- after the Offers closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on exercise of Jacka Options, up to 6 weeks after the notices are given (pursuant to section 661A(4)(e) of the Corporations Act).

If not all of the Jacka Options are acquired by Tangiers or cancelled pursuant to agreements or other arrangements, and Tangiers is entitled to compulsorily acquire any outstanding Shares, Tangiers presently intends to seek to compulsorily acquire or cancel

any outstanding Jacka Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

5.8 No pre-Offers benefits

During the period from the date of this Bidder's Statement to the date before the date of the Offers, neither Tangiers nor any associate of Tangiers gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offers; or
- dispose of Jacka Shares or Jacka Listed Options,

and which is not offered to all holders of Jacka Shares and Jacka Listed Options (as applicable).

5.9 No escalation agreements

Neither Tangiers nor any associate of Tangiers has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Sources of consideration

6.1 Share Offer

The consideration for the acquisition of the Jacka Shares to which the Share Offer relates will be satisfied by the issue of Tangiers Shares.

The maximum number of Tangiers Shares which would become payable under the Share Offer if acceptances are received in respect of all Jacka Shares on issue as at the date of this Bidder's Statement (other than those Jacka Shares in which Tangiers has a relevant interest) is approximately 156,455,990 Tangiers Shares.

Tangiers has the capacity to issue the maximum number of Tangiers Shares which it may be required to issue under the Share Offer.

Tangiers intends to apply for the quotation of Tangiers Shares issued under the Share Offer on the ASX within 7 days of the date of the Share Offer in accordance with the Corporations Act.

Application for quotation of the Tangiers Shares on AIM will be made as soon as possible after allotment.

6.2 Option Offer

The consideration for the acquisition of the Jacka Listed Options to which the Option Offer relates will be satisfied by the issue of Tangiers Options.

Tangiers has calculated the Option Offer consideration with reference to the underlying Share Offer ratio and the exercise price of the Tangiers Options on the basis of the formula:

$$\frac{1}{0.468} \times \$0.35 = \underline{\$0.75}$$

The maximum number of Tangiers Options which would become payable under the Option Offer if acceptances are received in respect of all Jacka Listed Options on issue as at the date of this Bidder's Statement is approximately 23,400,000 Tangiers Options.

Tangiers has the capacity to issue the maximum number of Tangiers Options which it may be required to issue under the Option Offer.

Tangiers intends to apply for the quotation of Tangiers Options issued under the Option Offer on the ASX within 7 days of the date of the Option Offer in accordance with the Corporations Act.

7 Bidder's intentions in relation to Jacka

7.1 Introduction

The intentions of Tangiers in relation to Jacka are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Jacka, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Tangiers in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change.

7.2 Overview and rationale for the Offers

Tangiers believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Jacka by Tangiers. These include:

- (a) A single company better placed to enhance the value of the Merged Group's assets.
- (b) Consolidation of Jacka's and Tangiers' strategic portfolios in Africa under a single entity listed on ASX and AIM, creating a stronger platform to promote the Merged Group to investors and stakeholders.
- (c) Jacka Securityholders will retain exposure to Jacka's portfolio (subject to certain rights that may be triggered upon a change of control of Jacka not being exercised – see section 9.2(c) of this Bidder's Statement for more detail) and gain exposure to the potential upside of Tangiers' Moroccan acreage.
- (d) The Directors consider that the combination of Tangiers' and Jacka's exploration expertise, technical capability and financial resources will provide the Merged Group with improved opportunity to maximise the value of the Merged Group's projects.
- (e) The Merged Group will have a stronger financial position based on an expected proforma cash position of approximately \$7 million (before payment of transaction costs of \$1.94 million and repayment of Jacka's short term loan facility of \$1.7 million) as at 31 December 2013.
- (f) The Merged Group's enlarged size and stronger financial position should improve access to future funding compared to either Tangiers' or Jacka's current access as individual entities. It is anticipated the Merged Group will have greater flexibility to support near term funding and accelerate exploration activities.

7.3 Intentions for Jacka as a wholly owned controlled entity

This clause 7.3 describes Tangiers' intentions if Tangiers and its associates acquire a relevant interest in 90% or more of the Jacka Shares, and so becomes entitled to proceed to compulsory acquisition of outstanding Jacka Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Tangiers' current intentions are as follows:

- (a) **Corporate matters**
Tangiers intends to:

- proceed with compulsory acquisition of the outstanding Jacka Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any Jacka Shares which are issued after the close of the Offers as a result of the exercise of Options (see clause 5.7 of this Bidder's Statement);
- thereupon arrange for Jacka to be removed from the official list of the ASX;
- establish a Board comprising the current three directors of Tangiers and two current directors of Jacka;
- enter into private treaty arrangements with the holders of Jacka Unlisted Options which have not been exercised and that have not expired or lapsed; and
- amend the constitution of Jacka to reflect its status as a wholly owned subsidiary of Tangiers.

(b) **General operational review**

After the end of the Offer Period, Tangiers intends to conduct an immediate, broad based review of Jacka's operations on both a strategic and financial level to

- evaluate Jacka performance, profitability and prospects;
- assess legal compliance and corporate governance; and
- assess environmental and social compliance.

In the course of this review, Tangiers intends to focus on a number of key specific areas including (but not limited to):

(1) **Strategic review**

Subject to what is disclosed elsewhere in Section 7.4, Tangiers intends to undertake a detailed review of Jacka's activities, assets and liabilities to evaluate their prospects, strategic relevance, funding requirements and financial performance. This may lead to modification of some of Jacka's existing projects and activities. This strategic review will provide the main platform for Tangiers to identify and assess the specific areas that may provide benefits to Tangiers and the expected costs and time frames.

(2) **Jacka Project Expenditure**

Tangiers intends to continue with the current budgeted expenditure program in relation to all projects. In this regard, Tangiers intends to use funds of the Merged Group to progress programs on all projects. Further funding is likely to be required to advance the Jacka projects. Following its evaluation of the relevant Jacka assets, Tangiers is likely to raise additional equity capital as appropriate. Tangiers believes it has sufficient working capital to carry out the Merged Group's objectives in the short term.

(c) **Impact on Employees**

Jacka and its subsidiaries do not have a significant number of employees. However, some of these employees may undertake functions that will be centralised in the Merged Group. Some job losses may occur as a result. The extent and timing of such job losses cannot be predicted in advance. Tangiers intends to discuss employment arrangements with the existing Jacka personnel.

7.4 Intentions for Jacka as a part owned controlled entity

Tangiers reserves its right to declare the Offers free from the 90% minimum acceptance condition (or any other condition) to the Offers. However, Tangiers has not decided whether it will free the Offers from the 90% minimum acceptance condition (or any other condition).

This clause 7.4 describes Tangiers' intentions if it were to declare the Offers free of the 90% minimum acceptance condition and if Jacka becomes a controlled entity of Tangiers, but Tangiers is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Tangiers' current intentions are as follows:

(a) **Corporate matters**

After the end of the Offer Period, Tangiers intends:

- (subject to the Corporations Act and the constitution of Jacka) to seek to replace some of the members of the board of Jacka with nominees of Tangiers, so that the proportion of such nominees is broadly similar to the voting power of Tangiers. Tangiers would consider the recommendations in the ASX Corporate Governance Guidelines when determining the composition of the board. Replacement board members have not yet been finally decided by Tangiers and their identity will depend on the circumstances at the relevant time: however, it is expected that the majority of the replacement board members will be members of the Tangiers Board; and
- (subject to continued compliance by Jacka with the Listing Rules) to maintain Jacka's listing on the ASX (although Jacka Shareholders should be aware that in this circumstance the liquidity of Jacka Shares on ASX may be materially adversely affected).

(b) **General operational review**

After the end of the Offer Period, Tangiers intends to propose to the Jacka Board that an immediate, broad-based review of Jacka's operations be conducted on both a strategic and financial level, along similar lines to that described in clause 7.3(b).

Tangiers intends, subject to the approval of the Jacka Board, to participate in this review.

(c) **Dividends and funding**

The present intention of Tangiers is not to seek to have any changes made to the dividend policy of Jacka.

(d) **Limitations in giving effect to intentions**

The ability of Tangiers to implement the intentions set out in this clause 7.4, will be subject to the legal obligations of Jacka directors to have regard to the interests of Jacka and all Jacka Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. Tangiers will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7.5 Other intentions

Subject to the matters described above in this clause 7 and elsewhere in this Bidder's Statement and, in particular, the completion of the strategic review of Jacka operations, it is the intention of Tangiers, on the basis of the facts and information concerning Jacka that are known to it and the existing circumstances affecting the assets and operations of Jacka at the date of this Bidder's Statement, that:

- the business of Jacka will be conducted in the same manner as at the date of this Bidder's Statement;
- there will be no redeployment of the fixed assets of Jacka; and
- the present employees of Jacka will continue to be employed by Jacka.

8 Effect of the Offers on Tangiers and profile of the Merged Group

8.1 Corporate activities and strategy

If Tangiers acquires all Jacka Shares on issue, the Merged Group will provide shareholders with a diversified international oil and gas group with potential for significant growth resulting in economic benefits which may not be available to either Tangiers or Jacka as stand-alone entities.

The Merged Group aims to continue to build an African focused exploration and production company that delivers material value to its shareholders and contributes to the development of the countries in which it works.

It intends to achieve this by building a portfolio of assets with a balance of low risk, moderate reward exploration, development or production opportunities and higher risk, large exploration potential in shallow water and onshore basins.

The opportunities the Merged Group will seek will be based on robust technical evaluation together with informed socio-political decisions and cultural sensitivity in business relationships.

The Merged Group will have a stronger financial position with an unaudited pro forma cash position of approximately \$7 million (before payment of transaction costs of \$1.94 million and repayment of Jacka's short term loan facility of \$1.7 million) as at 31 December 2013 and the portfolio of oil and gas assets of each of the separate entities.

Further funding is likely to be required to advance the projects of the Merged Group. The Merged Group is likely to raise additional equity capital as appropriate. Tangiers believes it has sufficient working capital to carry out the Merged Group's objectives in the short term.

The retention of Jacka's existing interests in Somaliland, Nigeria and Tunisia may, in some cases, be subject to the consent of its joint venture partners or governmental departments to the change of control of Jacka. Further information on these consents are set out in section 9.2(c) of this Bidder's Statement.

A pro forma table of the material project interests that would be held by the Merged Group is as follows:

Country	Block / Licence	Interest	Joint Venture Partners	Operator	Stage
Morocco	Tarfaya Offshore Block	25%	Galp (50%) ONHYM (25%)	Galp	Exploration
Tunisia	Bargou (offshore)	15%	Cooper Energy (15%) Dragon Oil (55%)	Cooper	Exploration & Appraisal
Nigeria	Aje Field (offshore)	5% (revenue interest)	YFP (25%) EER (16.9%) FHN (16.9%) New Age (24%)	YFP	Exploration, Appraisal, & Development Feasibility

			Pan Petroleum Aje (12.2%)		
Somaliland	Odewayne (onshore)	15% (subject to completion of farmout agreement with Sterling Energy), (option to 20%)	Petrosoma (10%) Genel Energy (50%) Sterling Energy (25%) (subject to completion of farmout agreement)	Genel	Exploration
Tanzania	Ruhuhu (onshore)	100%	-	Jacka	Exploration

Notes:

- The interests stated are after completion of any announced farm-in arrangements.
- Interest percentages have been rounded.
- The Australian interests of both Tangiers and Jacka are not included as they are intended to be cancelled or relinquished or are otherwise not considered material.
- Other than as referred to elsewhere in this Bidder's Statement, the acquisition of Jacka is not expected to have a material effect on the existing assets and operations of Tangiers.

8.2 Ownership of Merged Group

If all existing Jacka Shareholders accept the Share Offer (excluding any Jacka Shares issued on exercise of Jacka Options on issue) there will be 331,035,210 Tangiers Shares on issue, of which 156,455,990 Tangiers Shares will be held by Jacka Shareholders. This equates to a percentage of 47%. On a fully diluted basis, if all Jacka Optionholders accept the Option Offer and the Tangiers Options received as consideration were all exercised, there would be 401,477,497 Tangiers Shares on issue of which 196,423,190 Tangiers Shares will be held by Jacka Shareholders. This equates to a percentage of 49%.

Based on the current holdings in each of Jacka and Tangiers, there is no scenario in which any one holder of Tangiers Shares will have voting power of more than 20% of the Merged Group. Furthermore, there would be no Significant Shareholders (as defined in the AIM Rules for Companies) in the Merged Group, as no one holder would hold over 3% of the Tangiers Shares on issue.

As at the date of this Bidder's Statement, a pro forma list of the Merged Group's top 20 shareholders is set out below:

	Shareholder	No of Tangiers Shares	Percentage of total Tangiers Shares (%)
1	CITICORP NOMINEES PTY LIMITED	9,064,601	2.74
2	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	7,617,563	2.30
3	HSBC CUSTODY NOMINEES <AUSTRALIA>	7,008,094	2.12
4	ABLETT PTY LTD <DAVID EDWARDS FAMILY A/C>	6,550,000	1.98
5	AUSTRALIAN GLOBAL CAPITAL PTY LTD	6,085,509	1.84
6	PENINSULA INVESTMENTS (WA) PTY LTD	5,475,000	1.65
7	MARFORD GROUP PTY LTD	4,738,365	1.43
8	JP MORGAN NOMINEES AUSTRALIA	3,890,581	1.18
9	WILLOWDALE HOLDINGS PTY LTD	3,299,400	1.00
10	BARCLAYSHARE NOMINEES LIMITED	3,224,364	0.97
11	PHANTOM WA PTY LTD <KIRKHAM FAMILY A/C>	3,142,165	0.95
12	HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	2,828,244	0.85
13	EKCO INVESTMENTS PTY LTD	2,779,900	0.84
14	HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	2,691,617	0.81
15	BANKSIA INVESTMENTS PTY LTD <BANKSIA INVEST CORP S/F A/C>	2,687,250	0.81
16	SYDNEY EQUITIES PTY LTD <SUPERANNUATION FUND A/C>	2,659,921	0.80

17	MULATO NOMINEES PTY LTD	2,564,451	0.77
18	TD DIRECT INVESTING NOMINEES (EUROPE) LIMITED <SMKTNOMS>	2,390,761	0.72
19	MR JASWINDER SINGH TAKHAR	2,246,400	0.68
20	HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	2,042,193	0.62

8.3 Directors of the Merged Group

The directors of Tangiers, if Tangiers acquires Jacka, are proposed to be Tangiers' existing directors Eve Howell, Brent Villemarette and Max de Vietri (see section 2.2 for a profile of these directors) and Bob Cassie and Scott Spencer (see section 4.2 for a profile of these directors). As previously announced, it is proposed that following completion of the acquisition there will be a three month period during which Eve Howell will transition to Non-Executive Chairman, Bob Cassie will be appointed Managing Director, and Max de Vietri is likely to be replaced by a new Non-Executive Director to be nominated by Tangiers.

Further information on the proposed Jacka appointees, as required by the AIM Rules for Companies, is as follows:

Bob Cassie

Robert Alexander Cassie (aged 56) holds a Bachelor of Science with honours in geology and is a member of the American Association of Petroleum Geologists. Mr Cassie is currently the Managing Director of Jacka and is currently also a director of Bob Cassie Consulting Pty Ltd and various Jacka subsidiary companies.

Scott Spencer

Scott Sherwood Spencer (aged 63) holds a Bachelor of Arts, a Bachelor of Philosophy and a Master of Letters. Mr Spencer is currently a Non-Executive Director of Jacka and is also a director of various Jacka subsidiaries and Aubrey Consulting Pty Ltd. In the past 5 years, Mr Spencer has also been a director of Monitor Energy Ltd (now Orca Energy Ltd), Greenrock Energy Ltd, Blade Petroleum Ltd and Leopard Minerals Plc.

It is proposed that Bob Cassie and Scott Spencer will enter into executive or services agreements with Tangiers with the following salary or director fee:

Director	Salary or Director Fee
Bob Cassie (Managing Director)	\$400,000 per annum, inclusive of superannuation
Scott Spencer (Non-Executive Director)	\$50,000 per annum, exclusive of superannuation

Following the successful close of the Offers, the proposed directors will have an interest in the following number of Tangiers Shares and Tangiers Unlisted Options as a result of

accepting the Offers in respect to existing Jacka Shares and Jacka Listed Options that they hold as at the date of this Bidder's Statement and entering into option cancellation deeds in relation to their existing Jacka Unlisted Options (see section 11.11 of this Bidder's Statement):

Director	Tangiers Shares	Tangiers Unlisted Options
Bob Cassie (Managing Director)	35,100	234,000
Scott Spencer (Non-Executive Director)	702,000	936,000

8.4 Pro forma historical consolidated financial information for the Merged Group

(a) Basis of presentation of unaudited pro forma historical consolidated financial information

The unaudited pro forma historical consolidated financial information for the Merged Group, reflects the consolidated businesses of Tangiers and Jacka and comprises the pro forma historical consolidated statement of financial position as at 31 December 2013 and is presented in this section to provide Jacka Securityholders with an indication of the financial position of the Merged Group as at 31 December 2013.

As a result it is likely that this information will differ from the actual financial position for the Merged Group. The unaudited pro forma historical consolidated statement of financial position of the Merged Group as at 31 December 2013 and the pro forma adjustments are disclosed in this section.

The Merged Group unaudited pro forma historical consolidated financial information has been provided on the basis that Tangiers acquires Jacka accordingly and:

- (1) the accounting policies of the Merged Group used to prepare the Merged Group unaudited pro forma historical consolidated statement of financial position are based on the recognition and measurement requirements of AASB standards;
- (2) the Merged Group unaudited pro forma historical financial information has been prepared based on the unaudited trial balance of Tangiers and the half year report for Jacka as at 31 December 2013 as released to ASX on 16 January 2014; and
- (3) the Merged Group unaudited pro forma historical consolidated financial information is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual financial report in accordance with the Corporations Act. In particular it does not include notes to the historical consolidated financial information of Tangiers and Jacka.

(b) Pro forma historical consolidated statement of financial position of the Merged Group

The Merged Group's unaudited pro forma historical consolidated statement of financial position is compiled from the aggregation of the:

- (1) Tangiers' historical consolidated statement of financial position as at 31 December 2013, an extract of which is set out in clause 2.4 of this Bidder's Statement;
- (2) Jacka's historical consolidated statement of financial position as at 31 December 2013, as extracted from the half year report and accounts released on ASX on 16 January 2014; and
- (3) pro forma adjustments to reflect the acquisition of Jacka by Tangiers as if Tangiers acquired all Jacka Shares and all Jacka Listed Options and Jacka Unlisted Options as outlined in this document on 31 December 2013 based on price of shares at 31 December 2013 which may change and the results might change.

Set out below is the Merged Group's unaudited pro forma historical consolidated statement of financial position as at 31 December 2013.

	Tangiers December 2013 \$	Adjustments \$	Adjusted Proforma December 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6,089,313	934,092	7,023,405
Other receivables	121,212	12,116,591	12,237,803
Total Current Assets	6,210,525	13,050,683	19,261,208
Non-Current Assets			
Plant and equipment	49,243	11,529	60,772
Other financial assets	3,566,500	(3,253,366)	313,134
Exploration and evaluation expenditure	7,742,856	32,094,901	39,837,757
Total Non-Current Assets	11,358,599	28,853,064	40,211,663
TOTAL ASSETS	17,569,124	41,903,747	59,472,871
LIABILITIES			
Current Liabilities			
Trade and other payables	915,761	5,394,421	6,310,182
Borrowings	-	1,700,000	1,700,000
Total Current Liabilities	915,761	7,094,421	8,010,182
TOTAL LIABILITIES	915,761	7,094,421	8,010,182
NET ASSETS	16,653,363	34,809,326	51,462,689
EQUITY			
Contributed equity	55,889,563	36,767,158	92,656,721

	Tangiers December 2013 \$	Adjustments \$	Adjusted Proforma December 2013 \$
Reserve	10,761,256	1,025,000	11,786,256
Accumulated losses	(49,997,456)	(2,982,832)	(52,980,288)
TOTAL EQUITY	16,653,363	34,809,326	51,462,689

The pro forma historical consolidated statement of financial position shows adjustments based on the following transactions as if they occurred on 31 December 2013.

(c) **Pro forma adjustments**

The following pro forma adjustments have been made in the compilation of Merged Group pro forma historical consolidated financial information on assumed acquisition of all Jacka Shares and all Jacka Listed Options by Tangiers and cancellation of all Jacka Unlisted Options.

- (1) the recognition of the farm-out agreement with Galp Energia following the finalisation of documentation;
- (2) Tangiers' acquisition of all Jacka Shares on the issue of 1 Tangiers Share to Jacka Shareholders for every 0.468 Jacka Shares held. The maximum number of Tangiers Shares issued under the Offers will be 156,455,990 (subject to rounding), valued at \$36,767,158. This assumes that no Jacka Options are exercised during the Offer Period;
- (3) Tangiers' acquisition of all Jacka Listed Options for consideration of the issue of 1 Tangiers Option to Jacka Listed Optionholders for every 0.468 Jacka Listed Options held; and
- (4) The cancellation of all Jacka Unlisted Options for consideration of the issue of 1 Tangiers Unlisted Option to Jacka Unlisted Optionholders for every 0.468 Jacka Unlisted Options held.

The maximum number of Tangiers Options and Tangiers Unlisted Options issued under the Offers will be 39,967,200 (subject to rounding), valued at \$1,025,000. This assumes that no Jacka Listed Options or Jacka Unlisted Options are exercised during the Offer Period.

- (5) For the purposes of allocating the consideration that Tangiers will provide to Jacka Securityholders, it has been assumed that the book value of Jacka's assets and liabilities as per their unaudited half year financial report at 31 December 2013 as extracted from the half year report and accounts released on ASX on 16 January 2014 are equal to their fair value as at 31 December 2013, with the excess of the consideration less these fair values being attributable to the exploration assets owned by Jacka. It is noted that the fair value assessment post acquisition may result in the identification of difference from the book value as extracted from the half year report and accounts released on ASX on 16 January 2014, which could materially impact the allocation as presented in the pro forma statement of financial position.
- (6) accrual of advisory fees on completion of the Offer estimated at \$1.94million. For the purposes of the above pro forma historical

consolidated statement of financial position, the amount has been included within Trade and other payables;

8.5 Prospects of the Merged Group

If Tangiers acquires all the Jacka Shares and the Jacka Listed Options, Tangiers will remain the entity listed on the ASX and AIM and will be the ultimate holding company for all companies with the new Merged Group. The acquisition by Tangiers of all Jacka Shares and Jacka Listed Options will result in a Merged Group with a diversified portfolio of oil and gas assets.

This Bidder's Statement does not include forecasts or projections for production or earnings in relation to Tangiers or the Merged Group. Tangiers believes that the inclusion of such forecasts would be unduly speculative and potentially misleading to Jacka Securityholders.

The current dividend policy will be maintained. It is not anticipated that Tangiers will pay a dividend in the foreseeable future as Tangiers' focus is on the development of its project portfolio with any operating surplus expected to be re-invested in the Merged Group's projects.

9 Risk factors

9.1 Introduction

If the Offers becomes unconditional, Jacka Shareholders and Jacka Optionholders who accept the Offers will become Tangiers shareholders and option holders, and Tangiers will acquire an interest in Jacka. In that event, Jacka Shareholders and Jacka Optionholders will continue to be indirectly exposed to the risks associated with having an interest in Jacka's assets and general economic, share market and industry risks. There are also additional risks relating to the Offers and the Merged Group, to which Jacka Shareholders and Jacka Optionholders will be exposed through their holding of Tangiers Securities.

9.2 Risks relating to the Offers and the Merged Group

(a) Issue of Shares and Options as consideration

Jacka Shareholders are being offered consideration under the Share Offer and Jacka Optionholders are being offered consideration under the Option Offer that consists of a specified number of Tangiers Shares or Tangiers Options (as applicable), rather than a number of Tangiers Shares or Tangiers Options with a specified market value. As a result, the value of the consideration will fluctuate depending upon the market value of the Tangiers Shares or Tangiers Options.

Furthermore, under the Offers, Tangiers will issue a significant number of Tangiers Shares and Tangiers Options. Some Jacka Shareholders and Jacka Optionholders may not intend to continue to hold their Tangiers Shares or Tangiers Options and may wish to sell them on ASX or AIM. There is a risk that if a significant number of Jacka Shareholders or Jacka Optionholders seek to sell their Tangiers Securities, this may adversely impact the price of Tangiers Securities.

(b) Integration risks

There are risks that integration of the businesses of the Tangiers Group and the Jacka Group may take longer than expected and that anticipated benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

(c) Change of control risks

There are risks that may arise from change of control of the Jacka subsidiary companies that hold the four Jacka assets.

Tangiers intends, with the assistance of Jacka where appropriate, to enter into discussions with the relevant counter parties in relation to approval of this transaction as soon as practicable.

Please refer to section 7.1(c) of the Target's Statement for Jacka's assessment of the risks associated with the effect of the Offer on its material contracts.

(1) *Tanzania*

Jacka Tanzania, the Government of the United Republic of Tanzania and the Tanzania Petroleum Development Corporation (TPDC) are parties to a production sharing agreement in respect of the Ruhuhu Basin in Tanzania dated 19 March 2013 (**Ruhuhu Basin PSA**).

Recent changes to governmental policy give rise to a risk that the Tanzanian Government may require that ministerial consent be obtained in relation to this transaction.

(2) *Somaliland*

Jacka Somaliland, Petrosoma Limited, Genel Energy Somaliland Limited and Sterling Energy (East Africa) Ltd are parties to a joint operating agreement in respect of the Odewayne Block in Somaliland dated 2 October 2013 (**Somaliland JOA**).

On a change of control, the Somaliland JOA imposes an obligation to obtain the necessary government approvals and seek consent from the other joint venture parties, which may only be refused in limited circumstances.

(3) *Nigeria*

Jacka Nigeria, Yinka Fawcett Petroleum Co Ltd (Operator), First Hydrocarbons Nigeria Ltd, Energy Equity Resources Aje Ltd, New Age and Pan Petroleum Aje Ltd are parties to a joint operating agreement in respect of Mining Lease OML 113 in Nigeria dated 21 September 2007 (**Nigerian JOA**).

Under the Nigerian JOA, a change of control of an interest in Mining Lease OML 113 will be subject to pre-emption rights exercisable by the other participating interest holders.

There is a risk that the other participating interest holders will not waive their pre-emption rights and acquire Jacka Nigeria's interest in OML 113 for cash. A recent discovery in the adjacent licence and the near-completion of the Field Development Plan heightens the risk that these pre-emption rights may be exercised in the event of a change of control of Jacka.

(4) *Tunisia*

Jacka Tunisia, CE Tunisia Bargou Limited and Dragon Oil Limited are parties to a joint operating agreement in respect of the Bargou Permit in Tunisia dated 15 September 2010 (**Tunisian JOA**).

Under the Tunisian JOA, Jacka Tunisia is required to notify the other parties, and obtain the written consent of the other parties, to the change of control which will arise from Tangier's proposed acquisition of Jacka. The other parties cannot unreasonably withhold or delay their consent other than in limited circumstances. There is a risk that this consent will not be obtained in which case Jacka Tunisia may be required to provide security in respect of its participating interest share of the obligations and liabilities it may be reasonably expected to incur under the Tunisian JOA.

(d) **Re-election of directors**

As outlined in section 2.2 of this Bidder's Statement, the re-election of Ms Eve Howell and Mr Max de Vietri as directors of Tangiers is scheduled to be considered by shareholders of Tangiers at a general meeting on 6 February 2014. If these directors are not re-elected at that meeting, 2 of the 3 directors who approved this Bidder's Statement will no longer sit on the board of Tangiers. In this case, the Offers made by Tangiers under this Bidder's Statement would remain in place. However, a change of two out of the three

Tangiers' directors (one of whom is the Executive Chairman) may result in uncertainty regarding the future intent and strategy for the Merged Group.

(e) **Risks associated with Galp Energia Farm-out Agreement**

Tangiers Petroleum Limited and Galp Energia (**Galp**) entered into a Farm-out Agreement in December 2012 (**Farm-out Agreement**). Galp will earn a 50% interest in the Tarfaya Offshore Block by spending US\$40.5 million, which includes a carry on the exploration well capped at US\$33 million and reimbursement of US\$7.5 million for past costs. In addition, a US\$3 million bank guarantee will be returned to Tangiers, with a total net cash inflow of US\$10.5 million. Approval of the assignment of 50% interest and transfer of operatorship to Galp was received upon signature of the Joint Ministerial Order by the Moroccan government. Under the Farm-out Agreement, several conditions needed to be satisfied by 1 March 2014; one procedural matter outstanding being that ONHYM confirms in writing that the amendments to the relevant association contract are approved prior to their execution of the document. This approval is currently being sought. The directors of Tangiers' expect this approval will be obtained and any risk of termination of the Farm-out Agreement is extremely low given the funds Galp has already expended and their significant amount of preparatory work for drilling the well. In the highly unlikely event that the Farm-out Agreement were terminated, Tangiers will not receive the anticipated cash inflow of US\$10.5 million.

9.3 General risks

The following risks have been identified as being key risks specific to investing in the Merged Group. These risks have the potential to have a significant adverse impact on the Merged Group which may in turn affect the financial position, prospects and price of its listed securities. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, other can be covered by insurance, but some are outside the control of Tangiers and cannot be mitigated or insured against.

(a) **Economic risks**

(1) *Economic conditions:*

The economic condition of both domestic and global markets may affect the performance of the Merged Group. Factors such as fluctuations in currencies, commodity prices, inflation rate, interest rates, supply and demand and industrial disruption may have an impact on operating costs and therefore future possible revenues and the share market price.

Each country has its own banking laws and the Merged Group will be subject to these laws which may potentially affect issues such as currency exchange, and transfer and repatriation of funds. Somaliland is the most underdeveloped with respect to banking and is in the process of developing a formal commercial banking system. Currently, the bulk of the banking services are carried out through money transfer operations.

(2) *Future capital requirements:*

The continued operations of the Merged Group will be dependent on its ability to obtain financing through debt, equity financing or capital raising. There is a risk that the Merged Group may not be able to access capital for future projects or developments due to factors

beyond its control which could have a material adverse impact on the Merged Group's business and financial condition.

(3) *Petroleum price volatility:*

Should there be a successful development, a proportion of the Merged Group's revenues and cash flows are likely to be derived from the sale of petroleum products. Therefore, the financial performance of the Merged Group will be sensitive to the price of oil and gas, which is dependent on numerous factors, some beyond the control of the Merged Group. These factors include global costs of production, availability of infrastructure, regional and global economic activity, regional and world demand for petroleum products and political trends.

(4) *Currency risk:*

The Merged Group will reports its financial results in Australian dollars while it is expected that a majority of its costs and revenues will be denominated in currencies outside its reporting currency. This may result in additions to or reductions in the reported costs of the Merged Group or reductions in, or increases in, the reported revenues of the Merged Group. In addition, the Merged Group could enter into a contract in a foreign currency and incur certain operating expenses in the local currency. Consequently, fluctuations in exchange rates between currencies in which the Merged Group operates may cause fluctuations in its financial results and may have an adverse effect on income and/or asset values. A currency crisis in a country can leave the Merged Group in a position where it is unable to convert currency or transfer it out of the country.

(5) *Tax regime risk:*

Although each of the countries in which the Merged Group will operate present significant opportunities, any change in the tax policies and laws of a country can affect the Merged Group and it is unknown whether these changes will be positive or to the detriment of the Merged Group. The management of and compliance to the complex tax environment in each country will present a challenge to the Merged Group.

(6) *Insurance:*

The Merged Group will maintain insurance where it is appropriate for its needs. However, insurance against all risks associated with oil and gas exploration and production in emerging states is not always available or is relatively expensive. Somaliland does not have any laws relating to insurance so insurance policies, if they can be obtained, will need to be obtained through international insurance companies. The other countries of interest each have insurance laws and local insurance companies.

(7) *Business factors:*

The continuing economic viability of the Merged Group will be dependent on managing risk factors normally found in conducting a business, including management of contractual risks, litigation due to breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise), strikes, lockouts or loss of services of key management or operational personal.

A decision by the Merged Group to proceed with further exploration and development may require the participation of other companies whose interests and objectives may not be the same as those of the Merged Group. There is a possibility that to advance further exploration or development, the Merged Group may have to meet or commit to financing obligations for which it had not planned.

There can be no assurance that parties with whom the Merged Group has entered into commercial arrangements will adhere to the terms of the contracts and arrangements. There is the potential of material failure by or insolvency of any contractor used by the Merged Group in any of its activities. Such being the case, this could cause disruption to the operations of the Merged Group. The Merged Group is unable to predict the risk of insolvency or other managerial failure by any of its contractors or other service providers used by the Merged Group to carry out exploration and development activities.

All of the mentioned business factors could have a material adverse effect on the results of the operations or the financial condition of the Merged Group.

(b) **Share market conditions**

Securities listed on a stock market can experience price and volume fluctuations that are often unrelated to the performance of the company. General factors that may affect the market price of Tangiers securities include economic conditions, both locally and internationally, success of its exploration programs, the global security situation, the possibility of terrorist disturbances and changes in government legislation or policy.

(c) **Legal systems**

Some of the countries in which the Merged Group will operate have legal systems that are less well developed than or different to those in Australia. This may result in risks such as:

- (1) a lack of applicable laws or a system consisting of a mixture of civil law, customary law and Islamic law;
- (2) the differences in interpretation of judicial and administrative guidance on enforcing applicable laws and regulations;
- (3) inconsistencies or conflicts between and within the various laws, regulations, orders and resolutions;
- (4) difficulty in the interpretation and enforcement of conditions in licences and contracts;
- (5) potential difficulties in obtaining effective legal redress in the courts of the relevant jurisdictions, whether in respect of breach of law or regulation, or a dispute regarding contracts and ownership of title; and
- (6) unpredictable changes in existing laws and policies or introduction of new laws or policies that are not favourable to the Merged Group.

(d) **Oil and gas industry conditions**

A summary of the key risks is given below.

- (1) *Exploration and development risks:*

Exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries. The Merged Group's exploration activities would be subject to all the hazards and risks normally encountered in the exploration for oil and gas in addition to the risks associated with operating in remote areas with little infrastructure and basic services such as electricity, roads and port facilities. Offshore work may be subject to maritime risks such as piracy.

Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data.

Should the Merged Group enter into the development phase it again will need to obtain the necessary government approvals in addition to having access to the necessary infrastructure and resources: for example, access to water and power, the ability to transport the petroleum products from the development site to a processing plant, pipeline or refinery. Profitability will depend on the construction of efficient processing facilities, competent operation and financial management and access to market for the petroleum products.

(2) *Joint venture partners:*

There is a risk of financial failure or default by a joint venture partner. The future exploration and development strategy of the Merged Group may rely on its ability to obtain industry partners and for the partners to meet their obligations under the relevant joint operating agreement.

(3) *Licences and permits:*

The Merged Group's exploration and development activities are dependent on the grant and maintenance of the appropriate licences, concessions, leases and regulatory consents (**Licences**). These Licences may be withdrawn or made subject to limitations by government at any time. The maintaining of the Licences, obtaining renewals or obtaining additional Licences will depend on the Merged Group being successful in obtaining the required statutory approvals for its proposed activities and that the Licences it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection with them. There is also no assurance that any consents will be given in a timely manner.

(4) *Government approvals:*

The Merged Group will be required to obtain the necessary government approvals to conduct seismic, drilling, construction and production activities, which can be subject to significant delays.

The Merged Group must comply with existing laws and regulations that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the interpretation of the laws. New laws and regulations, amendments to existing laws or more stringent enforcement of existing laws and regulations could have a material adverse effect on the results of the operations, financial conditions and prospects of the Merged Group.

(5) *Title risk:*

There is no guarantee that title to the Licences will not be challenged or impugned. Although a due diligence has been conducted on each of the Licences and permits, the tenements could potentially be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. There is no assurance that an application for a new Licence, or the assignment of a Licence will be approved or enacted. There is no guarantee that a previous claim has been made over any of the existing Licence areas.

(e) **Political and security risks**

The Merged Group's exploration activities will be conducted in both onshore and offshore areas in Morocco, Tanzania, Nigeria, Somaliland and Tunisia, all which are developing countries. Due to the location of the exploration assets, the Merged Group will be exposed to the political, security and social risks of each of these countries.

There can be no assurance that the current systems of government in any country will remain stable and conducive to foreign investment. Any changes in government policy may result in changes in laws affecting various factors including the ownership of exploration assets, taxation regime, environmental protection, labour relations, and repatriation of income, amount of royalty and return of capital. A change in these factors may in turn affect the Merged Group's ability to undertake exploration and development activities in the manner currently contemplated.

The possibility that future governments may adopt substantially different policies, which might extend to the expropriation or nationalisation of assets, cannot be discounted. There can be no assurance that governments will not impose measures that could have a material adverse effect on the Merged Group's operations. Somaliland does not have a long history of oil and gas exploration and development, such that the legal system regulating the petroleum industry is still developing. Consequently, there will be limited definitive interpretation of the laws which may lead to some uncertainty as to their scope of operation.

Somaliland is not internationally recognised as an independent country. While it appears to have regional autonomy, in the future there is uncertainty as to the extent to which the government of Somaliland can award rights over permit or licence areas without the involvement of the government of Somalia and this can be considered a key risk for this country

(1) *Political risks:*

In general, political risks exist in each of the countries in which the Merged Group will operate. Political risk includes expropriation or nationalisation of assets, political violence, currency restrictions, a negative change in the fiscal regime, legislative instability, contract uncertainty, bureaucratic delay and inefficiencies. There is a potential that state and non-state actions may negatively affect the Merged Group's business activities through regime instability or direct and indirect interference. State interference may arise through the state, judiciary and regulatory bodies, while non-state interference may arise through insurgent groups, terrorists, the labour force, and criminal groups.

The Political Risk (Dynamic) Index produced by Maplecroft for 2013 does not include Somaliland as it is not recognised as an independent

state from Somalia which is rated an extreme risk. Nigeria is rated as a high political risk country while Morocco, Tunisia and Tanzania are rated as medium political risk countries.

(2) *Corruption*

Corruption exists in all the countries in which the Merged Group's assets are located. The latest corruption perceptions index released by Transparency International, which scores 177 countries on a scale from 0 (highly corrupt) to 100 (clean), measures the perceived levels of corruption around the world. All the countries of interest to the Merged Group scored below 50. The Merged Group will need to consider possible issues arising under the UK Bribery Act or the United States' Foreign Corrupt Practices Act (both which have extra-territorial effect on the laws applicable in Australia). There are also local anti-corruption laws. A breach of the local laws could be used by the relevant government authority as a reason to negotiate or terminate existing agreements.

(3) *Security risks:*

All of the countries in which the Merged Group will operate pose some level of security risk. None are immune from civil strife, terrorist movements and other political violence, or kidnappings.

10 Tax considerations

10.1 Introduction

The paragraphs below prepared by Deloitte Tax Services Pty Ltd comment on the general Australian income tax position of Jacka Securityholders in relation to the disposal of their Jacka Securities in exchange for Tangiers Shares and Tangiers Options.

In relation to the Australian income tax implications, the comments below only apply to those Jacka Securityholders who hold their investments on capital account and the comments do not apply to Jacka Securityholders who hold their Jacka Securities as trading stock, under an employee share plan, as a financial arrangement, as revenue assets or otherwise on revenue account. Such Jacka Securityholders will (or may) not likely have access to any form of tax roll-over relief and should seek independent tax advice as to how they will be impacted.

Further, the comments below do not deal with the implications of disposing of Jacka Securities under the taxation laws of countries other than Australia.

In providing these comments, Deloitte Tax Services Pty Ltd has relied upon certain facts, as set out in this Bidder's Statement that have not been independently verified by Deloitte Tax Services Pty Ltd.

The following comments are not tax advice and are intended as only a general guide to the Australian income tax implications discussed in this section, and not other Australian or foreign taxes. They should not be a substitute for advice from an appropriate professional adviser and all Jacka Securityholders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on the law and practice of the tax authorities in Australia as at the date of this Bidder's Statement. These are subject to change periodically as is their interpretation by the courts.

The representatives of Deloitte Tax Services Pty Ltd involved in preparing this report are not licensed to provide financial product advice. All holders should consider taking advice from an Australian Financial Services licence holder before taking any decision in relation to a financial product.

10.2 Tax residency of Tangiers and Jacka

The tax outcomes set out in this section are dependent on the residency of Tangiers and Jacka for Australian tax purposes.

The issue of tax residency is determined by fact. Deloitte Tax Services Pty Ltd understands that Tangiers and Jacka are solely resident companies of Australia for tax purposes.

10.3 Income tax implications for Australian residents

This section applies to Jacka Securityholders that are residents of Australia for Australian income tax purposes and hold their Jacka Securities on capital account.

(a) Disposal of Jacka Securities

The Australian resident Jacka Securityholders must consider the impact of the Australian Capital Gains Tax (**CGT**) rules on the disposal of their Jacka

Securities as a CGT event will occur when they dispose of their Jacka Securities.

(1) Calculation of capital gain/loss

Jacka Securityholders will derive a capital gain if the value of the Tangiers Shares or Tangiers Options they receive is greater than the CGT cost base of their Jacka Shares or Jacka Listed Options. Broadly, the amount of any capital gain liable to Australian tax will be the amount by which the market value of the Tangiers Shares or Tangiers Options exceeds the cost base of their Jacka Shares or Jacka Listed Options. The recognition of any capital gain will be at the time the Jacka Securityholders dispose of their Jacka Securities, which could differ for each securityholder. Broadly, those Jacka Securityholders who accept the Offers will need to calculate their capital gain or capital loss at the time of acceptance of the Offers or when the offer contract is formed (whichever is the later) and those Jacka Securityholders who have their Jacka Securities compulsorily acquired will need to calculate their capital gain or capital loss as at the date of the compulsory acquisition.

Jacka Securityholders will incur a capital loss if the market value of the Tangiers Shares or Tangiers Options they receive is less than the CGT reduced cost base of their Jacka Shares or Jacka Listed Options. Such a capital loss may be used to offset a capital gain made in the same income year or a future income year. For Jacka Securityholders that are not individuals, a capital loss can only be carried forward to offset a future capital gain if the required loss recoupment tests are satisfied. A capital loss may not be used to offset ordinary assessable income.

(2) Availability of roll-over relief

If a Jacka Securityholder would otherwise derive a capital gain, they may be able to elect for CGT roll-over relief (more specifically, scrip for scrip roll-over relief) in relation to the exchange of their Jacka Shares for Tangiers Shares or Jacka Listed Options for Tangiers Options. Scrip for scrip roll-over relief will not apply if a Jacka Securityholder would otherwise make a capital loss.

In order to obtain scrip for scrip roll-over relief (in addition to a number of other requirements), a Jacka Shareholder must receive Tangiers Shares in exchange for their Jacka Shares, or a Jacka Optionholder must receive Tangiers Options in exchange for their Jacka Listed Options, and Tangiers must become the owner of 80% or more of the voting shares in Jacka.

Electing for scrip for scrip roll-over relief will result in any capital gain on the disposal of the Jacka Securities being disregarded for Australian income tax purposes. Further, Tangiers Shares or Tangiers Options received upon the disposal of Jacka Shares or Jacka Listed Options will have a total proportionate cost base equal to the total cost base of the Jacka Shares or Jacka Listed Options. The cost base of the Tangiers Shares or Tangiers Options is relevant in working out any capital gain liable to Australian tax on a subsequent disposal or other CGT event related to the Tangiers Shares or Tangiers Options.

A Jacka Securityholder who chooses roll-over relief will be taken to have acquired their Tangiers Shares or Tangiers Options at the time of acquiring their Jacka Shares or Jacka Listed Options for the

purpose of certain CGT rules (e.g. for CGT discount purposes on a future disposal of Tangiers Shares or Tangiers Options).

If a Jacka Securityholder chooses roll-over relief, then the choice must be made before they lodge their income tax return for the income year in which they dispose of their Jacka Shares or Jacka Listed Options. However, there is no requirement to lodge an election with the Australian Taxation Office (**ATO**) – the choice will be evident from the way the tax return is prepared.

(3) Implications if roll-over relief does not apply

If a Jacka Securityholder derives a capital gain at the time they receive the Tangiers Shares or Tangiers Options and does not choose to or cannot apply the CGT roll-over rules, then the Jacka Securityholder may be able to offset any gain arising on disposal of its Jacka Securities with capital losses incurred by the Jacka Securityholder on or before the end of the same income year to determine the net capital gain (subject to the satisfaction of loss recoupment rules for some Jacka Securityholders).

If the Jacka Securityholder is an individual, trust or complying superannuation fund that has held their Jacka Securities for more than 12 months at the time they dispose of their Jacka Securities for CGT purposes, then it is possible for the Jacka Securityholder to obtain a CGT discount which will reduce the net capital gain by half (if the Jacka Securityholder is an individual or trust) or by one third (if the Jacka Securityholder is a complying superannuation fund). No reduction in the capital gain is available to companies that hold Jacka Securities.

Any remaining capital gain after the above reductions should be included in the Jacka Securityholder's assessable income in their income tax return.

The CGT cost base and reduced cost base of the Tangiers Shares or Tangiers Options acquired for all Jacka Securityholders who do not choose to apply the CGT roll-over rules (or who are unable to make this choice) should practically and generally be equal to the market value of the Tangiers Shares or Tangiers Options at the time they are taken to have been acquired.

(b) **Disposal of Jacka Listed Options for consideration other than Tangiers Options**

Scrip for scrip roll-over relief would not likely be available if the Jacka Listed Options are acquired pursuant to other arrangements (i.e. not via the Option Offer) or compulsorily acquired for consideration other than Tangiers Options. In those circumstances, the Jacka Optionholders would likely be taxed on any capital gain they derive in relation to the disposal of the Jacka Listed Options.

Section 10 of the Bidder's Statement is not intended to consider such implications for Jacka Optionholders. Accordingly, in this circumstance, independent advice should be obtained by Jacka Optionholders to confirm the applicable tax implications.

10.4 Tax implications for Foreign Securityholders

(a) **Disposal of Jacka Securities**

Under the Australian CGT rules, a capital gain or loss made by a non-resident in relation to the sale of shares (or options) in an Australian resident company should generally only be subject to Australian income tax if the non-resident holds (or has an option to acquire) greater than 10% of the voting shares in the company (on an associate inclusive basis) or has held such an ownership percentage at any time in the two years preceding the disposal of the shares and the underlying assets relate predominantly (i.e. greater than 50%) to assets that are “taxable Australian property”. Taxable Australian property comprises Australian land and interests in Australian land, or interests in companies (e.g. options or shares) whose underlying assets comprise such land.

On the basis that the value of Jacka is unlikely to be predominantly attributable to taxable Australian property, it is likely that non-resident Jacka Securityholders will not be subject to Australian CGT on the disposal of their Jacka Shares or Jacka Listed Options. However, independent advice should be obtained to confirm this point.

Different tax outcomes can arise in certain circumstances (for example, where a non-resident held their shares (or options) at any time in carrying on a business at or through a permanent establishment in Australia).

We recommend that any Foreign Securityholders that intend to accept the Offers seek independent professional advice on the tax implications of doing so based on their own specific circumstances.

11 Additional information

11.1 Date for determining holders of Jacka Shares or Jacka Listed Options

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

11.2 Broker handling fee

Tangiers may offer to pay a commission to brokers who solicit acceptances of the Offers from their clients, but has made no final decision in relation to the matter at this stage. If Tangiers makes a decision to offer such a commission to brokers, it will make an announcement to the ASX confirming this.

If such arrangements are put in place, commission payments will not exceed 0.75% of the value of the consideration payable for parcels of Jacka Shares or Jacka Listed Options held by retail Jacka Securityholders who accept the Offers, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on or paid to Jacka Securityholders.

It is Tangiers' intention that, once an offer of commission has been made to any broker by Tangiers, the commission arrangement will remain in place for the balance of the Offers Period and the amount of the commission offered will not be increased during the Offers Period.

11.3 Consents

Deloitte Tax Services Pty Ltd has given and has not withdrawn, before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Tax Adviser to Tangiers in relation to the Offers in the form and context in which it is named and the inclusion of section 10 in the Bidder's Statement in the form and context in which it is included. Deloitte Tax Services Pty Ltd has not caused or authorised the issue of the Bidder's Statement, does not make, or purport to make, any statement in the Bidder's Statement other than section 10, or any statement other than section 10 on which a statement in this Bidder's Statement is based and to the maximum extent permitted by the law expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than reference to its name and section 10.

Ernst & Young has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Auditor to Tangiers in the form and context in which it is named. Ernst & Young has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Herbert Smith Freehills has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Australian legal adviser (other than in relation to taxation matters) to Tangiers in relation to the Offers in the form and context in which it is named. Herbert Smith Freehills

has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Foster Stockbroking Pty Ltd has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as financial adviser to Tangiers in relation to the Offers in the form and context in which it is named. Foster Stockbroking Pty Ltd has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Netherland Sewell and Associates Inc has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in Section 2.3 in the form and context in which it is named. Netherland Sewell and Associates Inc has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Computershare Investor Services Pty Ltd has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named as Australian Registrar to Tangiers in the form and context in which it is named. Computershare Investor Services Pty Ltd has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

RFC Ambrian Limited has given, and has not withdrawn before the lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as nominated adviser (in relation to Tangiers listing on AIM) to Tangiers in relation to the Offers in the form and context in which it is named. RFC Ambrian Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the bid period, please contact the Tangiers Offers Information Line on 1300 453 060 or +61 3 9415 4040. Calls to these numbers may be recorded.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

11.4 Foreign Securityholders

The distribution of this Bidder's Statement in jurisdictions outside Australia and its external territories and New Zealand may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken under these Offers to permit a public offering of Tangiers Shares or Tangiers Options outside Australia.

If you are a resident of a jurisdiction other than Australian and its external territories or New Zealand or your address shown in Jacka's register of members is a place outside Australia and its external territories or New Zealand or you are acting on behalf of such a person then you are a **"Foreign Securityholder"**.

However, such a person will not be a Foreign Securityholder if Tangiers is satisfied that it is not legally or practically constrained from making the Offers to a Jacka Securityholder in the relevant jurisdiction and to issue Tangiers Shares or Tangiers Options to such a securityholder on acceptance of the Offers, and that it is lawful for the securityholder to accept the Offers in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Tangiers is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

Jacka Securityholders who are Foreign Securityholders will not be entitled to receive Tangiers Shares or Tangiers Options as consideration for their Jacka Shares or Jacka Options (as applicable) by reason of your acceptance of the Offers, unless Tangiers otherwise determines.

If you are a Foreign Securityholder and you accept the Offers, the Tangiers Shares or Tangiers Options which would otherwise have been issued to you will instead be issued to a nominee approved by ASIC, who will sell these shares or options. The net proceeds of the sale of such shares or options will then be remitted to the relevant Foreign Securityholders. See clauses 12.7 and 13.7 for further details.

11.5 Social security and superannuation implications of Offers

Acceptance of the Offers may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

11.6 Disclosure of interests of certain persons

Other than as set out below or elsewhere in this Bidder's Statement no:

- director or proposed director of Tangiers;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- promoter of Tangiers; or
- underwriter to the issue of Tangiers Shares and Tangiers Options or financial services licensee named in this Bidder's Statement as being involved in the issue of Tangiers Shares and Options,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- the formation or promotion of Tangiers;
- property acquired or proposed to be acquired by Tangiers in connection with its formation or promotion, or the offer of Tangiers Shares and Tangiers Options under the Offers; or
- the offer of Tangiers Shares and Tangiers Options under the Offers.

11.7 Disclosure of fees and benefits received by certain persons

The total annual remuneration for existing and proposed non-executive directors of Tangiers is \$100,000. The remuneration of all existing executive directors of Tangiers has been previously disclosed to the market. The proposed new executive director of Tangiers, Bob Cassie, will be engaged on equivalent terms to his current engagement with Jacka as set out in Jacka's announcement to the market on 5 November 2013. Further details are set out in section 8.3 of this Bidder's Statement.

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a director or proposed director of Tangiers to induce them to become, or to qualify as, a director of Tangiers;
- for services provided by an Interested Person in connection with the formation or promotion of Tangiers or the offer of Tangiers Shares and Options under the Offers.

Foster Stockbroking Pty Ltd has acted as financial advisor to Tangiers in connection with the Offers. Tangiers has paid or agreed to pay up to 2% of the equity valuation Jacka is acquired for by Tangiers and Tangiers may pay or agree to pay it additional fees for financial services provided in connection with the Offers after the date of this Bidder's Statement.

Herbert Smith Freehills has acted as legal advisor to Tangiers in connection with the Offers. Tangiers has paid or agreed to pay up to \$386,000 (excluding GST) for these services to the date of this Bidder's Statement and Tangiers may pay or agree to pay it additional fees for legal services provided in connection with the Offers after the date of this Bidder's Statement.

Deloitte Tax Services Pty Ltd has acted as tax advisor to Tangiers in connection with the Offers. Tangiers has paid or agreed to pay up to \$8,500 (excluding GST) for these services to the date of this Bidder's Statement and Tangiers may pay or agree to pay it additional fees for tax services provided in connection with the Offers after the date of this Bidder's Statement.

Ernst & Young has acted as accountant to Tangiers in connection with due diligence services. Tangiers has paid or agreed to pay up to \$11,500 (excluding GST) for these services to the date of this Bidder's Statement and Tangiers may pay or agree to pay it additional fees for accounting services provided in connection with the Offers after the date of this Bidder's Statement.

Computershare has acted as share registry for Tangiers in connection with the Offers. Tangiers has paid or agreed to pay up to \$40,000 (excluding GST) for these services to the date of this Bidder's Statement and Tangiers may pay or agree to pay it additional fees for registry services provided in connection with the Offers after the date of this Bidder's Statement.

11.8 Disclosure of interests of directors

(a) Interests in Tangiers Shares and Tangiers Options

As at the date of this Bidder's Statement, the directors of Tangiers had the following relevant interests in Tangiers securities:

Director	Class of security	Number	Nature of relevant interest
Eve Howell	Fully paid ordinary shares	2,000,040	Indirect – held by Eve Howell as trustee for the Howell Family Trust
	Unlisted options exercisable at \$0.28 on or before 26/11/2015	1,333,333	Indirect – held by Eve Howell as trustee for the Howell Family Trust
	Unlisted options exercisable at \$0.28 on or before 26/11/2015 (vesting conditions apply)	1,000,000	Indirect – held by Eve Howell as trustee for the Howell Family Trust
	Unlisted options exercisable at \$0.28 on or before 26/11/2015	2,000,000	Indirect – held by Eve Howell as trustee for the Howell Family Trust
Brent Villemarette	Fully paid ordinary shares	1,221,222	Indirect – held by Villemarette Nominees Pty Ltd as trustee for the Villemarette Family Trust
	Unlisted options exercisable at \$0.60 on or before 16/12/2014	1,500,000	Indirect – held by Villemarette Nominees Pty Ltd as trustee for the Villemarette Family Trust
Maximillian Franceso de Vietri	Fully paid ordinary shares	250,000	Indirect – held by Max de Vietri Group Pty Ltd as

Director	Class of security	Number	Nature of relevant interest
			trustee for Max de Vietri Retirement Fund
	Unlisted options exercisable at \$0.28 on or before 26/11/2015	666,667	Direct
	Unlisted options exercisable at \$0.28 on or before 26/11/2015 (vesting conditions apply)	500,000	Direct
	Unlisted options exercisable at \$0.28 on or before 26/11/2015	1,000,000	Direct

(b) **Interests in Jacka Shares and Options**

As at the date of this Bidder's Statement, the directors of Tangiers did not have any interests in Jacka Securities.

(c) **Indemnity and insurance**

The constitution of Tangiers permits the grant of an indemnity (to the maximum extent permitted by law) in favour of each director, the company secretary, past directors and secretaries and all past and present executive officers.

Tangiers has entered into deeds of indemnity and access with all of the current directors. This indemnity is against liability to third parties by such officers unless the liability arises out of (1) a contravention of s 199B of the Corporations Act (directors and officers must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation) or (2) committing any deliberately dishonest or deliberately fraudulent act. The indemnity covers reasonable fees and expenses incurred for the principle purpose of representing an officer after a claim has been made in the investigation, defence, settlement or appeal of the claim. This includes costs for accredited experts retained by the defence counsel. Tangiers maintains an insurance policy in respect of certain present and future officers against certain liability incurred in that capacity. Disclosure of the nature of the liability covered by the policy, the name of the insurer, the limit of liability or the premium paid for the policy is prohibited under the terms of the contract of insurance.

11.9 Expiry date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

11.10 Facility Agreement and Trust Account Deed

Tangiers and Jacka have entered into a facility agreement dated 16 January 2014. Under the facility agreement, Tangiers has agreed to provide a loan of up to \$2,500,000 to Jacka for the purpose of funding Jacka's working capital requirements. Jacka can draw down on the loan by issuing to Tangiers a funding notice. Interest on the loan is payable at 12% per annum on amounts drawn.

Jacka is required to pay all the principal outstanding under the loan (including interest) by 1 December 2014. However, Jacka is required to pay earlier all the principal outstanding upon the occurrence of one or more specified events. For example, the loan is repayable within 3 months of a majority of the Jacka Board recommending a competing proposal. The loan is also repayable within 6 months of [18 March 2014] if a defeating condition of Tangiers' takeover bid fails or is not satisfied and Tangiers does not declare the bid unconditional.

Tangiers' loan to Jacka is secured under a trust account deed between Tangiers, Jacka and Jacka Somaliland dated 16 January 2014. The trust account deed establishes a trust account into which Jacka and Jacka Somaliland are required to pay any funds that they receive pursuant to the farm-out agreement between Jacka Somaliland and Sterling Energy (East Africa) Limited dated 7 November 2013, which Tangiers will have a security interest in.

11.11 Cancellation of Jacka Unlisted Options

Tangiers proposes to enter into option cancellation deeds with holders of Jacka Unlisted Options, whereby in consideration for the cancellation of the Jacka Unlisted Options, holders will receive 0.468 Tangiers Unlisted Options per Jacka Unlisted Option.

Tangiers has been advised by Jacka that Jacka has applied to ASX to grant Jacka a waiver from Listing Rule 6.23.2 to the extent necessary to permit Jacka to cancel for consideration and without shareholder approval the Jacka Unlisted Options on the following conditions:

- (a) the Offers being declared unconditional; and
- (b) Tangiers acquiring voting power in Jacka of at least 50.1%.

11.12 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Jacka Shareholder or Jacka Optionholder whether or not to accept the Offers; and
- (b) known to Tangiers,

which has not previously been disclosed to Jacka Shareholders and Jacka Optionholders.

12 The terms and conditions of the Share Offer

12.1 Share Offer

- (a) Tangiers offers to acquire all of Your Shares on and subject to the terms and conditions set out in this clause 12 of this Bidder's Statement.
- (b) The consideration under the Share Offer is 0.468 Tangiers Share for each of Your Shares. If this calculation results in an entitlement to a fraction of a Tangiers Share, that fraction will be rounded down to the next whole number of Tangiers Shares.
- (c) If, at the time the Share Offer is made to you, you are a Foreign Securityholder, you will not receive Tangiers Shares. Instead, you are offered and will be paid a cash amount determined in accordance with clause 12.7 of this Bidder's Statement.
- (d) The Tangiers Shares to be issued are ordinary shares in Tangiers and will be credited as fully paid and have the rights summarised in clause 3.4.
- (e) By accepting the Share Offer, you undertake to transfer to Tangiers not only the Jacka Shares to which the Share Offer relates, but also all Rights attached to those Jacka Shares (see clause 12.5(c)(6) and clause 12.6(c)).
- (f) The Share Offer is being made to each person registered as the holder of Jacka Shares in the register of Jacka Shareholders at 9.00am (Perth, Western Australia time) on the Register Date. It also extends to:
 - (1) holders of securities that come to be Jacka Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered as the holder of Your Shares during the Offer Period.
- (g) If, at the time the Share Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Shares, then:
 - (1) a corresponding offer on the same terms and conditions as the Share Offer will be deemed to have been made to that other person in respect of those Jacka Shares; and
 - (2) a corresponding offer on the same terms and conditions as the Share Offer will be deemed to have been made to you in respect of any other Jacka Shares you hold to which the Share Offer relates; and
 - (3) the Share Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Jacka Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Share Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Share Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you

require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Tangiers Offers Information Line on 1300 453 060 or +61 3 9415 4040 to request those additional copies.

- (i) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Share Offer.
- (j) The Share Offer is dated [4 February 2014].

12.2 Offer Period

- (a) Unless withdrawn, the Share Offer will remain open for acceptance during the period commencing on the date of the Share Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) [18 March 2014]; or
 - (2) any date to which the Offer Period is extended.
- (b) Tangiers reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (1) the Share Offer is varied to improve the consideration offered; or
 - (2) Tangiers's voting power in Jacka increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

12.3 How to accept the Share Offer

- (a) **General**
 - (1) Subject to clause 12.1(g) and clause 12.1(h), you may accept the Share Offer only for all of Your Shares.
 - (2) You may accept the Share Offer at any time during the Offer Period.
- (b) **Jacka Shares held in your name on Jacka's issuer sponsored subregister**

To accept the Share Offer for Jacka Shares held in your name on Jacka's issuer sponsored subregister (in which case your SRN will commence with 'I'), you must:

 - (1) complete and sign the Acceptance Form in accordance with the terms of the Share Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of the Share Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address specified on the Acceptance Form.
- (c) **Shares held in your name in a CHESS Holding**
 - (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Jacka Shareholders who are not institutions, this is normally your stockbroker) to initiate acceptance of the Share Offer on

your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Share Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept the Share Offer for Jacka Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of the Share Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of the Share Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses specified on the Acceptance Form.
- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Share Offer.
- (2) If your Acceptance Form (including any documents required by the terms of the Share Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Tangiers at the address specified on the Acceptance Form before the end of the Offer Period.
- (3) When using the Acceptance Form to accept the Share Offer in respect of Jacka Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of the Share Offer and the instruction on the Acceptance Form) are received by Tangiers in time for Tangiers to instruct your Controlling Participant to initiate acceptance of the Share Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (4) The postage of the Acceptance Form and other documents is at your own risk.

12.4 Validity of acceptances

- (a) Subject to this clause 12.4, your acceptance of the Share Offer will not be valid unless it is made in accordance with the procedures set out in clause 12.3.
- (b) Tangiers will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Share Offer and time of receipt of an acceptance of the Share Offer. Tangiers is not required to communicate with you prior to or after making this determination. The determination of Tangiers will be final and binding on all parties.
- (c) Notwithstanding clauses 12.3(b), 12.3(c), and 12.3(d), Tangiers may, in its sole discretion, at any time and without further communication to you, deem any

Acceptance Form it receives to be a valid acceptance in respect of Your Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Share Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Tangiers.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, Tangiers may, in its sole discretion, regard the Share Offer to be accepted in respect of those of Your Shares but not the remainder.
- (e) Tangiers will provide the consideration to you in accordance with clause 12.6, in respect of any part of an acceptance determined by Tangiers to be valid.

12.5 The effect of acceptance

- (a) Once you have accepted the Share Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Share Offer or otherwise dispose of Your Shares, except as follows:
 - (1) if, by the relevant times specified in clause 12.5(b), the conditions in clause 12.8 have not all been fulfilled or freed, the Share Offer will automatically terminate and Your Shares will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and the obligations of Tangiers to deliver the consideration are postponed for more than 1 month and, at the time, the Share Offer is subject to one or more of the conditions in clause 12.8, you may be able to withdraw your acceptance and Your Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of clause 12.5(a)(1) are in relation to all conditions in clause 12.8 the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting the Share Offer pursuant to clause 12.3, you will be deemed to have:
 - (1) accepted the Share Offer (and any variation of it) in respect of, and, subject to all of the conditions to the Share Offer in clause 12.8 being fulfilled or freed, agreed to transfer to Tangiers, Your Shares (even if the number of Jacka Shares specified on the Acceptance Form differs from the number of Your Shares), subject to clause 12.1(g) and clause 12.1(h);
 - (2) represented and warranted to Tangiers, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Shares (including any Rights) to Tangiers is registered, that all Your Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept the Share Offer and to sell and transfer the legal and beneficial ownership in Your Shares (including any Rights) to Tangiers, and that you have paid to Jacka all amounts which at the time of acceptance have fallen due for payment to Jacka in respect of Your Shares;
 - (3) irrevocably authorised Tangiers (and any director, secretary, nominee or agent of Tangiers) to alter the Acceptance Form on your behalf by

inserting correct details relating to Your Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Tangiers to make it an effective acceptance of the Share Offer or to enable registration of Your Shares in the name of Tangiers;

- (4) if you signed the Acceptance Form in respect of Jacka Shares which are held in a CHESS Holding, irrevocably authorised Tangiers (or any director, secretary, nominee or agent of Tangiers) to instruct your Controlling Participant to initiate acceptance of the Share Offer in respect of Your Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (5) if you signed the Acceptance Form in respect of Jacka Shares which are held in a CHESS Holding, irrevocably authorised Tangiers (or any director, secretary, nominee or agent of Tangiers) to give any other instructions in relation to Your Shares to your Controlling Participant, as determined by Tangiers acting in its own interests as a beneficial owner and intended registered holder of those Jacka Shares;
- (6) irrevocably authorised and directed Jacka to pay to Tangiers, or to account to Tangiers for, all Rights in respect of Your Shares, subject, if the Share Offer is withdrawn, to Tangiers accounting to you for any such Rights received by Tangiers;
- (7) irrevocably authorised Tangiers to notify Jacka on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Shares is the address specified by Tangiers in the notification;
- (8) with effect from the time and date on which all the conditions to the Share Offer in clause 12.8 have been fulfilled or freed, to have irrevocably appointed Tangiers (and any director, secretary or nominee of Tangiers) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Jacka and to request Jacka to register, in the name of Tangiers or its nominee, Your Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to the Share Offer in clause 12.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Jacka or to exercise or purport to exercise any of the powers and rights conferred on Tangiers (and its directors, secretaries and nominees) in clause 12.5(c)(8);
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under clause 12.5(c)(8), the attorney will be entitled to act in the interests of Tangiers as the beneficial owner and intended registered holder of Your Shares;
- (11) agreed to do all such acts, matters and things that Tangiers may require to give effect to the matters the subject of this clause 12.5(c) (including the execution of a written form of proxy to the same effect

as this clause 12.5(c) which complies in all respects with the requirements of the constitution of Jacka) if requested by Tangiers;

- (12) agreed to indemnify Tangiers in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or SRN or in consequence of the transfer of Your Shares to Tangiers being registered by Jacka without production of your Holder Identification Number or your SRN for Your Shares;
 - (13) represented and warranted to Tangiers that, unless you have notified it in accordance with clause 12.1(h), Your Shares do not consist of separate parcels of Jacka Shares;
 - (14) irrevocably authorised Tangiers (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Shares to Tangiers's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Share Offer;
 - (15) irrevocably authorised Tangiers (and any nominee) to transfer Your Shares from the issue sponsor subregister into Tangiers' name, regardless of whether it has paid the consideration due to you under the Share Offer;
 - (16) agreed, subject to the conditions of the Share Offer in clause 12.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Tangiers may consider necessary or desirable to convey Your Shares registered in your name and Rights to Tangiers; and
 - (17) agreed to accept the Tangiers Shares to which you have become entitled by acceptance of the Share Offer subject to the constitution of Tangiers and have authorised Tangiers to place your name on its register of shareholders in respect of those Tangiers Shares.
- (d) The undertakings and authorities referred to in clause 12.5(c) will remain in force after you receive the consideration for Your Shares and after Tangiers becomes registered as the holder of Your Shares.

12.6 Receipt of consideration

- (a) Subject to clauses 12.4(b), 12.6 and 12.7 and the Corporations Act, Tangiers will provide the consideration due to you for Your Shares on or before the earlier of:
 - (1) one month after the date of your acceptance or, if the Share Offer is subject to a defeating condition when you accept the Share Offer, within one month after the Share Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, Tangiers will provide the consideration in accordance with clause 12.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while the Share Offer is subject to a defeating condition, Tangiers will provide the consideration due to you on or

before the earlier of one month after the Share Offer becomes unconditional and 21 days after the end of the Offer Period;

- (3) if that document is given after your Acceptance Form and before the end of the Offer Period while the Share Offer is not subject to a defeating condition, Tangiers will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (4) if that document is given after the end of the Offer Period, and the Share Offer is not subject to a defeating condition, Tangiers will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Share Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Tangiers will provide the consideration due to you within 21 days after the Share Offer becomes unconditional.
- (c) If you accept the Share Offer, Tangiers is entitled to all Rights in respect of Your Shares. Tangiers may require you to provide all documents necessary to vest title to those Rights in Tangiers, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Tangiers, or if you have (or any previous owner of Your Shares has) received the benefit of those Rights:
 - (1) Tangiers will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Tangiers) of those Rights; and
 - (2) if it is able reasonably to assess the value to it of the franking credits, if any, attached to the Rights, Tangiers will be entitled to also deduct an amount equal to that value from the consideration otherwise due to you.

Any such deduction will be made from any Tangiers Shares otherwise due to you on the basis that one Tangiers Share is worth \$0.24.
- (d) If you have accepted the Share Offer and you are a Foreign Securityholder, you will be paid your share of the proceeds from the sale of the Tangiers Shares in accordance with clause 12.7.
- (e) Payment of any cash amount to which you are entitled under the Share Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown on the register copy supplied by Jacka from time to time.
- (f) The obligation of Tangiers to issue and allot any Tangiers Shares to which you are entitled will be satisfied by Tangiers:
 - (1) entering your name on the register of members of Tangiers; and
 - (2) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Jacka's register of members on the register copy supplied by Jacka from time to time a written confirmation of your holding in your name. If Your Shares are held in a joint name, a written confirmation of your holding will be issued and forwarded to the address on the register copy supplied by Jacka from time to time.
- (g) If at the time you accept the Share Offer, any authority, clearance or approval is required for you to receive any consideration for Your Shares, including (but not limited to) any authority, clearance or approval of:

- (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
- (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder), or otherwise;
- (3) the ATO; or
- (4) any other person as required by any other law of Australia that would make it unlawful for Tangiers to provide any consideration for Your Shares,

then you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by Tangiers.

12.7 Foreign Securityholders

- (a) If you are a Foreign Securityholder, you will not be entitled to receive Tangiers Shares as the consideration for Your Shares as a result of accepting the Share Offer, and Tangiers will:
 - (1) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Tangiers Shares to which you and all other Foreign Securityholders would have been entitled but for clause 12.1(c) and the equivalent provision in each other offer under the Share Offer;
 - (2) cause the Tangiers Shares so issued to be offered for sale by the Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - (3) cause the Nominee to pay to you the amount ascertained in accordance with the formula:

$$\frac{N \times YS}{TS}$$

where:

'N' is the amount which is received by the Nominee upon the sale of all Tangiers Shares under this clause 12.7 less brokerage and sale expenses;

'YS' is the number of Tangiers Shares which would, but for clause 12.1(c), otherwise have been allotted to you; and

'TS' is the total number of Tangiers Shares allotted to the Nominee under this clause 12.7.

- (b) You will be paid your share of the proceeds of the sale of Tangiers Shares by the Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address from Jacka's register of members last supplied by Jacka within the period required by the Corporations Act.

- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Tangiers Shares by the Nominee, regardless of any delay in remitting these proceeds to you.

12.8 Conditions of the Share Offer

Subject to clause 12.9, the completion of the Share Offer and any contract that results from an acceptance of the Share Offer, are subject to the fulfilment of the conditions set out below:

(a) **Regulatory approvals**

Before the end of the Offer Period, all approvals or consents that are required by law, by any public authority, or by any other third party as are necessary to permit:

- (1) the Share Offer to be lawfully made to and accepted by Jacka Shareholders;
- (2) the transactions contemplated by the Bidder's Statement to be completed; and
- (3) Jacka to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(b) **No regulatory action and consents**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Tangiers or any associate of Tangiers),

in consequence of or in connection with the Share Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Share Offer and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Tangier of any Jacka Shares or any material assets of Jacka or any subsidiary of Jacka.

(c) **Minimum acceptance Share Offer**

At the end of the Offer Period, Tangiers has relevant interests in at least 90% of Jacka Shares.

(d) **Minimum acceptance Option Offer**

At the end of the Offer Period, Tangiers has acquired at least 53% of the aggregate of the Jacka Listed Options and the Jacka Unlisted Options.

(e) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (1) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (2) information is disclosed or announced by Jacka concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (3) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Tangiers (whether or not becoming public),

(each of (1), (2) and (3) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (4) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Jacka Group taken as a whole; or
- (5) without limiting the generality of clause 12.8(e)(4), the effect of a diminution in the value of the consolidated net assets of the Jacka Group, taken as a whole, by at least \$3 million against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (6) an event, matter, change or circumstance caused, or materially contributed to, by Tangiers;
- (7) anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (8) any event, matter, change or circumstance:
 - (A) fairly disclosed by Jacka to Tangiers or any Related Person of Tangiers;
 - (B) disclosed in public filings by Jacka to ASX or ASIC; or
 - (C) otherwise known by Tangiers or any Related Person of Tangiers,

at any time prior to the date of this agreement;

- (9) an event, matter, change or circumstance in or relating to:
 - (A) economic, business, regulatory or political conditions in general;
 - (B) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (C) any change affecting the petroleum industry generally (including junior exploration companies, as well as fluctuations in commodity prices);

- (10) the portion of any event, matter, change or circumstances which is as a consequences of losses, expenses, damages or other costs covered by insurance which Jacka's insurers have agreed to pay; or
- (11) anything done with the prior written consent of Tangiers.

(f) **Capital expenditures**

Between the Announcement Date and the end of the Offer Period (each inclusive), Jacka does not incur or commit to incur an amount of capital expenditure in excess of \$250,000 other than:

- (1) capital expenditure incurred on existing projects in which Jacka has an interest as at the Announcement Date; or
- (2) capital expenditure in the day to day operating activities of the business of Jacka and its subsidiaries conducted in the same manner as before the Announcement Date.

(g) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Jacka which may reasonably result in a judgment of \$3 million or more is commenced, is threatened to be commenced, is announced, or is made known to Tangiers (whether or not becoming public) or Jacka, other than that which is in the public domain as at the Announcement Date.

(h) **Equal access**

Between the Announcement Date and the end of the Offer Period Jacka promptly, and in any event within 2 Business Days, provides to Tangiers a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Jacka or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by Jacka or any of its directors, officers, agents or representatives to any person other than Tangiers, other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (1) a takeover bid for, or scheme of arrangement proposed by, Jacka, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Jacka; or
- (3) any transaction having a similar economic effect.

(i) **No prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Jacka converting all or any of the Jacka Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Jacka or a subsidiary of Jacka resolving to reduce its share capital in any way;
- (3) Jacka or a subsidiary of Jacka entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;

- (4) Jacka or a subsidiary of Jacka making an issue of Jacka Shares (other than Shares issued as a result of the exercise of Jacka Listed Options and Jacka Unlisted Options into Jacka Shares) or granting an option over Jacka Shares or agreeing to make such an issue or grant such an option;
- (5) Jacka or a subsidiary of Jacka issuing, or agreeing to issue, convertible notes;
- (6) Jacka or a subsidiary of Jacka disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Jacka or a subsidiary of Jacka granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Jacka or a subsidiary of Jacka resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Jacka or of a subsidiary of Jacka;
- (10) the making of an order by a court for the winding up of Jacka or of a subsidiary of Jacka;
- (11) an administrator of Jacka or of a subsidiary of Jacka being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Jacka or a subsidiary of Jacka executing a deed of company arrangement;
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Jacka or of a subsidiary of Jacka.

(j) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Jacka does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

12.9 Nature and benefit of conditions

- (a) The conditions in clause 12.8 are conditions precedent to the acquisition by Tangiers of any interest in Jacka Shares of a kind which would cause a breach of the provisions of laws referred to therein. Notwithstanding your acceptance of the Share Offer, unless and until the conditions in that clause are fulfilled or Tangiers has otherwise declared the Share Offer to be free from those conditions:
 - (1) no contract for the sale of Your Shares will come into force or be binding on you or on Tangiers;
 - (2) Tangiers will have no rights (conditional or otherwise) in relation to Your Shares;
 - (3) if any of Your Shares are held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Shares by having your Controlling Participant transmit a valid originating message to ASX Settlement specifying the Jacka Shares to be released from the sub-position, in accordance with Rule 14.16 of the

ASX Settlement Operating Rules, at any time prior to the fulfilment of those conditions; and

- (4) if any of Your Shares are not held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Jacka Shares by sending a notice to that effect signed by you (or on your behalf, in which case documentation proving that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form, so that it is received at the relevant address at any time prior to the fulfilment or freedom of those conditions.
- (b) Subject to the Corporations Act and clause 12.9(a), Tangiers alone is entitled to the benefit of the conditions in clause 12.8, or to rely on any non-fulfilment of any of them.
- (c) Each condition in clause 12.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

12.10 Freeing the Share Offer of conditions

- (a) Tangiers may free the Share Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in clause 12.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Jacka and to ASX declaring the Share Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given: not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period, the conditions in clause 12.8 have not been fulfilled and Tangiers has not declared the Share Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Share Offer will be automatically void.

12.11 Official quotation of Tangiers Shares

- (a) Tangiers has been admitted to the official list of ASX and AIM. Tangiers Shares of the same class as those to be issued as consideration have been granted official quotation by ASX and AIM.
- (b) An application will be made within 7 days after the start of the bid period to ASX for the granting of official quotation of the Tangiers Shares to be issued in accordance with the Share Offer. However, official quotation is not granted automatically on application. Application will also be made for any Tangiers Shares to be issued in accordance with the Share Offer to be admitted to trading on AIM.
- (c) Pursuant to the Corporations Act, the Share Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Tangiers Shares to be issued pursuant to the Share Offer being granted no later than 7 days after the end of the bid period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Share Offer will be automatically void.

12.12 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [11 March 2014] (subject to extension in accordance with section 630(2) if the Offer Period is extended).

12.13 Withdrawal of the Share Offer

- (a) The Share Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Tangiers will give notice of the withdrawal to ASX and AIM and to Jacka and will comply with any other conditions imposed by ASIC.
- (b) If, at the time the Share Offer is withdrawn, all the conditions in clause 12.8 have been freed, all contracts arising from acceptance of the Share Offer before it was withdrawn will remain enforceable.
- (c) If, at the time the Share Offer is withdrawn, the Share Offer remains subject to one or more of the conditions in clause 12.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to clause 12.13 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

12.14 Variation of the Share Offer

Tangiers may vary the Share Offer in accordance with the Corporations Act.

12.15 No stamp duty

Tangiers will pay any stamp duty on the transfer of Your Shares to it.

12.16 Governing laws

The Share Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Western Australia, Australia.

13 The terms and conditions of the Option Offer

13.1 Option Offer

- (a) Tangiers offers to acquire all of Your Options on and subject to the terms and conditions set out in this clause 13 of this Bidder's Statement.
- (b) The consideration under the Option Offer is 0.468 Tangiers Option for each of Your Options. If this calculation results in an entitlement to a fraction of a Tangiers Option, that fraction will be rounded down to the next whole number of Tangiers Options.
- (c) If, at the time the Option Offer is made to you, you are a Foreign Securityholder, you will not receive Tangiers Options. Instead, you are offered and will be paid a cash amount determined in accordance with clause 13.7 of this Bidder's Statement.
- (d) The Tangiers Options to be issued are options to acquire Tangiers Shares and will be credited as fully paid and have the rights summarised in clause 3.5.
- (e) By accepting the Option Offer, you undertake to transfer to Tangiers not only the Jacka Listed Options to which the Option Offer relates, but also all Rights attached to those Jacka Listed Options (see clause 13.5(c)(6) and clause 13.6(c)).
- (f) The Option Offer is being made to each person registered as the holder of Jacka Listed Options in the register of Jacka Optionholders at 9.00am (Perth, Western Australia time) on the Register Date. It also extends to any person who becomes registered as the holder of Your Options during the Offer Period.
- (g) If, at the time the Option Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Your Options, then:
 - (1) a corresponding offer on the same terms and conditions as the Option Offer will be deemed to have been made to that other person in respect of those Jacka Listed Options; and
 - (2) a corresponding offer on the same terms and conditions as the Option Offer will be deemed to have been made to you in respect of any other Jacka Listed Options you hold to which the Option Offer relates; and
 - (3) the Option Offer will be deemed to have been withdrawn immediately at that time.
- (h) If at any time during the Offer Period you are registered as the holder of one or more parcels of Jacka Listed Options as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as the Option Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Option Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Tangiers Offers Information Line on 1300 453 060 or +61 3 9415 4040 to request those additional copies.

- (i) If Your Options are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Option Offer.
- (j) The Option Offer is dated [4 February 2014].

13.2 Offer Period

- (a) Unless withdrawn, the Option Offer will remain open for acceptance during the period commencing on the date of the Option Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) [18 March 2014]; or
 - (2) any date to which the Offer Period is extended.
- (b) Tangiers reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occurs:
 - (1) the Option Offer is varied to improve the consideration offered; or
 - (2) Tangiers' voting power in Jacka increases to more than 50%,
 then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

13.3 How to accept the Option Offer

- (a) **General**
 - (1) Subject to clause 13.1(h) and clause 13.1(i), you may accept the Option Offer only for all of Your Options.
 - (2) You may accept the Option Offer at any time during the Offer Period.
- (b) **Options held in your name on Jacka's issuer sponsored subregister**
 To accept the Option Offer for Jacka Listed Options held in your name on Jacka's issuer sponsored subregister (in which case your SRN will commence with 'I'), you must:
 - (1) complete and sign the Acceptance Form in accordance with the terms of the Option Offer and the instructions on the Acceptance Form; and
 - (2) ensure that the Acceptance Form (including any documents required by the terms of the Option Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address specified on the Acceptance Form.
- (c) **Options held in your name in a CHESS Holding**
 - (1) If Your Options are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Jacka Optionholders who are not institutions, this is normally your stockbroker) to initiate acceptance of the Option Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (2) If Your Options are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Option Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
 - (3) Alternatively, to accept the Option Offer for Jacka Listed Options held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of the Option Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of the Option Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at the address specified on the Acceptance Form.
 - (4) If Your Options are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.
- (d) **Acceptance Form and other documents**
- (1) The Acceptance Form forms part of the Option Offer.
 - (2) If your Acceptance Form (including any documents required by the terms of the Option Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Tangiers at the address specified on the Acceptance Form before the end of the Offer Period.
 - (3) When using the Acceptance Form to accept the Option Offer in respect of Options in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of the Option Offer and the instruction on the Acceptance Form) are received by Tangiers in time for Tangiers to instruct your Controlling Participant to initiate acceptance of the Option Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
 - (4) The postage and transmission of the Acceptance Form and other documents is at your own risk.

13.4 Validity of acceptances

- (a) Subject to this clause 13.4, your acceptance of the Option Offer will not be valid unless it is made in accordance with the procedures set out in clause 13.3.
- (b) Tangiers will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Option Offer and time of receipt of an acceptance of the Option Offer. Tangiers is not required to communicate with you prior to or after making this determination. The determination of Tangiers will be final and binding on all parties.
- (c) Notwithstanding clauses 13.3(b), 13.3(c) and 13.3(d), Tangiers may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your

Options, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Option Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Tangiers.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Options, Tangiers may, in its sole discretion, regard the Option Offer to be accepted in respect of those of Your Options but not the remainder.
- (e) Tangiers will provide the consideration to you in accordance with clause 13.6, in respect of any part of an acceptance determined by Tangiers to be valid.

13.5 The effect of acceptance

- (a) Once you have accepted the Option Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Options from the Option Offer or otherwise dispose of Your Options, except as follows:
 - (1) if, by the relevant times specified in clause 13.5(b), the conditions in clause 13.8 have not all been fulfilled or freed, the Option Offer will automatically terminate and Your Options will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and the obligations of Tangiers to deliver the consideration are postponed for more than 1 month and, at the time, the Option Offer is subject to one or more of the conditions in clause 13.8, you may be able to withdraw your acceptance and Your Options in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of clause 13.5(a)(1) are in relation to all conditions in clause 13.8, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting the Option Offer pursuant to clause 13.3, you will be deemed to have:
 - (1) accepted the Option Offer (and any variation of it) in respect of, and, subject to all of the conditions to the Option Offer in clause 13.8 being fulfilled or freed, agreed to transfer to Tangiers, Your Options (even if the number of Jacka Listed Options specified on the Acceptance Form differs from the number of Your Options), subject to clause 13.1(h) and clause 13.1(i);
 - (2) represented and warranted to Tangiers, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Options (including any Rights) to Tangiers is registered, that all Your Options are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept the Option Offer and to sell and transfer the legal and beneficial ownership in Your Options (including any Rights) to Tangiers, and that you have paid to Jacka all amounts which at the time of acceptance have fallen due for payment to Jacka in respect of Your Options;
 - (3) irrevocably authorised Tangiers (and any director, secretary, nominee or agent of Tangiers) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Options, filling in any blanks

remaining on the form and rectifying any errors or omissions as may be considered necessary by Tangiers to make it an effective acceptance of the Option Offer or to enable registration of Your Options in the name of Tangiers;

- (4) if you signed the Acceptance Form in respect of Jacka Listed Options which are held in a CHESS Holding, irrevocably authorised Tangiers (or any director, secretary, nominee or agent of Tangiers) to instruct your Controlling Participant to initiate acceptance of the Option Offer in respect of Your Options in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (5) if you signed the Acceptance Form in respect of Jacka Listed Options which are held in a CHESS Holding, irrevocably authorised Tangiers (or any director, secretary, nominee or agent of Tangiers) to give any other instructions in relation to Your Options to your Controlling Participant, as determined by Tangiers acting in its own interests as a beneficial owner and intended registered holder of those Jacka Listed Options;
- (6) irrevocably authorised and directed Jacka to pay to Tangiers, or to account to Tangiers for, all Rights in respect of Your Options, subject, if the Option Offer is withdrawn, to Tangiers accounting to you for any such Rights received by Tangiers;
- (7) irrevocably authorised Tangiers to notify Jacka on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Options is the address specified by Tangiers in the notification;
- (8) with effect from the time and date on which all the conditions to the Option Offer in clause 13.8 have been fulfilled or freed, to have irrevocably appointed Tangiers (and any director, secretary or nominee of Tangiers) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Options, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Jacka and to request Jacka to register, in the name of Tangiers or its nominee, Your Options, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to the Option Offer in clause 13.8 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Jacka or to exercise or purport to exercise any of the powers and rights conferred on Tangiers (and its directors, secretaries and nominees) in clause 13.5(c)(8);
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under clause 13.5(c)(8), the attorney will be entitled to act in the interests of Tangiers as the beneficial owner and intended registered holder of Your Options;
- (11) agreed to do all such acts, matters and things that Tangiers may require to give effect to the matters the subject of this clause 13.5(c) (including the execution of a written form of proxy to the same effect

as this clause 13.5(c) which complies in all respects with the requirements of the constitution of Jacka) if requested by Tangiers;

- (12) agreed to indemnify Tangiers in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or SRN or in consequence of the transfer of Your Options to Tangiers being registered by Jacka without production of your Holder Identification Number or your SRN for Your Options;
 - (13) represented and warranted to Tangiers that, unless you have notified it in accordance with clause 13.1(i), Your Options do not consist of separate parcels of Jacka Listed Options;
 - (14) irrevocably authorised Tangiers (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Options to Tangiers's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under the Option Offer;
 - (15) irrevocably authorised Tangiers (and any nominee) to transfer Your Options in the issuer sponsored subregister to Tangiers' name, regardless of whether it has paid the consideration due to you under the Option Offer.
 - (16) agreed, subject to the conditions of the Option Offer in clause 13.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Tangiers may consider necessary or desirable to convey Your Options registered in your name and Rights to Tangiers; and
 - (17) agreed to accept the Tangiers Options to which you have become entitled by acceptance of the Option Offer subject to the constitution of Tangiers and have authorised Tangiers to place your name on its register of shareholders in respect of those Tangiers Options.
- (d) The undertakings and authorities referred to in clause 13.5(c) will remain in force after you receive the consideration for Your Options and after Tangiers becomes registered as the holder of Your Options.

13.6 Receipt of consideration

- (a) Subject to clauses 13.4(b), 13.6 and 13.7 and the Corporations Act, Tangiers will provide the consideration due to you for Your Options on or before the earlier of:
 - (1) one month after the date of your acceptance or, if the Option Offer is subject to a defeating condition when you accept the Option Offer, within one month after the Option Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
 - (1) if that document is given with your Acceptance Form, Tangiers will provide the consideration in accordance with clause 13.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while the Option Offer is subject to a defeating condition, Tangiers will provide the consideration due to you on or

- before the earlier of one month after the Option Offer becomes unconditional and 21 days after the end of the Offer Period;
- (3) if that document is given after your Acceptance Form and before the end of the Offer Period while the Option Offer is not subject to a defeating condition, Tangiers will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
 - (4) if that document is given after the end of the Offer Period, and the Option Offer is not subject to a defeating condition, Tangiers will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Option Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Tangiers will provide the consideration due to you within 21 days after the Option Offer becomes unconditional.
- (c) If you accept the Option Offer, Tangiers is entitled to all Rights in respect of Your Options. Tangiers may require you to provide all documents necessary to vest title to those Rights in Tangiers, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Tangiers, or if you have (or any previous owner of Your Options has) received the benefit of those Rights:
- (1) Tangiers will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Tangiers) of those Rights; and
 - (2) if it is able reasonably to assess the value to it of the franking credits, if any, attached to the Rights, Tangiers will be entitled to also deduct an amount equal to that value from the consideration otherwise due to you.
- (d) If you have accepted the Option Offer and you are a Foreign Securityholder, you will be paid your share of the proceeds from the sale of the Tangiers Options in accordance with clause 13.7.
- (e) Payment of any cash amount to which you are entitled under the Option Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) to the address as shown on the register copy supplied by Jacka from time to time.
- (f) The obligation of Tangiers to issue and allot any Tangiers Options to which you are entitled will be satisfied by Tangiers:
- (1) entering your name on the register of members of Tangiers; and
 - (2) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in Jacka's register of members on the register copy supplied by Jacka from time to time a written confirmation of your holding in your name. If Your Options are held in a joint name, a written confirmation of your holding will be issued and forwarded to the address on the register copy supplied by Jacka from time to time.
- (g) If at the time you accept the Option Offer, any authority, clearance or approval is required for you to receive any consideration for Your Options, including (but not limited to) any authority, clearance or approval of:
- (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);

- (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder), or otherwise;
- (3) the ATO; or
- (4) any other person as required by any other law of Australia that would make it unlawful for Tangiers to provide any consideration for Your Options,

then you will not be entitled to receive any consideration for Your Options until all requisite authorities, clearances or approvals have been received by Tangiers.

13.7 Foreign Securityholders

- (a) If you are a Foreign Securityholder, you will not be entitled to receive Tangiers Options as the consideration for Your Options as a result of accepting the Option Offer, and Tangiers will:
 - (1) arrange for the issue to a nominee approved by ASIC (the **Nominee**) of the number of Tangiers Options to which you and all other Foreign Securityholders would have been entitled but for clause 13.1(c) and the equivalent provision in each other offer under the Option Offer;
 - (2) cause the Tangiers Options so issued to be offered for sale by the Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - (3) cause the Nominee to pay to you the amount ascertained in accordance with the formula:

$$\frac{N \times YS}{TS}$$

where:

'N' is the amount which is received by the Nominee upon the sale of all Tangiers Options under this clause 13.7 less brokerage and sale expenses;

'YS' is the number of Tangiers Options which would, but for clause 13.1(c), otherwise have been allotted to you; and

'TS' is the total number of Tangiers Options allotted to the Nominee under this clause 13.7.

- (b) You will be paid your share of the proceeds of the sale of Tangiers Options by the Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Tangiers Options by the Nominee, regardless of any delay in remitting these proceeds to you.

13.8 Conditions of the Option Offer

Subject to clause 13.9, the completion of the Option Offer and any contract that results from an acceptance of the Option Offer, are subject to the fulfilment of the conditions set out below:

(a) **Regulatory approvals**

Before the end of the Offer Period, all approvals or consents that are required by law, by any public authority, or by any other third party as are necessary to permit:

- (1) the Option Offer to be lawfully made to and accepted by Jacka Shareholders;
- (2) the transactions contemplated by the Bidder's Statement to be completed; and
- (3) Jacka to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

(b) **No regulatory action and consents**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Tangiers or any associate of Tangiers),

in consequence of or in connection with the Option Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Option Offer and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Tangier of any Jacka Listed Options or any material assets of Jacka or any subsidiary of Jacka.

(c) **Minimum acceptance Share Offer**

At the end of the Offer Period, the Bidder has relevant interests in at least 90% of the Jacka Shares.

(d) **Minimum acceptance Option Offer**

At the end of the Offer Period, the Bidder has relevant interests in at least 53% of the aggregate of the Jacka Listed Options and the Jacka Unlisted Options.

(e) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (1) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (2) information is disclosed or announced by Jacka concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (3) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Tangiers (whether or not becoming public),

(each of (1), (2) and (3) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (4) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Jacka Group taken as a whole; or
- (5) without limiting the generality of clause 13.8(e)(4), the effect of a diminution in the value of the consolidated net assets of the Jacka Group, taken as a whole, by at least \$3 million against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (6) an event, matter, change or circumstance caused, or materially contributed to, by Tangiers;
- (7) anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (8) any event, matter, change or circumstance:
 - (A) fairly disclosed by Jacka to Tangiers or any Related Person of Tangiers;
 - (B) disclosed in public filings by Jacka to ASX or ASIC; or
 - (C) otherwise known by Tangiers or any Related Person of Tangiers,

at any time prior to the date of this agreement;

- (9) an event, matter, change or circumstance in or relating to:
 - (A) economic, business, regulatory or political conditions in general;
 - (B) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (C) any change affecting the petroleum industry generally (including junior exploration companies, as well as fluctuations in commodity prices);
- (10) the portion of any event, matter, change or circumstances which is as a consequences of losses, expenses, damages or other costs covered by insurance which Jacka's insurers have agreed to pay; or
- (11) anything done with the prior written consent of Tangiers.

(f) **Capital expenditures**

Between the Announcement Date and the end of the Offer Period (each inclusive), Jacka does not incur or commit to incur an amount of capital expenditure in excess of \$250,000 other than:

- (1) capital expenditure incurred on existing projects in which Jacka has an interest as at the Announcement Date; or
- (2) capital expenditure in the day to day operating activities of the business of Jacka and its subsidiaries conducted in the same manner as before the Announcement Date.

(g) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Jacka which may reasonably result in a judgment of \$3 million or more is commenced, is threatened to be commenced, is announced, or is made known to Tangiers (whether or not becoming public) or Jacka, other than that which is in the public domain as at the Announcement Date.

(h) **Equal access**

Between the Announcement Date and the end of the Offer Period Jacka promptly, and in any event within 2 Business Days, provides to Tangiers a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to Jacka or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by Jacka or any of its directors, officers, agents or representatives to any person other than Tangiers, other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (1) a takeover bid for, or scheme of arrangement proposed by, Jacka, under the Corporations Act;
- (2) the acquisition by that person or an associate of substantially all the assets and operations of Jacka; or
- (3) any transaction having a similar economic effect.

(i) **No prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Jacka converting all or any of the Jacka Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Jacka or a subsidiary of Jacka resolving to reduce its share capital in any way;
- (3) Jacka or a subsidiary of Jacka entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Jacka or a subsidiary of Jacka making an issue of Jacka Shares (other than Jacka Shares issued as a result of the exercise of Jacka Listed Options or Jacka Unlisted Options into Jacka Shares) or granting an option over Jacka Shares or agreeing to make such an issue or grant such an option;

- (5) Jacka or a subsidiary of Jacka issuing, or agreeing to issue, convertible notes;
- (6) Jacka or a subsidiary of Jacka disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Jacka or a subsidiary of Jacka granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Jacka or a subsidiary of Jacka resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Jacka or of a subsidiary of Jacka;
- (10) the making of an order by a court for the winding up of Jacka or of a subsidiary of Jacka;
- (11) an administrator of Jacka or of a subsidiary of Jacka being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Jacka or a subsidiary of Jacka executing a deed of company arrangement;
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Jacka or of a subsidiary of Jacka.

(j) **No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Jacka does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

13.9 Nature and benefit of conditions

- (a) The conditions in clause 13.8 are conditions precedent to the acquisition by Tangiers of any interest in Jacka Listed Options of a kind which would cause a breach of the provisions of laws referred to therein. Notwithstanding your acceptance of the Option Offer, unless and until the conditions in that clause are fulfilled or Tangiers has otherwise declared the Option Offer to be free from those conditions:
- (1) no contract for the sale of Your Options will come into force or be binding on you or on Tangiers;
 - (2) Tangiers will have no rights (conditional or otherwise) in relation to Your Options;
 - (3) if any of Your Options are held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Jacka Listed Options by having your Controlling Participant transmit a valid originating message to ASX Settlement specifying the Options to be released from the sub-position, in accordance with Rule 14.16 of the ASX Settlement Operating Rules, at any time prior to the fulfilment of those conditions; and
 - (4) if any of Your Options are not held in a CHESS Holding, you will be entitled to withdraw your acceptance in respect of those Jacka Listed Options by sending a notice to that effect signed by you (or on your

behalf, in which case documentation proving that the person or persons signing the notice are authorised to do so must accompany the notice) to any of the addresses specified on the Acceptance Form, so that it is received at the relevant address at any time prior to the fulfilment or freedom of those conditions.

- (b) Subject to the Corporations Act and clause 13.9(a), Tangiers alone is entitled to the benefit of the conditions in clause 13.8, or to rely on any non-fulfilment of any of them.
- (c) Each condition in clause 13.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

13.10 Freeing the Option Offer of conditions

- (a) Tangiers may free this Option Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in clause 13.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Jacka and to ASX declaring the Option Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period, the conditions in clause 13.8 have not been fulfilled and Tangiers has not declared the Option Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Option Offer will be automatically void.

13.11 Official quotation of Tangiers Options

- (a) An application will be made within 7 days after the start of the bid period to ASX for the granting of official quotation of the Tangiers Options to be issued in accordance with the Option Offer. However, official quotation is not granted automatically on application.
- (b) Pursuant to the Corporations Act, the Option Offer and any contract that results from your acceptance of it are subject to a condition that permission for admission to official quotation by ASX of the Tangiers Options to be issued pursuant to the Option Offer being granted no later than 7 days after the end of the bid period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Option Offer will be automatically void.

13.12 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is [11 March 2014] (subject to extension in accordance with section 630(2) if the Offer Period is extended).

13.13 Withdrawal of the Option Offer

- (a) The Option Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Tangiers will give notice of the withdrawal to ASX and AIM and to Jacka and will comply with any other conditions imposed by ASIC.

- (b) If, at the time the Option Offer is withdrawn, all the conditions in clause 13.8 have been freed, all contracts arising from acceptance of the Option Offer before it was withdrawn will remain enforceable.
- (c) If, at the time the Option Offer is withdrawn, the Option Offer remains subject to one or more of the conditions in clause 13.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to clause 13.13 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

13.14 Variation of the Option Offer

Tangiers may vary the Option Offer in accordance with the Corporations Act.

13.15 No stamp duty

Tangiers will pay any stamp duty on the transfer of Your Options to it.

13.16 Governing laws

The Option Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Western Australia, Australia.

14 Definitions and interpretation

14.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the personalised acceptance form accompanying this Bidder's Statement.
AIM	the AIM market operated by the London Stock Exchange plc.
Announcement Date	the date of the announcement of the Offers by Tangiers, being 5 December 2013.
ASIC	the Australian Securities and Investments Commission.
ASX	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which govern the administration of the Clearing House Electronic Subregister System.
ATO	Australian Taxation Office.
Bidder's Statement	this document, being the statement of Tangiers under Part 6.5 Division 2 of the Corporations Act relating to the Offers.
Business Day	means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday.
CGT	capital gains tax.
CHESS Holding	a number of Jacka Securities which are registered on Jacka share register being a register administered by the ASX Settlement and which records uncertificated holdings of securities.

Term	Meaning
Controlling Participant	in relation to Your Shares and Your Options, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Foreign Securityholder	a Jacka Securityholder whose address as shown in the register of members of Jacka is in a jurisdiction other than Australia or its external territories or New Zealand, unless Tangiers otherwise determines (in its absolute discretion) after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offers to a Jacka Securityholder in the relevant jurisdiction and to issue Tangiers Shares or Tangiers Options (as the case may be) to such a Jacka Securityholder on acceptance of the Offers, and that it is not unlawful for such a Jacka Securityholder to accept the Offers in such circumstances in the relevant jurisdiction.
Galp	Galp Energia SGPS SA.
Government Agency	any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Interested Person	has the meaning in clause 11.6 of this Bidder's Statement.
Issuer Sponsored Holdings	a holding of Jacka Shares or Jacka Listed Options on Jacka issuer sponsored subregister.
Jacka	Jacka Resources Limited (ACN 140 110 130).
Jacka Board	the board of directors of Jacka.
Jacka Group	Jacka and its subsidiaries.
Jacka Listed Option	a listed option, issued by Jacka prior to the Announcement Date, to acquire by way of issue a Jacka Share.
Jacka Nigeria	P.R. Oil & Gas Nigeria Ltd.
Jacka Options	Jacka Listed Options and Jacka Unlisted Options
Jacka Optionholder	a registered holder of Jacka Listed Options.

Term	Meaning
Jacka Securities	Jacka Shares and Jacka Listed Options.
Jacka Securityholders	Jacka Shareholders and Jacka Optionholders.
Jacka Shareholder	a registered holder of Jacka Shares.
Jacka Share	a fully paid ordinary share in the capital of Jacka.
Jacka Somaliland	Jacka Resources Somaliland Limited.
Jacka Tanzania	Jacka Resources Tanzania Limited.
Jacka Tunisia	Jacka Tunisia Bargou Pty Ltd.
Jacka Unlisted Option	an unlisted option, issued by Jacka prior to the Announcement Date, to acquire by way of issue a Jacka Share.
Jacka Unlisted Optionholder	a registered holder of Jacka Unlisted Options.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
Merged Group	Tangiers and its subsidiaries following Tangiers acquiring control of Jacka.
Nominee	the nominee appointed by Tangiers in accordance with clause 12.7 or 13.7 of this Bidder's Statement.
Offer Period	the period during which the Offers will remain open for acceptance in accordance with clause 12.2 and clause 13.2 of this Bidder's Statement.
Offers	the Share Offer and the Option Offer.
ONHYM	Office National des Hydrocarbures et des Mines, the Moroccan Government's National Bureau of Petroleum and Mines
Option Offer	the offer for Jacka Listed Options under the terms and conditions contained in clause 13 of this Bidder's Statement.
Participant	an entity admitted to participate in the Clearing House Electronic Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

Term	Meaning
Prospective Resources	are quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled.
Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
Register Date	the date set by Tangiers under section 633(2) of the Corporations Act, being 20 January 2014.
Relevant Interest	has the same meaning as in the Corporations Act.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Jacka Securities directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other Distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Jacka or any of its subsidiaries).
Security Interest	has the same meaning as in section 51A of the Corporations Act.
Share Offer	the offer for Jacka Shares under the terms and conditions contained in clause 12 of this Bidder's Statement.
SRN	has the same meaning as in the ASX Settlement Operating Rules.
Takeover Bid	the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.
Takeover Transferee Holding	has the same meaning as in the ASX Settlement Operating Rules.
Tangiers	Tangiers Petroleum Limited (ACN 072 964 179)
Tangiers Group	Tangiers and its subsidiaries.
Tangiers Option	a listed option issued by Tangiers to acquire, by way of issue, a Tangiers Share with an exercise price of \$0.75 and an expiry date of 1 February 2015.
Tangiers Securities	Tangiers Shares, Tangiers Options and Tangiers Unlisted Options.

Term	Meaning
Tangiers Share	a fully paid ordinary share in the capital of Tangiers.
Tangiers Unlisted Option	an unlisted option issued by Tangiers to acquire, by way of issue, a Tangiers Share.
Target's Statement	the target's statement prepared and issued by Jacka pursuant to sections 633 and 638 of the Corporations Act in relation to the Offers.
Undiscovered Oil Initially-in-Place	is that quantity of oil which is estimated, on a given date, to be contained in accumulations yet to be discovered. The estimated potentially recoverable portion of Undiscovered Oil Initially in Place is classified as Prospective Resources in accordance with the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), and Society of Petroleum Evaluation Engineers (SPEE).
Your Options	subject to clause 13.1(h) and clause 13.1(i), the Jacka Listed Options (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Jacka at the open of business Perth, Western Australia time on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.
Your Shares	subject to clause 12.1(g) and clause 12.1(h), the Jacka Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Jacka at the open of business Perth, Western Australia time on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a clause, attachment and schedule is a reference to a clause of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances, or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;

- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Perth, Western Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

15 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the directors of Tangiers.

date 20 January 2014 _____

Signed for and on behalf of
Tangiers Petroleum Limited
by

sign here ►



Executive Chairman

print name Eve Howell _____

Attachment 1

Announcement in relation to the Offers

5 December 2013

Media Release

RECOMMENDED TAKEOVER OFFER BY TANGIERS PETROLEUM FOR JACKA RESOURCES

Highlights:

- **Tangiers Petroleum to acquire Jacka Resources via an off-market takeover bid**
- **Offer ratio equal to 0.468 Tangiers shares for every Jacka share held**
- **Tangiers Offer values Jacka shares at \$0.112 based on Tangiers last closing price of \$0.24 per share on 29 November 2013, being a 56% headline premium to Jacka's last closing price (\$0.072) and 53% premium based on the Jacka and Tangiers 1 month VWAPs¹**
- **Jacka Board unanimously recommends shareholders accept the Tangiers Offer in the absence of a superior proposal**
- **Based on the closing share price of Tangiers on ASX on 29 November 2013, the Offer values Jacka at approximately \$37m on an undiluted basis²**
- **Upon completion of the transaction, existing Tangiers shareholders and Jacka shareholders will own approximately 53% and 47%, respectively, of the issued ordinary shares of the combined entity (on an undiluted basis)**
- **Creation of a premier small to mid-cap African focused upstream oil and gas company, with pro-forma cash of \$8m with a further US\$22m expected to flow in from executed farm-in agreements relating to Tangiers' Tarfaya Project and Jacka's Odewayne Project**
- **Eve Howell to remain as Chairman of Tangiers, with Bob Cassie to become Managing Director of Tangiers upon completion**
- **Tangiers to provide Jacka with a \$2.5m standby loan facility to assist Jacka's funding in Q1 2014**
- **Bidder's and Target's Statements expected to be lodged by mid January 2014**

Tangiers Petroleum Limited ("**Tangiers**") (ASX:TPT, AIM: TPET) and Jacka Resources Limited ("**Jacka**") (ASX:JKA) are pleased to announce that they have entered into a Bid Implementation Agreement ("**BIA**") in respect of an off-market takeover offer to be made by Tangiers for all of the issued ordinary shares in Jacka ("**Offer**").

Combining the two companies will deliver a strong portfolio of highly prospective exploration, appraisal and development assets in Africa, including two high impact wells planned for 2014: the TAO-1 exploration well in the Tarfaya block, Morocco and the drilling and testing of Hammamet West-3 sidetrack 2 in Tunisia. The combined entity will also have exposure to a promising near-term offshore Nigerian development project in Aje (OML 113) where the joint venture plans to complete the field development plan by early 2014. Aje is adjacent to the recent Ogo discovery, where the operator, Afren plc, recently announced upgraded recoverable resources of 774 million barrels of oil equivalent and identified a new, deeper hydrocarbon-bearing zone.

¹ Based on Jacka's 1 month VWAP of \$0.0763 and Tangiers' 1 month VWAP of \$0.2491. The implied value of the Offer will change with fluctuations in the Tangiers share price.

² Based on Tangiers closing share price on 29 November 2013 of \$0.24.

The combined entity will also benefit from significant positions in early stage acreage in Somaliland and Tanzania, both of which have attracted strong interest from industry participants.

Key Offer Terms

Under the takeover bid, Tangiers is offering 0.468 Tangiers shares for every Jacka share held. The Offer ratio implies a value of \$0.112 per Jacka share based on the closing price of Tangiers shares on 29 November 2013³, and represents:

- a 56% premium to Jacka's last closing price \$0.072 based on Tangiers' last closing price of \$0.24 on 29 November 2013
- a 53% premium to Jacka's 1 month VWAP of \$0.0763, based on Tangiers' 1 month VWAP of \$0.2491 (to 29 November 2013)

Upon successful completion of the transaction, existing Tangiers shareholders and Jacka shareholders will own approximately 53% and 47%⁴, respectively (on an undiluted basis), of the issued ordinary shares of the combined entity.

Strong African Focus

A combination of Tangiers and Jacka offers a compelling opportunity for investors seeking exposure to a growth focused ASX and AIM-listed small to mid-cap oil and gas company with multiple projects from high impact exploration to near-term appraisal and development opportunities:

- creation of a premier small to mid-cap African focused upstream oil and gas company with an indicative market cap of c. A\$80m;
- accelerated growth through a combined and diversified portfolio of frontier exploration (e.g. Morocco, Somaliland and Tanzania) together with near term appraisal and development opportunities (Tunisia and Nigeria);
- funding in place and/or carried for multiple high impact drilling events throughout 2014 (HW-3, Aje-5 and TAO-1). Morocco will see an active regional drilling program next year with up to 10 wells to be drilled along the Atlantic margin by the industry;
- combined board and management with extensive E&P experience, including African, drawn from Tangiers and Jacka nominees (e.g. Woodside Energy, Apache Energy and Hardman Resources);
- strong financial position with pro forma cash of approximately \$8m and a further US\$22m expected to flow in from executed farm-in agreements relating to Tangiers' Tarfaya Project and Jacka's Odewayne Project;
- carried for work programs/drilling at Tarfaya and Odewayne; and
- creation of a stronger and better positioned company with the financial strength to grow via further M&A.

Further details on the assets of Jacka and Tangiers are set out in a presentation available on Tangiers' website, and full detailed information on the proposed takeover will be included in the bidders statement

Board and Management

Upon completion, the Board of Directors of the combined entity will initially comprise three nominees from Tangiers and two nominees from Jacka. Tangiers' nominees are Eve Howell

³ The implied value of the Offer will change with fluctuations in the Tangiers share price.

⁴ Tangiers currently has 175m shares on issue and based on the offer ratio, up to 157m new Tangiers shares will be issued to Jacka shareholders as consideration for their Jacka shares, resulting in 332m shares on issue in the expanded Tangiers

(Executive Chairman), Brent Villemarette and Max de Vietri. Jacka's nominees are Bob Cassie (Managing Director) and Scott Spencer.

Following completion there will be a three month period during which Eve Howell will transition to Non Executive Chairman. Max de Vietri is also likely to move off the Board during this period, to be replaced by a new Non Executive Director to be nominated by Tangiers..

Jacka Board of Directors' Recommendation

The Board of Directors of Jacka unanimously recommends to Jacka shareholders that they accept the Offer, in the absence of a superior proposal. Each Jacka director intends to accept the Offer with respect to all shares owned or controlled by them, in the absence of a superior proposal.

Commenting on the transaction Scott Spencer, Chairman of Jacka said:

"This is a compelling offer for Jacka shareholders, and this transaction will provide a strong platform to pursue the company-transforming exploration opportunities within the portfolio of the merged entity, both in terms of balance sheet and board.

The board and management of Jacka are very focused on the opportunity to create significant value through appraisal and development of the Hammamet West oilfield offshore Tunisia. With this transaction shareholders will also gain exposure to a second near-term opportunity through Tangiers' Tarfaya prospect, scheduled to be drilled in 2014 offshore Morocco, which is emerging as a leading frontier oil province in Africa".

Eve Howell, Executive Chairman of Tangiers commented:

"This transaction is consistent with the strategy adopted by the board and management of Tangiers over the past year where efforts have been focused on growth in Africa and building a portfolio which balances low risk, moderate reward development and production opportunities with higher risk, large exploration potential.

Jacka's portfolio provides diversity to Tangiers' shareholders with exposure to highly prospective exploration drilling as well as appraisal and development activity in a number of countries over the next two years."

Offer Details

Pursuant to the BIA entered into between Tangiers and Jacka, it is proposed that Tangiers will acquire all the issued ordinary shares of Jacka by way of an off market takeover offer. Under the Offer, accepting Jacka shareholders will receive 0.468 Tangiers ordinary fully paid shares for each existing Jacka ordinary share they hold. Tangiers has also undertaken to make an offer to acquire existing Jacka options on issue in return for issuing new Tangiers options with the quantum and exercise price to be adjusted consistent with the offer ratio for Jacka shares. Tangiers shareholders and option holders will continue to hold their existing Tangiers ordinary shares and options.

The Offer is subject to a number of conditions, including a 90% minimum acceptance, no material adverse change and no prescribed occurrences. The conditions are set out in full in the BIA attached to this announcement.

The BIA contains customary deal protection mechanisms, including a no shop provision, matching rights in the event of a competing proposal and a \$300,000 reciprocal break fee payable in limited circumstances.

As the Offer consideration is solely comprised of Tangiers shares, Jacka has the right to terminate the BIA if there is a material adverse change relating to Tangiers (including the requisite government approvals for the Galp Energia farm-out of Tarfaya not being received by 1 February 2014). Further details of Jacka's termination rights are set out in the BIA.

The BIA outlining the full terms and conditions of the Tangiers Offer is attached to this announcement.

Interim Funding

Tangiers has agreed to provide Jacka with a \$2.5m loan facility to assist Jacka's funding in Q1 2014. This facility with Tangiers replaces the previously announced convertible facility that Jacka was seeking to put in place. Interest on the loan facility is payable at 12% p.a. on amounts drawn. The loan is to be repaid in full by no later than 1 December 2014, although Jacka is under an accelerated repayment obligation if:

- (a) a majority of the Jacka board recommends a competing proposal at any time during the term of the loan facility, in which case the loan must be repaid in full within 3 months of recommending that competing proposal; or
- (b) the BIA is terminated prior to Tangiers making its takeover bid for Jacka, in which case the facility must be repaid within 6 months of termination of the BIA.

Tangiers will have a contractual commitment over the future proceeds from the Sterling farmout in respect to Jacka's Odewayne Project, up to the amount drawn under the loan facility.

Indicative Timetable

Announcement	5 December 2013
Bidder's Statement and Target's Statement expected to be lodged	20 January 2014
Offer period commences	4 February 2014

Financial Advisors and Legal Counsel

Tangiers has appointed Foster Stockbroking Pty Ltd as financial advisor and Herbert Smith Freehills as legal counsel.

Jacka has appointed Miro Advisors as financial advisor and Corrs Chambers Westgarth as legal counsel.

Conference Call and Presentation

A conference call hosted by Eve Howell, Executive Chairman of Tangiers, has been scheduled for **2pm AEST (11am WST) Thursday 5 December** to present the transaction and highlights of the combined entity. Interested parties are invited to dial into **1 800 558 698 or 1 800 809 971** (freecall in Australia). When dialling in callers will be asked for the meeting ID, **728988**. All callers will be asked to provide their full name and association.

About Tangiers Petroleum

Tangiers Petroleum Ltd is a junior O&G exploration company listed on the ASX and AIM. The company's key project is Tarfaya, offshore Morocco. TPT retains a 25% equity interest in the Block and is carried for the first well planned to be drilled H1 CY14 following completion of a farm-out to Galp Energia (50% and operator).

About Jacka Resources

Jacka Resources Limited is an ASX listed (ASX: JKA) oil and gas exploration and development company with a focus on Africa. Jacka's key assets are located in Tunisia, Nigeria, Tanzania and Somaliland.

Key Contacts

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HERBERT
SMITH
FREEHILLS

Agreement

Bid implementation agreement

Tangiers Petroleum Limited

Jacka Resources Limited

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Bid implementation agreement

Date ►

Between the parties

Bidder **Tangiers Petroleum Limited**

ACN 072 964 179 of Level 2
5 Ord Street
WEST PERTH WA 6005

Company **Jacka Resources Limited**

ACN 140 110 130 of Level 11 London House
216 St Georges Terrace
PERTH WA 6000

Recitals

- 1 The Bidder is proposing to make a Takeover Bid for all the Shares and Options and the Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
 - 2 The parties have agreed to implement the Takeover Bid on the terms and conditions set out in this agreement.
-

The parties agree as follows:

1 Definitions, interpretation and agreement components

1.1 Definitions

The meanings of the terms used in this agreement are set out below.

Term	Meaning
Agreed Bid Terms	the terms and conditions set out in Schedule 2.
AIM	the alternative investment market of the London Stock Exchange.
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange (as supplemented by the AIM note for Mining and Oil & Gas Companies published by the London Stock Exchange), as amended from time to time.
Announcement Date	the date of the announcement of the Offers by the Bidder.
ASIC	the Australian Securities and Investments Commission.
associate	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement.
ASX	ASX Limited ABN 98 008 624 691 or the exchange operated by it, as the context requires.
Bid Conditions	the conditions to the Takeover Bid included in section 3 of the Agreed Bid Terms.
Bidder Group	the Bidder and its related bodies corporate.
Bidder Material Adverse Change	Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs: 1 an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;

Term	Meaning
	2 information is disclosed or announced by the Bidder concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or 3 information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Company (whether or not becoming public), (each of 1, 2 and 3 a Bidder Specified Event) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have: 4 a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Bidder Group, taken as a whole; or 5 without limiting the generality of paragraph 4 above, the effect of a diminution in the value of the consolidated net assets of the Bidder Group, taken as a whole, by at least \$3 million against what it would reasonably have been expected to have been but for such Bidder Specified Event, other than: 6 an event, matter, change or circumstance caused, or materially contributed to, by the Company; 7 anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid; 8 any event, matter, change or circumstance: (a) fairly disclosed by the Bidder to the Company or any Related Person of the Company; (b) disclosed in public filings by the Bidder to ASX or ASIC; or (c) otherwise known by the Company or any Related Person of the Company, at any time prior to the date of this agreement; 9 an event, matter, change or circumstance in or relating to: (a) economic, business, regulatory or political conditions in general; (b) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices); (c) any change affecting the petroleum industry generally (including junior exploration companies, as well as fluctuations in commodity prices); 10 the portion of any event, matter, change or circumstances which is as a consequences of losses, expenses, damages or other costs covered by insurance which the Bidder's insurers have agreed to pay; or

Term	Meaning
	11 anything done with the prior written consent of the Company.
Bidder's Statement	the bidder's statement to be prepared by the Bidder in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Board	the board of Directors of the Company.
Break Fee	\$300,000.
Business Day	a day on which banks are open for business in Perth and London, other than a Saturday, Sunday or public holiday.
Company Group	the Company and its related bodies corporate.
Competing Proposal	a bona fide proposal or offer that, if successfully completed, would result in a person other than the Bidder or its associates: 1 directly or indirectly acquiring a relevant interest or an economic interest in 20% or more of the Company's Shares or of the share capital of any of the Company's related bodies corporate; 2 directly or indirectly acquiring control of the Company; 3 directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of the Company or any of its related bodies corporate; or 4 otherwise acquiring or merging with the Company, whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement.
Confidentiality Agreement	the confidentiality agreement dated on or about 21 November 2013 between the Bidder and the Company.
control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).



Term	Meaning
Director	a director of the Company.
Exclusivity Period	the period from the date of this agreement until: 1 the end of the Offer Period; or 2 31 March 2014, whichever is earlier.
Galp Farm-in Agreement	the farm-in agreement dated 1 December 2012 and entered into between DVM International Sarl, Galp Energia Tarfaya BV, Galp Energia SGPS, S.A. and the Bidder.
Government Agency	any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
Listing Rules	the official listing rules of ASX.
Offer Period	the period that the Offers are open for acceptance.
Offers	the Share Offer and the Option Offer.
Option	a listed option, issued by the Company prior to the date of this agreement, to acquire by way of issue a Share in the Company.
Option Offer	each offer to acquire Options made in connections with the Takeover Bid.
Optionholder	a register holder of Options.
Prescribed Occurrences	those occurrences listed in section 652C of the Corporations Act.
Record Date	the date set by the Bidder pursuant to section 633(2) of the Corporations Act.

Term	Meaning
related body corporate	has the meaning given in section 50 of the Corporations Act.
Related Person	In relation to a party: 1 a related body corporate; 2 its advisers or an adviser of a related body corporate of that party; or 3 an officer or employee of any entity referred to in items 1 or 2 of this definition.
relevant interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Security Interest	has the same meaning as in section 51A of the Corporations Act.
Share	an ordinary share in the capital of the Company.
Share Offer	each offer to acquire Shares made in connection with the Takeover Bid.
Shareholder	a registered holder of Shares.
subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
Superior Proposal	a Competing Proposal that the Company's Board determines in good faith is: 1 reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the Competing Proposal and the person making it; and 2 more favourable to Shareholders as a whole than the Offer, taking into account all the terms and conditions of the Competing Proposal.
Takeover Bid	a takeover bid by the Bidder that satisfies the requirements in clause 2.
Tangiers Option	an option to acquire a Tangiers Share having an exercise price of \$0.75, an expiry date of 1 February 2015 and otherwise being on

Term	Meaning
	materially the same terms as the Options.
Tangiers Share	an ordinary fully paid share in the capital of the Bidder.
Target's Statement	the target's statement to be prepared by the Company in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
Third Party	a party other than the Company, the Bidder and any of their subsidiaries,
Timetable	the timetable set out in Schedule 3.
Unacceptable Circumstances	has the meaning set out in section 657A of the Corporations Act.
Unlisted Option	an unlisted option, issued by the Company prior to the date of this agreement, to acquire by way of issue a Share in the Company.

1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (e) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.
- (f) A reference to any thing (including, but not limited to, any right) includes a part of that thing, but nothing in this clause 1.2(f) implies that performance of part of an obligation constitutes performance of the obligation.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.

- (h) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A reference to a party to a document includes that party's successors and permitted assignees.
- (j) A reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (k) A reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise.
- (l) A reference to any time is a reference to the time in Perth.
- (m) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.3 Interpretation of inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary.

1.4 Agreement components

This agreement includes any schedule.

2 The Takeover Bid

2.1 Making the Takeover Bid

The Bidder agrees to:

- (a) make offers pursuant to an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all the Shares and the Options on terms and conditions no less favourable to Shareholders and Optionholders than the Agreed Bid Terms; and
- (b) without limiting this clause 2.1, publicly announce a proposal to make offers under the Takeover Bid, in accordance with clause 3, immediately after both parties have executed this agreement.

2.2 Bidder may use related body corporate

- (a) Subject to clause 2.2(b), the Bidder may satisfy its obligations under clause 2.1 by causing a subsidiary to perform the obligations referred to in clause 2.1, in which case references to:
 - (1) the Takeover Bid are references to the takeover bid by that subsidiary; and
 - (2) the Bidder making the Takeover Bid are references to the Bidder causing that subsidiary to make the Takeover Bid.
- (b) The Bidder acknowledges and agrees that if, pursuant to clause 2.2(a), it elects to cause a subsidiary to perform its obligations under clause 2.1, the Bidder remains liable to the Company for the due performance of those obligations.

2.3 Directors' recommendation and acceptance

The Company represents and warrants that:

- (a) the Board has met and considered the possibility of the Bidder agreeing to make the Takeover Bid; and
- (b) all of the Directors have informed the Company that, if the Bidder complies with clause 2.1, they will:
 - (1) unanimously recommend that Shareholders and Optionholders accept the Offers to be made to them under the Takeover Bid; and
 - (2) accept, or procure the acceptance of, the Offers in respect of any Shares and Options that they, or their associates, own or control,in each case in the absence of a Superior Proposal.

2.4 Shares issued during the Offer Period

- (a) The Bidder agrees that, subject to section 617 of the Corporations Act, it will extend its Offers to all Shares that are issued as a result of the exercise of Options during the period from the Record Date to the end of the Offer Period.
- (b) The Bidder agrees that it will make contemporaneous offers in respect of the Unlisted Options, on the terms to be agreed with the Company (acting reasonably).

3 Public announcement of Takeover Bid

Immediately after the execution and exchange of this agreement, the Bidder and the Company must issue a joint public announcement concerning the Takeover Bid substantially in the form set out in Schedule 5, or as otherwise agreed between the parties.

4 Facilitating the Offer

4.1 Bidder's Statement and Target's Statement

- (a) The Bidder will ensure that the Bidder's Statement (including any documentation dispatched together with the Bidder's Statement) is consistent with the Agreed Bid Terms and complies with all applicable legal requirements.
- (b) The Bidder will, to the extent practicable, give the Company a reasonable opportunity to review an advanced draft of the Bidder's Statement at least 5 Business Days before the Bidder is required to lodge the Bidder's Statement with ASIC, and will consult in good faith with the Company with respect to any comments the Company may have.
- (c) The Company will ensure that the Target's Statement (including any documentation dispatched together with the Target's Statement) complies with all applicable legal requirements.
- (d) The Company will, to the extent practicable, give the Bidder a reasonable opportunity to review an advanced draft of the Target's Statement at least 5

Business Days before the Company is required to lodge the Target's Statement with ASIC, and will consult in good faith with the Bidder in relation to any comments the Bidder may have.

4.2 Dispatch of Offers

- (a) The Company agrees that the Offers and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by the Bidder that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act.
- (b) Each party agrees to use reasonable endeavours to implement the Takeover Bid as quickly as reasonably permitted in the circumstances, having regard to the Timetable.
- (c) Provided that a Superior Proposal has not been received by the Company in the interim, each party agrees to use reasonable endeavours to send the Bidder's Statement and Target's Statement to Shareholders together.

4.3 Access to information

Each party agrees to provide the other party, on a timely basis, with information that may be reasonably required to assist in the preparation of the Bidder's Statement and the Target's Statement (as applicable).

4.4 Promoting the Takeover Bid

During the Offer Period, in the absence of a Superior Proposal, the Board will support the Takeover Bid and participate in efforts reasonably required by the Bidder to promote the merits of the Takeover Bid, including meeting with key Shareholders, analysts, management, customers and press if requested to do so by the Bidder, but only to the extent that the Board has determined, in good faith and acting reasonably after receiving written legal advice from external lawyers, that it can comply with this clause 4.4 without breaching the Directors' fiduciary or statutory duties.

During the Offer Period, in the absence of a Superior Proposal, the Company agrees:

- (a) to include in all public statements relating to the Takeover Bid (following the initial announcement of the Takeover Bid made pursuant to clause 3), a statement to the effect that:
 - (1) the Directors unanimously recommend that Shareholders and Optionholders accept the Offers to be made to them; and
 - (2) each Director intends to accept, or procure the acceptance of, the Offers made to them in respect of all Shares they own or control,in each case in the absence of a Superior Proposal;
- (b) not to make any public statement or take any other public action which would suggest that the Takeover Bid is not unanimously recommended by the Directors unless a Superior Proposal emerges; and
- (c) to procure that the Directors do not withdraw their recommendation subsequently unless a Superior Proposal emerges.

4.5 Conduct of Company during Offer Period

Until the end of the Offer Period:

- (a) the Company must, and must procure that each of its related bodies corporate:
 - (1) conduct their business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
 - (2) preserve and maintain the value of their business and assets, and their relationships with customers, suppliers, employees and others with whom they have business dealings; and
- (b) the Company must not issue any Shares except as a consequence of the exercise of Options or Unlisted Options.

4.6 Conduct of Bidder during Offer Period

Until the end of the Offer Period:

- (a) the Bidder must, and must procure that each of its related bodies corporate:
 - (1) conduct their business in its usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
 - (2) preserve and maintain the value of their business and assets, and their relationships with customers, suppliers, employees and others with whom they have business dealings;
- (b) the Bidder must not issue any securities except as a consequence of the exercise of options on issue as at the date of this agreement;
- (c) between the Announcement Date and the end of the Offer Period (each inclusive), the Bidder must not, and must procure that each of its related bodies corporate do not, incur or commit to incur an amount of capital expenditure in excess of \$250,000 other than:
 - (1) capital expenditure incurred on Tarfaya Block 8 in which the Bidder has an interest as at the Announcement Date; or
 - (2) capital expenditure in the day to day operating activities of the business of the Bidder and its subsidiaries conducted in the same manner as before the Announcement Date; and
- (d) the Bidder must ensure that no Prescribed Occurrences occur in relation to any member of the Bidder Group.

4.7 Permitted conduct

The obligations of the parties under clauses 4.5 and 4.6 do not apply in respect of:

- (a) any matter required to be done or procured by the other party pursuant to, or which is otherwise contemplated by, this agreement or the Takeover Offer;
- (b) any matter which is required to be done by law or by an order of a court or a Government Authority; and
- (c) any matter the undertaking of which the other party has approved in writing (which approval must not be unreasonably withheld or delayed).

4.8 Bid Conditions

- (a) Subject to clause 4.8(c), each party must use all reasonable endeavours to satisfy the Bid Conditions as soon as practicable after the date of this agreement.
- (b) Subject to clause 4.8(c), each party agrees not to do, or omit to do, anything which will, or is likely to, result in any of the Bid Conditions being breached.
- (c) Nothing in this clause 4.8 prevents the Company or the Board from taking, or failing to take, action where to do otherwise would, in the opinion of the Board (determined in good faith), constitute a breach of the Directors' fiduciary or statutory duties.
- (d) Each party must promptly notify the other if it becomes aware that any Bid Condition has been satisfied. If any event occurs or becomes apparent which would cause any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each party must, to the extent that the party is actually aware of such information, immediately notify the other party of that event.
- (e) A reference in this clause 4.8 to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, satisfied.

4.9 No independent expert

The parties agree that an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act. The parties acknowledge and agree that the Company does not currently intend to commission the preparation of an independent expert's report for the Target's Statement.

4.10 Approvals

- (a) The Bidder agrees that, as soon as practicable after announcing the Takeover Bid, it will apply for all relevant approvals required (or which are customarily obtained) from any Government Agency in relation to the Takeover Bid and the Company will provide all reasonable assistance to the Bidder in seeking such approvals.
- (b) If the Bidder:
 - (1) acquires a relevant interest in not less than 50.1% of the Company; and
 - (2) unconditionally commits to waive all remaining defeating conditions to its Offers upon obtaining any outstanding Government Approvals that are required to be obtained (or which are customarily obtained) from any Government Agency by the Company in relation to the Takeover Bid, but have not yet been obtained,

then the Company, as soon as practicable after being requested by the Bidder to do so, will apply for all of those approvals and the Bidder will provide all reasonable assistance to the Company in seeking such approvals.

5 Takeover Bid – variation and waiver

5.1 Variation

The Bidder may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act, provided that the varied terms and conditions are not less favourable to Shareholders than the Agreed Bid Terms.

5.2 Waiver of Bid Conditions and extension

Subject to the Corporations Act, the Bidder may declare the Takeover Bid to be free from any Bid Condition or extend the Takeover Bid at any time.

6 Payment of costs

6.1 Background

- (a) The Bidder and the Company acknowledge that, if they enter into this agreement and the Takeover Bid is subsequently not implemented, the Bidder and the Company will incur significant costs.
- (b) Each party has requested that provision be made for the payments outlined in this clause 6, without which they would not have entered into this agreement or have otherwise agreed to implement the Takeover Bid.
- (c) Each party confirms that its board of directors:
 - (1) has received legal advice in relation to this agreement and the operation of this clause 6; and
 - (2) believes that the Takeover Bid will provide benefits to it and its shareholders and that it is appropriate for it to agree to the payments referred to in this clause 6 in order to secure the other party's participation in the Takeover Bid.

6.2 Payment of costs incurred by Bidder

The Company must pay the Break Fee to the Bidder if at any time following the Bidder's announcement of the Takeover Bid, a Competing Proposal is announced or made before the end of the Offer Period which is either unconditional or is declared to be free of all defeating conditions, and the third party announcing or making that Competing Proposal:

- (a) directly or indirectly acquires a relevant interest in 50% or more of the Company's Shares;
- (b) directly or indirectly acquires control of the Company on an unconditional basis; or
- (c) otherwise acquires or merges with the Company.

6.3 Basis of Break Fee

The Break Fee has been calculated to reimburse the Bidder or the Company (as the case may be) for:

- (a) fees for legal and financial advice (including the Bidder's nominated adviser on AIM matters) incurred in connection with the Takeover Bid;
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative transactions or strategic initiatives;
- (c) costs of its management's and directors' time incurred in connection with Takeover Bid;
- (d) out of pocket expenses incurred by its employees, advisers and agents in connection with the Takeover Bid;
- (e) any damage to its reputation associated with a failed transaction and the implications of that damage if it seeks to execute alternative transactions in the future; and
- (f) losses associated with any damage to its goodwill with its customers, suppliers or employees,

incurred by it directly or indirectly in connection with the Takeover Bid.

6.4 Calculation of Break Fee

The parties acknowledge and agree that:

- (a) the loss actually incurred by the relevant party under this clause 6 will be of such nature that it cannot accurately be ascertained; and
- (b) the Break Fee is a genuine and reasonable pre-estimate of those fees, costs and losses.

6.5 Compensation for Company

In consideration for the Company entering into this agreement, if:

- (a) the Bidder fails to comply with its obligations under clause 2.1; or
- (b) the Company terminates this agreement in accordance with clauses 10.1(d) or 10.2(b),

the Bidder undertakes to pay the Company the Break Fee which the parties agree is a genuine and reasonable pre-estimate of the costs the Company would have incurred in those circumstances.

6.6 Payment

- (a) A party may demand payment under this clause 6 by written notice to the other party setting out the circumstances giving rise to payment.
- (b) If a party is obliged under the terms of this clause 6 to pay an amount to the other party, that party must pay that amount to the other party within 21 Business Days of receiving a demand for payment in accordance with clause 6.6(a).

6.7 Compliance with law

If:

- (a) it is found by the Takeovers Panel or a court that all or any part of the payment required to be made under this clause 6 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances and the period for

lodging an application for review or a notice of appeal (as applicable) has expired without the application or notice having been lodged; or

- (b) following lodgment of an application for review or a notice of appeal with the Takeovers Panel or a court within the prescribed period, it is found by the relevant review panel or appeal court that all or any part of the payment required to be made this clause 6 is unlawful, involves a breach of directors' duties or constitutes Unacceptance Circumstances,

(Challenged Amount), then:

- (c) the parties' undertakings under this clause 6 do not apply to the extent of the Challenged Amount; and
- (d) any party that has already received an amount under this clause 6 must refund any Challenged Amount.

6.8 Break Fee payable only once

Where a Break Fee becomes payable under this clause 6 and is actually paid, the recipient of the Break Fee cannot make any claim against the other party for payment of any subsequent Break Fee.

6.9 Other Claims

The maximum liability of any each party for all claims in any way connected to this agreement or the Takeover Bid, howsoever made or arising, shall not exceed the Break Fee.

7 Exclusivity

7.1 No existing discussions

The Company represents and warrants that, other than the discussions with the Bidder in respect of the Takeover bid, it is not as at the date of this agreement in negotiations or discussions in respect of any Competing Proposal with any person.

7.2 No shop

During the Exclusivity Period, the Company must not, and must ensure that each of its Related Persons does not, directly or indirectly, solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 7.2, but nothing in this clause 7.2 prevents the Company from making normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid.

7.3 Matching right

Without limiting clause 7.1, during the Exclusivity Period, the Company:

- (a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, the

Company or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal; and

- (b) must use its best endeavours to procure that none of its Directors change their recommendation in favour of the Takeover Bid to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Takeover Bid),

unless:

- (c) the Board acting in good faith and in order to satisfy what the members of the Board consider to be their statutory or fiduciary duties determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;
- (d) the Company has provided the Bidder with the material terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the Third Party making the actual, proposed or potential Competing Proposal;
- (e) the Company has given the Bidder at least 2 Business Days after the date of the provision of the information referred to in clause 7.3(d) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and
- (f) the Bidder has not announced a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 2 Business Day period in clause 7.3(e) above.

7.4 Cease discussions

The Company must cease any discussions or negotiations existing as at the date of this agreement relating to:

- (a) any actual, proposed or potential Competing Proposal; or
- (b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Takeover Bid.

7.5 Provision of information

During the Exclusivity Period, the Company must as soon as possible provide the Bidder with:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any material non-public information about the business or affairs of the Company or the Company Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to the Bidder.



8 Confidentiality

8.1 Confidentiality Agreement

- (a) The Company releases the Bidder from its confidentiality obligations owed to the Company under the Confidentiality Agreement to the extent necessary for the Bidder to make the Takeover Bid provided always that the Bidder consults with the Company regarding the form and content of any proposed disclosure of Company confidential information and takes all reasonable steps to restrict that disclosure to the maximum extent possible.
- (b) Each party acknowledges and agrees that, except as provided for in clause 8.1(a), it continues to be bound by the Confidentiality Agreement in respect of all information received by it from the other party before or after the date of this agreement.

8.2 Survival of obligations

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

9 Warranties

9.1 Mutual warranties

Each party represents and warrants to the other that, as at the date of this agreement and until the close of the Offer Period:

- (a) it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) it has full power and capacity to enter into and perform its obligations under this agreement;
- (c) this agreement has been duly executed and is a legal, valid and binding agreement, enforceable against the party in accordance with its terms;
- (d) all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its/their terms have been obtained;
- (e) it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this agreement or the transaction contemplated by it;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it, for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets; and
- (g) no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.

9.2 Company warranties

- (a) In addition to the warranties set out in clause 9.1, the Company represents and warrants that, as at the date of this agreement:
- (1) the information contained in Schedule 4 is complete and accurate, and there are no other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights;
 - (2) it is not in breach of its continuous disclosure obligations under the Listing Rules; and
 - (3) it has, so far as it is aware, fairly disclosed to the Bidder all material information in relation to the Company and its business, and has not knowingly withheld any material information.
- (b) For the purposes of clause 9.2(a)(3), the Company will be deemed to know or be aware of a particular fact, matter or circumstance if the Company or a Director or officer of the Company is actually aware of that fact, matter or circumstance as at the date of this agreement.

9.3 Bidder warranties

In addition to the warranties set out in clause 9.1, the Bidder represents and warrants that, as at the date of this agreement:

- (a) the shares of the Bidder to be issued to Shareholders under the Takeover Bid will be fully paid, and issued free from any encumbrances or other third party interests;
- (b) the options to acquire shares of the Bidder to be issued to Optionholders under the Takeover Bid will be issued free from any encumbrances or other third party interests;
- (c) other than the approvals referred to in defeating condition to the Agreed Bid Terms set out in paragraph 3.1 of schedule 2, no approvals are required to be obtained by the Bidder under any law, rule or regulation (including under the Listing Rules) to perform and observe its obligations under this agreement and to consummate the transaction contemplated by this agreement;
- (d) it will comply during the Offer Period with its obligations under Part 6.9 of the Corporations Act;
- (e) the information contained in Schedule 6 is complete and accurate, and there are no other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights;
- (f) it is not in breach of its continuous disclosure obligations under the Listing Rules or the AIM Rules; and
- (g) it has, so far as it is aware, fairly disclosed to the Company all material information in relation to the Bidder and its business, and has not knowingly withheld any material information.

For the purposes of clause 9.3(g), the Bidder will be deemed to know or be aware of a particular fact, matter or circumstance if the Bidder or one of its directors or officers is actually aware of that fact, matter or circumstance as at the date of this agreement.

9.4 Reliance on representations and warranties

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.
- (c) Each party acknowledges and confirms that clauses 9.4(a) and 9.4(b) do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

9.5 Notification

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this clause 9.

9.6 Release of officers

- (a) Subject to the Corporations Act and the AIM Rules, none of the Directors or officers of the Company will be liable for anything done or purported to be done in connection with the Takeover Bid or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person. The Company receives and holds the benefit of this clause as agent for its Directors and officers.
- (b) Subject to the Corporations Act and the AIM Rules, none of the directors or officers of the Bidder will be liable for anything done or purported to be done in connection with the Takeover Offer or any transaction contemplated by this agreement, but nothing in this clause excludes any liability that may arise from wilful misconduct, fraud, wilful misrepresentation (including by omission) or bad faith on the part of such a person. The Bidder receives and holds the benefit of this clause as agent for its directors and officers.

10 Termination

10.1 Termination rights

A party may terminate this agreement by written notice to the other party if at any time after the date on which the Offer is announced under clause 3 and before the end of the Offer Period:

- (a) the Board changes its recommendation in relation to the Takeover Bid as a result of the Board determining that it has received a Superior Proposal;
- (b) the other party is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;

- (c) a representation or warranty given by the other party under clause 9 is or becomes untrue in any material respect and the breach of the representation or warranty is of a kind that, had it been disclosed to the first party before its entry into this agreement, could reasonably be expected to have resulted in that first party either not entering into this agreement or entering into it on materially different terms;
- (d) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
- (e) the Bidder withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.

10.2 Company specific termination rights

The Company may terminate this agreement by written notice to the Bidder if:

- (a) at any time after the date of this agreement and before the end of the Offer Period, a Bidder Material Adverse Change occurs;
- (b) the conditions precedent to completion of the Galp Farm-in Agreement (set out in clause 3.1 of the Galp Farm-in Agreement) have not been satisfied, or otherwise become incapable of being satisfied, on or before 1 February 2014; or
- (c) any litigation or regulatory proceedings involving the Bidder are commenced, threatened to be commenced, or announced, which may reasonably result in a judgment of \$3 million or more being made against the Bidder, other than that which is in the public domain as at the Announcement Date.

10.3 Effect of termination

If this agreement is terminated by a party under this clause 10:

- (a) each party will be released from its obligations under this agreement, except its obligations under clauses 6, 8.1(b), 10, 11 and 12;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bid.

11 GST

11.1 Interpretation

In this clause 11, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

11.2 GST gross up

- (a) Subject to clause 11.2(b), if a party makes a supply under or in connection with this agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 11.2 (**GST exclusive consideration**) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 11.2(a) does not apply to any consideration that is expressed in this agreement to be inclusive of GST.

11.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 11.2.

11.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this agreement until it receives a tax invoice for the supply to which the payment relates.

12 Notices

12.1 Form of Notice

A notice or other communication to a party under this agreement (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to that party in accordance with the details nominated in Schedule 1 (or any alternative details nominated to the sending party by Notice).

12.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address



Method of giving Notice	When Notice is regarded as given and received
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By fax to the nominated fax number	At the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety. However, if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included.
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

12.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 12.2).

13 General

13.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

13.2 Duty, costs and expenses

- (a) The Bidder must pay all stamp duty in respect of the execution, delivery and performance of any transaction evidenced by this agreement.
- (b) Except as otherwise provided in this agreement, each party must pay its own legal costs and expenses in respect of the negotiation, preparation, execution, delivery and completion of this agreement.

13.3 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 13.3(a) does not apply where enforcement of the provision of this agreement in accordance with clause 13.3(a) would materially affect the nature or effect of the parties' obligations under this agreement.

13.4 Waivers and variation

- (a) A provision of, or a right, discretion or authority created under, this agreement may not be:
 - (1) waived except in writing signed by the party granting the waiver; and
 - (2) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver of that right, power, authority, discretion or remedy.

13.5 Assignment of rights

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 13.5(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 13.5(b) does not affect the construction of any other part of this agreement.

13.6 Further assurances

Each party must do all things and execute all further documents necessary to give full effect to this agreement.

13.7 Counterparts

This agreement may be executed in any number of counterparts.

13.8 Severability

Any provision in this agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

13.9 Attorneys

Each of the attorneys executing this agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.



13.10 Time of the essence

Time is of the essence of this agreement.

13.11 Entire understanding

- (a) This agreement and the Confidentiality Agreement contain the entire understanding between the parties as to the subject matter of this agreement. To the extent of any inconsistency between them, this agreement prevails.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this agreement (including the letter agreement entered into between the parties in regards to exclusivity dated on or about 30 November 2013) are merged in and superseded by this agreement and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (1) affects the meaning or interpretation of this agreement; or
 - (2) constitutes any collateral agreement, warranty or understanding between any of the parties.

13.12 Relationship of parties

This agreement is not intended to create a partnership, joint venture or agency relationship between the parties.



Schedules

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Form of initial joint announcement	33
Bidder's capital structure	34



Schedule 1

Notice details

Bidder	Tangiers Petroleum Limited
Address	Level 2 5 Ord Street WEST PERTH WA 6005
Attention	Robert Dalton (Joint Company Secretary)
Phone	+61 8 9485 0990
Fax	+61 8 9321 8990
Email	rdalton@tangierspetroleum.com.au

	Jacka Resources Limited
Address	Level 11 London House 216 St Georges Terrace PERTH WA 6000
Attention	Bob Cassie (Managing Director)
Phone	+61 8 6380 3312
Fax	+61 08 9463 6103
Email	bob@jackaresources.com.au

Schedule 2

Agreed Bid Terms

1 Consideration

0.468 Tangiers Shares for every Share held; and
0.468 Tangiers Options for every Option held.

2 Offer Period

6 weeks from the date of the Offers

3 Bid Conditions

3.1 Regulatory approvals

Before the end of the Offer Period, all approvals or consents that are required by law, by any public authority, or by any other third party as are necessary to permit:

- (a) the Offers to be lawfully made to and accepted by the Shareholders and Optionholders;
- (b) the transactions contemplated by the Bidder's Statement to be completed; and
- (c) the Company to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

3.2 No regulatory action and consents

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by the Bidder or any associate of the Bidder),

in consequence of or in connection with the Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or



threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by the Bidder of any Shares or any material assets of the Company or any subsidiary of the Company.

3.3 Minimum acceptance

At the end of the Offer Period, the Bidder has relevant interests in at least 90% of the Shares and has acquired not less than an aggregate of 53% of the Unlisted Options and Options on issue.

3.4 No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs:

- (a) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (b) information is disclosed or announced by the Company concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (c) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to the Bidder (whether or not becoming public),

(each of (a), (b) and (c) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (d) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Company Group taken as a whole; or
- (e) without limiting the generality of clause 3.4(d), the effect of a diminution in the value of the consolidated net assets of the Company Group, taken as a whole, by at least \$3 million against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (f) an event, matter, change or circumstance caused, or materially contributed to, by the Bidder;
- (g) anything required or permitted to be done or not done under this agreement or otherwise required to be done in connection with the legal obligations for the implementation of the Takeover Bid;
- (h) any event, matter, change or circumstance:
 - (1) fairly disclosed by the Company to the Bidder or any Related Person of the Bidder;
 - (2) disclosed in public filings by the Company to ASX or ASIC; or
 - (3) otherwise known by the Bidder or any Related Person of the Bidder, at any time prior to the date of this agreement;
- (i) an event, matter, change or circumstance in or relating to:
 - (1) economic, business, regulatory or political conditions in general;



- (2) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
 - (3) any change affecting the petroleum industry generally (including junior exploration companies, as well as fluctuations in commodity prices);
- (j) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which the Company's insurers have agreed to pay; or
- (k) anything done with the prior written consent of the Bidder.

3.5 Capital expenditures

Between the Announcement Date and the end of the Offer Period (each inclusive), the Company does not incur or commit to incur an amount of capital expenditure in excess of \$250,000 other than:

- (a) capital expenditure incurred on existing projects in which the Company has an interest as at the Announcement Date; or
- (b) capital expenditure in the day to day operating activities of the business of the Company and its subsidiaries conducted in the same manner as before the Announcement Date.

3.6 No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against the Company which may reasonably result in a judgment of \$3 million or more is commenced, is threatened to be commenced, is announced, or is made known to the Bidder (whether or not becoming public) or the Company, other than that which is in the public domain as at the Announcement Date.

3.7 Equal access

Between the Announcement Date and the end of the Offer Period, the Company promptly, and in any event within 2 Business Days, provides to the Bidder a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to the Company or any of its subsidiaries, or their respective assets, liabilities or operations, that has been provided by the Company or any of its directors, officers, agents or representatives to any person other than the Bidder, other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (a) a takeover bid for, or scheme of arrangement proposed by, the Company, under the Corporations Act;
- (b) the acquisition by that person or an associate of substantially all the assets and operations of the Company; or
- (c) any transaction having a similar economic effect.

3.8 No prescribed occurrences

Between the Announcement Date and the date 3 business days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (a) the Company converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) the Company or a subsidiary of the Company resolving to reduce its share capital in any way;
- (c) the Company or a subsidiary of the Company entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Company or a subsidiary of the Company making an issue of Shares (other than Shares issued as a result of the exercise of Options into Shares) or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (e) the Company or a subsidiary of the Company issuing, or agreeing to issue, convertible notes;
- (f) the Company or a subsidiary of the Company disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a subsidiary of the Company granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) the Company or a subsidiary of the Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of the Company or of a subsidiary of the Company;
- (j) the making of an order by a court for the winding up of the Company or of a subsidiary of the Company;
- (k) an administrator of the Company or of a subsidiary of the Company being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a subsidiary of the Company executing a deed of company arrangement;
- (m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of the Company or of a subsidiary of the Company.

3.9 No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive), the Company does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).



Schedule 3

Timetable

Event	Date
Joint announcement of Takeover Bid	5 December 2013
• Bidder lodges Bidder's Statement with ASIC and serves it on Company and ASX • Company lodges Target's Statement with ASIC and serves it on Bidder and ASX	20 January 2014
• Completion of joint dispatch of Bidder's Statement and Target's Statement to Shareholders • Offer Period commences	4 February 2014

Schedule 4

Company's capital structure

Number	Class
336,013,503	Shares
50,000,000	\$0.35 listed options exercisable on or before 1 February 2015
5,000,000	\$0.35 unlisted options exercisable on or before 31 December 2013
11,700,000	\$0.50 unlisted options exercisable on or before 31 July 2014
500,000	\$0.20 unlisted options exercisable on or before 11 October 2015
19,250,000	\$0.14 unlisted options exercisable on or before 1 February 2015
1,250,000	\$0.20 unlisted options exercisable on or before 3 May 2017
2,700,000	\$0.20 unlisted options exercisable on or before 11 September 2016



Schedule 5

Form of initial joint announcement

Schedule 6

Bidder's capital structure

Number	Class
174,579,220	Tangiers Shares
1,000,000	\$0.22 unlisted options exercisable on or before 19 July 2014
6,000,000	\$0.60 unlisted options exercisable on or before 16 December 2014
1,000,000	\$0.22 unlisted options exercisable on or before 16 December 2014
500,000	\$0.50 unlisted options exercisable on or before 2 April 2015
3,274,124	\$0.60 unlisted options exercisable on or before 2 April 2015
3,500,000	\$0.70 unlisted options exercisable on or before 2 April 2015
300,000	\$0.50 unlisted options exercisable on or before 10 April 2015
213,733	GBP£0.256 (A\$0.393) unlisted options exercisable on or before 19 November 2015
487,230	GBP£0.242 (A\$0.383) unlisted options exercisable on or before 19 November 2015
2,000,000	\$0.28 unlisted options exercisable on or before 26 November 2015 (voluntary escrow for 12 months)
1,500,000	\$0.28 unlisted options exercisable on or before 26 November 2015 (vesting conditions apply)
3,000,000	\$0.28 unlisted options exercisable on or before 26 November 2015
2,500,000	\$0.45 unlisted options exercisable on or before 31 March 2016
2,500,000	\$0.45 unlisted options exercisable on or before 31 October 2016 (voluntary escrow for 12 months)

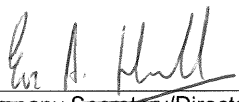


Signing page

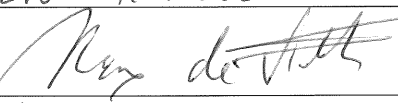
Executed as an agreement

Bidder

Signed by
Tangiers Petroleum Limited
by

sign here ► 
~~Company Secretary/Director~~

print name EVE HOWELL

sign here ► 
Director

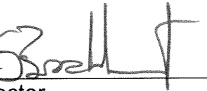
print name Max de Vietri

Company

Signed by
Jacka Resources Limited
by

sign here ► 
~~Company Secretary/Director~~

print name ROBERT CASSIE

sign here ► 
Director

print name STEPHEN BROCKHURST

Attachment 2

ASX announcements by Tangiers since 30 April 2013

The following announcements have been made to the ASX concerning Tangiers since the release of its 2013 Annual Report on 30 April 2013.

Date	Announcement
17/01/2014	Quarterly Activities and Cashflow Report
13/01/2014	Cancellation of Tangiers Australian Permits
20/12/2013	JKA: Chairman's Letter to Jacka Resources Shareholders
20/12/2013	Tangiers receives official approve for farm-out to Galp
19/12/2013	Notice of General Meeting/Proxy Form
05/12/2013	Postponement of General Meeting
05/12/2013	Investor Presentation - Takeover Offer
05/12/2013	Reinstatement to Official Quotation
05/12/2013	Recommended Takeover Offer By Tangiers for Jacka
04/12/2013	Suspension from Official Quotation
02/12/2013	Trading Halt
29/11/2013	Offshore Tarfaya Block Update
19/11/2013	Letter to Shareholders
13/11/2013	Appendix 3B - Exercise of Options

Date	Announcement
08/11/2013	Notice of General Meeting/Proxy Form
06/11/2013	Appendix 3B - Issue of Options
04/11/2013	Listed Options Expiry and Appendix 3B - Exercise of Options
28/10/2013	Quarterly Activities and Cashflow Report
28/10/2013	Appendix 3B - Exercise of Options
25/10/2013	Response to ASX Price Query
21/10/2013	Appendix 3B - Exercise of Options
14/10/2013	Appendix 3B - Exercise of Options
10/10/2013	Tangiers signs underwriting agreement
08/10/2013	CWH: Tangiers agreement terminates
08/10/2013	Tangiers terminates farm-out agreement with CWH Resources
07/10/2013	Appendix 3B - Exercise of Options
04/10/2013	Amended Change of Director's Interest Notices
01/10/2013	Change of Director's Interest Notice
01/10/2013	Appendix 3B - Exercise of Options
24/09/2013	Appendix 3B - Exercise of Options
23/09/2013	Appendix 3B - Exercise of Options
18/09/2013	Letter to Listed Optionholders - Expiry of Options
16/09/2013	Appendix 3B - Exercise of Options

Date	Announcement
16/09/2013	Letter to Shareholders
04/09/2013	Good Oil Conference Presentation 2013
23/08/2013	Half Yearly Report
21/08/2013	CWH to re-comply with Chapters 1 & 2 for Tangiers deal
24/07/2013	Investor Presentation
18/07/2013	Quarterly Activities and Cashflow Report
10/07/2013	Initiation of Research Coverage on Tangiers Petroleum
26/06/2013	Joint Company Secretary Appointment/Resignation
30/05/2013	Results of Meeting
30/05/2013	Chairman's Address to Shareholders
27/05/2013	Tangiers appoints Joint Australian Broker
22/05/2013	Tangiers executes farm-out agreement
22/05/2013	CWH: Tangiers agreement executed
21/05/2013	Tangiers appoints Joint UK Broker
10/05/2013	CWH: Tangiers agreement
10/05/2013	Tangiers takes another key step in growth strategy

Corporate directory

Tangiers Petroleum Limited

Level 2 5 Ord St West Perth WA 6005

Financial Advisor

Foster Stockbroking Pty Ltd

Level 21, 25 Bligh Street, Sydney, NSW 2000

Tangiers Share Registry

Computershare Investor Services Pty Ltd

GPO Box 52 Melbourne VIC 3001

Legal Advisor

Herbert Smith Freehills

Level 36 QV1 Building 250 St Georges Terrace Perth WA 6000

Auditor

Ernst & Young

Ernst & Young Building

11 Mounts Bay Road Perth WA 6000

Tax adviser

Deloitte Tax Services Pty Ltd

Level 14, Woodside Plaza

240 St Georges Terrace Perth WA 6000

Nominated Adviser (in relation to Tangiers listing on AIM)

RFC Ambrian Ltd

Level 15, QV1 Building

250 St Georges Terrace, Perth WA 6000

Tangiers Offers Information Line

1300 453 060 or +61 3 9415 4040

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:

(within Australia) 1300 453 060
(outside Australia) +61 3 9415 4040

000001 000 JKA_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Transfer and Acceptance Form - Jacka Shares

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Tangiers Petroleum Limited ("Tangiers") to acquire all of your Jacka Shares in Jacka Resources Limited ("Jacka") ACN (140 113 130) the terms of which are set out in the Bidder's Statement from Tangiers dated 20 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Jacka register, as provided to Tangiers. The current address recorded by Tangiers is printed above and overleaf. If you have recently bought or sold Jacka Shares your holding may differ from that shown. If you have already sold all your Jacka Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Shares.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

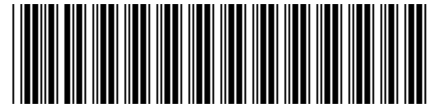
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Please provide the contact details of the person you authorise or speak to about this form.

Turn over to complete the form ➔



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Transfer and Acceptance Form

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at XX January 2014:

2000

Consideration to be issued to you on the basis of 0.468 Tangiers Share for every 1 Jacka Share accepted.

By accepting the Offer for ALL of your Jacka Shares, you are accepting the Offer for ALL the Jacka Shares as recorded by Tangiers as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Shares. The consideration applicable is set out in the terms of the Offer.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Tangiers for Jacka Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Jacka Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name**

**Contact
Daytime
Telephone**

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Tangiers Petroleum Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

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 **Computershare** +

000002 000 JKA_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:
Return this form directly to your
stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:
(within Australia) 1300 453 060
(outside Australia) +61 3 9415 4040

Transfer and Acceptance Form - Jacka Shares

CHESS

 **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Tangiers Petroleum Limited ("Tangiers") to acquire all of your Jacka Shares in Jacka Resources Limited ("Jacka") ACN (140 113 130) the terms of which are set out in the Bidder's Statement from Tangiers dated 20 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.
Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Jacka register, as provided to Tangiers. The current address recorded by Tangiers is printed above and overleaf. If you have recently bought or sold Jacka Shares your holding may differ from that shown. If you have already sold all your Jacka Shares, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Shares.
As your Jacka Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Tangiers to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Tangiers and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Tangiers (and authorise Tangiers to warrant on your behalf) that you have full legal and beneficial ownership of the Jacka Shares to which this form relates and that Tangiers will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Tangiers to initiate the acceptance of the Offer on your behalf. Neither Tangiers or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Please provide the contact details of the person you authorise or speak to about this form.

Turn over to complete the form →



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Transfer and Acceptance Form

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at XX January 2014:

2000

Consideration to be issued to you on the basis of 0.468 Tangiers Share for every 1 Jacka Share accepted.

By accepting the Offer for ALL of your Jacka Shares, you are accepting the Offer for ALL the Jacka Shares as recorded by Tangiers as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Shares. The consideration applicable is set out in the terms of the Offer.

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Tangiers for Jacka Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Jacka Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name**

**Contact
Daytime
Telephone**

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Tangiers Petroleum Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

J K A _ T K

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 **Computershare** +

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:



Phone:

(within Australia) 1300 453 060
(outside Australia) +61 3 9415 4040

000001 000 JKA_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Transfer and Acceptance Form - Jacka Listed Options

ISSUER

Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Tangiers Petroleum Limited ("Tangiers") to acquire all of your Jacka Listed Options in Jacka Resources Limited ("Jacka") ACN (140 113 130) the terms of which are set out in the Bidder's Statement from Tangiers dated 20 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Jacka register, as provided to Tangiers. The current address recorded by Tangiers is printed above and overleaf.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Listed Options.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

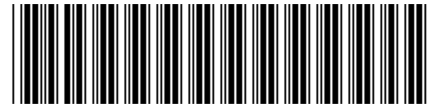
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Please provide the contact details of the person you authorise or speak to about this form.

Turn over to complete the form ➔



Transfer and Acceptance Form - Jacka Listed Options

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STEP 1 Registration Name & Offer Details

For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at XX January 2014:

2000

Consideration to be issued to you on the basis of 0.468 Tangiers Options
for every 1 Jacka Listed Options accepted.

By accepting the Offer for ALL of your Jacka Listed Options, you are
accepting the Offer for ALL the Jacka Listed Options as recorded by
Tangiers as being held by you at the date your acceptance is processed
(even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Listed Options. The consideration applicable is set
out in the terms of the Offer.

STEP 3 Signature of Securityholder(s) This section must be completed.

I/We accept the Offer made by Tangiers for Jacka Listed Options and I/we agree to be bound by the terms and conditions of the Offer
and transfer ALL of my/our Jacka Listed Options as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers
of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be
disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or
permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate,
incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material)
approved by Tangiers Petroleum Limited in addition to general corporate communications. You may elect not to receive marketing material by
contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au



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000002 000 JKA_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form:



To Your Controlling Participant:
Return this form directly to your
stockbroker



By Mail:
Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:
(within Australia) 1300 453 060
(outside Australia) +61 3 9415 4040

Transfer and Acceptance Form - Jacka Listed Options

CHESS

 **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Tangiers Petroleum Limited ("Tangiers") to acquire all of your Jacka Listed Options in ("Jacka") ACN (140 113 130) the terms of which are set out in the Bidder's Statement from Tangiers dated 20 January 2014 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined. If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

By signing this form, you warrant to Tangiers (and authorise Tangiers to warrant on your behalf) that you have full legal and beneficial ownership of the Jacka Listed Options to which this form relates and that Tangiers will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Tangiers to initiate the acceptance of the Offer on your behalf.

Neither Tangiers or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Jacka register, as provided to Tangiers. The current address recorded by Tangiers is printed above and overleaf.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Listed Options. As your Jacka Listed Options are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Tangiers to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Tangiers and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
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Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Please provide the contact details of the person you authorise or speak to about this form.

Turn over to complete the form →





Transfer and Acceptance Form - Jacka Listed Options

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STEP 1 Registration Name & Offer Details

For your security keep your SRN/ HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at XX January 2014:

2000

Consideration to be issued to you on the basis of 0.468 Tangiers Options for every 1 Jacka Listed Options accepted.

By accepting the Offer for ALL of your Jacka Listed Options, you are accepting the Offer for ALL the Jacka Listed Options as recorded by Tangiers as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Jacka Listed Options. The consideration applicable is set out in the terms of the Offer.

STEP 3 Signature of Securityholder(s) This section must be completed.

I/We accept the Offer made by Tangiers for Jacka Listed Options and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Jacka Listed Options as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact Name

Contact
Daytime
Telephone

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by Tangiers Petroleum Limited in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au



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