

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, lawyer or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as hereinafter defined) is not being made to, nor will deposits be accepted from or on behalf of Shareholders (as hereinafter defined) in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror (as hereinafter defined) may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

October 30, 2008



**MIRROR LAKE OIL AND GAS COMPANY LIMITED,
an indirect wholly-owned subsidiary of
SINOPEC INTERNATIONAL PETROLEUM
EXPLORATION AND PRODUCTION CORPORATION**

**OFFER TO PURCHASE FOR CASH
all of the issued and outstanding common shares of
Tanganyika Oil Company Ltd.
for
C\$31.50 CASH for each common share**

The Offer is open for acceptance until 10:00 a.m. Calgary time on December 5, 2008, unless withdrawn or extended.

This offer (the "Offer") by Mirror Lake Oil and Gas Company Limited (the "Offeror"), an indirect wholly-owned subsidiary of Sinopec International Petroleum Exploration and Production Corporation ("Sinopec International"), to purchase all of the issued and outstanding common shares ("Tanganyika Shares") in the capital of Tanganyika Oil Company Ltd. ("Tanganyika"), including all Tanganyika Shares which may become outstanding upon the exercise of outstanding Tanganyika Options (as hereinafter defined) or which are represented by SDRs (as hereinafter defined), will be open for acceptance from the date of this Offer until 10:00 a.m. (Calgary time) (the "Expiry Time") on December 5, 2008, unless withdrawn or extended. The Offer is conditional upon, among other things, there being validly deposited under the Offer and not withdrawn at least 66 $\frac{2}{3}$ % of the outstanding Tanganyika Shares (on a diluted basis), prior to the Expiry Time. This condition, and the other conditions to the Offer, are described in section 4 of the Offer, "Conditions of the Offer".

The board of directors of Tanganyika, after consultation with its legal and financial advisors and upon receipt of a fairness opinion from Scotia Waterous Inc., has unanimously determined that the Offer is fair, from a financial point of view, to the holders of Tanganyika Shares ("Shareholders") and in the best interests of Tanganyika and the Shareholders and unanimously recommends that Shareholders ACCEPT the Offer and deposit their Tanganyika Shares to the Offer.

Prior to the date hereof, Sinopec International entered into the Lock-Up Agreements (as hereinafter defined) with each of the Locked-Up Shareholders (as hereinafter defined), which agreements provide that each of such Locked-Up Shareholders will tender pursuant to the Offer and not withdraw all of the Tanganyika Shares beneficially owned or controlled by them, including all Tanganyika Shares they shall acquire upon the exercise of Tanganyika Options or which underlie SDRs, subject to the terms of such agreements. The Locked-Up Shareholders beneficially own or control 9,030,352 Tanganyika Shares and Tanganyika Options entitling them to acquire an additional 1,502,100 Tanganyika Shares, or, in aggregate, approximately 16.2% of the issued and outstanding Tanganyika Shares calculated on a diluted basis. See section 1 of the Circular, "Background to and Reasons for the Offer – Lock-Up Agreements".

The Depositary for the Offer is:

Equity Transfer & Trust Company

The Information Agent for the Offer is:

Georgeson Shareholder Communications Canada Inc.

The Financial Advisor for Sinopec International is:

Nomura International (Hong Kong) Limited

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The Tanganyika Shares are, and have been since September 16, 2008, listed and posted for trading on the TSX (as hereinafter defined) under the trading symbol "TYK". The SDRs are listed and posted for trading on the OMX (as hereinafter defined) under the trading symbol "TYKS". Prior to September 16, 2008, the Tanganyika Shares were listed and posted for trading on the TSX Venture Exchange. The Offer represents a premium of approximately 21.2% to the closing price of the Tanganyika Shares on the TSX on September 24, 2008, the last trading day prior to the public announcement of the Offer. See section 4 of the Circular, "Tanganyika Oil Company Ltd. - Price Range and Trading Volume of Tanganyika Shares".

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (as hereinafter defined) or a manually executed facsimile thereof and deposit it, together with the certificate or certificates representing their Tanganyika Shares, in accordance with the instructions in the accompanying Letter of Transmittal. See section 3 of the Offer, "Manner of Acceptance". Alternatively, Shareholders who desire to deposit Tanganyika Shares and whose certificate or certificates for such Tanganyika Shares are not immediately available may deposit such certificate or certificates by completing the accompanying Notice of Guaranteed Delivery (as hereinafter defined) following the procedures for guaranteed delivery set forth in the accompanying Notice of Guaranteed Delivery and section 3 of the Offer, "Manner of Acceptance - Procedure for Guaranteed Delivery".

Questions and requests for assistance may be directed to the Depositary or Georgeson (each as hereinafter defined) or your broker or other financial advisor. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary or Georgeson at their respective offices shown on the last page of this document. Persons whose Tanganyika Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact them for assistance if they wish to accept the Offer.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES NOR HAS ANY SECURITIES REGULATORY AUTHORITY IN CANADA OR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Offer is made for the securities of a Canadian corporation. The Offer is subject to Canadian disclosure requirements, which are different from those of the United States.

The enforcement of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Sinopec International is incorporated and located in The People's Republic of China and the Offeror is incorporated and located in Canada, that some or all of their respective officers and directors are residents of The People's Republic of China or Canada, that some or all of Georgeson and the experts named in the Offer or Circular are not residents of the United States, and that all or a substantial portion of the assets of Sinopec International and the Offeror and of the above-mentioned persons may be located outside the United States.

The disposition of Tanganyika Shares pursuant to the Offer or any Compulsory Acquisition (as hereinafter defined) or Subsequent Acquisition Transaction (as hereinafter defined) may have tax consequences under the laws of the United States and Canada. Such consequences for Shareholders that are residents of, or citizens of, or otherwise subject to taxation in the United States are not described in this Offer. If U.S. (as hereinafter defined) Shareholders fail to provide the Depositary with the information solicited on the Substitute Form W-9 set out in the accompanying Letter of Transmittal, or fail to certify that they are not subject to U.S. backup withholding, the Depositary may be required to withhold U.S. income tax from the payments of cash or other consideration made to U.S. Shareholders. U.S. Shareholders are solely responsible for determining the tax consequences applicable to their particular circumstances and are urged to consult their tax advisors concerning the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction. Shareholders who are citizens or residents of the United States should be aware that tendering Tanganyika Shares pursuant to the Offer may have tax consequences under the laws of both the United States and Canada.

Shareholders should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Tanganyika Shares during the Offer Period (as hereinafter defined), if permitted by applicable Laws.

FORWARD-LOOKING STATEMENTS

Certain statements in the Offer and Circular under “Acquisition of Tanganyika Shares Not Deposited”, “Background to and Reasons for the Offer”, “Purpose of the Offer and Sinopec International’s Plans for Tanganyika”, and “Effect of the Offer on Market and Listings”, in addition to certain statements contained elsewhere in the Offer and Circular, are forward-looking statements and are prospective in nature. By their nature, forward-looking statements require the Offeror and Sinopec International to make assumptions and are subject to inherent risks and uncertainties. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “except”, “believe” or “continue” or the negative thereof or similar variations. There is significant risk that predictions, assumptions and other forward-looking statements will not prove to be accurate. Shareholders are cautioned not to place undue reliance on forward-looking statements because a number of factors could cause actual future results, conditions, actions or events to differ materially from financial and operating targets, expectations, estimates or intentions expressed in the forward-looking statements. The Offeror and Sinopec International have made certain assumptions about the economy and the oil and gas industry and have also assumed that there will be no significant events occurring outside of Sinopec International’s and Tanganyika’s normal course of business. Factors that could cause actual results to differ materially include but are not limited to: the conditions of the Offer not being satisfied; valid acceptance of the Offer by holders of 66⅔% of the Tanganyika Shares (on a diluted basis) not being obtained; approvals or clearances required to be obtained from regulatory and other agencies and bodies not being obtained in a timely manner or at all; business and economic conditions in Tanganyika’s and Sinopec International’s principal markets; competition; economic growth and fluctuations; capital expenditure levels; financing and debt requirements; tax matters; political instability in the countries in which Tanganyika and Sinopec International operate; changes in applicable Laws, including Laws relating to oil and gas exploration and production operations, foreign investment, taxation, environmental protection, labour and employment and the protection of the health and safety of workers; human resource developments; technology; regulatory developments; process risks (including internal reorganizations and integrations); health, safety and environmental developments; litigation and legal matters; business continuity events (including manmade and natural threats); and any prospective acquisitions or divestitures.

Although the Offeror and Sinopec International have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Offeror, Sinopec International and Tanganyika disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable Law.

CURRENCY AND EXCHANGE RATES

All dollar references in the Offer Documents are in Canadian dollars, except where otherwise indicated. On October 29, 2008, the rate of exchange for the Canadian dollar expressed in U.S. dollars, based on the noon rate as provided by the Bank of Canada was Canadian \$1.00 = United States \$0.8125.

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GLOSSARY

In the Offer Documents, the following terms shall have the meanings set forth below, unless the subject matter or context is inconsistent therewith or such terms are otherwise herein defined in the Offer or Circular.

“Acquisition Proposal” means, other than the transactions contemplated by the Support Agreement, any offer, proposal, expression of interest, or inquiry from any person (other than the Offeror or any of its affiliates) after the date hereof relating to: (a) any acquisition or sale, direct or indirect, of: (i) the assets of Tanganyika and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Tanganyika and its Subsidiaries; or (ii) 20% or more of any voting or equity securities of Tanganyika or any of its Subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Tanganyika and its Subsidiaries; (b) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Tanganyika; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Tanganyika or any of its Subsidiaries.

“affiliate” has the meaning ascribed thereto in the *Securities Act* (Alberta) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time, except as otherwise provided herein.

“associate” has the meaning ascribed thereto in the *Securities Act* (Alberta) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time, except as otherwise provided herein.

“Business Day” means any day, other than a Saturday, a Sunday and a statutory or civic holiday in, Calgary, Canada, Stockholm, Sweden or Beijing, China.

“CBCA” means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time.

“Change in Recommendation” has the meaning ascribed thereto in section 1 of the Circular, “Background To And Reasons For the Offer – Support Agreement – Termination”.

“Circular” means the take-over bid circular accompanying the Offer and forming part hereof.

“Competition Act” means the *Competition Act* (Canada) and regulations made thereunder, as promulgated or as amended from time to time.

“Compulsory Acquisition” has the meaning ascribed thereto in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited - Compulsory Acquisition”.

“Confidentiality Agreement” means the letter agreement dated March 27, 2008 between Sinopec International and Tanganyika pursuant to which Sinopec International has been provided with access to confidential information of Tanganyika.

“Court” has the meaning ascribed thereto in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited – Compulsory Acquisition”.

“CRA” has the meaning ascribed thereto in section 9 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“Depositary” means Equity Transfer & Trust Company at the offices specified in the Letter of Transmittal, as described in section 8 of the Circular, “Depositary and Georgeson”.

“diluted basis” means, with respect to the number of outstanding Tanganyika Shares at any time, such number of outstanding Tanganyika Shares calculated assuming that all outstanding Tanganyika Options and other rights to acquire Tanganyika Shares are exercised.

“Directors’ Circular” means the circular prepared by the Tanganyika Board, which accompanies the Offer Documents and is to be sent to all Shareholders in connection with the Offer.

“Dissenting Offeree” has the meaning ascribed thereto in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited - Compulsory Acquisition”.

“Effective Date” means the date on which the Offeror first pays for Tanganyika Shares deposited to the Offer.

“Effective Time” means the time that the Offeror has acquired ownership of and paid for that number of Tanganyika Shares at least sufficient to satisfy the Minimum Tender Condition pursuant to the terms of the Offer.

“Eligible Institution” means a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Association Medallion Program, a member of the Stock Exchange Medallion Program or a member of the New York Stock Exchange, Inc. Medallion Signature Program, where the members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

“Employee” means all full time, part-time or temporary persons employed or retained by Tanganyika or its Subsidiaries, including, without limitation, all officers, consultants and individuals on disability leave, maternity and parental leave, partial leave or other approved leave of absence.

“Exchanges” means, together, the TSX and the OMX.

“Expiry Date” means December 5, 2008 or such other date or dates as may be fixed by the Offeror from time to time pursuant to section 5 of the Offer, “Extension and Variation of the Offer”.

“Expiry Time” means 10:00 a.m. (Calgary time) on the Expiry Date or such other time or times as may be fixed by the Offeror from time to time pursuant to section 5 of the Offer, “Extension and Variation of the Offer”.

“Fairness Opinion” means the fairness opinion of Scotia Waterous Inc. dated September 25, 2008 attached as Schedule A to the accompanying Directors’ Circular.

“Georgeson” means Georgeson Shareholder Communications Canada Inc., as described in section 8 of the Circular, “Depositary and Georgeson”.

“Governmental Entity” means: (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange, including the Exchanges.

“Initial Expiry Date” means December 5, 2008.

“Initial Expiry Time” means 10:00 a.m. (Calgary time) on December 5, 2008.

“Investment Canada Act” means the *Investment Canada Act*, and regulations made thereunder, as promulgated or as amended from time to time.

“Law” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term **“applicable”** with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities.

“Letter of Transmittal” means the letter of transmittal accepting the Offer in the form printed on white paper accompanying the Offer and Circular.

“Lock-Up Agreements” means, collectively, the agreements dated as of September 25, 2008 between each of the Locked-Up Shareholders and Sinopec International described in section 1 of the Circular, “Background to and Reasons for the Offer – Lock-Up Agreements”.

“Locked-Up Shareholders” means, collectively, each director and officer of Tanganyika and each other Shareholder who has entered into a Lock-Up Agreement and **“Locked-Up Shareholder”** means any one of them.

“Material Adverse Effect” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate with other such changes, effects, events or occurrences, is, or could reasonably be expected to be, material and adverse to the business, prospects, operations, assets, liabilities (contingent or otherwise), results of operations or condition (financial or otherwise) of Tanganyika and its Subsidiaries, taken as a whole but shall not include any change, effect, event, occurrence or state of facts resulting from:

- (a) general economic, financial, currency exchange or securities market conditions in Canada or the United States of America;
- (b) the announcement of the execution of the Support Agreement or the transactions contemplated thereby;
- (c) any matter that has been publicly disclosed by Tanganyika, or otherwise expressly disclosed in writing by Tanganyika to the Offeror, prior to September 25, 2008;
- (d) conditions affecting the oil and gas industry as a whole;
- (e) any change in the market price for crude oil, natural gas or related hydrocarbons;
- (f) any change in applicable Laws or Canadian generally accepted accounting principles;
- (g) the failure of Tanganyika to meet any internal or public projections, forecasts or estimates of revenues, earnings or production of Petroleum Substances (provided, however, that the causes underlying such failure may be considered to determine whether such causes constitute a Material Adverse Effect); or
- (h) any action or inaction taken by Tanganyika that is consented to by the Offeror expressly in writing,

provided, however, that the change, effect, event, occurrence or state of facts referred to in clauses (a), (d), (e) or (f) above shall not be excluded from the definition of Material Adverse Effect if it primarily relates to (or has the effect of primarily relating to) Tanganyika and its Subsidiaries, taken as a whole, or materially disproportionately adversely affects Tanganyika and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the oil and gas industry.

“**MI 61-101**” has the meaning ascribed thereto in section 12 of the Offer “Acquisition of Tanganyika Shares Not Deposited – Subsequent Acquisition Transaction”.

“**Minimum Tender Condition**” means that there shall have been validly deposited under the Offer and not withdrawn at the Expiry Time that number of Tanganyika Shares which constitutes at least 66⅔% of the Tanganyika Shares outstanding (on a diluted basis) at the Expiry Time.

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery in the form printed on green paper accompanying the Offer and the Circular.

“**NDRC**” means the National Development and Reform Commission of The People’s Republic of China.

“**Offer**” means the offer to purchase Tanganyika Shares, including all Tanganyika Shares which may become outstanding on the exercise of Tanganyika Options or which are represented by SDRs, made hereby to Shareholders, the terms and conditions of which are set forth in the Offer Documents.

“**Offer Deadline**” means October 31, 2008.

“**Offer Documents**” means, collectively, the Offer, Circular, Letter of Transmittal and Notice of Guaranteed Delivery.

“**Offer Period**” means the period commencing on the date of this document and ending at the Expiry Time.

“**Offered Consideration**” means \$31.50 in cash per Tanganyika Share.

“**Offeror**” means Mirror Lake Oil and Gas Company Limited, a corporation incorporated under the CBCA and an indirect wholly-owned subsidiary of Sinopec International.

“**Offeror’s Notice**” has the meaning ascribed thereto in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited - Compulsory Acquisition”.

“**OMX**” means the OMX Nordic Exchange Stockholm AB.

“**Other Securities**” has the meaning ascribed thereto in section 3 of the Offer, “Manner of Acceptance – General”.

“**Outside Date**” means December 31, 2008, or such later date as may be agreed to in writing by the Parties.

“**Parties**” means, collectively, Tanganyika, Sinopec International and the Offeror, and “**Party**” means any of them.

“**person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“**Petroleum Substances**” means petroleum, natural gas and all related hydrocarbons, whether gaseous, liquid or solid, and any and all other substances that may be produced in association with them, whether hydrocarbons or not.

“PRC Approvals” means all approvals required to be obtained from any Governmental Entity of The People’s Republic of China in order for the Offeror to complete the transactions contemplated by the Support Agreement including, approvals of each of the State Council, the NDRC, the State Administration of Foreign Exchange and the Ministry of Commerce of The People’s Republic of China.

“Proposed Amendments” has the meaning ascribed thereto in section 9 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“Purchased Securities” has the meaning ascribed thereto in section 3 of the Offer, “Manner of Acceptance – General”.

“Regulations” has the meaning ascribed thereto in section 9 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

“Representatives” has the meaning ascribed thereto in section 1 of the Circular, “Background To And Reasons For the Offer – Support Agreement – Non Solicitation”.

“Required Regulatory Approvals” means: (a) if required: (i) the issuance of an Advance Ruling Certificate pursuant to section 102 of the Competition Act in connection with the transactions contemplated by the Support Agreement provided that such Advance Ruling Certificate has not been rescinded prior to the Outside Date; or (ii) (1) the expiry or termination of the waiting period under section 123 of the Competition Act, or waiver of the notification requirement pursuant to section 113(c) of the Competition Act, and (2) the Commissioner of Competition advising the Parties, in writing, that she has no intention to file an application under Part VIII of the Competition Act, in connection with the transactions contemplated by the Support Agreement and such advice has not been rescinded prior to the Outside Date; (b) the PRC Approvals; (c) if required, notice to the Offeror from the Minister responsible under the Investment Canada Act that he is satisfied or deemed to be satisfied that the transactions contemplated by the Support Agreement are likely to be of net benefit to Canada; and (d) any other approvals of a Governmental Entity required to complete the Offer or the other transactions contemplated by the Support Agreement.

“Response Period” has the meaning ascribed thereto in section 1 of the Circular, “Background To And Reasons For the Offer – Support Agreement – Right to Match”.

“SDRs” means Swedish Depositary Receipts.

“Securities Laws” means: (a) the *Securities Act* (Alberta) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time, together with all other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time; and (b) and in relation to the Offer for Tanganyika Shares represented by SDRs, “The Rules Regarding Take Over Offers” of the OMX and the rulings of the Swedish Securities Counsel regarding interpretation and application of such rules.

“Seller’s Shares” has the meaning ascribed thereto in section 1 of the Circular, “Background To And Reasons for the Offer – Lock-Up Agreements”.

“Shareholders” means the holders of Tanganyika Shares.

“Sinopec Group” means China Petrochemical Corporation.

“Sinopec International” means Sinopec International Petroleum Exploration and Production Corporation, a corporation existing under the laws of The People’s Republic of China.

“Stock Option Plan” means the incentive stock option plan of Tanganyika approved by the holders of Tanganyika Shares at the annual and special meeting of such holders on April 24, 2008 and as filed with the TSX.

“Subsequent Acquisition Transaction” has the meaning ascribed thereto in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited – Subsequent Acquisition Transaction”.

“Subsidiary” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a Subsidiary.

“Superior Proposal” means any *bona fide* written Acquisition Proposal that is an unsolicited offer made after the date of the Support Agreement (and not obtained in violation of the provisions described in section 1 of the Circular, “Background to and Reasons for the Offer – Support Agreement – Cease Negotiation” and “Non-Solicitation”) to acquire 100% of the outstanding Tanganyika Shares or all or substantially all of the consolidated assets of Tanganyika and its Subsidiaries and (a) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal; (b) that, in the case of an offer to acquire all of the issued and outstanding Tanganyika Shares, is made to all Shareholders on the same terms and conditions; (c) is not subject to a due diligence condition; and (d) in respect of which the Tanganyika Board determines, in its good faith judgment, after receiving the written advice of its outside legal and financial advisors as reflected in the minutes of the Tanganyika Board (confirmation of which shall be delivered to the Offeror as soon as practicable), that: (i) failure to recommend such Acquisition Proposal to the Shareholders would be inconsistent with its fiduciary duties under applicable Law; and (ii) having regard for all of its terms and conditions, such Acquisition Proposal, will, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Shareholders from a financial point of view than the transactions contemplated by the Support Agreement, after taking into account any change to the transactions contemplated by the Support Agreement proposed by the Offeror pursuant to the provisions described in section 1 of the Circular, “Background to and Reasons for the Offer – Support Agreement – Right to Match”.

“Support Agreement” means the support agreement dated September 25, 2008 between Sinopec International and Tanganyika.

“Tanganyika” means Tanganyika Oil Company Ltd., a corporation existing under the CBCA.

“Tanganyika Board” means the board of directors of Tanganyika as the same is constituted from time to time.

“Tanganyika Option” means an option to acquire Tanganyika Shares granted under the Stock Option Plan.

“Tanganyika Shares” means the common shares in the capital of Tanganyika, as currently constituted.

“Tax Act” means the *Income Tax Act*, (Canada), and regulations made thereunder, as promulgated or as amended from time to time.

“Termination Fee” means \$65 million.

“Termination Fee Event” has the meaning ascribed thereto in section 1 of the Circular, “Background To and Reasons For the Offer – Support Agreement – Termination Fee”.

“Transaction Proposal” has the meaning ascribed thereto in section 1 of the Circular, “Background To and Reasons For the Offer - Lock-Up Agreements”.

“TSX” means the Toronto Stock Exchange.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

SUMMARY

Set forth below is a summary of selected information contained in the Offer Documents, the Support Agreement and the Lock-Up Agreements, which is qualified in all respects by the detailed provisions of those documents. Shareholders are urged to read the Offer Documents in their entirety. Certain capitalized terms used in this summary are defined in the Glossary.

The Offer

The Offeror is offering, during the Offer Period and upon the terms and subject to the conditions of the Offer, to purchase all of the issued and outstanding Tanganyika Shares, including all Tanganyika Shares which may be issued on the exercise of Tanganyika Options or which are represented by SDRs, for the Offered Consideration of \$31.50 in cash per Tanganyika Share. The Offer is open for acceptance until, but not later than, the Expiry Time.

The Offer is made only for Tanganyika Shares and is not made for any Tanganyika Options, SDRs or any other rights to acquire Tanganyika Shares. To the extent permitted by the terms thereof, any holder of Tanganyika Options or SDRs who wishes to accept the Offer should, as the case may be, exercise such options in order to obtain certificates representing Tanganyika Shares and deposit such Tanganyika Shares in accordance with the Offer or cause all Tanganyika Shares which underlie the SDRs to be tendered to the Offer.

The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror and its agents may, in the Offeror's sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The obligation of the Offeror to take up and pay for Tanganyika Shares pursuant to the Offer is subject to certain conditions. See section 4 of the Offer, "Conditions of the Offer".

Recommendation of the Tanganyika Board

The Tanganyika Board, after consultation with its legal and financial advisors and upon receipt of a fairness opinion from Scotia Waterous Inc., has **unanimously**: (a) approved the Support Agreement; (b) determined that the Offer is fair, from a financial point of view, to the Shareholders and is in the best interests of Tanganyika and the Shareholders; and (c) recommended that the Shareholders accept the Offer. See section 2 of the Circular, "Recommendation of the Board of Directors of Tanganyika".

Fairness Opinion

Scotia Waterous Inc. is acting as exclusive financial advisor to Tanganyika and has provided the Tanganyika Board with the Fairness Opinion, which states that, as of the date thereof, the consideration to be received by holders of Tanganyika Shares pursuant to the Offer is fair, from a financial point of view, to Shareholders. See the accompanying Directors' Circular.

Support Agreement

Sinopec International and Tanganyika have entered into the Support Agreement, pursuant to which Sinopec International agreed to make the Offer, either directly or through a direct or indirect wholly-owned Subsidiary, subject to the terms and conditions thereof. The Support Agreement contains, among other things, covenants of Sinopec International and the Offeror relating to the making of the Offer, covenants of Tanganyika relating to steps to be taken to support the Offer, covenants of Tanganyika not to solicit any other offers, representations and warranties of Sinopec International, Tanganyika and the Offeror and provisions relating to

the payment of a termination fee to the Offeror by Tanganyika or the payment of a break fee to Tanganyika by the Offeror in certain circumstances. See section 1 of the Circular, "Background to and Reasons for the Offer - Support Agreement".

Lock-Up Agreements

Sinopec International has entered into a Lock-Up Agreement with each of the Locked-Up Shareholders, which agreements provide that each of such Locked-Up Shareholders will tender pursuant to the Offer and not withdraw all of the Tanganyika Shares beneficially owned or controlled by them, including all Tanganyika Shares they acquire upon the exercise of Tanganyika Options or which underlie SDRs, subject to the terms of such agreements. The Locked-Up Shareholders beneficially own or control 9,030,352 Tanganyika Shares and Tanganyika Options entitling them to acquire an additional 1,502,100 Tanganyika Shares, or, in aggregate, approximately 16.2% of the issued and outstanding Tanganyika Shares calculated on a diluted basis. See section 1 of the Circular, "Background to and Reasons for the Offer - Lock-Up Agreements".

Time for Acceptance

The Offer is open for acceptance until, but not later than, the Initial Expiry Time unless extended at the Offeror's sole discretion or withdrawn by the Offeror in accordance with the terms of the Offer. See section 5 of the Offer, "Extension and Variation of the Offer" and section 6 of the Offer, "Take Up and Payment for Deposited Tanganyika Shares".

Manner of Acceptance

Shareholders who wish to accept the Offer must deposit certificates representing their Tanganyika Shares, together with a properly completed and duly executed Letter of Transmittal in the form accompanying the Offer, or a manually executed facsimile thereof, and any other documents required by the Letter of Transmittal, with the signatures guaranteed, if required, at one of the offices of the Depositary specified in the Letter of Transmittal not later than the Expiry Time. Instructions are contained in the Letter of Transmittal. Shareholders whose Tanganyika Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact their nominee to deposit their Tanganyika Shares. **Any holder of SDRs who wishes to accept the Offer and deposit Tanganyika Shares represented by such SDRs to the Offer should follow the instructions provided to SDR holders with the Offer and Circular.**

If the certificate or certificates representing Tanganyika Shares are not available for deposit prior to the Expiry Time, Shareholders may accept the Offer by complying with the procedures for guaranteed delivery as set forth in the Notice of Guaranteed Delivery and section 3 of the Offer, "Manner of Acceptance - Procedure for Guaranteed Delivery".

Except as otherwise provided in the instructions and rules set out in the Letter of Transmittal, all signatures on the Letter of Transmittal and on certificates representing Tanganyika Shares and, if necessary, on the Notice of Guaranteed Delivery, must be Medallion guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder(s) of the Tanganyika Shares deposited therewith, and in certain other circumstances as set forth in the Letter of Transmittal, then the certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder(s). **The signature(s) on such endorsement or securities transfer power of attorney must be Medallion guaranteed by an Eligible Institution.**

The deposit of Tanganyika Shares pursuant to the procedures set forth in this Offer will constitute a binding agreement between the depositing Shareholder and Offeror upon the terms and subject to the conditions of the Offer.

See section 3 of the Offer, "Manner of Acceptance".

Take Up and Payment for Deposited Tanganyika Shares

If all the conditions referred to in section 4 of the Offer, "Conditions of the Offer", are satisfied or waived, at or prior to the Expiry Time, the Offeror will (unless it shall have withdrawn or terminated the Offer) become obligated to take up and pay for the Tanganyika Shares validly deposited under the Offer and not withdrawn as soon as practicable in the circumstances, but in any event within three Business Days of the Expiry Time. In accordance with applicable Law, any Tanganyika Shares deposited under the Offer after the first date on which Tanganyika Shares have been taken up by the Offeror will be taken up and paid for, without interest, within 10 days of such deposit, or at such other earlier time as required by applicable Law.

Settlement with Shareholders who hold Tanganyika Shares which are represented by SDRs which are taken up pursuant to the Offer will be made in Swedish kronor. The payment of amounts due to such holders of SDRs will be subject to conversion from Canadian dollars into Swedish kronor at the applicable foreign currency exchange rates at the time of conversion. Neither the Offeror, nor Sinopec International, shall be liable to any Shareholders or holder of SDRs in respect of any such currency conversions or any shortfall caused thereby.

See section 6 of the Offer, "Take Up and Payment for Deposited Tanganyika Shares".

Withdrawal of Deposited Tanganyika Shares

Tanganyika Shares deposited pursuant to the Offer may be withdrawn until being taken up and paid for by the Offeror by following the procedures set forth in section 7 of the Offer, "Withdrawal of Deposited Tanganyika Shares".

Conditions of the Offer

The Offeror reserves the right to withdraw the Offer and not take up and pay for any Tanganyika Shares deposited under the Offer unless the conditions set forth in section 4 of the Offer, "Conditions of the Offer", are satisfied or waived by Offeror at or prior to the Expiry Time. The Offer is conditional upon, among other things, there being validly deposited under the Offer and not withdrawn at the Expiry Time at least 66% of the outstanding Tanganyika Shares (on a diluted basis). For a description of the conditions to the Offer, see section 4 of the Offer, "Conditions of the Offer".

Regulatory Considerations

The Offeror's obligation to take up and pay for Tanganyika Shares under the Offer is conditional upon obtaining all Required Regulatory Approvals, including the PRC Approvals. Sinopec International and the Offeror expect all PRC Approvals will be obtained prior to the Initial Expiry Time. See section 17 of the Circular, "Regulatory Matters".

The Offer does not meet the thresholds for notification of an acquisition of shares under Part IX of the Competition Act. The Commissioner of Competition has the power to inquire into any transaction if she has reason to believe that it will substantially lessen or prevent competition in Canada and, if grounds exist, to apply to the Competition Tribunal for an order preventing the completion of the Offer, allowing it to proceed subject to certain conditions or, in the case of a completed acquisition or merger, requiring its unwinding or dissolution, the divestiture of assets or shares or, with the consent of the Offeror, to take any other action necessary to remove the substantial anti-competitive effect. If such an application is made prior to the Offeror having taken up and paid for the Tanganyika Shares, or in certain circumstances if the Commissioner requires more time to complete her inquiry, the Commissioner may request the issuance of an injunction to delay completion of the Offer.

The Offeror intends to file a notification under the Investment Canada Act, with Industry Canada within 30 days after the Effective Date.

Sinopec International and the Offeror

The Offeror is a corporation formed on October 22, 2008 under the CBCA and is an indirect wholly-owned subsidiary of Sinopec International. It was organized solely for the purpose of consummating the Offer. The Offeror has not carried on any activities to date other than activities incident to its formation and in connection with the Offer.

Sinopec International is a corporation existing under the laws of The People's Republic of China. It is a wholly-owned subsidiary of Sinopec Group. Sinopec Group is China's largest producer and supplier of oil products and major petrochemical products. It is also China's second largest crude oil producer. Sinopec Group ranked 16th in the Fortune Global 500 in 2008. Sinopec Group produced 41.08 million tonnes of crude oil and 8.0 billion cubic meters of natural gas in 2007. Sinopec Group, through Sinopec International, invests in the petroleum sector outside of The People's Republic of China and its oil and gas exploration, development and production operations spread over 20 countries in Asia, Africa, North America and South America.

See section 3 of the Circular, "Sinopec International Petroleum Exploration and Production Corporation and the Offeror".

Tanganyika

Tanganyika is a Canada-based oil and gas company focused on its properties in Syria. Tanganyika holds operating interests in two Syrian production sharing agreements covering the Oudeh Block and the Tishrine and Sheik Mansour Blocks. During the first half of 2008, the average gross field production by Tanganyika was 16,670 barrels of oil per day. See section 4 of the Circular, "Tanganyika Oil Company Ltd."

Purpose of the Offer

The purpose of the Offer is to enable Sinopec International to indirectly acquire all of the issued and outstanding Tanganyika Shares, including all Tanganyika Shares which may become outstanding upon the exercise of outstanding Tanganyika Options or which are represented by SDRs.

If the Offer is successful, it is expected that certain changes will be effected with respect to the composition of the Tanganyika Board and the officers of Tanganyika to allow nominees of Sinopec International to become directors and officers of Tanganyika. Following consummation of the Offer, Sinopec International intends to review the affairs and operations of Tanganyika and consider what actions might be appropriate in the circumstances, which actions may include staffing changes, disposition of certain assets of Tanganyika and integration of the business of Tanganyika with the business of Sinopec International. Such actions may also include the winding-up or amalgamation of Tanganyika with the Offeror or another subsidiary of Sinopec International as part of a Subsequent Acquisition Transaction or otherwise.

If permitted by applicable Law, subsequent to the completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, Sinopec International intends to cause Tanganyika to delist the Tanganyika Shares and the SDRs from the Exchanges and to cause Tanganyika to cease to be a reporting issuer or the equivalent under the securities laws of each province of Canada and each other jurisdiction in which it is subject to public reporting requirements. The effect of these actions will be that Tanganyika will no longer be required to publicly file or provide to securityholders financial information or timely disclosure with respect to its affairs.

See section 5 of the Circular, "Purpose of the Offer and Sinopec International's Plans for Tanganyika".

Acquisition of Tanganyika Shares Not Deposited

If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is shorter, the Offer has been accepted by the holders of not less than 90% of the Tanganyika Shares, and such Tanganyika Shares have been taken up and paid for by the Offeror, the Offeror currently intends to acquire all of the Tanganyika Shares not deposited under the Offer, including all Tanganyika Shares represented by Tanganyika Options or other convertible or exercisable rights, on the same terms as the Tanganyika Shares acquired under the Offer pursuant to the compulsory acquisition provisions of Section 206 of the CBCA. If such statutory right of Compulsory Acquisition is not available, or if the Offeror elects not to proceed by way of such statutory right, then Sinopec International and the Offeror will consider other means of acquiring, directly or indirectly, all of the Tanganyika Shares not deposited under the Offer, including all Tanganyika Shares represented by Tanganyika Options or other convertible or exercisable rights, including a Subsequent Acquisition Transaction. Sinopec International and the Offeror will, in any such case, cause the Tanganyika Shares acquired under the Offer to be voted in favour of such a transaction and, to the extent permitted by applicable Law, to be counted as part of any minority or independent shareholder approval that may be required in connection with such transaction. See section 12 of the Offer, "Acquisition of Tanganyika Shares Not Deposited".

Stock Exchange Listings and Trading of Tanganyika Shares

The Tanganyika Shares are, and have been since September 16, 2008, listed and posted for trading on the TSX under the symbol "TYK". Prior to September 16, 2008, the Tanganyika Shares were listed and posted for trading on the TSX Venture Exchange. The SDRs are listed and posted for trading on the OMX under the trading symbol "TYKS". The Offer represents a premium of approximately 21.2% to the closing price of the Tanganyika Shares on the TSX on September 24, 2008, the last trading day prior to the public announcement of the Offer. See section 4 of the Circular, "Tanganyika Oil Company Ltd. - Price Range and Trading Volume of Tanganyika Shares".

Certain Canadian Federal Income Tax Considerations

The sale of Tanganyika Shares under the Offer will be a disposition for Canadian federal income tax purposes. In general, Canadian residents who hold Tanganyika Shares as capital property and dispose of Tanganyika Shares to the Offeror pursuant to the Offer will realize a capital gain (or capital loss) to the extent that the proceeds of disposition received for the Tanganyika Shares, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base thereof to the Shareholder.

Non-resident Shareholders who have never been resident in Canada generally will not be subject to Canadian federal income tax on any gain realized on a disposition of Tanganyika Shares to the Offeror pursuant to the Offer unless those Tanganyika Shares constitute "taxable Canadian property" within the meaning of the Tax Act and the gain is not otherwise exempt from Canadian income tax under the Tax Act pursuant to the provisions of an applicable income tax treaty or convention.

The foregoing is a brief summary of certain Canadian federal income tax consequences only and is qualified by the assumptions and general description of certain Canadian federal income tax considerations under "Certain Canadian Federal Income Tax Considerations" in section 9 of the Circular. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Tanganyika Shares pursuant to the Offer or a Compulsory Acquisition or a disposition of Tanganyika Shares pursuant to any Subsequent Acquisition Transaction.

See "Certain Canadian Federal Income Tax Considerations" in section 9 of the Circular.

Depositary and Georgeson

Equity Transfer & Trust Company is acting as Depositary under the Offer and Georgeson Shareholder Communications Canada Inc. is acting as information agent. The Depositary will receive deposits of certificates representing the Tanganyika Shares and accompanying Letters of Transmittal at the offices specified in the Letter of Transmittal. The Depositary will receive Notices of Guaranteed Delivery only at the Toronto, Canada office of the Depositary. The Depositary will be responsible for giving certain notices, if required, and for making payment for all Tanganyika Shares purchased by Offeror under the Offer. The Depositary and Georgeson will each receive reasonable and customary compensation from the Offeror for their services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith.

Depositing Shareholders will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Tanganyika Shares directly with the Depositary, or if they use the services of Georgeson to accept the Offer. See section 8 of the Circular, "Depositary and Georgeson".

See section 8 of the Circular, "Depositary and Georgeson".

Sources of Information Concerning Tanganyika

The information concerning Tanganyika contained in the Offer Documents has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources and certain other information provided by Tanganyika to Sinopec International and the Offeror. Sinopec International and the Offeror have been granted limited access to certain additional information concerning the business and affairs of Tanganyika that is not generally available. Although neither Sinopec International nor the Offeror has any knowledge that would indicate that any statements contained herein taken from or based on such information or such documents and records are untrue or incomplete, neither Sinopec International, the Offeror, nor their respective directors and officers assume any responsibility for the accuracy or completeness of such information or the information taken from or based upon such documents and records, or for any failure by Tanganyika to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Sinopec International or the Offeror.

OFFER

TO: THE HOLDERS OF COMMON SHARES OF TANGANYIKA OIL COMPANY LTD.

1. THE OFFER

The Offeror hereby offers to purchase, during the Offer Period and on and subject to the terms and conditions hereinafter specified, all of the issued and outstanding Tanganyika Shares, including all Tanganyika Shares which may become outstanding on the exercise of Tanganyika Options or represented by SDRs, for the Offered Consideration of \$31.50 in cash per Tanganyika Share.

The Offer is made only for Tanganyika Shares and is not made for any Tanganyika Options, SDRs or any other rights to acquire Tanganyika Shares. To the extent permitted by the terms thereof, any holder of Tanganyika Options or SDRs who wishes to accept the Offer should, as the case may be, exercise such options in order to obtain certificates representing Tanganyika Shares and deposit such Tanganyika Shares in accordance with the Offer or cause all Tanganyika Shares which underlie the SDRs to be tendered to the Offer.

The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror and its agents may, in the Offeror's sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The Offer is subject to certain conditions as detailed under section 4 of the Offer, "Conditions of the Offer". If such conditions are met at or prior to the Expiry Time, the Offeror will (unless it shall have withdrawn or terminated the Offer) become obligated to take up and pay for the Tanganyika Shares validly deposited under the Offer and not withdrawn in accordance with the terms hereof. All of the terms and conditions of the Offer may be waived or modified (subject to applicable Law and the provisions of the Support Agreement) by the Offeror without prejudice to any other right which the Offeror may have, by notice in writing delivered to the Depositary at its principal office in Toronto, Canada.

Depositing Shareholders will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Tanganyika Shares directly with the Depositary, or if they use the services of Georgeson to accept the Offer. See section 8 of the Circular, "Depositary and Georgeson".

The attached Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

2. TIME FOR ACCEPTANCE

The Offer is open for acceptance until, but not later than, the Initial Expiry Time unless extended at the Offeror's sole discretion or withdrawn by the Offeror in accordance with the terms of the Offer. See section 5 of the Offer, "Extension and Variation of the Offer" and section 6 of the Offer, "Take Up and Payment for Deposited Tanganyika Shares".

3. MANNER OF ACCEPTANCE

Letter of Transmittal

The Offer may be accepted by delivering to the Depository at the offices listed in the accompanying Letter of Transmittal so as to arrive there prior to the Expiry Time:

- (a) the certificate or certificates representing the Tanganyika Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form (printed on white paper) accompanying the Offer, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) all other documents required by the instructions set out in the Letter of Transmittal.

Unless the procedures for guaranteed delivery set forth below are used, the Offer will not be validly accepted unless the Depository actually receives these documents at its office listed in the Letter of Transmittal at or before the Expiry Time.

If the certificate or certificates representing Tanganyika Shares are not available for deposit prior to the Expiry Time, the Offer may be accepted and the Tanganyika Shares may be deposited in compliance with the procedures for guaranteed delivery as set forth below.

Except as otherwise provided in the instructions and rules set out in the Letter of Transmittal, all signatures on the Letter of Transmittal and on certificates representing Tanganyika Shares and, if necessary, on the Notice of Guaranteed Delivery, must be Medallion guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder(s) of the Tanganyika Shares deposited therewith, and in certain other circumstances as set forth in the Letter of Transmittal, then the certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney duly and properly completed by the registered holder(s). **The signature(s) on such endorsement or securities transfer power of attorney must be Medallion guaranteed by an Eligible Institution.**

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Tanganyika Shares pursuant to the Offer and (i) the certificate(s) representing such Tanganyika Shares are not immediately available, or (ii) such Shareholder is not able to deliver the certificate(s) representing such Tanganyika Shares and all other required documents to the Depository at or prior to the Expiry Time, then such Tanganyika Shares may nevertheless be deposited pursuant to the Offer provided that all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form (printed on green paper) accompanying the Offer, or a manually executed facsimile thereof, is received by the Depository at its office in Toronto, Canada as set forth in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing the deposited Tanganyika Shares, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal in the form (printed on white paper) accompanying the Offer, or a manually executed facsimile thereof, covering the relevant Tanganyika Shares and all other documents

required by the Letter of Transmittal, are received by the Depository at its office in Toronto, Canada as set forth in the Notice of Guaranteed Delivery at or before 5:00 p.m. (Toronto time) on the third trading day on the TSX after the Expiry Date.

In each Notice of Guaranteed Delivery, an Eligible Institution must guarantee delivery of the certificate representing the Tanganyika Shares referenced therein, as set forth in the Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery may be delivered by hand or transmitted by hand, courier, facsimile transmission or mailed so as to be received by the Depository at its office in Toronto, Canada not later than the Expiry Time.

General

In all cases, payment for the Tanganyika Shares deposited and taken up by the Offeror pursuant to the Offer will be made only after timely receipt by the Depository of certificates representing the Tanganyika Shares, together with a properly completed and duly executed Letter of Transmittal in the form accompanying the Offer, or a manually executed facsimile thereof, and any other documents required by the Letter of Transmittal, with the signatures Medallion guaranteed, if required, at one of the offices of the Depository specified in the Letter of Transmittal not later than the Expiry Time. Instructions are contained in the Letter of Transmittal.

The method of delivery of certificates representing the Tanganyika Shares, the Letter of Transmittal and all other required documents is at the option and risk of the person depositing the same. The Offeror recommends that such documents be delivered by hand to the Depository and a receipt obtained. If such documents are mailed, the Offeror recommends that registered mail, with return receipt requested, be used and that proper insurance be obtained.

Shareholders whose Tanganyika Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact such nominee for assistance in depositing such Tanganyika Shares.

The execution of a Letter of Transmittal by a Shareholder irrevocably constitutes and appoints any officer of the Offeror, and each of them, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of such Shareholder with respect to the Tanganyika Shares deposited under the Letter of Transmittal which are taken up and paid for under the Offer (the "**Purchased Securities**") and with respect to any and all dividends, distributions, payments, securities, rights, assets or other interests declared, paid, issued, distributed, made or transferred on or in respect of the Purchased Securities or any of them on or after September 25, 2008 (collectively, the "**Other Securities**"), effective on and after the Effective Date, with full power of substitution, in the name and on behalf of such Shareholder (such power of attorney being deemed to be an irrevocable power coupled with an interest):

- (a) to register or record, transfer and enter the transfer of Purchased Securities and/or any Other Securities on the appropriate register of holders maintained by Tanganyika;
- (b) except as otherwise may be agreed, to exercise any and all of the rights of the holder of the Purchased Securities and/or Other Securities, including, without limitation, to vote, execute and deliver any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities and/or Other Securities, revoke any such instrument, authorization or consent given prior to, on or after the Effective Date, designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of such holder of Tanganyika Shares in respect of such Purchased Securities or such Other Securities for all purposes including, without

limitation, in connection with any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of securities of Tanganyika;

- (c) execute, endorse and negotiate, for and in the name of and on behalf of the registered holder of Purchased Securities and/or Other Securities, any and all cheques or other instruments respecting any distribution payable to or to the order of such holder in respect of such Purchased Securities and/or Other Securities; and
- (d) to exercise any other right of such holder in respect of the Purchased Shares and/or Other Securities.

Furthermore, a holder of Purchased Securities and/or Other Securities who executes a Letter of Transmittal agrees, effective on and after the Effective Date, not to vote any of the Purchased Securities and/or Other Securities at any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of securities of Tanganyika and, except as otherwise may be agreed with the Offeror, not to exercise any or all of the other rights or privileges attached to the Purchased Securities and/or Other Securities, and agrees to execute and deliver to the Offeror, *provided* it is not contrary to any applicable Law, at any time and from time to time as and when requested by, and at the expense of, the Offeror, any and all instruments of proxy, authorizations or consents in respect of the Purchased Securities and/or Other Securities and to designate in any such instruments of proxy the person or persons specified by Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities or Other Securities. Upon such appointment, all prior proxies given by the holder of such Purchased Securities or Other Securities with respect thereto shall be revoked and no subsequent proxies may be given by such person with respect thereto.

A holder of Purchased Securities and/or Other Securities who executes a Letter of Transmittal covenants to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities and the Other Securities to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred shall survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, personal representatives, successors and assigns of the holder, as the case may be and that, except as set out in the Offer, the deposit of Tanganyika Shares pursuant to the Letter of Transmittal is irrevocable.

The deposit of Tanganyika Shares pursuant to the procedures herein will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that:

- (a) such Shareholder has full power and authority to deposit, sell, assign and transfer the Tanganyika Shares (and any Other Securities) being deposited and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Tanganyika Shares (and any Other Securities) to any other person;
- (b) such Shareholder owns the Tanganyika Shares (and any Other Securities) being deposited within the meaning of applicable securities Laws;
- (c) the deposit of such Tanganyika Shares (and any Other Securities) complies with applicable securities Laws; and
- (d) when such Tanganyika Shares (and any Other Securities) are taken up and paid for by the Offeror, the Offeror will acquire good title thereto, free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Tanganyika Shares or Other Securities deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which the Offeror determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction and to waive any defect or irregularity in the deposit of any Tanganyika Shares or Other Securities and accompanying documents. There shall be no duty or obligation on the Offeror, the Depositary, Georgeson, or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer (including the terms and conditions set forth in the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery) shall be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out above.

4. CONDITIONS OF THE OFFER

The Offeror shall have the right to withdraw the Offer and shall not be required to take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open and postpone taking up and paying for, any Tanganyika Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) the Minimum Tender Condition is satisfied;
- (b) all Required Regulatory Approvals shall have been obtained;
- (c) no act, action, suit or proceeding shall have been taken before or by any Governmental Entity (including, by any individual, Tanganyika, firm, group or other entity) in Canada or elsewhere, whether or not having the force of Law, and no Law shall have been proposed, amended, enacted, promulgated or applied, in either case:
 - (i) to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by or the sale to the Offeror of the Tanganyika Shares or the right of the Offeror to own or exercise full rights of ownership of the Tanganyika Shares; or
 - (ii) which, if the Offer were consummated, would reasonably be expected to have a Material Adverse Effect; or
 - (iii) which would materially and adversely affect the ability of the Offeror to proceed with the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction) and/or take up and pay for any Tanganyika Shares deposited under the Offer; or
 - (iv) seeking to obtain from the Offeror or Tanganyika or any of Tanganyika's Subsidiaries any material damages, fines, penalties or other payments directly or indirectly in connection with the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction); or
 - (v) seeking to prohibit, limit or impose material conditions on the direct or indirect ownership or operation by the Offeror of the Tanganyika Shares or any material portion of the business or assets of Tanganyika or its Subsidiaries or to compel the Offeror or Tanganyika or any of their respective direct or indirect

Subsidiaries to dispose of or hold separate any material portion of the business or assets of Tanganyika or any of its Subsidiaries as a result of the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction);

- (d) there shall not exist any prohibition at Law against the Offeror making the Offer or taking up and paying for any Tanganyika Shares deposited under the Offer or completing any Compulsory Acquisition or any Subsequent Acquisition Transaction;
- (e) the Offeror shall have determined in its sole discretion, acting reasonably, that since September 25, 2008 there shall not exist or have occurred (or, if there does exist or has previously occurred, there shall not have been disclosed, generally or to the Offeror in writing prior to September 25, 2008) any change (or any condition, event, circumstance or development involving a prospective change) in the business, assets, operations, capitalization, condition (financial or otherwise), prospects, share or debt ownership, results of operations, cash flows, properties, articles, by-laws, licenses, permits, rights, or privileges, whether contractual or otherwise, or liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), of the Tanganyika or any of the Tanganyika's Subsidiaries which, when considered either individually or in the aggregate, has resulted in or would reasonably be expected to result in a Material Adverse Effect; and
- (f) the Support Agreement shall not have been terminated in accordance with its terms.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such condition. The Offeror may, in the Offeror's sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Offeror may have, *provided* that the Offeror may not waive the Minimum Tender Condition. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time.

5. EXTENSION AND VARIATION OF THE OFFER

The Offer is open for acceptance until, but not after, the Expiry Time, unless withdrawn or extended in the Offeror's sole discretion.

Subject to the terms of the Support Agreement, the Offeror reserves the right, in its sole discretion, at any time and from time to time prior to the Expiry Time (or otherwise as permitted by applicable Law), to extend the Offer by fixing a new Expiry Time or Expiry Date or to vary the terms of the Offer, in each case by giving written notice or other communication confirmed in writing of such extension or variation to the Depositary at its principal office in Toronto, Canada. Notwithstanding the foregoing, pursuant to the terms of the Support Agreement, the Offeror will not, without the prior written consent of Tanganyika: (a) modify or waive the Minimum Tender Condition to permit it to acquire less than 66 ⅔% of the Tanganyika Shares outstanding (calculated on a diluted basis); (b) decrease the Offered Consideration (except for a proportionate reduction in the circumstances in section 9 of the Offer, "Changes in Capitalization, Distributions and Liens"); (c) change the form of the Offered Consideration (other than to increase the consideration per Tanganyika Share and/or add additional consideration or consideration alternatives); (d) impose additional conditions to the Offer; or (e) otherwise modify the Offer (or any terms or conditions thereof) in a manner that is adverse to Tanganyika or the Shareholders *provided*, for greater certainty, that an extension of the Expiry Date of the Offer shall not be considered to be adverse to Tanganyika or the Shareholders.

The Offeror, forthwith after giving any such notice or communication, shall make a public announcement of the extension or variation, shall cause the Depositary as soon as practicable thereafter to provide a copy of such notice or communication in the manner set forth in section 11 of the Offer, "Notice", to all Shareholders whose Tanganyika Shares have not been taken up prior to the extension or variation and shall provide a copy of the aforementioned notice to the Exchanges. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Canada.

Subject to applicable Law, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer have been complied with or waived unless the Offeror first takes up all Tanganyika Shares then deposited under the Offer and not withdrawn. However, if the Offeror extends the Offer in circumstances such that the extension results in rights of withdrawal for a period of 10 days from the date of the notice of change or variation of the Offer as described in section 7 of the Offer, "Withdrawal of Deposited Tanganyika Shares", the Offeror will not take up and pay for any Tanganyika Shares deposited under the Offer and not withdrawn until such rights of withdrawal expire.

Where the terms of the Offer are varied, other than a variation in the terms of the Offer consisting solely of a waiver of a condition, the Offer shall not expire before 10 days after a notice of variation in respect of such variation has been given to Shareholders unless otherwise permitted by applicable Law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by applicable Canadian courts or securities regulatory authorities. However, the Offeror has agreed in the Support Agreement that if it waives the Minimum Tender Condition on a date that is less than 10 days prior to the Expiry Date, the Offeror shall extend the Offer for at least such period of time as is necessary to ensure that the Offer remains open for 10 days from the date of such waiver.

During any such extension or in the event of any variation, all Tanganyika Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to, among other things, to section 6 of the Offer, "Take Up and Payment for Deposited Tanganyika Shares", and to section 7 of the Offer, "Withdrawal of Deposited Tanganyika Shares". An extension of the Offer Period or a variation of the Offer does not constitute a waiver by the Offeror of its rights under section 4 of the Offer, "Conditions of the Offer". If the consideration being offered for the Tanganyika Shares under the Offer is increased, then the increased consideration will be paid to all depositing Shareholders whose Tanganyika Shares are taken up under the Offer, whether or not such Tanganyika Shares are taken up by the Offeror before such variation.

6. TAKE UP AND PAYMENT FOR DEPOSITED TANGANYIKA SHARES

If all the conditions referred to under section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will (unless the Offeror shall have withdrawn or terminated the Offer) become obligated to take up and pay for the Tanganyika Shares deposited under the Offer and not withdrawn within as soon as practicable in the circumstances, but in any event within three Business Days of the Expiry Time. In accordance with applicable Law, any Tanganyika Shares deposited under the Offer after the date on which the Offeror first takes up Tanganyika Shares deposited under the Offer must be taken up and paid for within 10 days of the deposit of such Tanganyika Shares or at such other earlier time as required by applicable Law.

Subject to applicable Law, the Offeror expressly reserves the right in its sole discretion to delay taking up or paying for any Tanganyika Shares or to terminate the Offer and not take up or pay for any Tanganyika Shares if any condition specified in section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived by the Offeror at or prior to the Expiry Time, in whole or in part, by giving written notice thereof or other communication confirmed in writing to the Depositary at its principal office in

Toronto, Canada prior to the Expiry Time. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Tanganyika Shares in order to comply, in whole or in part, with any applicable Law, including, without limitation, for such period of time as may be necessary to obtain any necessary regulatory approval. The Offeror will not, however, take up and pay for any Tanganyika Shares deposited under the Offer unless the Offeror simultaneously takes up and pays for all Tanganyika Shares then validly deposited under the Offer. The Offeror will be deemed to have taken up and accepted for payment Tanganyika Shares validly deposited and not withdrawn pursuant to the Offer if, as and when the Offeror gives written notice or other communication confirmed in writing to the Depositary at its principal office in Toronto, Canada, of its acceptance for payment of such Tanganyika Shares pursuant to the Offer.

The Offeror will pay for Tanganyika Shares validly deposited under the Offer and not withdrawn by providing the Depositary not later than two Business Days prior to the Expiry Date with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Shareholders of the purchase price or portion of the purchase price payable in cash, taking into account the set-off of any portion of the purchase price against the amount owing by depositing Shareholders to the Offeror in respect of the consideration paid by the Offeror to Tanganyika, on behalf of and as agent for such shareholders, for the exercise of Tanganyika Options by such Shareholders. See the accompanying Letter of Transmittal regarding the exercise of Tanganyika Options.

Under no circumstances will interest on the purchase price of Tanganyika Shares purchased by the Offeror accrue, or be paid by the Offeror or the Depositary, to persons depositing Tanganyika Shares, regardless of any delay in making such payment.

The Depositary will act as the agent of persons who have deposited Tanganyika Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons who have deposited and not withdrawn Tanganyika Shares pursuant to the Offer.

Settlement with each Shareholder who has deposited and not withdrawn Tanganyika Shares under the Offer will be made by the Depositary issuing or causing to be issued a cheque payable in Canadian funds in the amount to which that person is entitled (except for payments in excess of \$25 million, which will be made by wire transfer, in which case the Depositary will contact Shareholders promptly following the Expiry Time for the purpose of obtaining wire instructions). Subject to the foregoing and unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Tanganyika Shares so deposited. Unless the person depositing the Tanganyika Shares instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, cheques will be forwarded by first class mail to such persons at the address specified in the Letter of Transmittal. If no address is specified, then cheques will be forwarded to the address of the Shareholder as shown on the registers maintained by or on behalf of Tanganyika. Pursuant to applicable Law, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

Settlement with Shareholders who hold Tanganyika Shares which are represented by SDRs which are taken up pursuant to the Offer will be made in Swedish kronor. The payment of amounts due to such holders of SDRs will be subject to conversion from Canadian dollars into Swedish kronor at the applicable foreign currency exchange rates at the time of conversion. Neither the Offeror, nor Sinopec International, shall be liable to any Shareholders or holder of SDRs in respect of any such currency conversions or any shortfall caused thereby.

If any deposited Tanganyika Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Tanganyika Shares than

the Shareholder desires to deposit, a certificate for Tanganyika Shares not purchased will be returned, without expense, to the depositing Shareholder as soon as practicable following the Expiry Time or withdrawal and early termination of the Offer. See section 8 of the Offer, "Return of Tanganyika Shares".

Depositing Shareholders will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Tanganyika Shares directly with the Depositary, or if they use the services of Georgeson to accept the Offer. See section 8 of the Circular, "Depositary and Georgeson".

7. WITHDRAWAL OF DEPOSITED TANGANYIKA SHARES

All deposits of Tanganyika Shares pursuant to the Offer are irrevocable; however, any Tanganyika Shares, including Tanganyika Shares issuable on the exercise of Tanganyika Options, deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder at the place of deposit (unless otherwise required or permitted by applicable Law):

- (a) at any time when the Tanganyika Shares have not been taken up by the Offeror; or
- (b) at any time after three Business Days from the date that the Offeror takes up such Tanganyika Shares, if such Tanganyika Shares have not been paid for by the Offeror.

In addition, if:

- (a) there is a variation of the terms of the Offer before the Expiry Time including any extension of the period during which Tanganyika Shares may be deposited under the Offer or the modification of a term or condition of the Offer, but excluding, unless otherwise required by applicable Law, (i) a variation consisting solely of an increase in the consideration offered where the time for deposit is not extended for more than 10 days after the notice of variation has been delivered or (ii) a variation consisting solely of the waiver of a condition of the Offer; or
- (b) at or before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer, a change occurs in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer, unless such change is not within the control of the Offeror or of any affiliate of the Offeror,

then any Tanganyika Shares, including Tanganyika Shares issuable on the exercise of Tanganyika Options, deposited under the Offer and not taken up and paid for the Offeror at such time may be withdrawn by or on behalf of the depositing Shareholder at the place of deposit at any time until the expiration of 10 days after the date upon which the notice of such variation or change is mailed, delivered or otherwise communicated, subject to abridgement of that period pursuant to such order or orders as may be granted by Canadian courts or Canadian securities regulatory authorities. If the Offeror waives any terms or conditions of the Offer and extends the Offer in circumstances where the rights of withdrawal set forth in this paragraph are applicable, the Offer shall be extended without the Offeror first taking up the Tanganyika Shares that are subject to the rights of withdrawal.

Withdrawals of Tanganyika Shares, including Tanganyika Shares issuable on the exercise of Tanganyika Options, deposited to the Offer must be effected by notice of withdrawal made in writing by or on behalf of the depositing Shareholder and delivered to the Depositary at the place of deposit of the applicable Tanganyika Shares (or the Notice of Guaranteed Delivery in respect thereof) within the time limits specified above. Any such notice of withdrawal must:

- (a) be made by a method, including a manually signed facsimile transmission, that provides the Depository with a written or printed copy;
- (b) signed by or on behalf of the person who signed the Letter of Transmittal that accompanied the Tanganyika Shares to be withdrawn (or Notice of Guaranteed Delivery in respect thereof); and
- (c) specify such person's name, the number of Tanganyika Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Tanganyika Shares to be withdrawn.

Any signature on a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in the Letter of Transmittal (as described in the instructions set out in Letter of Transmittal), except in the case of Tanganyika Shares deposited for the account of an Eligible Institution. The withdrawal shall take effect upon receipt of the written notice by the Depository.

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be determined by the Offeror, in its sole discretion, and such determination shall be final and binding. **There shall be no duty or obligation on the Offeror, the Depository, Georgeson or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notice.**

If the Offeror extends the Offer, is delayed in taking up or paying for Tanganyika Shares, or is unable to take up or pay for Tanganyika Shares for any reason, then, without prejudice to the Offeror's other rights, no Tanganyika Shares may be withdrawn, except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this section 7 or pursuant to applicable Law.

Withdrawals may not be rescinded and any Tanganyika Shares withdrawn will not be validly deposited for the purposes of the Offer and Tanganyika Options to be exercised in accordance with the terms of the accompanying Letter of Transmittal shall not be exercised. Such Tanganyika Shares may be redeposited at any subsequent time prior to the Expiry Time by following any of the applicable procedures described in section 3 of the Offer, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in certain provinces of Canada are entitled to statutory rights of rescission in certain circumstances. See section 19 of the Circular, "Statutory Rights".

Notwithstanding the foregoing provisions of this section 7, the rights of withdrawal of Tanganyika Shares deposited under the Offer by the Locked-Up Shareholders are subject to the terms and conditions of the Lock-Up Agreements.

8. RETURN OF TANGANYIKA SHARES

If any deposited Tanganyika Shares are not taken up and paid for by the Offeror for any reason, or if certificates are submitted for more Tanganyika Shares than are deposited, certificates for Tanganyika Shares not purchased or deposited will be returned at the Offeror's expense by either sending new certificates representing Tanganyika Shares not purchased or returning the deposited certificates (and other relevant documents). The certificates (and other relevant documents) will be forwarded by first class insured mail in the name of and to the address specified by the depositing Shareholder in the applicable Letter of Transmittal or, if such name or address is not so specified, in such name and to such address of such Shareholder as shown on the registers maintained by or on behalf of Tanganyika as soon as practicable following the Expiry Time or withdrawal or termination of the Offer.

9. CHANGES IN CAPITALIZATION, DISTRIBUTIONS AND LIENS

The Offered Consideration is based on 65,615,330 Tanganyika Shares outstanding, on a diluted basis, as at September 24, 2008 and that Tanganyika will not declare or pay any dividends or other distributions on the Tanganyika Shares. The Offered Consideration will be adjusted accordingly (i.e., the value per Tanganyika Share will be reduced) if the number of outstanding Tanganyika Shares, on a diluted basis, is greater than this amount at or prior to the Expiry Date unless the Offeror has consented to such increase in the number of Tanganyika Shares in writing. Tanganyika has advised that it intends to, and the Offeror has consented to, the grant of an additional 89,000 Tanganyika Options pursuant to offers of employment. Such Tanganyika Options, if granted, will have an exercise price determined in accordance with TSX rules. The Offered Consideration will also be adjusted downward to reflect the declaration or payment of any dividend or distribution by Tanganyika on or after September 25, 2008. Tanganyika has covenanted in the Support Agreement not to split, combine or reclassify any shares in the capital of Tanganyika or any of its Subsidiaries, or declare, set aside or pay any dividend, distribution, repayment of capital or other payment (whether in cash, securities or property or any combination thereof) in respect of the Tanganyika Shares owned by any person or the securities of any Subsidiary owned by a person other than Tanganyika other than, in the case of any Subsidiary wholly-owned by Tanganyika, any dividends payable to Tanganyika or any other wholly-owned Subsidiary of Tanganyika.

Tanganyika Shares acquired pursuant to the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including the right to any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the Tanganyika Shares on or after September 25, 2008.

If, on or after September 25, 2008, Tanganyika should declare or pay any cash dividend, stock dividend or make any other distribution on or issue any rights with respect to any of the Tanganyika Shares which is or are payable or distributable to the Shareholders of record on a record date which is prior to the date of transfer into the name of the Offeror or its nominees or transferees on the registers maintained by Tanganyika of such Tanganyika Shares following acceptance thereof for purchase pursuant to the Offer then:

- (a) in the case of any such cash dividend or cash distribution that does not exceed the cash purchase price per Tanganyika Share, taking into account the set-off of any portion of the cash purchase price per Tanganyika Share against any amount owing by the respective Shareholder to the Offeror in respect of the consideration paid by the Offeror to Tanganyika, on behalf of and as agent for such Shareholder, for the exercise of a Tanganyika Option by such Shareholder, the cash purchase price per Tanganyika Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend or distribution received in respect of that Tanganyika Share; and
- (b) in the case of any such cash dividend or cash distribution in an amount that exceeds the cash purchase price per Tanganyika Share, taking into account the set-off of any portion of the cash purchase price per Tanganyika Share against any amount owing by the respective Shareholder to the Offeror in respect of the consideration paid by the Offeror to Tanganyika, on behalf of and as agent for such Shareholder, for the exercise of a Tanganyika Option by such Shareholder, in respect of which the dividend or distribution is made, or in the case of any other dividend, distribution or right, the whole of any such dividend, distribution or right will be received and held by the depositing Shareholder for the account of the Offeror and shall be promptly remitted and transferred by the depositing Shareholder to the Depository for the account of the Offeror, accompanied by appropriate documentation of transfer.

Pending such remittance, the Offeror will be entitled to all rights and privileges as owner of any such dividend, distribution or right, and may withhold the entire purchase price payable by the Offeror pursuant to this Offer or deduct from the purchase price payable by the Offeror pursuant to this Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

10. MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer Documents, cheques in payment for Tanganyika Shares purchased pursuant to the Offer and certificates representing Tanganyika Shares to be returned will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the deposited certificates representing Tanganyika Shares in respect of which the cheques are being issued were deposited, upon application to the Depositary, until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this section 10 as soon as reasonably practicable after the making of such determination and in accordance with section 11 of the Offer, "Notice". Notwithstanding section 6 of the Offer, "Take Up and Payment for Deposited Tanganyika Shares", the deposit of cheques at the office of the Depositary for delivery to the depositing Shareholders in such circumstances will constitute delivery to the persons entitled thereto and the Tanganyika Shares shall be deemed to have been paid for immediately upon such deposit.

11. NOTICE

Without limiting any other lawful means of giving notice, any notice the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders at their addresses as shown on the registers maintained by or on behalf of Tanganyika and will be deemed to have been received on the first day following the date of mailing which is a Business Day. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of postal service following mailing. In the event of any interruption of postal service following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by Law, if post offices in Canada or elsewhere are not open for the deposit of mail or there is reason to believe there is or could be a disruption in all or part of the postal service, then any notice which the Offeror or the Depositary may give or cause to be given under the Offer, except as otherwise provided herein, will be deemed to have been properly given and to have been received by Shareholders, if it is:

- (a) given to the TSX for dissemination through its facilities;
- (b) published once in the national edition of *The Globe and Mail*, *provided* that if the national edition of *The Globe and Mail* is not being generally circulated, then publication thereof shall be made in *The National Post* or any other daily newspaper of general circulation published in the cities of Toronto, Ontario and Calgary, Alberta; and
- (c) distributed through the facilities of Canada NewsWire Ltd.

Wherever the Offer calls for documents to be delivered to the Depositary, such documents will not be considered delivered unless and until they have been physically received at the address listed for the Depositary in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

12. ACQUISITION OF TANGANYIKA SHARES NOT DEPOSITED

Compulsory Acquisition

If, within 120 calendar days after the date of the Offer, the Offer is accepted by Shareholders holding not less than 90% of the Tanganyika Shares (calculated on a diluted basis), other than any Tanganyika Shares held on the date of the Offer by or on behalf of the Offeror or an affiliate or associate (as these terms are defined in the CBCA) of the Offeror, and the Offeror acquires such deposited Tanganyika Shares, then the Offeror intends to acquire all of the Tanganyika Shares not deposited under the Offer, including all Tanganyika Shares represented by Tanganyika Options or other convertible or exercisable rights, on the same terms as the Tanganyika Shares acquired under the Offer pursuant to the compulsory acquisition provisions of section 206 of the CBCA (a “**Compulsory Acquisition**”).

To exercise its statutory right of Compulsory Acquisition, the Offeror must give notice (the “**Offeror’s Notice**”) to each Shareholder who did not accept the Offer (and each person who subsequently acquires any such Shares) (in each case, a “**Dissenting Offeree**”) and the Director under the CBCA of such proposed acquisition on or before the earlier of 60 calendar days following the termination of the Offer and 180 calendar days following the date of the Offer. Within 20 calendar days after having given the Offeror’s Notice, the Offeror must pay or transfer to Tanganyika the consideration it would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees. Within 20 calendar days after receipt of the Offeror’s Notice, each Dissenting Offeree must send the certificates evidencing the Tanganyika Shares held by such Dissenting Offeree to Tanganyika and must elect either to transfer such Tanganyika Shares to the Offeror on the terms on which the Offeror acquired Tanganyika Shares under the Offer or to demand payment of the fair value of the Shares by so notifying the Offeror. If the Dissenting Offeree fails to notify the Offeror within the applicable time period, the Dissenting Offeree will be deemed to have elected to transfer its Tanganyika Shares to the Offeror on the same terms on which the Offeror acquired the Tanganyika Shares under the Offer. If a Dissenting Offeree has elected to demand payment of the fair value of its Tanganyika Shares, the Offeror may apply to a court (the “**Court**”) having jurisdiction to hear the application to fix the fair value of the Tanganyika Shares of that Dissenting Offeree. If the Offeror fails to apply to such Court within 20 calendar days after it made the payment or transferred the consideration to Tanganyika, the Dissenting Offeree may then apply to the Court within a further period of 20 calendar days to have the Court fix the fair value. If no such application is made by the Dissenting Offeree or the Offeror within such periods, the Dissenting Offeree will be deemed to have elected to transfer its Tanganyika Shares to the Offeror on the same terms on which the Offeror acquired Tanganyika Shares from the Shareholders who accepted the Offer.

Any judicial determination of the fair value of the Tanganyika Shares could be more or less than the amount of the consideration per share paid pursuant to the Offer.

The foregoing is only a summary of the statutory right of Compulsory Acquisition that may become available to the Offeror. The summary is not intended to be complete nor is it a substitute for the more detailed information contained in the provisions of section 206 of the CBCA. Shareholders should refer to section 206 of the CBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about these provisions should consult with their legal advisors. The provisions of section 206 of the CBCA are complex and require strict adherence to notice and timing provisions, failing which such rights may be lost or altered.

See section 9 of the Circular, “Certain Canadian Federal Income Tax Considerations”, for a discussion of the Canadian income tax consequences to Shareholders of a Compulsory Acquisition.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for Tanganyika Shares pursuant to the Offer, and if the foregoing statutory right of Compulsory Acquisition is not available or the Offeror elects not to pursue that right, the Offeror reserves the right (and currently intends to do so in the appropriate circumstances if the Offeror considers it necessary or desirable) to use all reasonable efforts to acquire the balance of the Tanganyika Shares as soon as practicable by way of a Subsequent Acquisition Transaction (as hereinafter defined). In order to effect a Subsequent Acquisition Transaction, the Offeror will seek to cause a special meeting of Shareholders to be called to consider an amalgamation, statutory plan of arrangement, reorganization, consolidation, recapitalization, or other transaction involving the Offeror and/or an affiliate of the Offeror and Tanganyika and/or the Shareholders for the purposes of Tanganyika becoming, directly or indirectly, a wholly-owned subsidiary of the Offeror or effecting an amalgamation or merger of Tanganyika's business and assets with or into the Offeror and/or an affiliate of the Offeror, carried out for a consideration per Tanganyika Share not less than the Offered Consideration (a "**Subsequent Acquisition Transaction**"). Tanganyika has agreed in the Support Agreement to assist the Offeror in connection with any Compulsory Acquisition or Subsequent Acquisition Transaction provided that the consideration per Tanganyika Share offered in connection with such transaction is at least equivalent in value to the Offered Consideration.

Depending upon the nature and terms of the Subsequent Acquisition Transaction, the approval of at least two-thirds of the votes cast by holders of the outstanding shares of the relevant class(es) and the approval of a majority of the votes cast by "minority" holders of such shares may be required at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. The Offeror will cause Tanganyika Shares acquired under the Offer to be voted in favour of such a transaction to the extent permitted by Law. The timing and details of any such Subsequent Acquisition Transaction would necessarily depend upon a variety of factors, including the number of Tanganyika Shares acquired pursuant to the Offer.

In certain types of Subsequent Acquisition Transactions, the registered holders of Tanganyika Shares may have the right to dissent under the CBCA and be paid fair value for their securities, with such fair value to be determined by the Court. The fair value of securities so determined could be more or less than the amount paid pursuant to the Offer or the Subsequent Acquisition Transaction. Any such judicial determination of the fair value of the Tanganyika Shares could be based upon considerations other than, or in addition to, the market price, if any, of the Tanganyika Shares.

A Subsequent Acquisition Transaction described above may constitute a "business combination" within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Under MI 61-101, subject to certain exceptions, a Subsequent Acquisition Transaction may constitute a business combination if it would result in the interest of a holder (as defined therein) or beneficial owner of Tanganyika Shares being terminated without such holder or beneficial owner's consent, regardless of whether the Tanganyika Shares are replaced with another security. The Offeror expects that any Subsequent Acquisition Transaction relating to Tanganyika Shares will be a business combination under MI 61-101.

In certain circumstances, the provisions of MI 61-101 may also deem a Subsequent Acquisition Transaction to be a "related party transaction". However, if the Subsequent Acquisition Transaction is a business combination carried out in accordance with MI 61-101 or an exemption therefrom, the related party transaction provisions therein will not apply to such transaction. The Offeror intends to carry out any such business combination in accordance with MI 61-101 or exemptions therefrom such that the related party transaction provisions of MI 61-101 will not apply to the Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, any issuer proposing to carry out a business combination is required to prepare a formal valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and provide to the holders of the affected securities a summary of such valuation or the entire valuation.

The Offeror intends to rely on any exemption then available or to seek waivers pursuant to MI 61-101 exempting the Offeror or Tanganyika or their affiliates, as appropriate, from the requirement to prepare a formal valuation in connection with any Subsequent Acquisition Transaction. MI 61-101 provides for an exemption for certain business combinations completed not later than 120 days after the expiry of a formal take-over bid if the consideration offered under such transaction is at least equal in value to and is in the same form as that paid in the formal take-over bid and certain disclosure is given in the formal take-over bid disclosure documents. The Offeror currently intends, that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be at least equal in value and in the same form as the consideration offered under the Offer and that the Subsequent Acquisition Transaction will be completed within 120 days of the Expiry Date. The Offeror has included the disclosure required by MI 61-101 in the Offer and the Circular. Accordingly, the Offeror expects to rely on the exemption from the requirement to prepare a formal valuation in connection with any Subsequent Acquisition Transaction that it may effect.

MI 61-101 also requires that, unless exempted, in addition to any other required shareholder approval, in order to complete a business combination, the approval of a simple majority of the votes cast by “minority” shareholders be obtained. In relation to the Offer and any Subsequent Acquisition Transaction, this “minority approval” must be obtained from, unless an exemption is available or discretionary relief is granted by the Canadian securities regulatory authorities, all Shareholders, excluding the votes attached to Tanganyika Shares beneficially owned or over which control or direction is exercised by the Offeror, any “interested party”, any “related party” of an “interested party” (each as defined in MI 61-101) (unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor issuer insiders of the issuer) or a joint actor with any such interested party or related party of an interested party for purposes of MI 61-101.

However, MI 61-101 provides, subject to certain terms and conditions regarding the timing of a Subsequent Acquisition Transaction and certain other requirements, that the Offeror may treat Tanganyika Shares acquired pursuant to the Offer as “minority” shares and vote them, or consider them voted, in favour of a business combination if, among other things, the consideration per security in the business combination is at least equal in value to and is in the same form as the consideration paid under the Offer, the Subsequent Acquisition Transaction is completed within 120 days of the Expiry Date and that the disclosure required by MI 61-101 is included in the Offer and the Circular. The Offeror currently believes these conditions will be satisfied and that the Tanganyika Shares acquired by it under the Offer (other than the Tanganyika Shares held by Mr. Gary Guidry as disclosed below) will therefore be counted as part of any minority approval required in connection with a Subsequent Acquisition Transaction.

Pursuant to MI 61-101, votes attached to Tanganyika Shares held by Shareholders that receive a “collateral benefit” (as defined in MI 61-101) may not be included by the Offeror as votes in favour of a Subsequent Acquisition Transaction in determining whether minority approval has been obtained. A collateral benefit for this purpose includes any benefit a related party of Tanganyika is entitled to receive as a consequence of the Offer including, without limitation, a lump sum payment or payment for surrendering securities. As a result, votes attached to Tanganyika Shares held by directors and senior officers and other related parties of Tanganyika that have “change of control” agreements pursuant to which they receive payments on the change of control occurring as a result of the Offer, or whose vesting of Tanganyika Options is accelerated as a result of the Offer may be deemed to have received a “collateral benefit” for this purpose. MI 61-101 excludes benefits from being “collateral benefits” if such benefits are

received solely in connection with the related party's services as an employee, director or consultant under certain circumstances, including if benefits are disclosed in the disclosure document for the transaction and, if at the time the transaction is agreed to, the related party and its "associated entities" (as defined in MI 61-101) beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities of Tanganyika. Each of the directors and senior officers of Tanganyika and their respective associated entities beneficially own, or exercise control or direction over, less than 1% of the outstanding Tanganyika Shares other than Mr. Gary Guidry who beneficially owns or exercises control over 195,000 Tanganyika Shares and 735,000 Tanganyika Options exercisable at prices ranging from \$14.85 to \$18.25 per share. 602,000 of such Tanganyika Options are expected to be accelerated as a result of the Offer. In addition, Mr. Guidry will be entitled to receive a severance payment pursuant to his employment agreement in the amount of \$350,000.

In addition, under MI 61-101 if, following the Offer, the Offeror and its affiliates are the beneficial owners of 90% or more of the Tanganyika Shares at the time the business combination is agreed to, the requirement for minority approval under MI 61-101 will not apply to the transaction if a statutory dissent and appraisal remedy is available, or if a substantially equivalent enforceable right is made available, to holders of the class of affected securities.

See section 9 of the Circular, "Certain Canadian Federal Income Tax Considerations," for a discussion of the Canadian income tax consequences to Shareholders of a Subsequent Acquisition Transaction.

Other Alternatives

If the Offeror is unable to or decides not to effect a statutory Compulsory Acquisition or a Subsequent Acquisition Transaction, then it will evaluate other available alternatives to acquire the remaining Tanganyika Shares. Such alternatives could include, to the extent permitted by applicable Law, purchasing additional Tanganyika Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or taking no further action to acquire additional Tanganyika Shares. Any additional purchases of Tanganyika Shares could be at a price greater than, equal to or less than the price to be paid for Tanganyika Shares under the Offer and could be for cash and/or securities or other consideration. Alternatively, the Offeror may sell or otherwise dispose of any or all Tanganyika Shares acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for Tanganyika Shares under the Offer.

Judicial Developments

Prior to the adoption of MI 61-101 and its predecessor legislation, Canadian courts had in several instances granted preliminary injunctions to prohibit transactions involving going private transactions. The trend in both legislation and Canadian jurisprudence has been towards permitting going private transactions to proceed subject to compliance with procedures designed to ensure substantive fairness to the minority shareholders. **Shareholders should consult their legal advisors for a determination of their legal rights.**

13. MARKET PURCHASES

The Offeror has no current intention of acquiring any Tanganyika Shares while the Offer is outstanding, other than as described herein and in the Circular. However, the Offeror reserves the right to, and may, acquire (or cause an affiliate to acquire) beneficial ownership of Tanganyika Shares if permitted by applicable Law.

Although the Offeror has no current intention to sell Tanganyika Shares taken up under the Offer, it reserves the right, subject to applicable Laws, to make or enter into an arrangement, commitment or understanding during the Offer Period to sell any of such Tanganyika Shares after the Offer Period.

14. OTHER TERMS OF THE OFFER

The Offer and all contracts resulting from acceptance hereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror other than as contained herein or in the Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror, the Depositary or Georgeson for the purposes of the Offer. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of Offeror by brokers or dealers licensed under the laws of such jurisdiction.

The Offeror shall, in its sole discretion, be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of this Offer and any withdrawals of Tanganyika Shares, including, without limitation, the satisfaction or non-satisfaction of any condition, the validity, time and effect of any deposit of Tanganyika Shares or notice of withdrawal of Tanganyika Shares, and the due completion and execution of the Letter of Transmittal and Notice of Guaranteed Delivery. The Offeror reserves the right to waive any defect in acceptance with respect to any particular Tanganyika Share or any particular Shareholder. There shall be no obligation on the Offeror, Georgeson or the Depositary to give notice of any defects or irregularities in acceptance and no liability shall be incurred by any of them for failure to give any such notification.

The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The Offer Documents constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer.

DATED at Beijing, China, October 30, 2008.

**MIRROR LAKE OIL AND GAS COMPANY
LIMITED**

“Jie Weiqiang”

By: Jie Weiqiang

Chief Executive Officer

The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

CIRCULAR

The following information in this Circular is provided in connection with the Offer made by the Offeror dated October 30, 2008 to purchase all of the issued and outstanding Tanganyika Shares, including all Tanganyika Shares which may become outstanding on the exercise of outstanding Tanganyika Options or which are represented by SDRs.

The information concerning Tanganyika contained in this Circular and the other Offer Documents has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources, and certain other information provided by Tanganyika to Sinopec International and the Offeror. Sinopec International and the Offeror have been granted limited access to certain additional information concerning the business and affairs of Tanganyika that is not generally available. Although neither Sinopec International nor the Offeror has any knowledge that would indicate that any statements contained herein taken from or based on such information or such documents and records are untrue or incomplete, neither Sinopec International, the Offeror, nor their respective directors or officers assume any responsibility for the accuracy or completeness of such information or the information taken from or based upon such documents and records, or for any failure by Tanganyika to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Sinopec International or the Offeror.

The terms and conditions of the Offer are incorporated into and form part of this Circular and Shareholders should refer to the Offer for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Terms defined in the Offer but not defined in this Circular have the same meaning herein as in the Offer unless the context otherwise requires.

Pursuant to the provisions of the securities Laws of various provinces of Canada, the directors of Tanganyika must send a Directors' Circular to all Shareholders in connection with the Offer, which circular, together with other information, must disclose any material changes in the affairs of Tanganyika subsequent to the date of the most recent published financial statements of Tanganyika.

1. BACKGROUND TO AND REASONS FOR THE OFFER

Background

In September 2007, Sinopec International was approached by Scotia Waterous Inc., on behalf of Tanganyika, to solicit its interest in a possible transaction with Tanganyika. Sinopec International declined to enter discussions with Tanganyika at that time. Subsequently, Sinopec International reconsidered its interest in Tanganyika, and in March 2008, it made contact with Tanganyika expressing its interest in discussing strategic alternatives between the two parties. Sinopec International appointed Lehman Brothers Asia Limited in March 2008 and Nomura International (Hong Kong) Limited in September 2008 to act as its financial advisor in respect of the Offer.

On March 27, 2008, following several rounds of communication between Sinopec International and Tanganyika, Sinopec International entered into the Confidentiality Agreement with Tanganyika and was granted an access to the online dataroom to review Tanganyika's confidential information.

In May 2008, Tanganyika invited Sinopec International to meet with Tanganyika in Calgary, Canada to further address the questions raised by Sinopec International during the course of due diligence. During the visit, Sinopec International was given a management presentation and physical dataroom access, and participated in discussion sessions with Tanganyika management team on both the technical and valuation aspects of Tanganyika.

In July, 2008, Sinopec International completed its preliminary due diligence. The due diligence team submitted an initial report to obtain Sinopec International's senior management's approval to proceed with the transaction.

On August 7, 2008 Sinopec International delivered a non-binding proposal to Tanganyika outlining the principal terms of its proposal to make an offer for all of the Tanganyika Shares. Sinopec International's proposal was not subject to any conditions regarding financing, but was subject to further due diligence and final approval from Sinopec International's board of directors for a formal offer. The proposal was also subject to negotiation of the Support Agreement between Sinopec International and Tanganyika.

The delivery of Sinopec International's proposal was followed by a number of discussions from August 7, 2008 to September 3, 2008 between Lehman Brothers Asia Limited and Scotia Waterous Inc. regarding the principal terms of the proposal, and on August 21, 2008, Sinopec International presented a revised non-binding proposal for the acquisition of Tanganyika Shares at \$31.50 per Tanganyika Share. After further discussions, Sinopec International and Tanganyika agreed to meet in London, U.K., together with representatives of their advisors to negotiate the Support Agreement and other issues relating to Sinopec International's proposal. These negotiations continued from September 2 to September 4, 2008, during which the principal terms of the Support Agreement were discussed. On September 4, 2008, Sinopec International and Tanganyika agreed to negotiate on an exclusive basis with each other in relation to the Offer until 5:00 p.m. (Calgary time) on September 28, 2008.

Between September 5 and September 24, 2008, Sinopec International and its advisors performed confirmatory due diligence on Tanganyika in the areas including business, legal, financial and tax. On September 12, 2008, Sinopec International's and Sinopec Group's technical consultation committee reviewed and supported the acquisition of Tanganyika. Based on the recommendation of the technical consultation committee and other considerations, on September 19, 2008, Sinopec International obtained required internal approvals and decided to proceed with the signing of the Support Agreement and the Offer.

On September 24 and 25, 2008, Tanganyika, its legal counsel and financial advisors met with Sinopec International and their financial advisors and legal counsel in London, England, to finalize the terms of the Support Agreement. The Support Agreement was finalized during the evening of September 24, 2008.

On the evening of September 24, 2008, Tanganyika advised Sinopec International that its board of directors had unanimously approved the draft Support Agreement and resolved to recommend that Shareholders accept the Offer and deposit their Tanganyika Shares under the Offer.

That evening, Sinopec International and Tanganyika subsequently finalized the Support Agreement with the assistance of their respective legal advisors. On the morning of September 25, 2008, parties signed the Support Agreement and Tanganyika issued a press release announcing Sinopec International's intention to make the Offer and the execution of the Support Agreement.

Reasons

Sinopec International's business strategy is to participate in the exploration for, and development and acquisition of, oil and gas reserves throughout the world. The acquisition of Tanganyika, an international oil and gas exploration and development company with interests in the north eastern sector of the Syrian Arab Republic, is consistent with this strategy.

The Offered Consideration of \$31.50 in cash per Tanganyika Share represents a premium of approximately 21.2% over the closing price of the Tanganyika Shares on the TSX on September 24, 2008, the last trading day prior to the public announcement of the Offer.

Confidentiality Agreement

On March 27, 2008, Sinopec International and Tanganyika executed the Confidentiality Agreement. The Confidentiality Agreement contains customary provisions, including provisions whereby Sinopec International agrees to keep information received from Tanganyika confidential for a period of one year from the date of the Confidentiality Agreement.

Support Agreement

The following is a summary only of the material provisions of the Support Agreement and is qualified in its entirety by the provisions of the Support Agreement. A copy of the Support Agreement has been filed by Tanganyika on SEDAR at www.SEDAR.com.

The Offer

Effective September 25, 2008, Tanganyika and Sinopec International entered into a Support Agreement pursuant to which Sinopec International agreed to make the Offer, either directly or through a direct or indirect wholly-owned Subsidiary, subject to the terms thereof. The Support Agreement provides that the Offer is subject to certain conditions including, among other things, that a minimum of 66⅔% of the Tanganyika Shares (on a diluted basis) be tendered under the Offer. See section 4 of the Offer, "Conditions to the Offer".

If all the conditions referred to in section 4 of the Offer, "Conditions of the Offer", are satisfied or waived at the Initial Expiry Time, the Support Agreement provides that the Offeror will (unless it shall have withdrawn or terminated the Offer) become obligated to take-up and pay for the Tanganyika Shares validly deposited under the Offer and not withdrawn within three Business Days of the Initial Expiry Time.

Approval by Board of Directors of Tanganyika

Pursuant to the Support Agreement, Tanganyika agreed to support the Offer and confirmed that the Tanganyika Board had received the Fairness Opinion and, after consultation with its legal and financial advisors, had unanimously: (a) approved the Support Agreement; (b) determined that the Offer is fair, from a financial point of view, to the Shareholders and is in the best interests of Tanganyika and the Shareholders; and (c) recommended that the Shareholders accept the Offer; *provided* that Tanganyika may accept, approve or implement a Superior Proposal in accordance with the terms set forth in the Support Agreement.

Cease Negotiation

Pursuant to the Support Agreement, Tanganyika agreed with Sinopec International to cause its Subsidiaries and Representatives to immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any persons conducted before September 25, 2008 by Tanganyika, its Subsidiaries or any Representatives with respect to any Acquisition Proposal, and, in connection therewith, Tanganyika agreed to discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and to as soon as possible request, to the extent that it is entitled to do so (and exercise all rights it has to require) the return or destruction of all confidential information regarding Tanganyika and its Subsidiaries previously provided to any such person or any other person and would request (and

exercise all rights it has to require) the destruction of all material including or incorporating or otherwise reflecting any material confidential information regarding Tanganyika and its Subsidiaries. Tanganyika also agreed that neither it nor any of its Subsidiaries would terminate, waive, amend or modify any provision of any existing confidentiality agreement relating to an Acquisition Proposal or any standstill agreement to which it or any of its Subsidiaries is a party (other than the automatic termination of any standstill provisions of any such agreement as the result of the entering into and announcement of the Support Agreement by Tanganyika, pursuant to the express terms of any such agreement). Tanganyika also undertook to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its Subsidiaries entered into prior to September 25, 2008.

Non Solicitation

Tanganyika agreed that after the execution of the Support Agreement it would not, directly or indirectly, through any director, officer, employee, representative (including any financial or other advisor) or agent of Tanganyika or any of its Subsidiaries (collectively, the “**Representatives**”): (a) solicit, assist, initiate, facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding an Acquisition Proposal; (b) participate in any substantive discussions or negotiations with any person (other than the Offeror or any of its affiliates) regarding an Acquisition Proposal; (c) approve, accept, endorse or recommend, or propose publicly to accept, approve, endorse or recommend, any Acquisition Proposal; (d) accept or enter into or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, understanding, undertaking or arrangement or other contract in respect of an Acquisition Proposal; or (e) make a Change in Recommendation, *provided*, however, that notwithstanding the foregoing, Tanganyika may advise any person making an Acquisition Proposal that such Acquisition Proposal does not constitute, or could not reasonably be expected to constitute, a Superior Proposal when the Tanganyika Board has so determined.

Notwithstanding anything in the Support Agreement to the contrary, but subject to the provisions described under the heading “Right to Match” below, if at any time following September 25, 2008 and prior to the Effective Date, Tanganyika receives an Acquisition Proposal which the Tanganyika Board concludes in good faith constitutes a Superior Proposal, the Tanganyika Board may, subject to compliance with the provisions described under the heading “Termination” below, terminate the Support Agreement to enter into a definitive agreement with respect to such Superior Proposal, if the Tanganyika Board determines in good faith, after advice from its outside legal counsel, as reflected in the minutes of the Tanganyika Board (confirmation of which shall be delivered to the Offeror as soon as practicable), that failure to take such action could be inconsistent with its fiduciary duties under applicable Law.

In addition, nothing contained in the Support Agreement prohibits the Tanganyika Board from taking any action or making a Change in Recommendation or from making any disclosure to any securityholders of Tanganyika prior to the Effective Date, including for greater certainty disclosure of a Change in Recommendation, if, in the good faith judgment of the Tanganyika Board, as reflected in the minutes of the Tanganyika Board (confirmation of which shall be delivered to the Offeror as soon as practicable), failure to take such action or make such disclosure would be inconsistent with the Tanganyika Board’s exercise of its fiduciary duties or such action or disclosure is otherwise required under applicable Law (including by responding to an Acquisition Proposal under a directors’ circular or otherwise as required under Securities Laws); *provided* that, for greater certainty, in the event of a Change of Recommendation and a termination by the Offeror or Tanganyika of the Support Agreement pursuant to the provisions described under the heading “Termination” below, Tanganyika shall pay the Termination Fee. In addition, subject to the provisions described in this section and under the heading “Right to Match” below, nothing contained in the Support Agreement prevents Tanganyika or the Tanganyika Board from calling and holding a meeting of Shareholders, or any of them, requisitioned by

Shareholders, or any of them, in accordance with the CBCA or ordered to be held by a court in accordance with applicable Laws.

Tanganyika has further agreed that, in the event Tanganyika receives a written Acquisition Proposal or an Acquisition Proposal is made to the Shareholders that the Tanganyika Board determines in good faith, after consultation with its financial advisors and outside counsel, constitutes or, if consummated in accordance with its terms, could reasonably be expected to be a Superior Proposal, then Tanganyika may in response to a request made by the party making such Acquisition Proposal, and provided it has first complied with its obligations under the Support Agreement to notify the Offeror of such Acquisition Proposal:

- (a) furnish information with respect to Tanganyika and its Subsidiaries to the person making such Acquisition Proposal; and/or
- (b) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the person making such Acquisition Proposal,

provided that Tanganyika shall not, and shall not allow its Representatives to, disclose any non-public information to such person (i) if such non-public information has not been previously provided to, or is not concurrently provided to, the Offeror; and (ii) without entering into a confidentiality and standstill agreement with such person substantially in the form of the Confidentiality Agreement containing terms that are no more favourable to such person than those found in the Confidentiality Agreement *provided*, however, that such confidentiality and standstill agreement may permit such person to make a Superior Proposal.

Right to Match

The Support Agreement obligates Tanganyika to promptly (and in any event within two Business Days after it has received any proposal, inquiry, offer or request) notify the Offeror, at first orally and then in writing, in the event it receives an Acquisition Proposal, including the terms and conditions thereof, and the identity of the person or persons making the Acquisition Proposal, and to include copies of any such proposal, inquiry, offer or request, or any amendment to any of the foregoing. Tanganyika is also obligated to provide such other details of such proposal, inquiry, offer or request, or any amendment to any of the foregoing, as the Offeror may reasonably request. Tanganyika must also keep the Offeror fully informed as to the status, including any changes to the terms, of such proposal, inquiry, offer or request, or any amendment to any of the foregoing, shall respond promptly to all inquiries from the Offeror with respect thereto, and shall provide to the Offeror copies of all information (if not previously provided to the Offeror) provided to any person proposing an Acquisition Proposal prior to or concurrently with the provision of such information to such proposing person.

Tanganyika has agreed in the Support Agreement that it will not accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality and standstill agreement permitted by the Support Agreement) unless:

- (a) Tanganyika has complied with the obligations set out under the heading “Non-Solicitation” and in the preceding paragraph and has provided the Offeror with a copy of the Superior Proposal; and
- (b) a period (the “**Response Period**”) of five days has elapsed from the date that is the later of: (i) the date on which the Offeror receives written notice from the Tanganyika Board that the Tanganyika Board has determined, subject only to compliance with the following paragraphs of this section, to accept, approve, recommend or enter into a binding

agreement to proceed with the Superior Proposal; and (ii) the date the Offeror receives a copy of the Superior Proposal from Tanganyika.

During the Response Period, the Offeror will have the right, but not the obligation, to offer to amend the terms of the Support Agreement and the Offer. Following the receipt of any such proposal by the Offeror to amend the terms of the Support Agreement and the Offer, including an increase in, or modification of, the Offered Consideration, the Tanganyika Board shall review and determine whether the Acquisition Proposal to which the Offeror is responding would continue to be a Superior Proposal when assessed against the Support Agreement and against the Offer as they are proposed by the Offeror to be amended. If the Tanganyika Board determines that the Acquisition Proposal would no longer constitute a Superior Proposal when assessed against the Support Agreement and the Offer as they are proposed by the Offeror to be amended, the Tanganyika Board, subject to the Offeror and Tanganyika entering into an amendment to the Support Agreement and the amended Offer, will promptly reaffirm its recommendation of the Offer by the prompt issuance of a press release to that effect. If following the Response Period the Tanganyika Board determines that the Acquisition Proposal continues to constitute a Superior Proposal, Tanganyika may approve and recommend that holders of Tanganyika Shares accept such Superior Proposal and may terminate the Support Agreement pursuant to the termination provisions as described under the heading "Termination" below of the Support Agreement and pay the Termination Fee in order to accept or enter into an agreement, understanding or arrangement to proceed with the Superior Proposal.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the holders of the Tanganyika Shares shall constitute a new Acquisition Proposal for the purposes of the Support Agreement and the Offeror shall be afforded a new Response Period and the matching rights described above in respect of each such Acquisition Proposal.

Termination Fee

Tanganyika has agreed to pay the Offeror the Termination Fee if the Support Agreement is terminated by the Offeror pursuant to paragraphs (g) or (h) set out under the heading "Termination" below or by Tanganyika pursuant to paragraph (i) under the heading "Termination" below (each of the foregoing being a "**Termination Fee Event**"). The Termination Fee shall be payable simultaneously with the occurrence of such Termination Fee Event.

Break Fee

The Offeror has agreed to pay to Tanganyika a break fee of \$65 million if, prior to the occurrence of a Termination Fee Event, Tanganyika terminates the Support Agreement pursuant to paragraph (k) set out under the heading "Termination" below. Such fee shall be due within two Business Days of such termination.

Termination

This Support Agreement may be terminated by notice in writing:

- (a) at any time prior to the Effective Time by mutual consent of the Offeror and Tanganyika;
- (b) by the Offeror, if any condition of the Offer set forth in section 4 of the Offer, "Conditions of the Offer" is not satisfied or waived by the Outside Date (other than as a result of the Offeror's default under the Support Agreement);

- (c) by the Offeror at any time if:
- (i) Tanganyika is in material default of any covenant or obligation under the Support Agreement (without giving effect to, applying or taking into consideration any materiality qualification already contained in such covenant or obligation); or
 - (ii) any representation or warranty made by Tanganyika in the Support Agreement shall have become untrue or incorrect at any time prior to the Expiry Time (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect;

and, in the case of any of (i) or (ii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is five Business Days from the date of written notice of such breach and the Business Day prior to the Expiry Date;

- (d) by Tanganyika at any time if:
- (i) the Offeror is in material default of any covenant or obligation under the Support Agreement (without giving effect to, applying or taking into consideration any materiality qualification already contained in such covenant or obligation);
 - (ii) any representation or warranty made by the Offeror in the Support Agreement shall have been at the date thereof untrue or incorrect in any material respect; or
 - (iii) any representation or warranty made by the Offeror in the Support Agreement shall have become untrue or incorrect in any material respect at any time prior to the Expiry Time;

and, in the case of any of (i), (ii) or (iii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is five days from the date of written notice of such breach and the Business Day prior to the Expiry Date;

- (e) by Tanganyika if the Offeror has not taken up and paid for at least 66% of the outstanding Tanganyika Shares (on a diluted basis) under the Offer within 60 days after the Offer is commenced; *provided*, however, that if the Offeror's take-up and payment for Tanganyika Shares deposited under the Offer is delayed by: (i) an injunction or order made by a court or regulatory authority of competent jurisdiction; or (ii) the Offeror not having obtained any regulatory waiver, consent or approval which is necessary to permit the Offeror to take up and pay for Tanganyika Shares deposited under the Offer (other than as a result of the Offeror's default hereunder), then, *provided* that such injunction or order is being contested or appealed or such regulatory waiver, consent or approval is being actively sought, as applicable, subject to paragraph (k) below, shall not be terminated by Tanganyika pursuant to this paragraph until the earlier of: (i) the Outside Date; and (ii) the fifth Business Day following the date on which such injunction or order ceases to be in effect or such waiver, consent or approval is obtained, as applicable;
- (f) by the Offeror or Tanganyika, if any court of competent jurisdiction or other Governmental Entity shall have issued an order, decree or ruling enjoining or otherwise

prohibiting any of the transactions contemplated by the Support Agreement (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable);

- (g) by the Offeror if: (i) the Tanganyika Board withdraws, modifies or changes its recommendation in favour of the Offer; (ii) the Tanganyika Board approves or recommends or publicly proposes to approve or recommend, acceptance of an Acquisition Proposal; (iii) the Tanganyika Board or any committee thereof does not reaffirm its recommendation in favour of the Offer to the Shareholders in a press release or Directors' Circular within two days of a written request by the Offeror (or, in the event that the Offer shall be scheduled to expire within such two day period, prior to the scheduled expiry of the Offer); (any of the foregoing being a "**Change in Recommendation**");
- (h) by the Offeror, if the Offeror has been notified in writing by Tanganyika of a proposed agreement in accordance with the provisions described under the headings "Non Solicitation" and "Right to Match" above and: (i) the Offeror does not deliver an amended Offer within the Response Period; or (ii) the Offeror delivers an amended Offer but the Tanganyika Board determines, acting in good faith and in the proper discharge of its fiduciary duties, that the Acquisition Proposal provided in the proposed agreement continues to be a Superior Proposal in comparison to the amended Offer of the Offeror;
- (i) by Tanganyika, if Tanganyika proposes to accept, approve or recommend, or enter into any agreement relating to, a Superior Proposal in compliance with the provisions described under the headings "Cease Negotiation", "Non-Solicitation" and "Right to Match" above of the Support Agreement, provided that Tanganyika has previously or concurrently will have paid to the Offeror the Termination Fee;
- (j) by Tanganyika if the Offeror does not provide or cause to be provided the Depositary with sufficient funds to complete the Offer; or
- (k) by Tanganyika if the Offeror does not obtain the PRC Approvals by December 24, 2008.

Reconstitution of Tanganyika Board

Following the Effective Date, provided that the Offeror has taken-up and paid for at least 66 $\frac{2}{3}$ % of the outstanding Tanganyika Shares (on a diluted basis), and from time to time thereafter, the Support Agreement provides that the Offeror shall be entitled to designate the directors of the Tanganyika Board, and any committees thereof. Subject to obtaining a release in favour of each resigning member of the Tanganyika Board who is being replaced by the Offeror's designee and confirmation that insurance coverage is maintained as contemplated under the heading "Directors' and Officers' Insurance" below, Tanganyika has covenanted not to frustrate the Offeror's attempts to designate such directors and to cooperate with the Offeror, subject to applicable Laws, to obtain the resignation of any then incumbent directors effective on the date specified by the Offeror and to facilitate the election or appointment of the Offeror's designees to the Tanganyika Board without the necessity of calling a meeting of Shareholders.

Directors' and Officers' Insurance

In the Support Agreement the Offeror has agreed:

- (a) to cause Tanganyika and its Subsidiaries to maintain in effect without any reduction in scope or coverage for six years from the Effective Date customary policies of directors' and officers' liability insurance providing protection no less favourable to the protection provided by the policies maintained by Tanganyika and its Subsidiaries which are in

effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; or

- (b) that Tanganyika may, in the alternative, purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date.

Waiver of Conditions

The Support Agreement provides that the Offeror may, in its sole discretion, modify or waive any term or condition of the Offer, *provided* that the Offeror will not, without the prior written consent of Tanganyika: (a) modify or waive the Minimum Tender Condition to permit it to acquire less than 66⅔% of the Tanganyika Shares outstanding (calculated on a diluted basis); (b) decrease the Offered Consideration (except for a proportionate reduction in the circumstances described in section 9 of the Offer, "Changes in Capitalization, Distributions and Liens"; (c) change the form of the Offered Consideration (other than to increase the consideration per Tanganyika Share and/or add additional consideration or consideration alternatives); (d) impose additional conditions to the Offer; or (e) otherwise modify the Offer (or any terms or conditions thereof) in a manner that is adverse to Tanganyika or the Shareholders provided, for greater certainty, that an extension of the Expiry Date of the Offer shall not be considered to be adverse to Tanganyika or the Shareholders. If the Offeror waives the Minimum Tender Condition on a date that is less than 10 days prior to the Expiry Date, it shall extend the Offer for at least such period of time as is necessary to ensure that the Offer remains open for 10 days from the date or such waiver.

Other Terms

The Support Agreement permits, subject to receipt of any necessary approvals of Governmental Entities, all persons holding Tanganyika Options which by their terms are currently exercisable or not, to conditionally exercise such options (including by way of cashless exercise and settlement of such options) and tender the Tanganyika Shares acquired on such exercise to the Offer. Alternatively, Tanganyika is obligated to use commercially reasonable efforts to agree with all remaining holders of unexercised Tanganyika Options, pursuant to option termination agreements to be entered into with the holders of Tanganyika Options, to pay to such holders the excess between the exercise price of such options and the Offered Consideration for the Tanganyika Shares on the Take-Up Date, in exchange for the termination of such options, or to otherwise terminate all such options.

The Support Agreement also contains certain customary covenants, representations and warranties of each of Tanganyika and Sinopec International. Tanganyika has agreed that, during the period from the date of the Support Agreement until the Support Agreement is terminated in accordance with its terms, the business of Tanganyika will be conducted in the usual and ordinary course of business of Tanganyika and its Subsidiaries, and that Tanganyika will not, without prior consultation with and the consent of the Offeror, dispose of or purchase any significant assets or incur any significant liabilities or capital expenditures.

Lock-Up Agreements

The following is a summary only of the material provisions of the Lock-Up Agreements and is qualified in its entirety by the provisions of the Lock-Up Agreements.

In connection with the Offer, Sinopec International has entered into the Lock-Up Agreements with each of the Locked-Up Shareholders, which agreements provide that each of such Locked-Up Shareholders will tender pursuant to the Offer and not withdraw, unless the applicable Lock-Up Agreement is terminated, all of the Tanganyika Shares beneficially owned or controlled by them, including all Tanganyika Shares they shall acquire upon the exercise of Tanganyika Options or which

underlie SDRs, subject to the terms of such agreements (collectively, the “**Seller’s Shares**”). The Locked-Up Shareholders beneficially own or control 9,030,352 Tanganyika Shares and Tanganyika Options entitling them to acquire an additional 1,502,100 Tanganyika Shares, or, in aggregate, approximately 16.2% of the issued and outstanding Tanganyika Shares calculated on a diluted basis.

The form of Lock-Up Agreement signed by the Locked-Up Shareholders has been filed by the Offeror with the Canadian securities regulatory authorities and is available on Tanganyika’s profile on SEDAR at www.SEDAR.com.

In the Lock-Up Agreements, each Locked-Up Shareholder has agreed, among other things, that:

- (a) it will not sell, transfer or encumber in any way any of its Seller’s Shares or relinquish or restrict its right to vote any of the Seller’s Shares, other than pursuant to the Offer;
- (b) it will take all such steps as are required to ensure that at the time at which it tenders its Seller’s Shares to the Offer, such shares will be owned beneficially by the Locked Up Shareholder with a good and marketable title thereto, free and clear of any and all liens and will not be subject to any shareholders’ agreements, voting trust or other similar agreements;
- (c) it will not do indirectly that which it may not do directly in respect of the restrictions on its rights with respect to its Seller’s Shares pursuant to the Lock-Up Agreement by the sale of any direct or indirect holding company or the granting of a proxy on the shares of any direct or indirect holding company and which would have, indirectly, any effect prohibited by the Lock-Up Agreement;
- (d) it will not:
 - (i) solicit, initiate, assist, facilitate, promote or encourage (including, without limitation, by way of furnishing information) any inquiry or the making of any inquiry, discussion, negotiation or proposal to Tanganyika or its securityholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions) an Acquisition Proposal or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by the Support Agreement or the Offer or which would or could reasonably be expected to materially reduce the benefits to the Offeror under the Support Agreement or the Offer (any such inquiry or proposal in respect of any of the foregoing being a “**Transaction Proposal**”);
 - (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal or a Transaction Proposal, or, except in the ordinary course of business, furnish to any other person any information with respect to the business, properties, operations, prospects or conditions (financial or otherwise) of Tanganyika or its Subsidiaries or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;
 - (iii) furnish or cause to be furnished any non-public information concerning the business, results of operations, assets, liabilities, prospects, financial condition or affairs of Tanganyika or any of its Subsidiaries to any person other than the Offeror and its representatives, other than as disclosed prior to the date of the

Lock-Up Agreement, or in accordance with the terms of the Support Agreement;
or

- (iv) take any action that might reasonably be expected to reduce the likelihood of success of the Offer,

subject in each case to the provisions of the Support Agreement and the fiduciary duties to Tanganyika of a Locked Up Shareholder who is a director or officer of Tanganyika;

- (e) to immediately cease and cause to be terminated all existing discussions and negotiations to which it is a party with any person other than Sinopec International with respect to an Acquisition Proposal or a Transaction Proposal;
- (f) not exercise any shareholder rights or remedies available at common law or pursuant to applicable Laws to delay, hinder, upset or challenge the Offer; and
- (g) to the extent it is within its power, support, and to request its agents and representatives (subject to any fiduciary duties to Tanganyika to which they may be subject) to take or do all reasonable actions and steps necessary, proper or advisable toward, the successful completion of the Offer on the terms contained therein.

The Lock-Up Agreements may be terminated by notice in writing:

- (a) at any time by mutual consent of the Offeror and the Locked-Up Shareholder;
- (b) by the Locked-Up Shareholder if the Offeror does not commence the Offer and mail the Offer Documents by the Offer Deadline in accordance with the Support Agreement; provided such failure to commence the Offer has not been caused by any act or failure to act by Tanganyika;
- (c) by the Offeror if any condition for the Offeror's benefit set out in the Support Agreement is not satisfied or waived;
- (d) by the Offeror if the Locked-Up Shareholder is in default of any covenant or obligation under the Lock-Up Agreement or if any representation or warranty of the Locked-Up Shareholder under the Lock-Up Agreement shall have been at the date thereof untrue or incorrect in any material respect; *provided* that, in the case of a default of any covenant or obligation hereunder, such default is not curable or, if curable, not cured by the earlier of the date which is 15 days from the date of written notice of such default and the Business Day prior to the Initial Expiry Date;
- (e) by the Locked-Up Shareholder if any representation or warranty of the Offeror under the Lock-Up Agreement shall have been at the date thereof untrue or incorrect in any material respect or if the Offeror is in default of any covenant or obligation hereunder in any material respect and, in each case, such inaccuracy or non compliance makes it impossible to complete the Offer and is not curable or, if curable, not cured by the earlier of the date which is 15 days from the date of written notice of such breach and the Business Day prior to the Initial Expiry Date;
- (f) by the Offeror if any condition of the Offer shall not be satisfied or waived at the Expiry Time and the Offeror does not elect to waive such condition or extend the Offer; or

- (g) by the Offeror or the Locked-Up Shareholder in the event the Support Agreement is terminated in accordance with its terms.

Upon termination of a Lock-Up Agreement, the applicable Locked-Up Shareholder shall be entitled to withdraw any of the Seller's Shares deposited by it under the Offer and none of the parties thereto shall have any further rights or obligations thereunder *provided*, however, that any such termination shall not prejudice the rights of a party as a result of any breach by any other party of its obligations thereunder.

2. RECOMMENDATION OF THE BOARD OF DIRECTORS OF TANGANYIKA

The Tanganyika Board, after consultation with its legal and financial advisors, has, by unanimous resolution: (a) approved the Support Agreement; (b) determined that the Offer is fair, from a financial point of view, to the Shareholders and is in the best interests of Tanganyika and the Shareholders; and (c) recommended that the Shareholders accept the Offer. See section 2 of the Circular, "Recommendation of the Board of Directors of Tanganyika". See the accompanying Directors' Circular.

3. SINOPEC INTERNATIONAL PETROLEUM EXPLORATION AND PRODUCTION CORPORATION AND THE OFFEROR

Corporate Information

The Offeror is a corporation formed on October 22, 2008 under the CBCA and is a wholly-owned indirect subsidiary of Sinopec International. It was organized solely for the purpose of consummating the Offer. The Offeror has not carried on any activities to date other than activities incident to its formation and in connection with the Offer.

Sinopec International is a corporation existing under the laws of The People's Republic of China. It is a wholly-owned subsidiary of Sinopec Group. Sinopec Group is China's largest producer and supplier of oil products and major petrochemical products. It is also China's second largest crude oil producer. Sinopec Group ranked 16th in the Fortune Global 500 in 2008. Sinopec Group produced 41.08 million tonnes of crude oil and 8.0 billion cubic meters of natural gas in 2007. Sinopec Group, through Sinopec International, invests in the petroleum sector outside of The People's Republic of China and its oil and gas exploration, development and production operations spread over 20 countries in Asia, Africa, North America and South America.

4. TANGANYIKA OIL COMPANY LTD.

Corporate Information

Tanganyika was incorporated under the *Company Act* (British Columbia) on September 19, 1986 under the name "Flash Pack Ltd." On December 5, 1994, Tanganyika changed its name to "Canadian Lynx Petroleum Ltd." and the issued and outstanding shares of Tanganyika were consolidated on a one-for-five basis. On September 19, 1995, Tanganyika was continued under the CBCA, its authorized share capital was increased to an unlimited number of common shares and its name was changed to "Tanganyika Oil Company Ltd.". Tanganyika's registered and records office is located at Suite 1100, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4. Tanganyika's corporate office is located at 700, 444 - 7 Avenue SW, Calgary, AB, Canada T2P 0X8.

Tanganyika is a reporting issuer under the *Securities Act* (British Columbia), the *Securities Act* (Alberta), the *Securities Act* (Ontario), the *Securities Act* (Saskatchewan) and the *Securities Act* (Manitoba). The Tanganyika Shares trade on the TSX under the symbol "TYK". The SDRs trade on the OMX under the symbol "TYKS".

Business of Tanganyika

Tanganyika is a Canada-based oil and gas company focused on its properties in Syria. Tanganyika holds operating interests in two Syrian production sharing agreements covering the Oudeh Block and the Tishrine and Sheik Mansour Blocks. During the first half of 2008, the average gross field production by Tanganyika was 16,670 barrels of oil per day.

Disclosure Obligations

Pursuant to the provisions of the securities laws of various provinces of Canada, the directors of Tanganyika must send the Directors' Circular to all Shareholders in connection with the Offer, which circular, together with other information, must disclose any material changes in the affairs of Tanganyika subsequent to the date of the most recently published financial statements of Tanganyika not generally disclosed or not adequately disclosed in this Offer and the Circular.

In addition, Tanganyika is subject to the information and reporting requirements of the CBCA, the securities laws of certain provinces of Canada, to certain securities laws of Sweden and the rules of the Exchanges. In accordance therewith, Tanganyika files reports and other information with certain securities regulatory authorities in Canada and Sweden and with the Exchanges relating to its business, financial statements and other matters. Information as of particular dates concerning Tanganyika's directors and officers, their remuneration, stock options granted to them, the principal holders of the Tanganyika Shares and any material interests of such persons in transactions with Tanganyika and other matters is required to be disclosed in proxy statements distributed to the Shareholders and filed with certain of such securities regulatory authorities and with the Exchanges.

Description of Share Capital

The authorized capital of Tanganyika consists of an unlimited number of Tanganyika Shares. Based upon representations made by Tanganyika in the Support Agreement, as of September 24, 2008, there were 62,219,530 Tanganyika Shares issued and outstanding and Tanganyika Options to acquire an additional 3,395,800 Tanganyika Shares were outstanding pursuant to the Stock Option Plan at exercise prices ranging from \$10.00 to \$24.49 per Tanganyika Share. Therefore, as of September 24, 2008, there were approximately 65,615,330 Tanganyika Shares outstanding on a diluted basis.

Shareholders are entitled to receive notice of and to attend and vote at all meetings of the Shareholders of Tanganyika (other than meetings of the holders of any class of shares meeting as a class) and are entitled to one vote in respect of each Tanganyika Share held. Shareholders have the right to receive any dividends declared by the Tanganyika Board on the Tanganyika Shares. Shareholders have the right to receive the remaining assets of Tanganyika in the event of liquidation, dissolution or winding up of Tanganyika, whether voluntary or involuntary.

Previous Distributions

Based on publicly available information and the advice of Tanganyika, the Offeror believes that no distributions of Tanganyika Shares were effected in the last five years (other than any distribution of Tanganyika Shares pursuant to the Stock Option Plan), except as set forth below.

<u>Date</u>	<u>Description of Distribution</u>	<u>Number of Securities</u>	<u>Price Per Security</u>	<u>Aggregate Gross Proceeds to Tanganyika</u>
March 14, 2008	Private Placement of Tanganyika Shares	5,000,000	\$15.00	\$75 million
December 15, 2006	Private placement of Tanganyika Shares	6,000,000	\$15.91	\$95.4 million
May 11, 2006	Private placement of Tanganyika Shares	4,300,000	\$13.83	\$59 million
May 5, 2006	Issuance in connection with acquisition	375,954	N/A	N/A
July 15, 2005	Private placement of Tanganyika Shares	5,000,000	\$7.60	\$38 million
November 18, 2004	Private placement of Tanganyika Shares	2,000,000	\$6.75	\$12.825 million
March 4, 2004	Private placement of Tanganyika Shares	3,000,000	\$6.30	\$18.9 million
October 31, 2003	Private placement of Tanganyika Shares	3,500,000	\$2.90	\$10.15 million
August 1, 2003	Exercise of warrants	4,000,000	\$0.55	\$2.2 million

Price Range and Trading Volume of Tanganyika Shares

The Tanganyika Shares are, and have been since September 16, 2008, listed and posted for trading on the TSX under the trading symbol "TYK". Prior to September 16, 2008, the Tanganyika Shares were listed and posted for trading on the TSX Venture Exchange. The volume of trading and closing price ranges of the Tanganyika Shares on the TSX Venture Exchange and the TSX (since September 16, 2008) (as reported by such exchanges) are set forth in the following table for the periods indicated:

2008

	Price Range (\$)		Volume
	Low	High	
April.....	16.81	21.29	102,688
May	20.75	25.85	95,853
June.....	21.75	26.60	118,396
July.....	20.00	26.75	69,253
August.....	21.50	24.49	131,794
September	14.50	29.15	3,231,627
October (1-29).....	23.50	28.15	2,282,320

The Offer was announced to the public on September 25, 2008. On September 24, 2008, the last trading date of the Tanganyika Shares prior to the public announcement of the Offer, the closing trading price of the Tanganyika Shares on the TSX was \$26.00 (as reported by such exchange). On October 29, 2008, the last day on which the Tanganyika Shares traded prior to the date of the Offer, the closing price of the Tanganyika Shares on the TSX (as reported by such exchange) was \$26.10.

Dividend Record of Tanganyika

Based upon publicly available information and the advice of Tanganyika, the Offeror believes that Tanganyika has not declared or paid any dividends on the Tanganyika Shares in the two years prior to the date of the Offer.

5. PURPOSE OF THE OFFER AND SINOPEC INTERNATIONAL'S PLANS FOR TANGANYIKA

Purpose of the Offer

The purpose of the Offer is to enable Sinopec International to indirectly acquire all of the issued and outstanding Tanganyika Shares, including all Tanganyika Shares which may become outstanding upon the exercise of outstanding Tanganyika Options or other rights to acquire Tanganyika Shares.

If, by the Expiry Time or within 120 days from the date of the Offer, whichever period is shorter, the Offer has been accepted by the holders of not less than 90% of the Tanganyika Shares calculated on a diluted basis and such Tanganyika Shares have been taken up and paid for by the Offeror, the Offeror currently intends to acquire the remaining Tanganyika Shares, including Tanganyika Shares represented by Tanganyika Options or other convertible or exercisable rights, pursuant to the Compulsory

Acquisition provisions of Section 206 of the CBCA on the same terms on which the Offeror acquired Tanganyika Shares pursuant to the Offer. If such statutory right is not available, or if the Offeror elects not to proceed by way of such statutory right, then Sinopec International and the Offeror will consider other means of acquiring, directly or indirectly, all of the Tanganyika Shares not deposited under the Offer, including a Subsequent Acquisition Transaction. Sinopec International and the Offeror will, in any such case, cause the Tanganyika Shares acquired under the Offer to be voted in favour of such a transaction and, to the extent permitted under applicable Laws, to be counted as part of any minority or independent shareholder approval that may be required in connection with such transaction. The timing and details of such transaction will necessarily depend on a variety of factors, including the number of Tanganyika Shares acquired pursuant to the Offer. See section 12 of the Offer, "Acquisition of Tanganyika Shares Not Deposited".

Plans for Tanganyika

If the Offer is successful, it is expected that certain changes will be effected with respect to the composition of the Tanganyika Board and the officers of Tanganyika to allow nominees of Sinopec International to become directors and officers of Tanganyika. Following consummation of the Offer, Sinopec International intends to review the affairs and operations of Tanganyika and consider what actions might be appropriate in the circumstances, which actions may include staffing changes, disposition of certain assets of Tanganyika and integration of the business of Tanganyika with the business of Sinopec International. Such actions may also include the winding-up or amalgamation of Tanganyika with the Offeror or another subsidiary of Sinopec International as part of a Subsequent Acquisition Transaction or otherwise.

The Tanganyika Shares are currently listed on the TSX and the SDRs are currently listed on the OMX. If permitted by applicable Law, subsequent to the completion of the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror intends to cause Tanganyika to delist the Tanganyika Shares and the SDRs from the Exchanges and to cease to be a reporting issuer or the equivalent under applicable securities laws of each province of Canada where Tanganyika is currently a reporting issuer and each other jurisdiction in which it is subject to public reporting requirements. The effect of these actions will be that Tanganyika will no longer be required to publicly file or provide to security holders financial information or timely disclosure with respect to its affairs. See section 7 "Effect of the Offer on Market and Listings".

6. SOURCE OF FUNDS AND JOINT AND SEVERAL LIABILITY

The Offeror has a commitment from Sinopec International, if it acquires Tanganyika Shares pursuant to the Offer, to make available to the Offeror, by means of purchase of capital stock, capital contribution or other arrangement, funds sufficient to pay for all of the Tanganyika Shares, acquired pursuant to the Offer and all related fees and expenses if such funds are not otherwise available to the Offeror. Sinopec International has funds available to it through existing cash reserves to fully satisfy this commitment.

Sinopec International has unconditionally and irrevocably agreed to be jointly and severally liable for the due and punctual performance of each and every obligation of the Offeror under the Support Agreement and the Offer.

7. EFFECT OF THE OFFER ON MARKET AND LISTINGS

The purchase of Tanganyika Shares by the Offeror pursuant to the Offer will reduce the number of Tanganyika Shares that might otherwise trade publicly, as well as the number of Shareholders, and, depending on the number of Shareholders depositing and the number of Tanganyika Shares purchased under the Offer, could adversely affect the liquidity and market value of the remaining Tanganyika

Shares held by the public. After the purchase of Tanganyika Shares under the Offer, the Offeror intends to cause Tanganyika to eliminate all public reporting requirements under all applicable securities legislation.

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the delisting of the Tanganyika Shares from such exchange. Among such criteria are the number of Shareholders, the number of Tanganyika Shares publicly held and the aggregate market value of the Tanganyika Shares publicly held. Depending on the number of the Shareholders depositing and the number of Tanganyika Shares purchased pursuant to the Offer, it is possible that Tanganyika Shares would fail to meet the criteria for continued listing on such exchange. If this were to happen, then the Tanganyika Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for such Tanganyika Shares. It is the intention of the Offeror to cause Tanganyika to apply to delist the Tanganyika Shares from the TSX as soon as practicable after completion of the Offer, or any Compulsory Acquisition or Subsequent Acquisition Transaction, if required. Delisting of the Tanganyika Shares, absent the listing of the Tanganyika Shares on another designated stock exchange, will cause the Tanganyika Shares to be “taxable Canadian property”, which may cause adverse tax consequences to Shareholders that are not resident in Canada, as described in section 9 of this Circular, “Certain Canadian Federal Income Tax Considerations”.

If the Tanganyika Shares are delisted, it is possible that such shares would be traded in the over-the-counter market and that price quotations for those shares would be reported in Canada through the Canadian over-the-counter automated trading system. The extent of the public market for the Tanganyika Shares and the availability of such quotations would, however, depend upon the number of Shareholders remaining at such time, the interest in maintaining a market in such shares on the part of brokerage houses, and other factors.

8. DEPOSITARY AND GEORGESON

The Offeror has engaged Georgeson Shareholder Communications Canada Inc. as the information agent in connection with the Offer and has engaged Equity Transfer & Trust Company as the Depositary for receipt of certificates in respect of the Tanganyika Shares and Letters of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery deposited under the Offer at its office in Toronto, Canada. The duties of the Depositary also include giving certain notices, if required, and for making payment for all Tanganyika Shares purchased by the Offeror under the Offer. The Depositary and Georgeson will each receive reasonable and customary compensation from the Offeror for their services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws, and expenses in connection therewith.

No brokerage fees or commissions will be payable by any Shareholder who accepts the Offer by depositing their Tanganyika Shares directly with the Depositary or who use the services of Georgeson to accept the Offer. Shareholders should contact the Depositary, Georgeson, or a broker or dealer for assistance in accepting the Offer and in depositing Tanganyika Shares with the Depositary.

9. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Offeror, the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a Shareholder who disposes of Tanganyika Shares pursuant to the Offer or pursuant to a transaction described in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited”. This summary is only applicable to a Shareholder who, for purposes of the Tax Act, at all relevant times, holds the Tanganyika Shares as capital property and deals at arm’s length with, and is not affiliated with, the Offeror or Tanganyika.

Tanganyika Shares will generally be considered to be capital property to a Shareholder provided that the Shareholder does not use or hold the Tanganyika Shares in the course of carrying on a business of trading or dealing in securities and did not acquire the Tanganyika Shares in one or more transactions considered to be an adventure in the nature of trade.

A Shareholder resident in Canada whose Tanganyika Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to have them, and all other “Canadian securities” (as defined in the Tax Act), treated as capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. A Shareholder who contemplates making such an election should first consult his or her own tax advisor.

This summary is not applicable to a Shareholder that is: (i) a “financial institution” for purposes of the mark-to-market rules; (ii) a “specified financial institution”; (iii) a Shareholder an interest in which is a “tax shelter investment”; or (iv) a Shareholder whose “functional currency” for purposes of the Tax Act is the currency of a country other than Canada, as each of these terms is defined in the Tax Act. In addition, this summary is not applicable to a Shareholder who acquired its Tanganyika Shares on the exercise of an employee stock option. Such Shareholders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”) and counsel’s understanding of the current published administrative and assessing practices of the Canada Revenue Agency (“**CRA**”). This summary also takes into account all proposed amendments to the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in their present form. Parliament was dissolved on September 7, 2008, as a Canadian federal election was held on October 14, 2008. Proposed Amendments must be re-introduced following the election in order to be enacted. No assurance can be given that the Proposed Amendments will be re-introduced and enacted in the form proposed, if at all. This summary does not otherwise take into account or anticipate changes in the Law, whether by way of judicial, governmental or legislative decision or action, or changes in the administrative practices of CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

Generally, the tender, by a holder of SDRs, of Tanganyika Shares in accordance with the Offer will not in and of itself give rise to Canadian federal income tax. However, the sale of Tanganyika Shares in accordance with the Offer or pursuant to a Compulsory Acquisition or a Subsequent Acquisition Transaction may give rise to Canadian federal income tax, as described in this summary.

This summary is not exhaustive of all Canadian federal income tax considerations and is of a general nature only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representations with respect to the tax consequences to any particular Shareholder are made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or other local tax authority.

Shareholders Resident in Canada

This portion of the summary is generally applicable to a Shareholder who for the purposes of the Tax Act and at all relevant times is, or is deemed to be, resident in Canada.

Disposition Pursuant to the Offer

A Shareholder who disposes of Tanganyika Shares pursuant to the Offer will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of

disposition, exceed (or are less than) the total adjusted cost base of the Tanganyika Shares to the Shareholder immediately before disposition.

A Shareholder will be required to include, in computing its income for the taxation year in which the disposition occurs, one-half of any such capital gain (a “**taxable capital gain**”) realized in such year. One-half of the amount of any such capital loss (an “**allowable capital loss**”) may generally be used to offset taxable capital gains realized by the Shareholder in the year of disposition, subject to and in accordance with the provisions of the Tax Act. To the extent that the holder’s allowable capital losses exceed the holder’s taxable capital gains for the year, the excess may be carried over and applied against taxable capital gains in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

In the case of a Shareholder that is a corporation, the amount of any capital loss otherwise determined resulting from the disposition of its Tanganyika Shares may be reduced by the amount of dividends previously received or deemed to have been received on the Tanganyika Shares to the extent and under the circumstances described in the Tax Act. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Tanganyika Shares or that is in turn a member of a partnership or a beneficiary of a trust that owns Tanganyika Shares.

A Shareholder that throughout the relevant taxation year is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including taxable capital gains.

An individual Shareholder, including a trust other than certain trusts, who realizes a capital gain may be liable for alternative minimum tax.

Subsequent Transactions

As described in section 12 of the Offer, “Acquisition of Tanganyika Shares Not Deposited”, the Offeror may acquire Tanganyika Shares not deposited under the Offer pursuant to a Compulsory Acquisition. If, in the course of any such purchase by the Offeror, all of a Shareholder’s Tanganyika Shares are disposed of solely for cash, the tax consequences to the Shareholder would be the same as described above under “- Disposition Pursuant to the Offer”. If, in the course of any such purchase by the Offeror, a Shareholder demands payment of the fair value of the Shareholder’s Tanganyika Shares, the Shareholder would recognize a capital gain (or a capital loss) to the extent that the amount fixed by the court (excluding any interest awarded by the court), net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of the Tanganyika Shares disposed of by the Shareholder. Any interest awarded by a court must be included in the Shareholder’s income.

If the Compulsory Acquisition provisions are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding Tanganyika Shares. The tax consequences to a Shareholder on a Subsequent Acquisition Transaction will depend on the exact manner in which the Subsequent Acquisition Transaction is carried out and may be substantially the same or materially different than the tax consequences described above for a Shareholder who disposes of its Tanganyika Shares under the Offer. Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Tanganyika Shares acquired pursuant to a Subsequent Acquisition Transaction.

Shareholders Not Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is not resident or deemed to be resident in Canada, does not carry on an insurance business in Canada, and does not use or hold, and is not deemed to use or hold, Tanganyika Shares in connection with carrying on a business in Canada (a “**Non-Resident Shareholder**”).

Disposition Pursuant to the Offer

A Non-Resident Shareholder who disposes of Tanganyika Shares to the Offeror pursuant to the Offer will not be subject to income tax under the Tax Act on any capital gain realized on the disposition of such Tanganyika Shares provided that such Tanganyika Shares are not “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Shareholder at the time of the disposition of such Tanganyika Shares. Generally, Tanganyika Shares will not constitute taxable Canadian property to a Non-Resident Shareholder at a particular time provided that (a) the Tanganyika Shares are listed on a designated stock exchange (which currently includes the TSX) at that time, (b) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder does not deal at arm’s length, or the Non-Resident Shareholder together with all such persons, has not owned 25% or more of the shares of any class or series in the capital stock of Tanganyika at any time during the 60 month period immediately preceding that time, and (c) none of the particular circumstances specified in the Tax Act apply such that the Tanganyika Shares are deemed to constitute taxable Canadian property.

Even if the Tanganyika Shares are taxable Canadian property to a Non-Resident Shareholder, any capital gain realized upon the disposition or deemed disposition thereof may not be subject to tax under the Tax Act if such gain is exempt from Canadian tax pursuant to the provisions of an applicable income tax treaty or convention. Non-Resident Shareholders should consult their own advisors with respect to the availability of any relief under the terms of an applicable income tax treaty or convention in their particular circumstances.

The notification and withholding provisions of the Tax Act will apply to each Non-Resident Shareholder whose Tanganyika Shares are taxable Canadian property (other than excluded property, such as shares of a corporation listed on a recognized stock exchange, which currently includes the TSX) at the time disposed of, in circumstances where the Non-Resident Shareholder does not obtain a clearance certificate to enable the purchase price to be paid without being subject to withholding, in which case the Offeror will be entitled, pursuant to the Tax Act, to deduct or withhold an amount from any payment made to the Non-Resident Shareholder and, where necessary, to remit such amount to the Receiver General of Canada on behalf of the Non-Resident Shareholder. The requirement to obtain a clearance certificate applies regardless of whether or not any capital gain arising from the disposition of such shares is exempt from Canadian tax. A non-resident of Canada that disposes of taxable Canadian property is required to file a Canadian tax return for the year in which the disposition occurred and, by filing such return, a Non-Resident Shareholder may be entitled to receive a refund of the amount remitted to the Receiver General of Canada on behalf of such Non-Resident Shareholder in excess of such Non-Resident Shareholder’s Canadian tax liability.

In the event that the Tanganyika Shares constitute taxable Canadian property to a Non-Resident Shareholder and the capital gain realized upon a disposition of such Tanganyika Shares to the Offeror is not exempt from Canadian tax by virtue of an applicable income tax treaty or convention, then in such circumstances, the tax consequences as described above under “Shareholders Resident in Canada—Disposition Pursuant to the Offer” will generally apply. Such Non-Resident Shareholders whose Tanganyika Shares are taxable Canadian property should consult their own tax advisors in this regard.

Non-Resident Shareholders should consult their own tax advisors with respect to the potential income tax consequences to them of not disposing of their Tanganyika Shares pursuant to the Offer.

Subsequent Transactions

The consequences under the Tax Act to a Non-Resident Shareholder of any Compulsory Acquisition or Subsequent Acquisition Transaction would depend upon the nature of the transaction but would generally be the same as those described above with respect to Shareholders that are resident in Canada except that the Non-Resident Shareholder would not be subject to taxation under the Tax Act in respect of any capital gain that is recognized unless the holder's Tanganyika Shares are taxable Canadian property, as described above, and the Non-Resident Shareholder is not afforded any relief under an applicable tax treaty. The notification and withholding provisions of the Tax Act will apply to each Non-Resident Shareholder whose Tanganyika Shares are taxable Canadian property (other than excluded property, such as shares of a corporation listed on a recognized stock exchange, which currently includes the TSX) at the time disposed of, in circumstances where the Non-Resident Shareholder does not obtain a clearance certificate to enable the purchase price to be paid without being subject to withholding, in which case the Offeror will be entitled, pursuant to the Tax Act, to deduct or withhold an amount from any payment made to the Non-Resident Shareholder and, where necessary, to remit such amount to the Receiver General of Canada on behalf of the Non-Resident Shareholder. The requirement to obtain a clearance certificate applies regardless of whether or not any capital gain arising from the disposition of such shares is exempt from Canadian tax. A non-resident of Canada that disposes of taxable Canadian property is required to file a Canadian tax return for the year in which the disposition occurred and, by filing such return, a Non-Resident Shareholder may be entitled to receive a refund of the amount remitted to the Receiver General of Canada on behalf of such Non-Resident Shareholder in excess of such Non-Resident Shareholder's Canadian tax liability.

If the Tanganyika Shares are not listed on a prescribed stock exchange at the time of the Compulsory Acquisition or Subsequent Acquisition Transaction, the Tanganyika Shares will constitute taxable Canadian property.

To the extent that a Compulsory Acquisition or a Subsequent Acquisition Transaction is proposed by the Offeror, Non-Resident Shareholders are urged to consult their own professional advisors to determine the consequences to them of the particular transaction and in particular whether any Tanganyika Shares held by them during the course of such an acquisition would constitute "taxable Canadian property" or whether the disposition would give rise to a deemed dividend to such holders.

10. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

A Shareholder who is a U.S. citizen or resident or otherwise a U.S. person (a "U.S. Shareholder") should be aware that tendering Tanganyika Shares pursuant to the Offer may have tax consequences under the laws of both the United States and Canada. Such consequences are not described in this Offer, and U.S. Shareholders are urged to consult their own tax advisors concerning the Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction. If a U.S. Shareholder fails to provide the Depository with the information solicited on the Substitute Form W-9 set out in the accompanying Letter of Transmittal, or fails to certify that such Shareholder is not subject to U.S. backup withholding, the Depository may be required to withhold U.S. income tax from payments made to such U.S. Shareholder pursuant to the Offer.

11. HOLDINGS OF SECURITIES OF TANGANYIKA

Neither the Offeror nor Sinopec International, nor any director or officer of the Offeror or Sinopec International, nor, to the knowledge of the Offeror or Sinopec International after reasonable enquiry, any associate or affiliate of any insider of the Offeror or Sinopec International, any insider of the Offeror or Sinopec International other than a director or officer of the Offeror or Sinopec International, or any person acting jointly or in concert with the Offeror or Sinopec International, beneficially owns or exercises

control or direction over, any securities of Tanganyika, except in respect of the Support Agreement and the Lock-Up Agreements.

12. TRADING IN SECURITIES OF TANGANYIKA

To the knowledge of the Offeror or Sinopec International, after reasonable enquiry, during the six month period preceding the date of the Offer, no securities of Tanganyika have been purchased or sold by the Offeror or Sinopec International, any director or officer of the Offeror or Sinopec International, any associate or affiliate of an insider of the Offeror or Sinopec International, any insider of the Offeror or Sinopec International other than a director or officer of the Offeror or Sinopec International, or any person acting jointly or in concert with the Offeror or Sinopec International, except in respect of the Support Agreement and the Lock-Up Agreements.

13. COMMITMENTS TO ACQUIRE SECURITIES

Except in respect of the Offer, the Support Agreement and the Lock-Up Agreements, neither the Offeror nor Sinopec International, nor any director or officer of the Offeror or Sinopec International, nor, to the knowledge of the Offeror or Sinopec International after reasonable enquiry, any associate or affiliate of an insider of the Offeror or Sinopec International, any insider of the Offeror or Sinopec International other than a director or officer of the Offeror or Sinopec International, or any person acting jointly or in concert with the Offeror or Sinopec International, has any agreement, commitment or understanding to acquire securities of Tanganyika.

14. ARRANGEMENTS, AGREEMENTS OR UNDERSTANDINGS

Other than as provided in the Support Agreement and Lock-Up Agreements, there are no contracts, arrangements or agreements made or proposed to be made between Sinopec International and/or the Offeror and any of the directors or senior officers of Tanganyika and no payments or other benefits are proposed to be made or given by Sinopec International or the Offeror to such directors or senior officers as compensation for loss of office or as compensation for remaining in or retiring from office. The Offeror and Sinopec International understand that Tanganyika has certain obligations to its Employees to compensate them for loss of office or employment. In the Support Agreement, Tanganyika has indicated that the aggregate amount payable pursuant to such obligations if the Offer is completed will not exceed US\$1,500,000.

Other than pursuant to the Support Agreement and the Lock-Up Agreements, there are no contracts, arrangements or understandings, formal or informal, between the Offeror or Sinopec International and any Shareholder with respect to the Offer or between Sinopec International and the Offeror and any person or company with respect to any securities of Tanganyika in relation to the Offer.

There are no business relationships between Sinopec International and/or the Offeror, and Tanganyika, or their respective associates or affiliates, that are material to any of them, with the exception of the Support Agreement and the Lock-Up Agreements.

15. MATERIAL CHANGES IN THE AFFAIRS OF TANGANYIKA AND OTHER INFORMATION

Neither Sinopec International nor the Offeror is aware of any information which indicates that any material change has occurred in the affairs of Tanganyika since June 30, 2008, the date of the last financial statements of Tanganyika, being the unaudited financial statements for the three month period then ended, other than the entering into of the Support Agreement.

Neither Sinopec International nor the Offeror has knowledge of any other material facts concerning the securities of Tanganyika or of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

16. ACCEPTANCE OF THE OFFER

Other than the Locked-Up Shareholders who have entered into the Lock-Up Agreements, neither Sinopec International nor the Offeror has any knowledge regarding whether any Shareholders will accept the Offer.

17. REGULATORY MATTERS

The Offeror's obligation to take up and pay for Tanganyika Shares under the Offer is conditional upon obtaining all Required Regulatory Approvals, including the PRC Approvals.

The principal PRC Approval is that of the NDRC. The PRC Approvals are those required from the Ministry of Commerce, the State Administration of Foreign Exchange and the State-owned Assets Supervision and Administration Commission in The People's Republic of China. Sinopec International and the Offeror expect that all PRC Approvals, will be obtained prior to the Expiry Time.

The Offer does not meet the thresholds for notification of an acquisition of shares under Part IX of the Competition Act. The Commissioner of Competition has the power to inquire into any transaction if she has reason to believe that it will substantially lessen or prevent competition in Canada and, if grounds exist, to apply to the Competition Tribunal for an order preventing the completion of the Offer, allowing it to proceed subject to certain conditions or, in the case of a completed acquisition or merger, requiring its unwinding or dissolution, the divestiture of assets or shares or, with the consent of the Offeror, to take any other action necessary to remove the substantial anti-competitive effect. If such an application is made prior to the Offeror having taken up and paid for the Tanganyika Shares, or in certain circumstances if the Commissioner requires more time to complete her inquiry, the Commissioner may request the issuance of an injunction to delay completion of the Offer.

The Offeror intends to file a notification under the Investment Canada Act, with Industry Canada within 30 days after the Effective Date.

18. LEGAL MATTERS

Certain legal matters on behalf of Sinopec International and the Offeror will be passed upon by Vinson & Elkins LLP and Stikeman Elliott LLP, and the opinions contained in section 9 of the Circular, "Certain Canadian Federal Income Tax Considerations" have been provided by Stikeman Elliott LLP, counsel to Sinopec International and the Offeror. Certain legal matters on behalf of Tanganyika will be passed upon by Cassels, Brock & Blackwell LLP. As of October 30, 2008, the partners and associates of each of Vinson & Elkins LLP, Stikeman Elliott LLP and Cassels, Brock & Blackwell LLP owned less than 1% of the outstanding Tanganyika Shares.

19. STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides securityholders of Tanganyika with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or a notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

20. DIRECTORS' APPROVAL AND CERTIFICATE

The contents of the Offer and the Circular have been approved, and the sending, communication or delivery thereof has been authorized by the board of directors of the Offeror.

CERTIFICATE OF MIRROR LAKE OIL AND GAS COMPANY LIMITED

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: October 30, 2008

MIRROR LAKE OIL AND GAS COMPANY LIMITED

"Jie Weiqiang"

Jie Weiqiang
Chief Executive Officer

"Xu Jingli"

Xu Jingli
Chief Financial Officer

"Hu Jiayue"

Hu Jiayue
Director

"Lu Yongjun"

Lu Yongjun
Director

**CERTIFICATE OF SINOPEC INTERNATIONAL PETROLEUM EXPLORATION AND
PRODUCTION CORPORATION**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: October 30, 2008

SINOPEC INTERNATIONAL PETROLEUM EXPLORATION AND PRODUCTION CORPORATION

"Zhou Baixiu"

Zhou Baixiu
President

"Zhou Yuqi"

Zhou Yuqi
Vice President and Director

"Liu Jifeng"

Liu Jifeng
Chief Financial Officer

"Cong Peixin"

Cong Peixin
Director

CONSENT OF COUNSEL

TO: The Board of Directors of Mirror Lake Oil and Gas Company Limited

We hereby consent to the reference to our opinion contained under "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated October 30, 2008 made by Mirror Lake Oil and Gas Company Limited to Shareholders of Tanganyika Oil Company Ltd.

(Signed) *"Stikeman Elliott LLP"*

Calgary, Alberta October 30, 2008

The Depositary for the Offer is:

Equity Transfer & Trust Company
Toll Free: 1-866-393-4891
E-mail: investor@equitytransfer.com

By Mail, Registered Mail, Hand or by Courier:

200 University Avenue
Suite 400
Toronto, Ontario, Canada
M5H 4H1
Attention: Corporate Actions

The Information Agent for the Offer is:

Georgeson

North American Toll Free Number: 1- 866-717-8272

*** European Toll Free:** 00 800 2667 8828

European Collect: +44 (0)117 378 8097

By Mail, Registered Mail, Hand or by Courier:

100 University Avenue
11th Floor, South Tower
Toronto, Ontario
M5J 2Y1

*Austria; Belgium; Denmark; Finland; France; Germany; Ireland; Italy; Netherlands; Norway; Spain; Sweden; Switzerland; United Kingdom.

*Any questions and requests for assistance may be directed by
Shareholders to the Depositary or Georgeson
at their respective telephone numbers and locations set out above.*