



# **TG WORLD ENERGY CORP.**

## **N E W S R E L E A S E**

[TSX-V: TGE]

March 11, 2010

### **TG World Acquires Interest in Philippine Oil Project**

- **Two development-ready oil discoveries with contingent resources oil in place of 16 million bbls (P50)**
- **First well has potential for 7,000 to 15,000 bpd initial production capacity**
- **Three oil discoveries identified beyond the first drill target**
- **First oil targeted for Q2 2010**

CALGARY, ALBERTA – TG World Energy Corp. (TSX-V: TGE) (“TG World” or the “Company”) has signed farm-in agreements for a 12.5% equity interest in two Philippine offshore development ready oil discoveries.

The property, known as Service Contract 54A (“SC54A”) is located offshore in the North West Palawan Basin of the Philippines covering an area of 867 square kilometres. SC54A contains two development ready oil discoveries, Tindalo and Yakal, where aggregate contingent resources oil in place of 16 million barrels (P50) has been independently verified by ISIS Petroleum Consultants Pty Ltd. as of February 2009 (Tindalo 11.0 mm bbls, Yakal 5.1 mm bbls).

Project partners in SC54A, after the farm-in is complete, include project operator Nido Petroleum Ltd. (“Nido”) of Perth, Australia at 42.4%, Kairiki Energy Ltd. (“Kairiki”) of Perth, Australia at 30.1% and Trafigura Ventures III B.V. of Singapore at 15%. TG World will receive 7.6% of its acquired interest from Nido and 4.9% from Kairiki.

Consideration for the 12.5% interest totals US\$11.1 million and is comprised of approximately US\$5.25 upon execution of the farm-in agreements and the balance paid in staged payments following first oil and subsequent crude offtakes. TG World is also responsible for its share of costs to first oil which is expected in Q2 2010. Funds are provided by TG World from cash on hand. The transaction is subject to approval of the Philippine government.

#### **Project Details**

In 2008, Nido completed a two well exploration program in SC54A that resulted in the Tindalo and Yakal oil discoveries. Both wells were suspended without testing as potential oil producers based on interpretation of well log and drilling data. The Tindalo well identified a 124 to 144+ metre oil column and Nido has since fast-tracked a low cost, well development program. Nido has commissioned drilling contractor Vantage Drilling for the development and completion of the Tindalo discovery which is positioned at water depths of approximately 100 metres. Completion and extended well test operations are scheduled to commence in the second quarter of 2010 with first oil expected shortly thereafter.

Nido has anticipated initial oil production from the Tindalo well at 7,000 to 15,000 barrels of oil per day, based upon independent party assessment. The production estimate is based upon subsurface geological modelling and reservoir simulation consistent with production history

matching of two nearby oil fields (Nido A&B fields located nine miles to the south) that have produced 19 million barrels to date from the same age reservoir. Recoverable oil over an approximate 18 month life may range between 5-6 million barrels for Tindalo. There is no assurance that this well can produce as estimated and there is no certainty that it will be commercially viable to produce any portion of the resources mentioned in this release as there is no flow test data. The contingencies which currently prevent the classification of the resource as a reserve are geological/economic in nature based on maintaining simulated reservoir oil production volumes for 18 months. The Yakal well identified a 78 to 93 metre oil column and will likely be developed subsequent to Tindalo. Yakal is a crestal offset to the vintage Nido-1 well that was tested at 1,400 barrels per day.

“Our involvement in SC54A not only provides near-term cash flow if successful, but also places us in the middle of a prolific development and exploration fairway”, stated Cliff James, TG World’s President & CEO. “In addition to the four discoveries identified (Tindalo, Yakal, Nido 1X1 and Signal Head 2), SC54A contains some 19 other identified pinnacle reef targets that may offer follow-up successes.”

Mr. James went on to state, “The oil and gas potential and advantageous fiscal regime of the Philippines has been recently validated by the continued participation and new entry of major players in the Palawan Basin, including Shell, Chevron, BHP Billiton and Exxon Mobil. Nido has had a first-rate history in the Philippine oil and gas industry and we look forward to a fruitful working relationship.”

### **Tindalo Development Concept**

Nido has advised that contracts for all of the major equipment required for the Tindalo oil field development have now been awarded: Vantage Drilling for drilling contractor services, Knutsen Shuttletanker Pool AS for the Floating Storage and Offloading (“FSO”) vessel and Weatherford Asia Pacific PTE Ltd. for the production processing equipment.

The field will be developed using a leased, jack-up rig to re-enter and complete the suspended Tindalo well for production. An electric submersible pump will also be installed as part of the well completion to assist in maintaining production rates throughout the life of the field.

The jack-up rig will remain on location to provide a stable weather tolerant production platform using specially installed production equipment on board. Crude oil from the well will be processed on the rig and then be stored via a crude transfer hose to a leased dynamically positioned FSO vessel nearby. Trafigura Pte. Ltd. will market the oil produced.

In the event of extreme weather, production will be suspended and the transfer hose disconnected from the FSO. The FSO will then be able to move off location and seek shelter as necessary. Due to the robust nature of the design, the disconnection process can be made in a range of sea and weather conditions with much less risk of damage to any of the facilities than alternative development concepts considered.

Nido announced on September 2, 2009, that the Philippine Department of Energy (“DOE”) had approved the Tindalo oil field plan of development. Following this release was an announcement from Nido that it had secured an Extended Well Test Agreement (“EWT”) with the DOE on behalf of the Joint Venture. Under the agreement, during the EWT period, the Joint Venture may retain 100% of gross crude proceeds while recovering all operating expenses (including development costs) incurred in connection with the EWT. The EWT is for a maximum

of 100 days of actual crude flow/production time or one million barrels of crude production, whichever occurs first.

### **Yakal Development & Other Exploration Targets**

Subsequent to producing at Tindalo, the plan is to move to Yakal for a similar completion and extended well test operation. An alternate second candidate is to drill a crestal offset to the vintage Nido-1X1 well that tested at 1464 barrels of oil per day. 3-D seismic data is currently being processed and interpreted to confirm the reef flank position of the Nido-1X1 well. A further candidate is to re-drill the Signal Head-2 oil discovery where an oil column of 90 metres is interpreted from well log and drilling data. In addition, there are several reef exploration prospects mapped on SC54A 3-D seismic data that can be drilled with the leased rig platform.

TG World will upload a brief overview presentation regarding the Philippine opportunity on its website [www.tgworldenergy.com](http://www.tgworldenergy.com) in the near future.

### **TG World Energy**

TG World is a Calgary-based, junior international oil and gas exploration company currently focused on Alaska, Niger and the Philippines..

TG World Energy Inc. (a wholly owned subsidiary of TG World) is partnered with operator Brooks Range Petroleum Corp., Alaska Venture Capital Group, Brooks Range Development Corp. and Ramshorn Investments Inc. in a joint venture that is pursuing oil and gas opportunities on the Central North Slope of Alaska. The joint venture has oil and gas activities in four geographical areas in Alaska: Slugger/South Thomson, Tofkat, North Tarn and the Beechey Point Unit.

TG World Petroleum Limited (a wholly-owned subsidiary of TG World) ("TGWP") is partnered with operator CNPCIT, a unit of the China National Petroleum Company, in the Ténéré Block oil and gas concession in the Republic of Niger, Africa. TGWP has a 20% carried interest in the Ténéré Block, which contains the northern half of the Termit - Ténéré Rift, a large rift valley basin in the country. The southern half of this rift valley is located in the adjacent Agadem Block, where the Chinese National Petroleum Company holds several oil and gas discoveries.

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*looking statements respecting anticipated exploration activities and potential development activities in the TG World's areas of operation are based upon the results of prior exploration activities, the status of TG World's discussions with its partners as to the nature and extent of the exploration programs, and the current budget for exploration and development activities (all of which are subject to change). Forward-looking statements respecting the development of the Tindalo and Yakal discoveries, future exploration and development in SC54A and other potential opportunities between Nido, Yilgarn and TG World are based on the discussions carried out to date, the results of prior exploration and development activities, technical information provided to TG World by Nido and the current budget for exploration and development activities (all of which are subject to change). Forward-looking statements of TG World contained in this News Release are expressly qualified, in their entirety, by this cautionary statement. Additional information relating to various risk factors to which TG World is exposed in the conduct of its business (and which may affect the expectations or outcomes reflected in the forward-looking statements contained in this News Release) are described in publicly available documents filed by TG World with certain securities regulatory authorities in Canada, which are available through SEDAR at [www.SEDAR.com](http://www.SEDAR.com).*

*The TSX Venture Exchange has neither approved nor disapproved the contents of this news release and the TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.*

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