

Building a High Impact Exploration Portfolio in Africa

And the challenges along the way...



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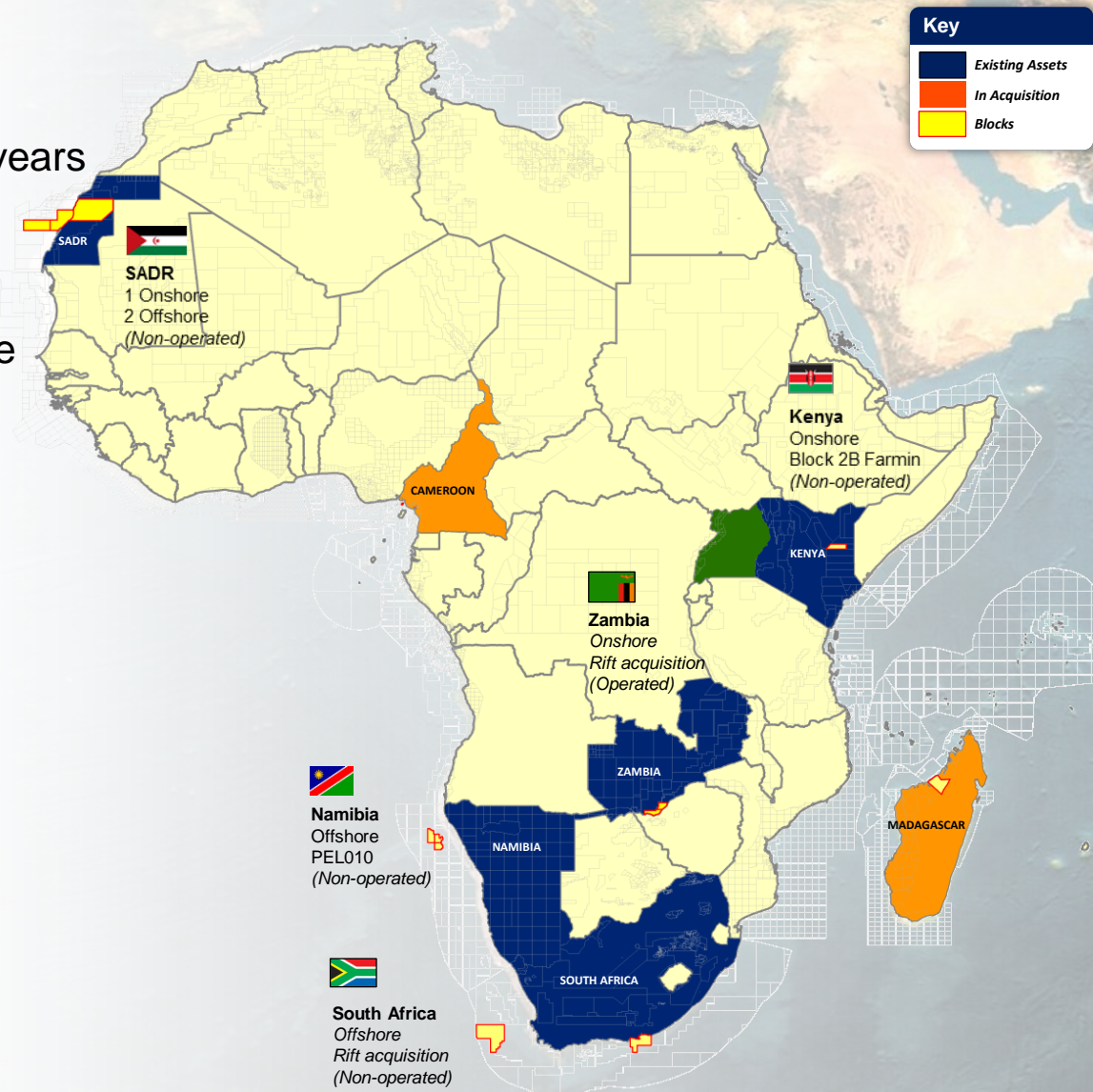
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Tower in 2015

- Strong portfolio built in last two years
- Track record of deal making
- Access to capital
- Low commitments – large upside
- Mostly frontier acreage but now entering established basins

Outline of the presentation

- Where we were in 2012
- What we did in 2013
- Transformative deals in 2014
- Trials and tribulations
- What makes Tower different
- What the future might bring

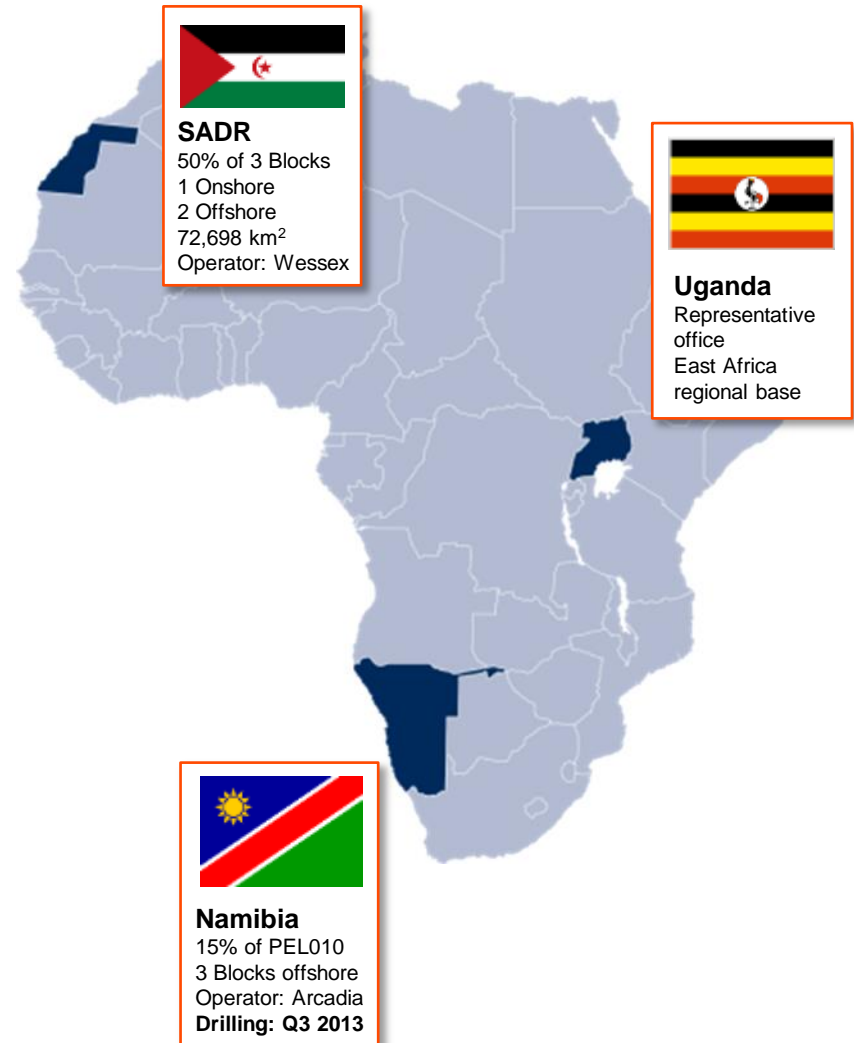


Diagnosis: Post Traumatic Drill Disorder

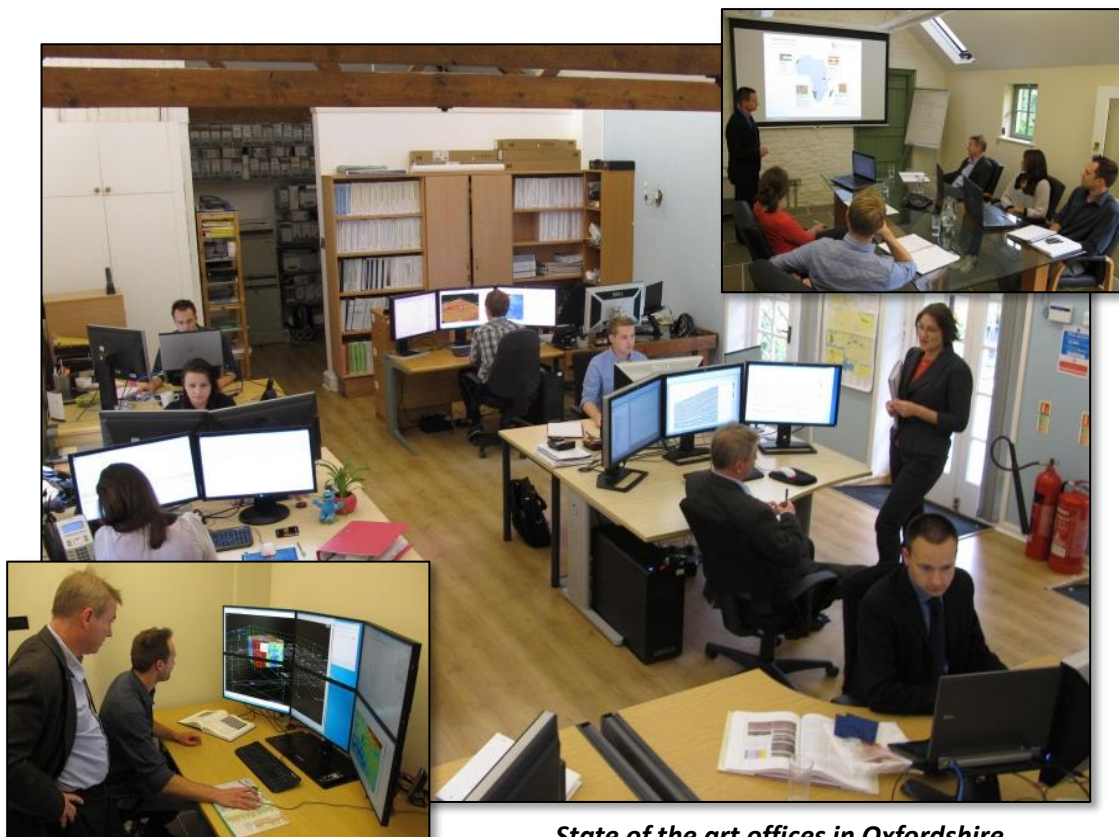
- Unsuccessful exploration in Uganda
- One remaining active asset - Namibia
 - Deep water well to spud by Q3 2013
- Interim CEO
- Part time technical support

The Cure: Refocus

- New CEO Graeme Thomson
- Repsol Farm-in to Namibia Block as operator
- Recruit new management team
- Focus on New Ventures



- Strategic partnership provides a ready-made and scalable exploration group integrated within the Tower corporate organisation
- Highly experienced team with successful track record of value-creation through new ventures, exploration & appraisal in Africa
- Brings cost-effectiveness with the best aspects of exploration management
- Multi-disciplinary team providing a full range of geoscience expertise, using leading-edge software including full Paradigm[®] suite
- Long-term OE_xD[®] contract safeguards corporate memory and data management function
- OE_xD[®] incentivised through partial remuneration in TRP shares

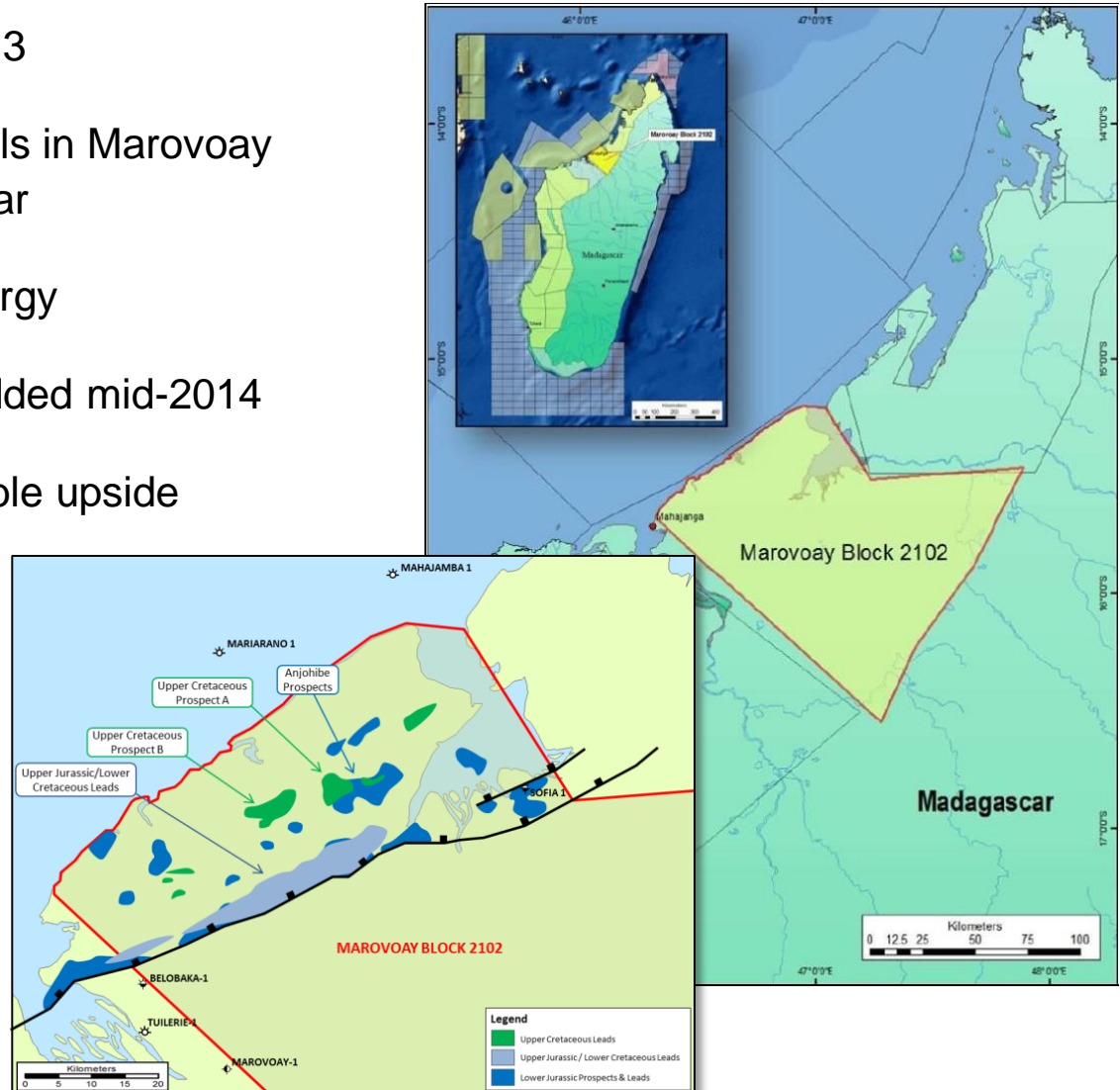


State of the art offices in Oxfordshire

Tower Resources

Acquisition of Wilton Petroleum

- Acquisition announced July 2013
- 20% carried interest for two wells in Marovoay Block-2102 onshore Madagascar
- Reputable operator - Ophir Energy
- First exploration well to be spudded mid-2014
- Multiple play types – considerable upside
- First well could de-risk more than one play
- Single asset private company



Tower Resources

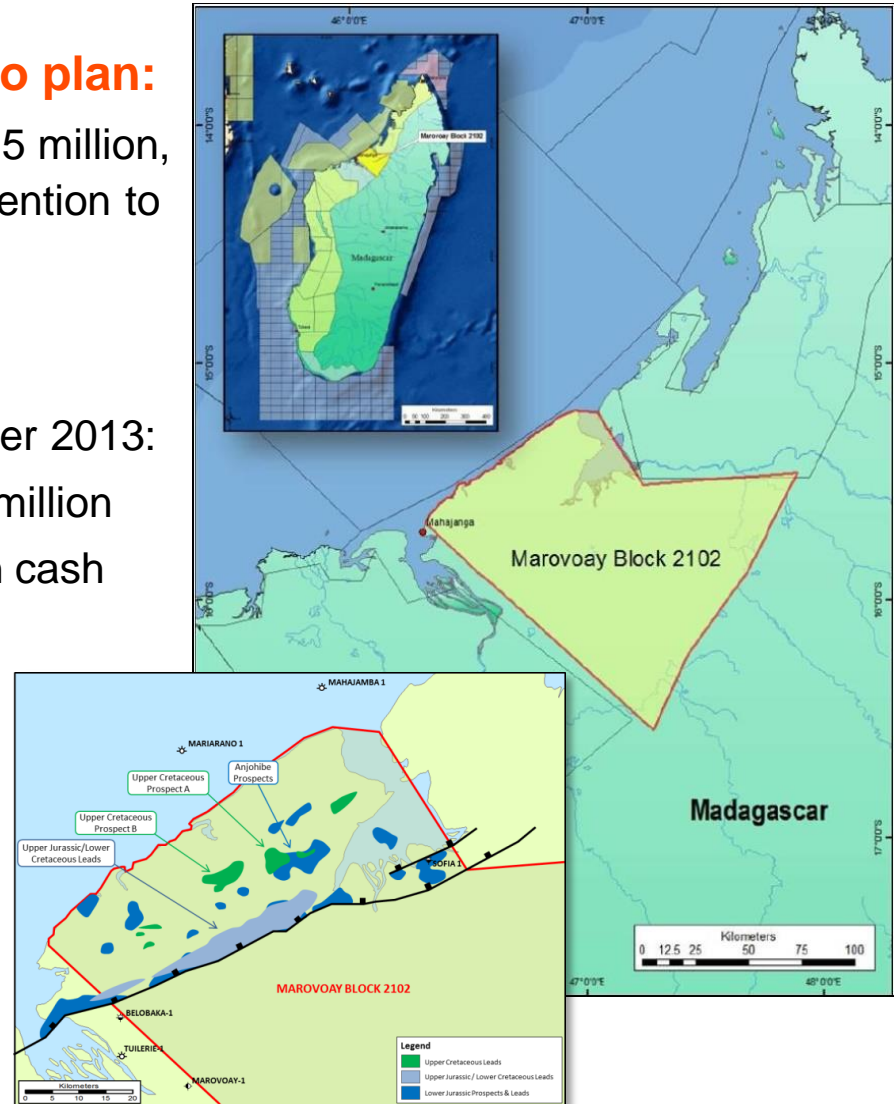
Acquisition of Wilton Petroleum

Nothing ever goes exactly according to plan:

- Immediately after our capital raise of ~US\$15 million, at 1.1p per share, Ophir announced their intention to withdraw from the licence

But there is always a solution:

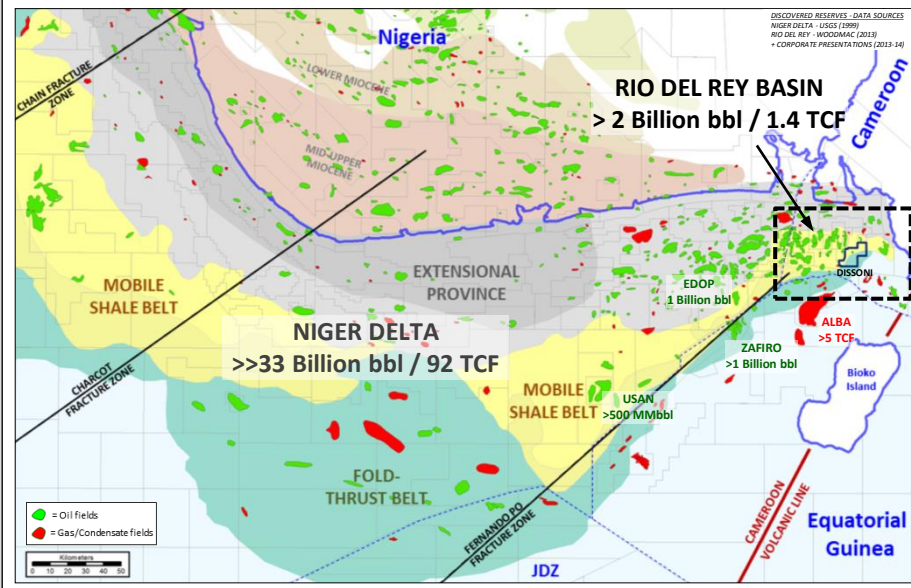
- Settlement Agreement announced September 2013:
 - Ophir paid Wilton compensation of US\$6 million
 - Tower acquires Wilton for US\$1.75 million cash & 120 million TRP shares
 - Net US\$4 million after costs
 - Equivalent to issuing equity at about 2 pence per share
- Now negotiating for a replacement licence



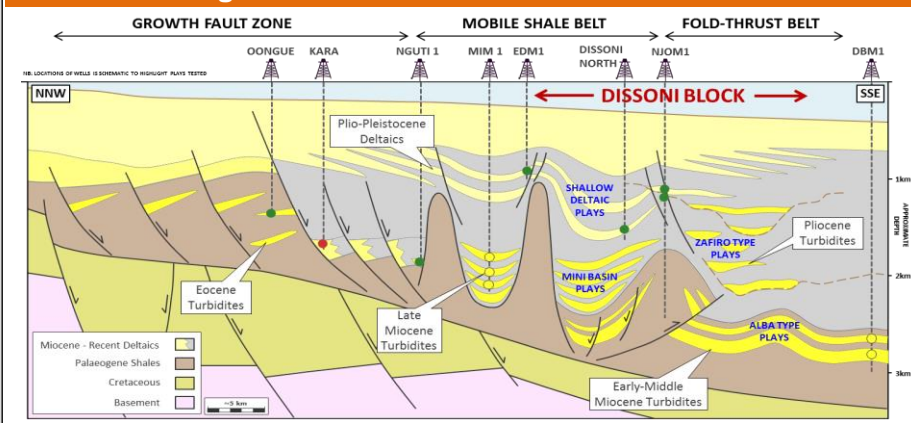
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Dissoni Block, Offshore Cameroon

Dissoni Block - Rio del Rey Sub-basin of the Niger Delta

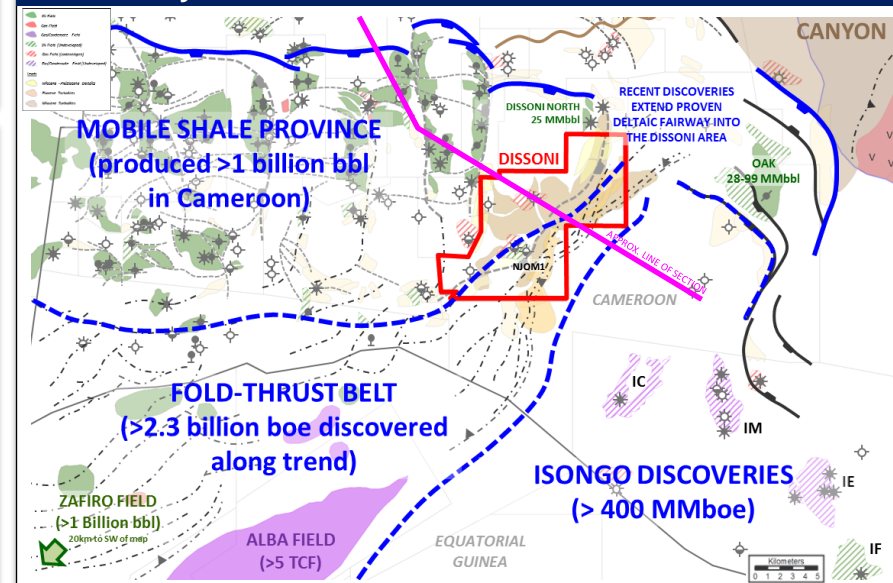


Schematic Regional Cross Section



- Rio del Rey basin identified as underexplored sub-basin of Niger Delta
- 2.5 billion boe URR in basin
- >1 billion barrels produced in Cameroon
- Preferred bidder in 2013 licence round
- Mature area close to producing fields
- Oak discovery extends shallow play fairway
- Deep gas condensate potential for larger fields

Rio del Rey Basin - 2.5 BOE discovered to date in Cameroon



Tower Resources

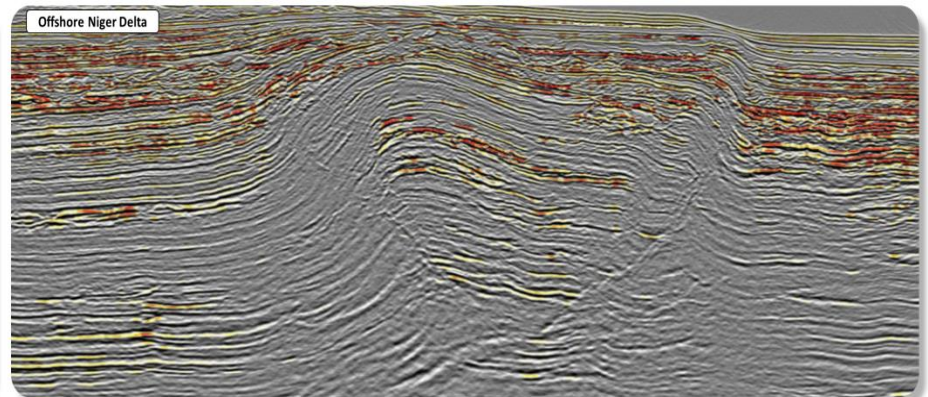
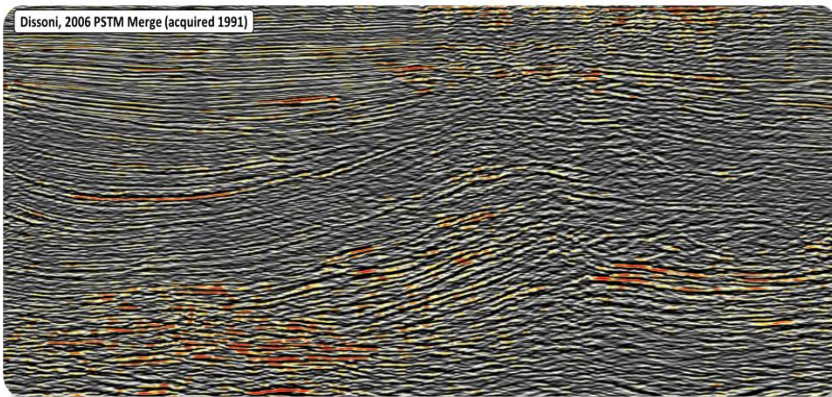
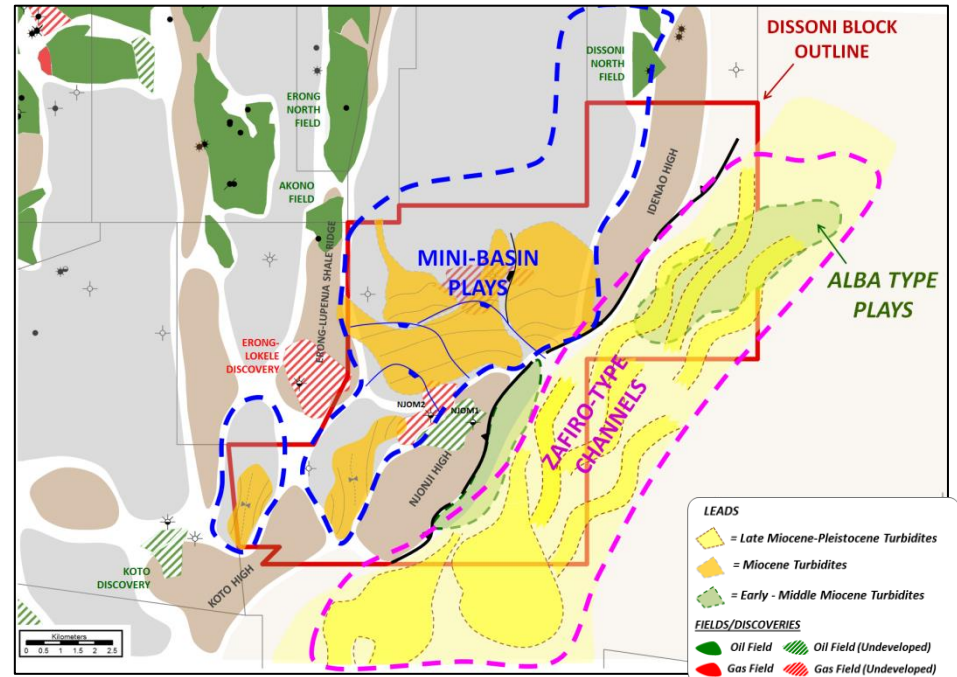
Dissoni Block, Offshore Cameroon

Exciting because:

- Exploration concept is to acquire new 3D seismic to update 20 year old data set and allow better resolution of shallow plays and imaging of deeper section
- Multiple play types identified

Frustrating because:

- Negotiations still ongoing
- Signature of PSC expected Q1 2015

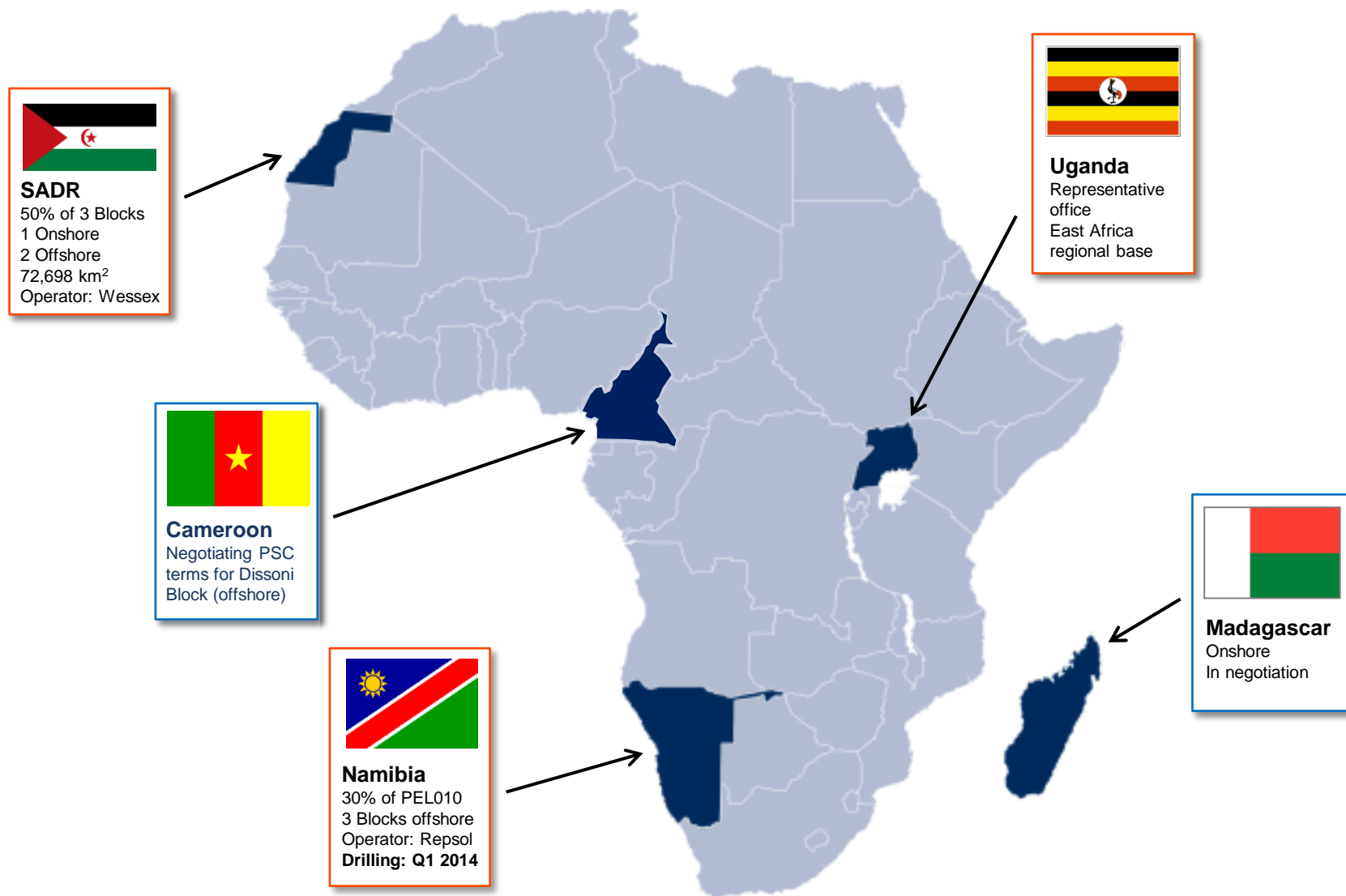


Source: www.seismicatlas.org (Dec 2013)

Comparison of Poorer Quality Vintage Dissoni 3D Seismic Data with More Modern Seismic Data from the Niger Delta

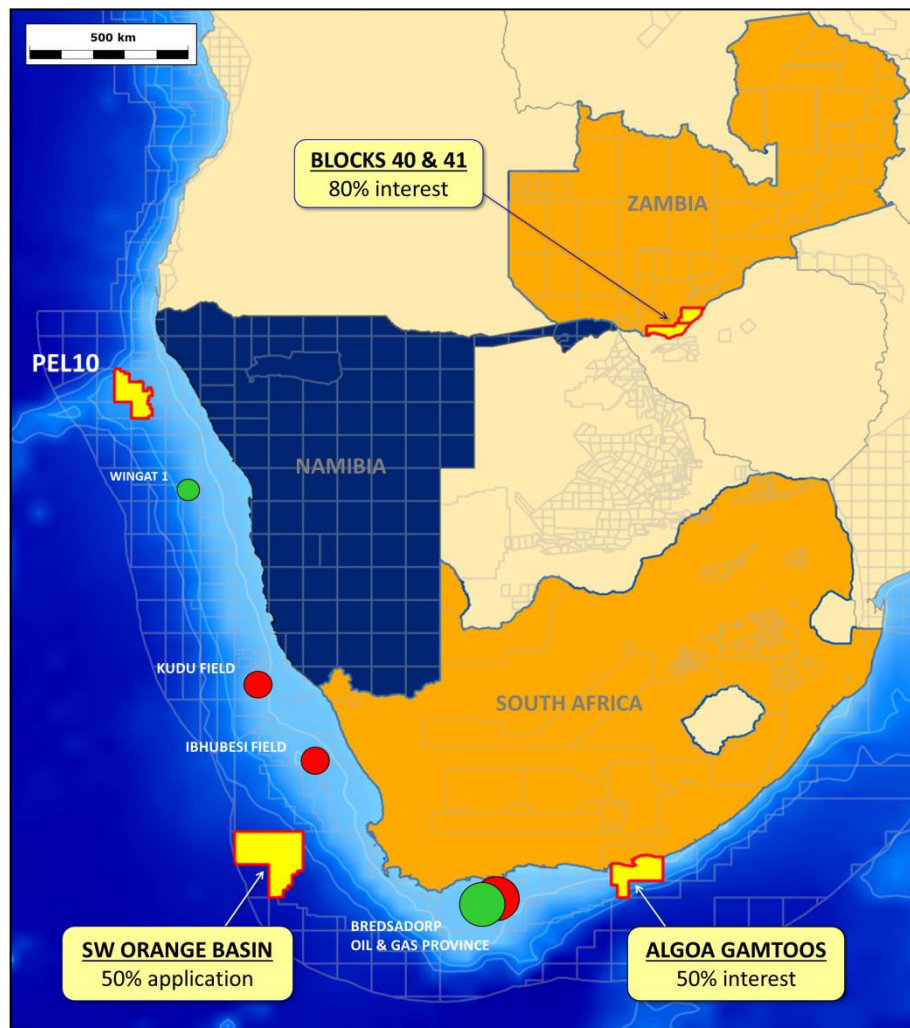
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Portfolio End 2013



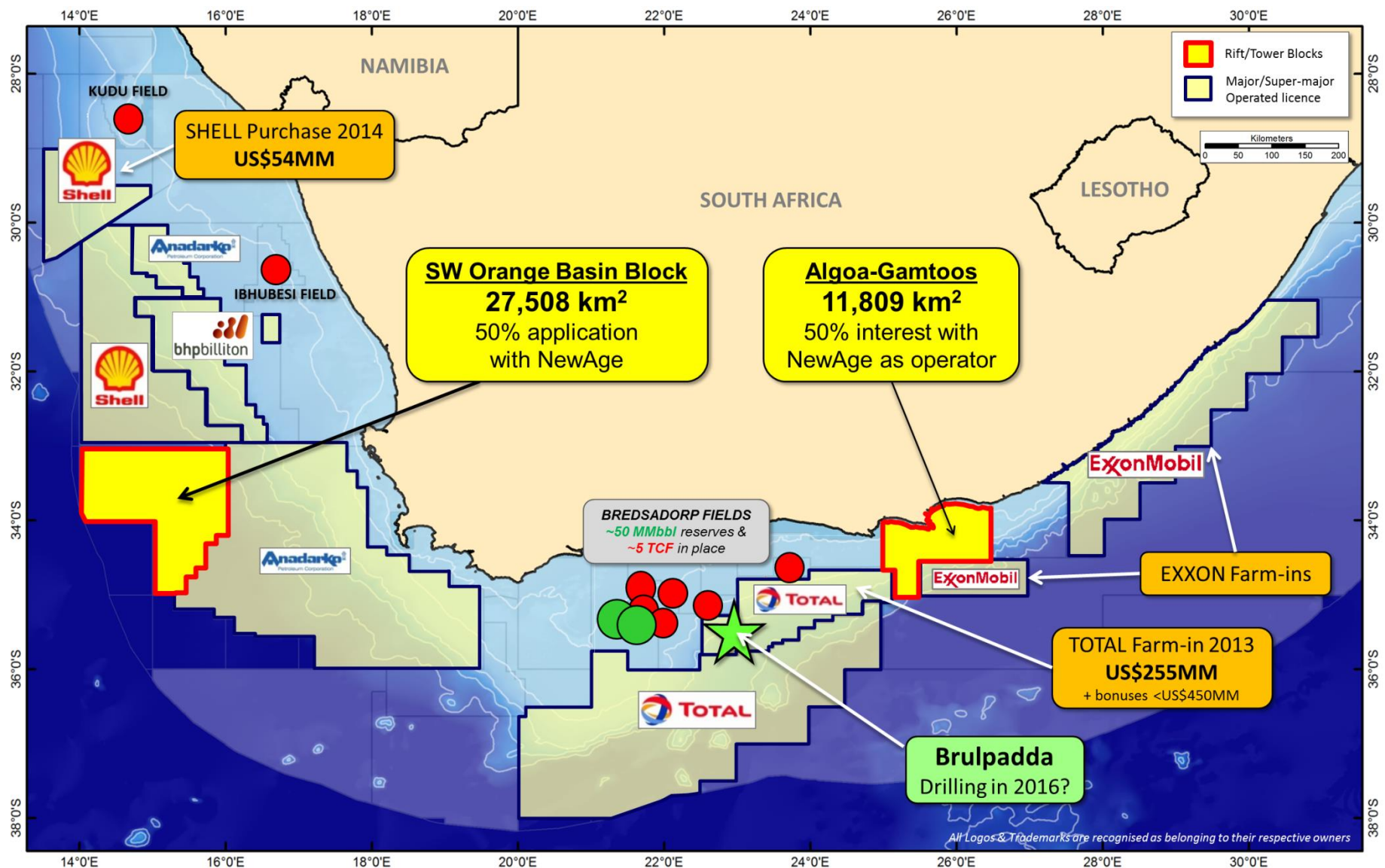
All Share Acquisition of Rift Petroleum

- Privately-owned exploration company with exposure to oil & gas opportunities in South Africa & Zambia
- Founder: Julian McIntyre – Successful investor in Sub-Saharan Africa
- Vendor shareholder injected US\$7.4 million cash prior to completion
- Three licences across South Africa & Zambia
- Oil-majors in neighbouring South African licences:
 - Total, Exxon, Shell, Anadarko
 - Brulpadda 1 testing new deep-water play
- Effectively a corporate farmout of our Namibian exposure and raising US\$32 million for the enlarged portfolio



South Africa - Rift Portfolio

Well placed in areas targeted by Majors



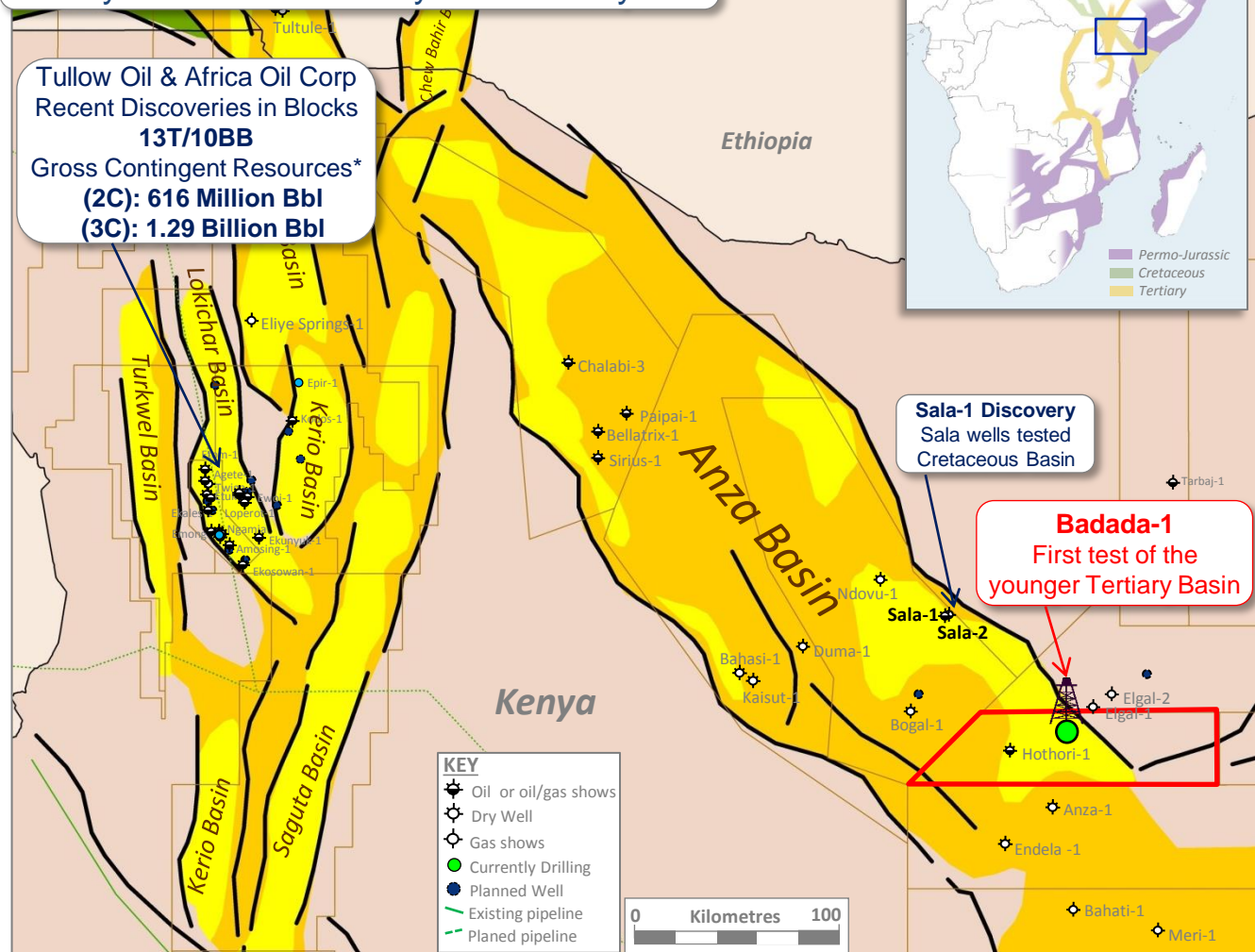
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Transformational Transactions in 2014

Farm-in to 15% of Block 2B, Kenya

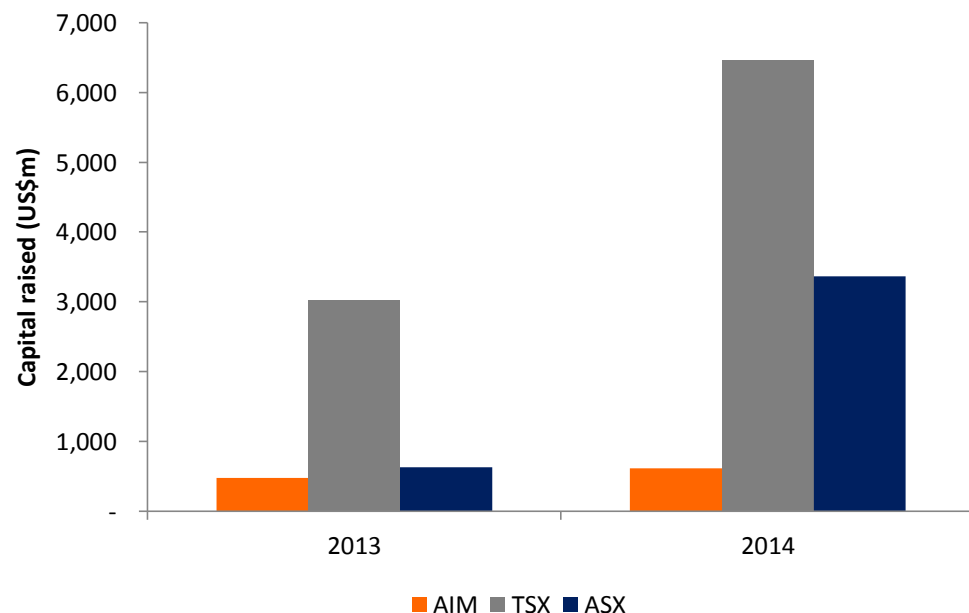
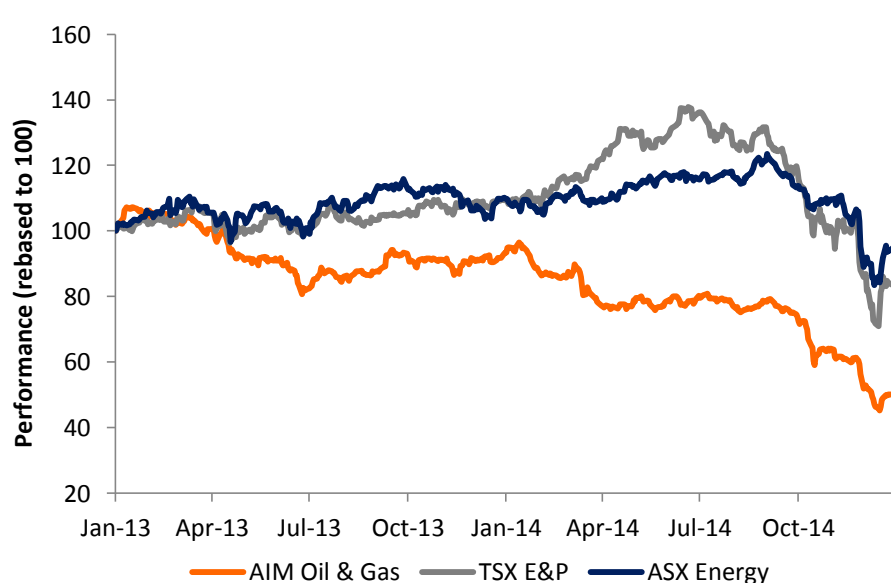
- Drilling of Badada-1 well early Jan 2015 operated by Lion Petroleum (Taipan Resources)
- Targeting 251 mmboe Pmean gross prospective resources (operator's estimate)
- Potential play opener block upside greater than >1 billion bbls
- Play type is a lookalike to Lokichar basin
- Premier Oil (55%) farmed into Block 2B in December 2013
- Tower farmed in for 15% interest mid 2014

Anza Basin: An Underexplored Branch of the Tertiary East African Rift System in Kenya



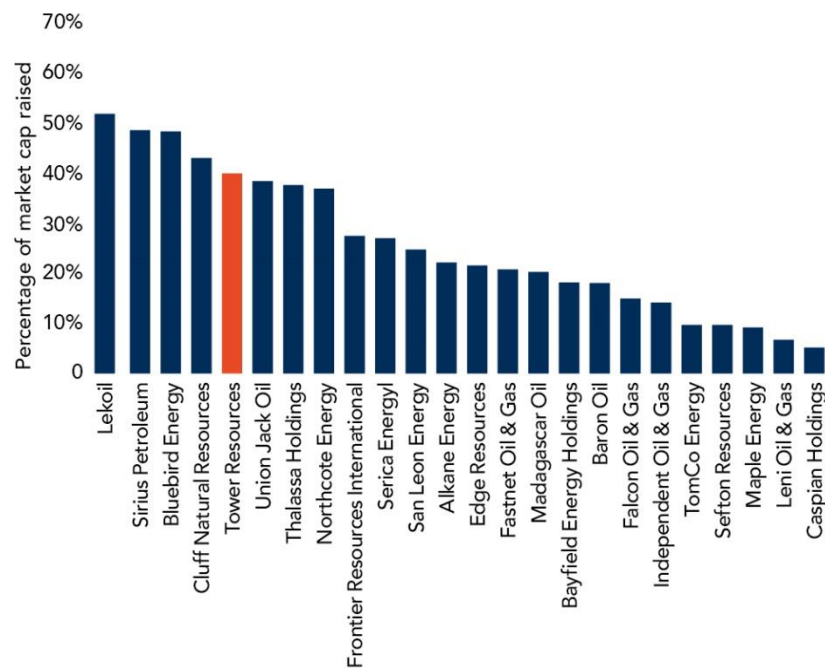
- In addition to the Rift acquisition and the Kenya farm-in, Tower was successful in raising US\$32 million at 3.5p per share
- This was in addition to the capital raised in 2013 at 1.125p per share
- This was despite adverse market conditions in both years

Equity Capital Markets – Recent Performance



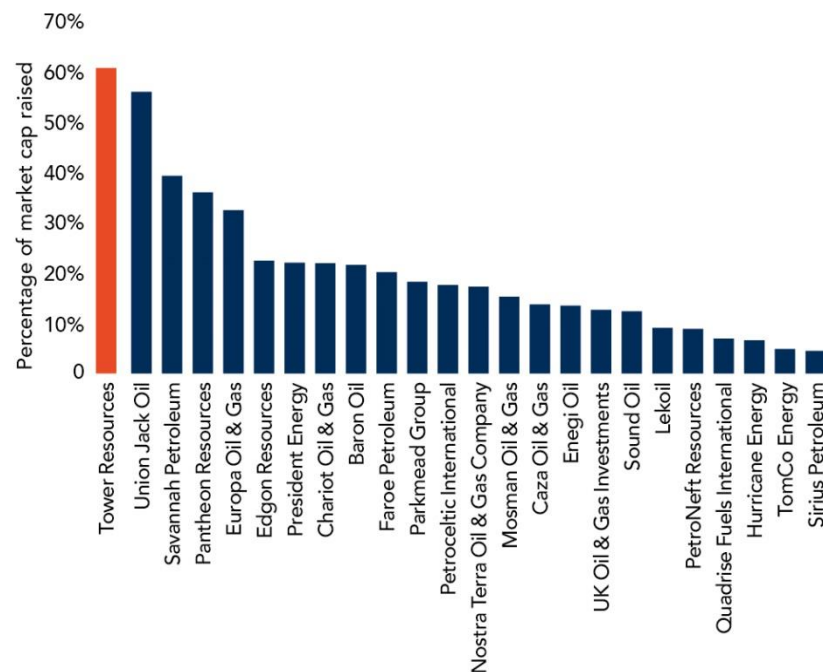
- As a percentage of market capitalisation, Tower was one of the most successful fund raisers among AIM oil and gas companies

**Money raised as a percentage of market cap –
AIM Oil & Gas 2013**

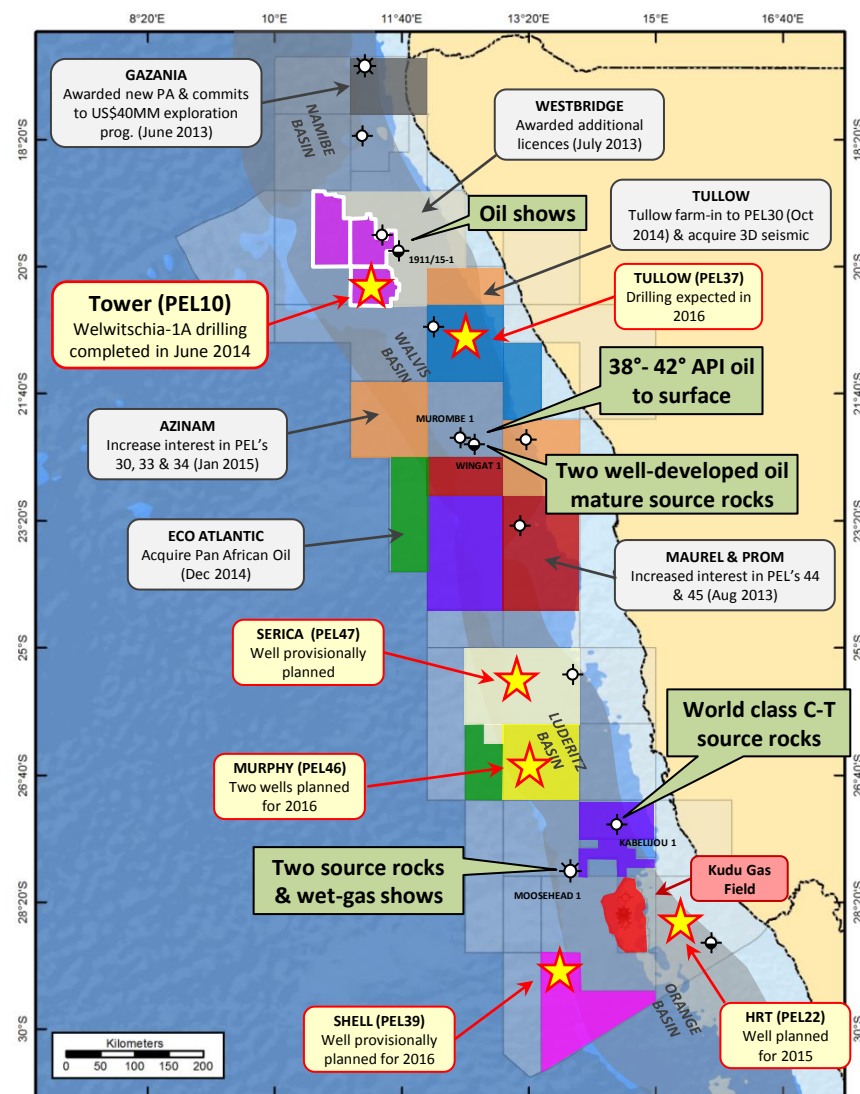
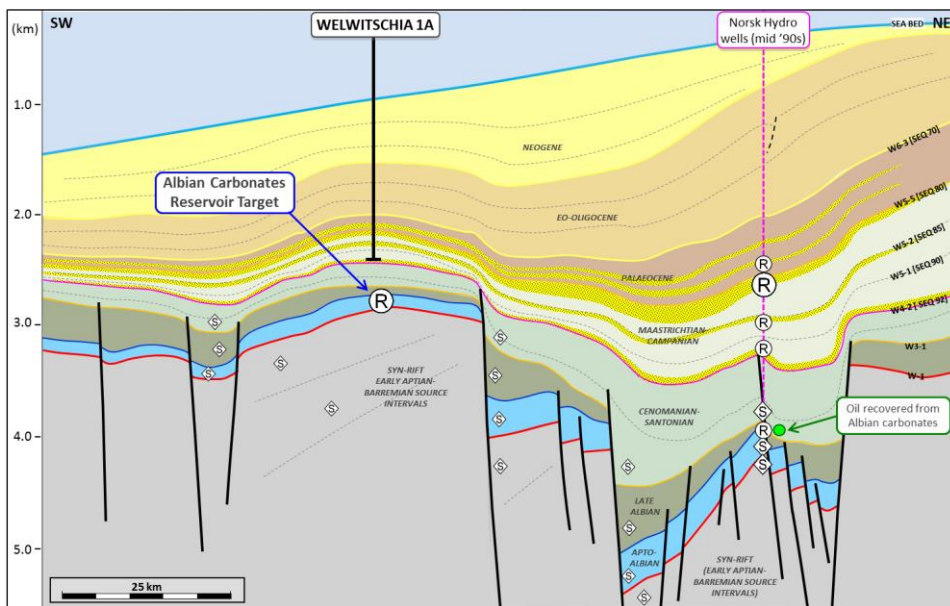


Source: Fidessa

AIM Oil & Gas 2014



- Welwitschia-1A drilled to 2,454 metres TVDRT
- Younger reservoirs poorly developed
- Problems with rig and weather
- P&A'd without reaching deeper targets
- No hydrocarbons encountered
- Significant potential in unpenetrated section

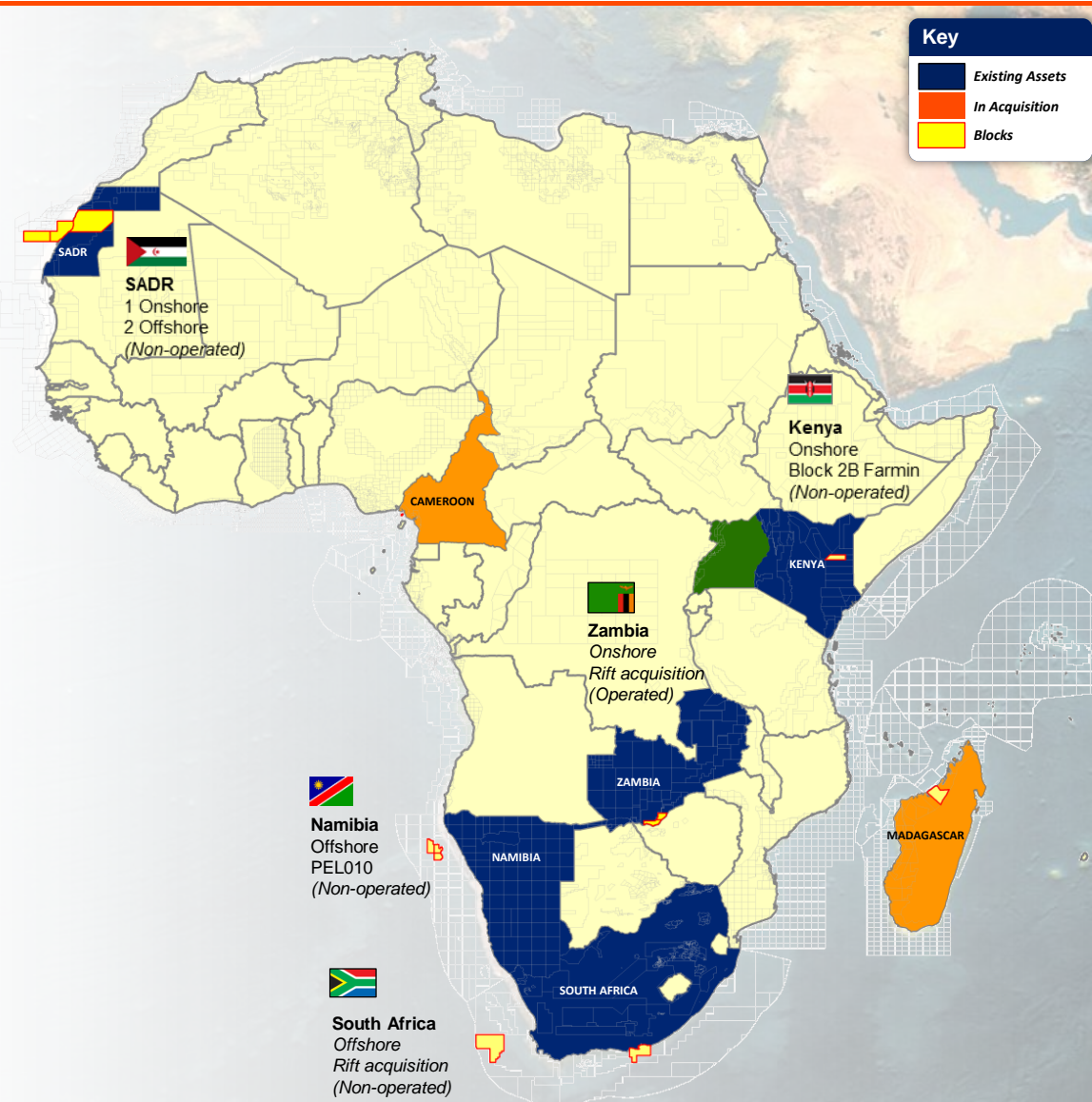


Tower Resources

Tower Resources in 2015

A Balanced Exploration Portfolio

- Refocused and replenished
- Namibia well disappointing, but not terminal
- Now active in five countries
- Funded through current commitments
- Expanded management team
- Active programme in 2015
 - Kenya drilling
 - New licences
 - Farmouts



Tower Resources

Capacity for Growth

- Experienced Board
- Strong management team
- Outsourced exploration department providing excellence with flexibility
 - In 2014 provided 45 personnel with 750 years of collective experience
 - Approximately 11 FTE utilised
- Low overheads
- Everyone incentivised through part payment in shares or options
- Highly motivated to succeed



Jeremy Asher
Non-Executive
Chairman



Peter Taylor
Non-Executive
Director



Graeme Thomson
Chief Executive Officer



Peter Blakey
Non-Executive
Director



Philip Swatman
Independent
Non-Executive Director



Rashid Mugabe
Regional Manager



Eric Griffith
Portfolio Asset Manager



Nigel Quinton
Head of Exploration



Andrew Matharu
VP – Corporate Affairs



Andy Smith
Financial Controller

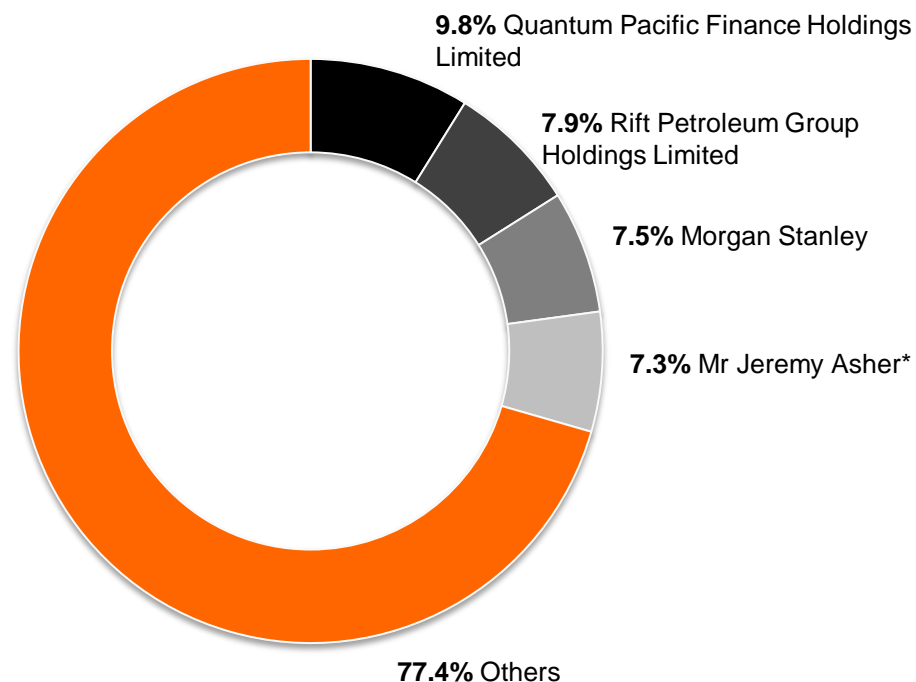


Tower Resources

Capital Structure

Capital Structure	
Listing	AIM
Share price	0.53p
Market capitalisation	~ US\$30m
Issued share capital	3,804.9m
Options & warrants	252.5m (6.3%)
Balance sheet	~ US\$6m cash
Directors' holdings	13.2%
Average Daily Volume†	9.5 million
12 month high	6.60p
12 month low	0.53p

Shareholders

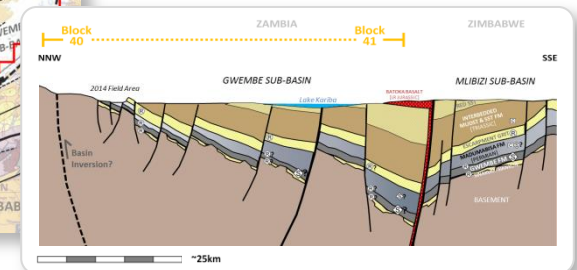
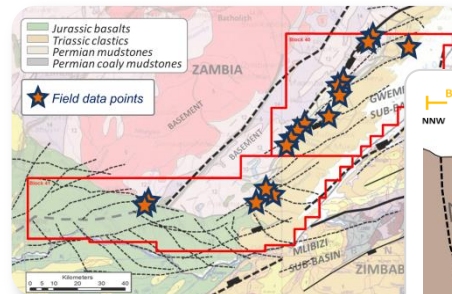


Data correct at close on 26 Jan 2015

* Director † Based on last three months trading

Initial Period Work Programme:

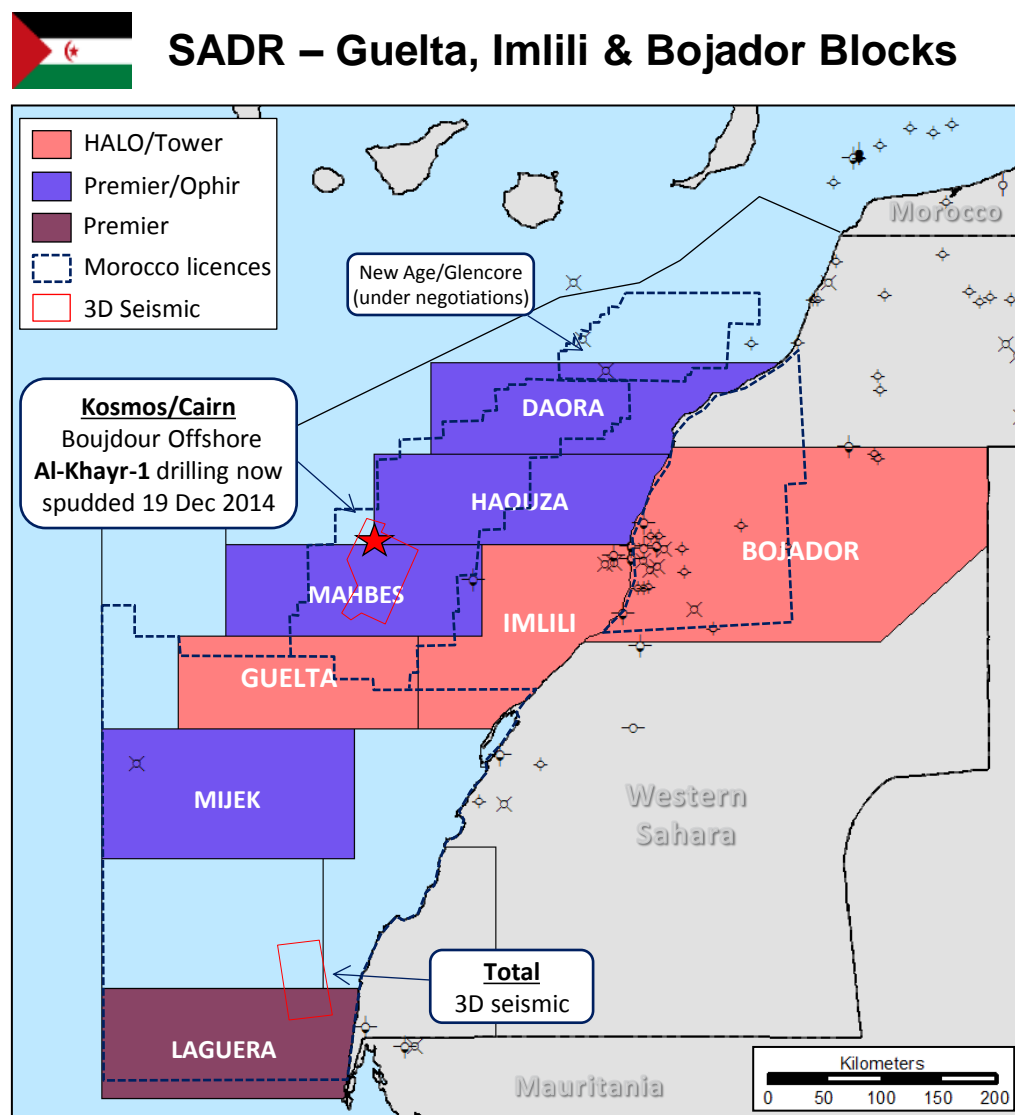
- **Geological Fieldwork:** Presence & evaluation of source rock and reservoir
COMPLETED
- **Geophysical Data:** Reprocessing and evaluation of existing gravity and magnetics
COMPLETED
- **Remote Sensing:** Identify potential hydrocarbon seeps in the areas of interest
COMPLETED
- **Environmental Assessment Report:**
Submit and obtain approvals
COMPLETED
- **Initial Results** from fieldwork & analysis indicate elements for a working petroleum system are present
- A potential oil and gas play may exist
- Further technical and fieldwork activities required to de-risk the proposed play(s), including airborne surveys & new 2D seismic
- Earliest potential exploration well in 2017/2018 timeframe (*not a commitment well*)



Tower Resources

SADR – Western Sahara

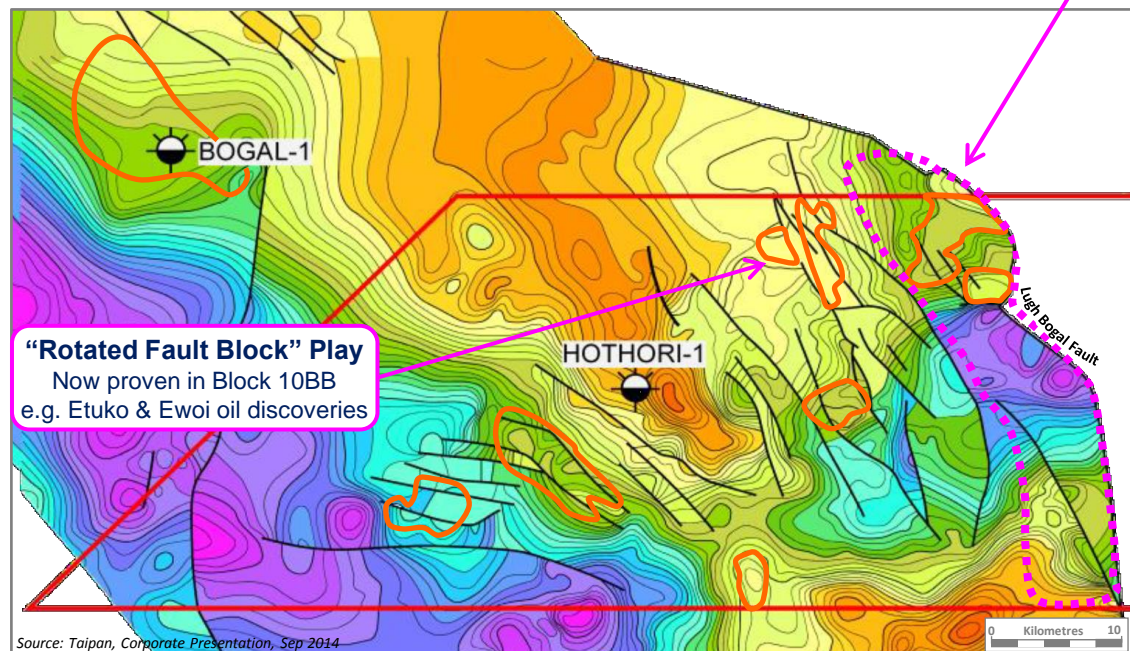
- 3 blocks under Assurance Agreement
 - Two offshore, one onshore
- Entry: 2007
- Area: 77,023 km²
- Tower: 50% working interest
- Operator: HALO (*Hague & London Oil*)
- Multiple plays in Aaiun Basin
- Onshore to 2800m water depth
- Kosmos currently drilling Al Khayr-1 (former Gargaa-1) well under Moroccan licence:
 - Spud date: 19th Dec 2014
 - Anticipated drilling time: 90 days



- The Anza Basin and Lokichar Basin compared
- Analogous “String of Pearls” plays exist along the basin-bounding-faults of both basins

Block 2B

Follow up upside with number of leads identified.
Mean Estimate of Gross Unrisked Prospective Resources: **1,593 MMBOE** (Sproule CPR Feb 2014)



Source: Taipan, Corporate Presentation, Sep 2014

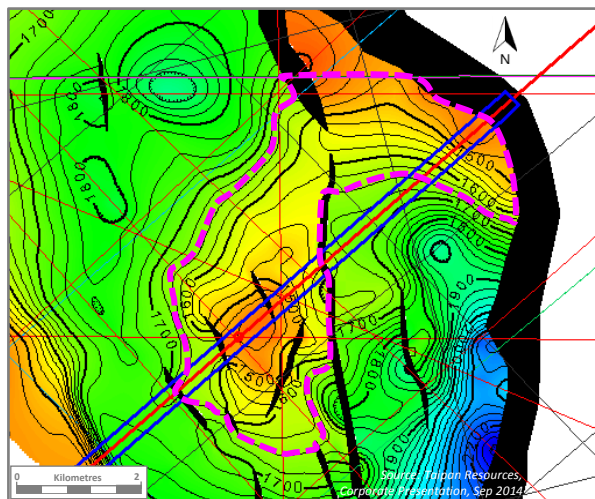
Block 13T&10BB

Tullow Oil & Africa Oil Corp Number of Recent Discoveries with Gross Contingent Resources estimated at (2C): 616 Million Bbl and (3C): 1.29 Billion Bbl*



*Source: Africa Oil, Press release, 12 Nov 2014

Anza Basin (Block 2B) – Badada Structure



Badada Structure

Middle Miocene
Depth Map

Unrisked Prospective

Pmean Resources:

- Taipan (Op) 251 mmbbls
- Tower est. 169 mmbbls

Lokichar Basin (Block 13T) – Ngamia Structure

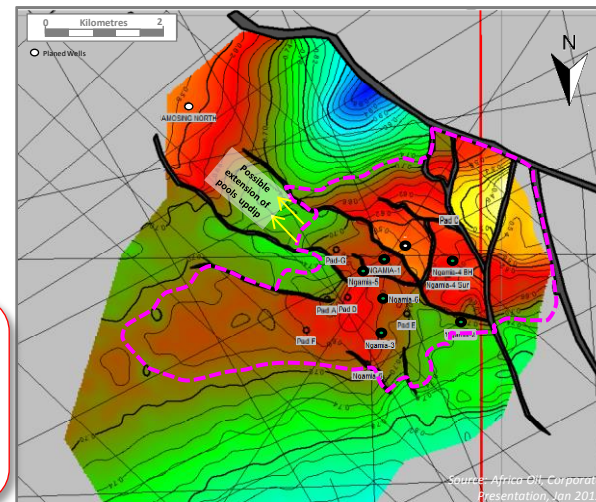
Ngamia Structure

Time (rotated view)

Near Mid Auwerwer

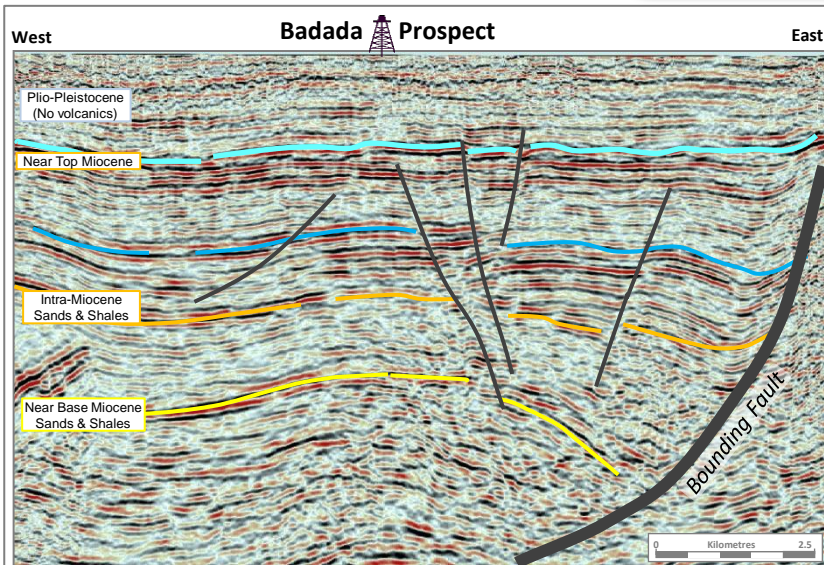
Pools 3-4

'Mid. Auwerwer Marker'

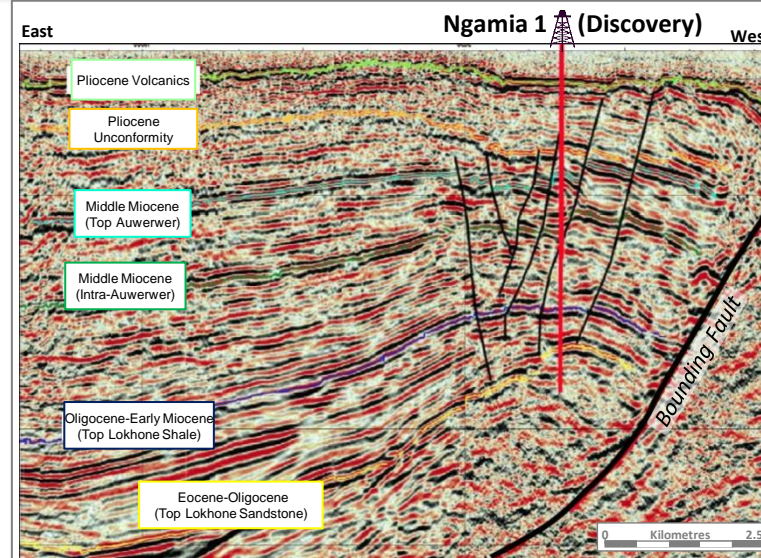


Badada & Ngamia Structures

- Both structures against basin bounding Fault
- Ngamia field has been extended further into the downthrown faulted roll-over following appraisal programme



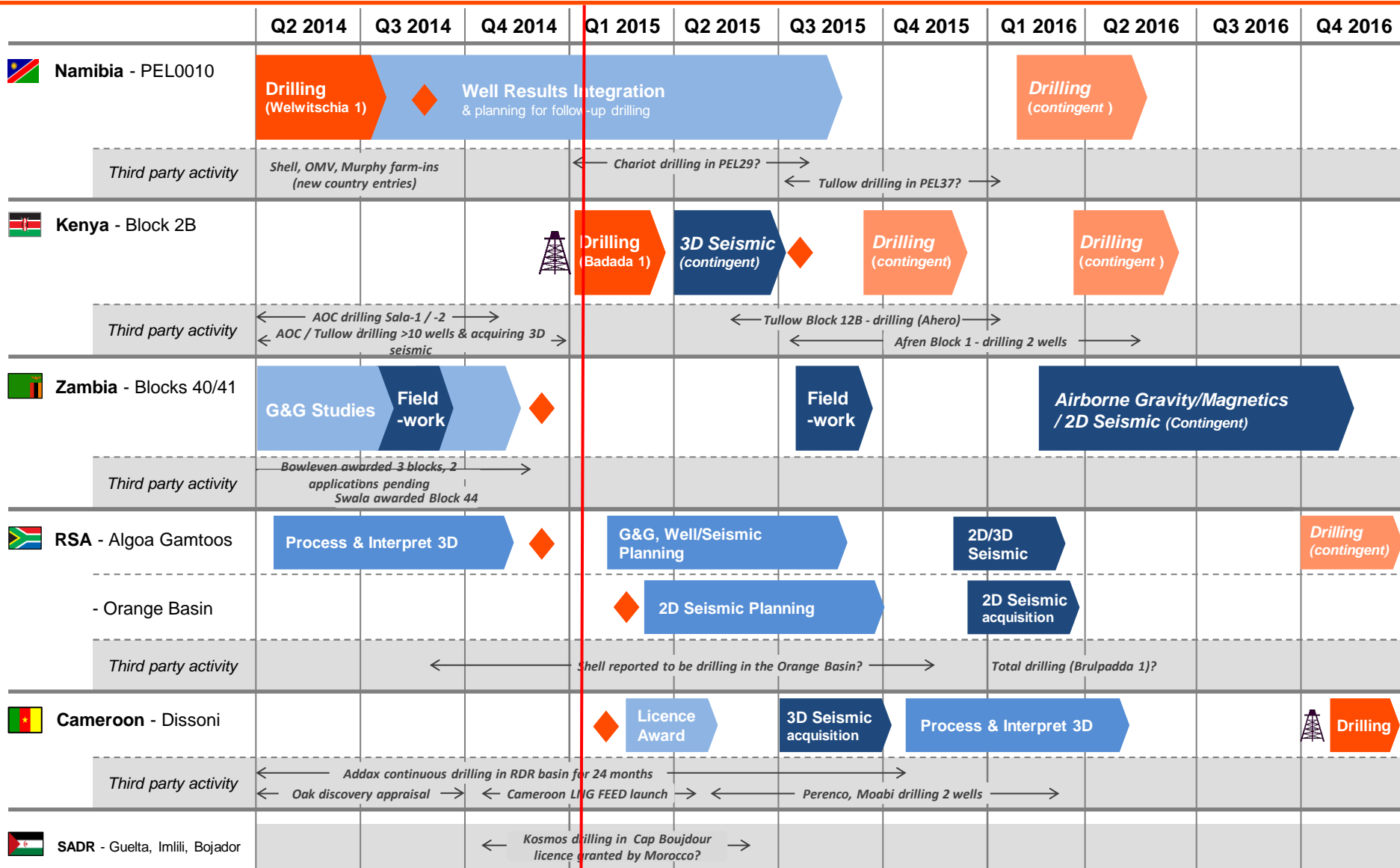
Source: Taipan Resources, 2014 seismic



Source: Africa Oil, Corporate Presentation, Jan 2015

Tower Resources

Anticipated Activity



(All timings are estimates based on the best available information, but are subject to change)

◆ Milestone symbol = decision point for entering next period of license & taking on forward work programme commitments

Tower Resources

Tower Resources in 2015

A Balanced Exploration Portfolio

- Active in five countries
- Continuing new ventures activity
- Negotiating in four countries
- Funded through current commitments

Structured for growth

- Expanded management team
- Flexible overhead
- Excellence across the disciplines
- Supportive shareholders
- Seeking opportunities to add value
- Proven record of deal delivery

Current market seen as an opportunity to grow

