

6th January 2012

**Tower Resources PLC
("Tower" or the "Company")**

Financing and Uganda Update

Tower Resources PLC ("Tower"), LN: TRP, the AIM listed company with exploration assets in offshore Namibia and Uganda, is pleased to announce that it has entered into an £8m Standby Equity Distribution Agreement ("SEDA") and a US\$3.125 million SEDA-backed Loan Agreement ("Loan Agreement") with YA Global Master SPV Ltd, an investment fund managed by Yorkville Advisors LLC ("Yorkville"), in order to provide flexibility over future funding, and in part to fund the costs of drilling the third and final commitment well, Mvule-1 on Tower's EA5 licence area in Uganda.

The Loan Agreement will be used to provide the immediate funding required to drill the Mvule-1 well, and can be increased in tranches of US\$1 million up to a maximum of US\$6.125 million if required. The SEDA will be available to finance repayments of the Loan Agreement and any balance of the well costs and to provide flexible funding options to the Company going forward. Tower has budgeted US\$6.8 million for Mvule-1 on a dry hole basis.

Tower's wholly owned subsidiary, Neptune, has reached agreement with all interested parties to use the OGEC K900 drilling rig, currently committed to Tullow, to drill Mvule-1. It is planned that site preparation will begin shortly with a view to spudding the well by the middle of February 2012. The well is anticipated to reach a total drilled depth of about 600 metres within two weeks of spud. The well is testing estimated recoverable resource potential of 80 million bbls.

Global Petroleum Ltd had retained an option to earn an interest in EA5 as a result of its contribution to the funding of the first two wells. Accordingly, Global carried out an independent technical review of the Mvule prospect, to its satisfaction. Following further discussions between the two companies, however, Global has ultimately chosen not to take up its option.

Peter Kingston, Chief Executive Officer of Tower, said:

"I am very pleased that we have entered into this agreement with Yorkville. The arrangement provides flexible funding options which represent the best and most cost effective opportunity to drill the highly prospective Mvule-1 well. If successful, the well has the potential to create a great deal of value for our shareholders."

Jeremy Asher, Chairman, added:

"We are excited both about the Mvule-1 well, which we believe represents our best and most de-risked shot at the EA5 license in Uganda; and also about the progress that Arcadia is making towards funding our first Namibian well, discussed in our last update, which is targeting an estimated 811 million bbls of recoverable resource potential, net to Tower. The Board has been keen to minimize the near-term equity dilution associated with funding the Mvule-1 well, since we are already fully carried financially in the Namibian well. We believe our arrangements with Yorkville allow us to meet that objective and maximise the return to shareholders from both of these attractive opportunities."

For more information on Tower, please visit www.towerresources.co.uk

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The SEDA

Subject to its terms, the £8 million SEDA facility can be used entirely at the discretion of the Company. Under the terms of the agreement, Tower may draw down funds over a period of up to three years in exchange for the issue of new Ordinary Shares in the Company. The Ordinary Shares will be issued at a 5% discount to the prevailing market price during the 10 day pricing period prior to a draw down request (or, in the case of an advance which is greater than 200% of the prevailing average daily value of shares traded, 15 days). The Company may also set a minimum price for each draw down, which may reduce the size of the permitted draw down. The maximum advance that may be requested is 300% of the average daily trading volume of Ordinary Shares multiplied by the volume weighted average price of such shares for each of the 15 trading days prior to the draw down request (or, if greater, £128,000), and with an overall advance limit of £1,000,000. The facility may only be drawn upon once every 10 trading days.

The Loan Agreement

The Loan Agreement can, at the Company's election, be repaid either out of cash resources or through the issue of advance notices under the SEDA. The Loan Agreement bears interest at 12% per annum and is repayable in instalments over the course of 2012. Following the initial tranche of US\$3,000,000 further tranches of US\$1,000,000 each may be requested when the aggregate outstanding loan is reduced to US\$2,050,000, US\$1,500,000 and US\$1,000,000 respectively.