Oilfield International

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Dear Graeme

UPDATE TO COMPETENT PERSONS REPORT ("CPR")
Regarding the Assets of Neptune Petroleum (Namibia) Ltd

In accordance with your instructions, Oilfield International ("OIL") has reviewed the exploration activity offshore Namibia since our CPR of June 29th 2011 and assessed its effect on the prospectivity of Namibia Petroleum Exploration License 0010 (PEL 0010), in which Tower holds a 30% working interest through Neptune Petroleum (Namibia) Ltd.

The results of two exploration wells are of particular significance to PEL 0010:

(1) Tapir South-1 well in Block 1811A

This was drilled between March and May 2012 approximately 190 km north of the proposed location of the planned 2014 Welwitschia well in PEL 0010. According to Chariot[1], the well found:

- 173 metres of net reservoir sand of Cretaceous age, including two zones in excess of 30 metres with average porosities of 24% and evidence of good permeabilities.
- Carbonate intervals with porosities up to 18% over a net interval of 28 metres.
- No commercial hydrocarbons.

(2) Wingat-1 well in Block 22/12A of PEL 23

This was drilled between March and May 2013 approximately 280 km south east of the planned Welwitschia well. According to HRT[2], the well found:

- 150 metres of prograding Albian age carbonate platform penetrated on target depth, but with reservoir quality lower than expected.

[1] Chariot's wholly owned Namibian subsidiary, Enigma Oil & Gas (Pty) Limited is Operator.
[2] HRT Participações em Petróleo S.A's wholly owned Namibian subsidiary HRT Walvis Petroleum (Proprietary) Ltd is Operator.

- Two well-developed Cretaceous source rocks[3] rich in organic carbon, both within the oil-generating window.
- Increasing oil shows below a depth of 1500 metres.
- Several thin-bedded-sandy reservoirs saturated by oil. Four 450 cc samples of this oil were collected and analysis indicated the presence of 38 to 42 API oil with minimal contamination.

OIL has assessed the implications on PEL 0010 of these findings as follows:

- The probability of encountering different fluid types
- The geological chances of success
- The prospective resources

The probability of encountering different fluid types

Table 1 presents our revised view of fluid probabilities. The discovery of light oil in the Wingat-1 well and abundant source rock in the oil maturation zone improves the relative probability of light oil to gas condensate and dry gas in PEL 0010.

The Wingat-1 well has proved the presence of effective source rocks. This increases the likelihood that similar sourcing conditions may pertain to the Welwitschia-1 location, because these anoxic events are normally widespread across basins; i.e. the long distance to PEL 0010 does not exclude this inference. However, we still consider there is a reasonable chance that the fluid may be dry gas or gas condensate due to the strength of the AVO anomaly and the possibility of different localised maturation conditions.

Table 1 Fluid Probabilities for PEL 0010

Fluid Type	CPR 2011		UPDATE to CPR June 2013	
	Welwitschia (previously "Delta")	Alpha, Gamma and Inter-structural Areas	Welwitschia	Alpha, Gamma and Inter-structural Areas
Dry Gas	10%	11%	10%	11%
Gas Condensate	40%	44%	25%	24%
Volatile Oil	50%	45%	65%	65%
Total	**100%**	**100%**	**100%**	**100%**

Other things being equal, an oil discovery in PEL 0010 would be more profitable than a gas condensate or a dry gas discovery.

[3] We infer from HRT's announcements that one of these is below the Albian carbonates.

The geological chance of success

Table 2 presents our view of the geological chances of success, which is unchanged overall by the results of the two wells. On the one hand Tapir encountered good reservoir but limited evidence of hydrocarbons, whereas on the other Wingat proved active generation of hydrocarbons but encountered thin and/or low quality sandstone and carbonate reservoirs. We considered increasing slightly the probability of source rock but on balance decided that the new evidence confirmed rather than increased our confidence.

Table 2 Geological Chance of Success (unchanged)

Component Probability	Welwitschia Maastrichtian	Welwitschia Palaeocene	Welwitschia Upper Campanian	Welwitschia Campanian Wedge	Welwitschia Albian	Alpha Palaeocene	Gamma Palaeocene
TOTAL GCOS	**39.5%**	**23.6%**	**14.9%**	**13.0%**	**10.6%**	**20.4%**	**11.9%**

The prospective resources

We do not believe the two wells provide sufficient evidence to change our volumetric estimates, for similar reasons to above. Tapir found thick porous sandstone, Wingat, thin-bedded; Tapir found porous carbonates, Wingat, low quality. Although both wells found reservoir, they are too distant for us to draw conclusions about reservoir presence and quality in Welwitschia. In the absence of compelling regional trends, in our view it is more reliable to base the prospective resource estimates of PEL 0010 on geological parameters more local to the area (i.e. wells #1911-10 and #1911-15), and the structural and DHI evidence from the prospects.

Additional prospectivity in the Alpha and Gamma prospects

We conclude from the results of the two wells and the 3D seismic over Delta that the same range of potential reservoir targets in Delta might be present within the Alpha and Gamma prospects. However, given the importance of the first well to the proving of the plays, there seems little merit in performing further analysis at this time.

Yours sincerely

For and On Behalf of Oilfield International

Qualifications

Oilfield International is a privately owned energy consultancy founded in 1990 that has advised on oil and gas projects in over 40 countries. OIL's shareholders, management and staff are, and always have been, independent of shareholders, management and staff of Neptune Petroleum (Namibia) Ltd and Tower Resources Plc.

This CPR Update was produced by three consultants: Mr David Curia, Mr Victor Ploszkiewicz and Mr Tim Lines. All hold degrees in geoscience or petroleum engineering. Messrs. Curia and Ploszkiewicz (both based in Buenos Aires) have extensive exploration experience on both sides of the South Atlantic rift.

Mr David Curia has 30 years' experience in geophysical interpretation and 3D modelling. He holds a M.Sc. in Geology, a M.Sc. in Mathematics from the University of Buenos Aires, and a "Post-Degree" in Geophysics (12 geophysical subjects examined over 18 months, without a doctoral thesis) from the University of Mendoza. He has held lectureships in Numerical Analysis and in Geostatistics. He is the author of over 20 papers for a.o. the European Association of Geoscientists and Engineers and the American Association of Petroleum Geologists.

Mr Victor Ploszkiewicz has 38 years' experience in geological interpretation and holds a M.Sc. in geology from the University of Buenos Aires. He was visiting professor in geology at the University of Mendoza. He is author of over ten research papers for a.o. the Society of Exploration Geophysics and the American Association of Petroleum Geologists. He is a Member of: The American Association of Petroleum Geologists (M.AAPG); The Society of Exploration Geophysicists (M.SEG); The Asociacion Argentina de Geologos y Geofisicos Petroleros (M.AAGyGP); and The Asociacion Geologica Argentina (M.AGA).

Mr Tim Lines has 31 years' experience in petroleum engineering and economic evaluation. He holds a B.Sc. in Chemistry from Bristol University, a M.Sc. in Petroleum Engineering from Imperial College and an MBA from Cranfield University. He is a Chartered Engineer registered with the UK Engineering Council since 1990 and has been Vice Chairman of the Society of Petroleum Engineers London since 2000. He is a Fellow of the Geological Society (FGS), a member of the Institution of Gas Engineers (M.IGEM), the Energy Institute (M.EI) and of the Institute of Materials, Minerals and Mining UK. He has the Freedom of the City of London as a Liveryman of the Worshipful Company of Fuellers.