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Frontier African Exploration

Corporate Presentation
January 2014

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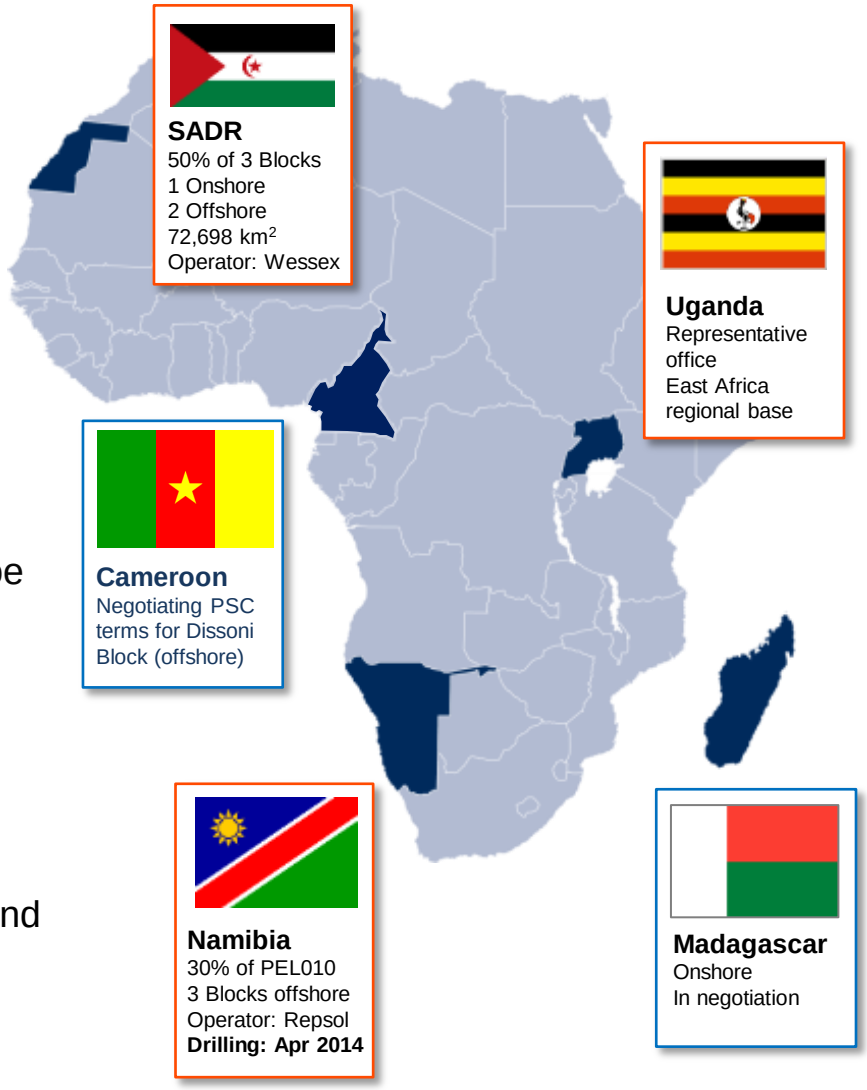
Overview of Tower Resources

Building a High Impact African Explorer

- New management team experienced in building successful E&P companies
- New Outsourced Exploration department provides critical band-width for growth
- Raised US$20 million during H2 2013
- High Impact well offshore Namibia
  - 30% interest in super-giant structure
  - Net risked prospective resources 496 mmboe
  - Spud-date early April 2014
  - Looking to sell 10% to fund diversification
- Strategy to diversify & build exploration portfolio
- The company is evaluating a number of new deals including farm-ins, corporate M&A, licence rounds and direct negotiation with Governments



Board & Management Team

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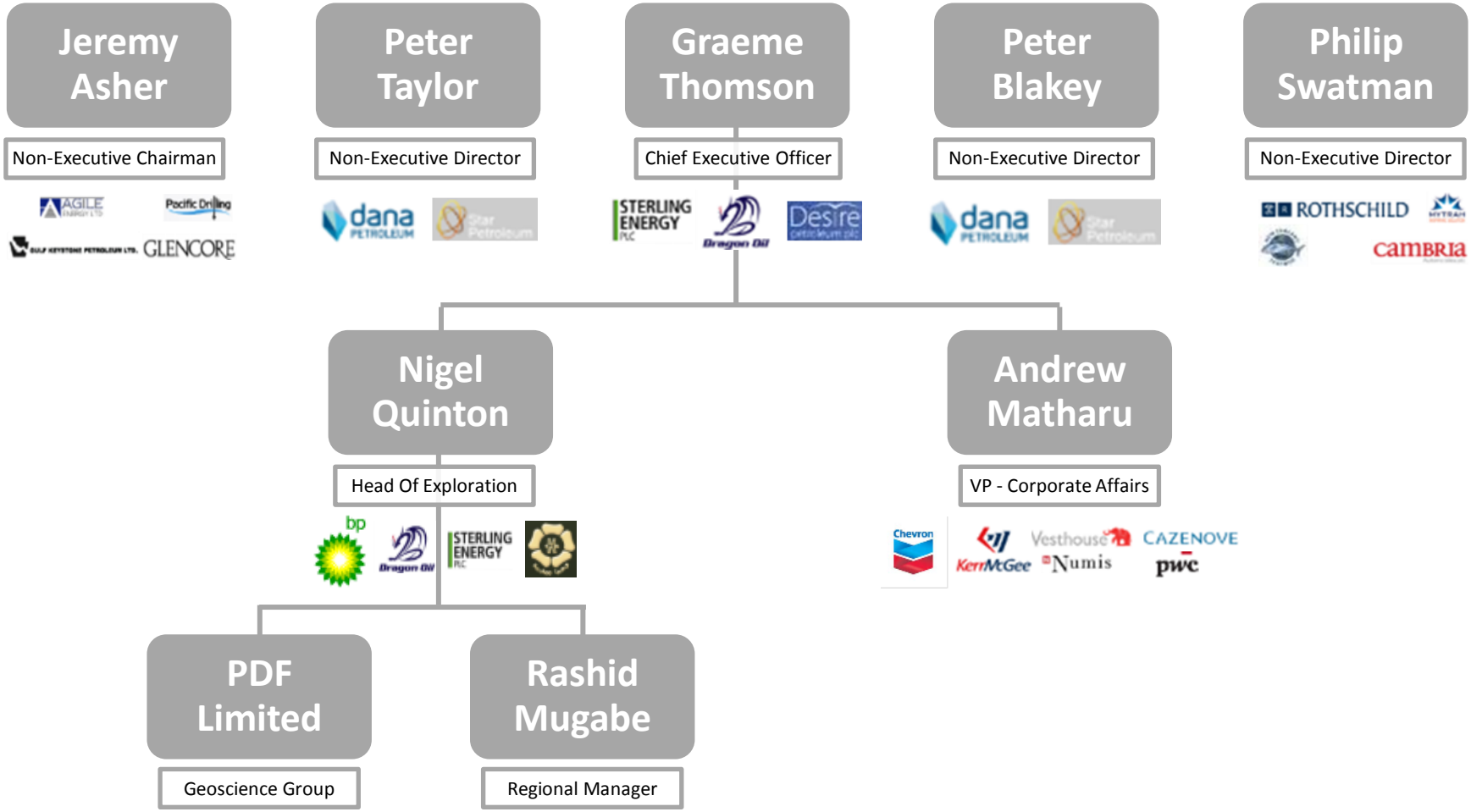
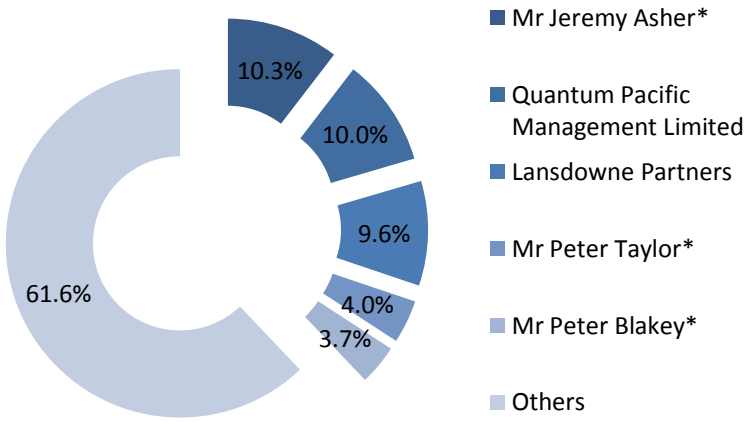


Capital Structure

- Listing: AIM
- Share price: 4.2p†
- Market capitalisation: ~ US$184m
- Issued share capital: 2,659m
- Options & warrants: 107m (4.0%)
- Balance sheet: ~US$18m cash
- Directors holding: 19%
- 12 month high: 4.9p
- 12 month low: 1.1p

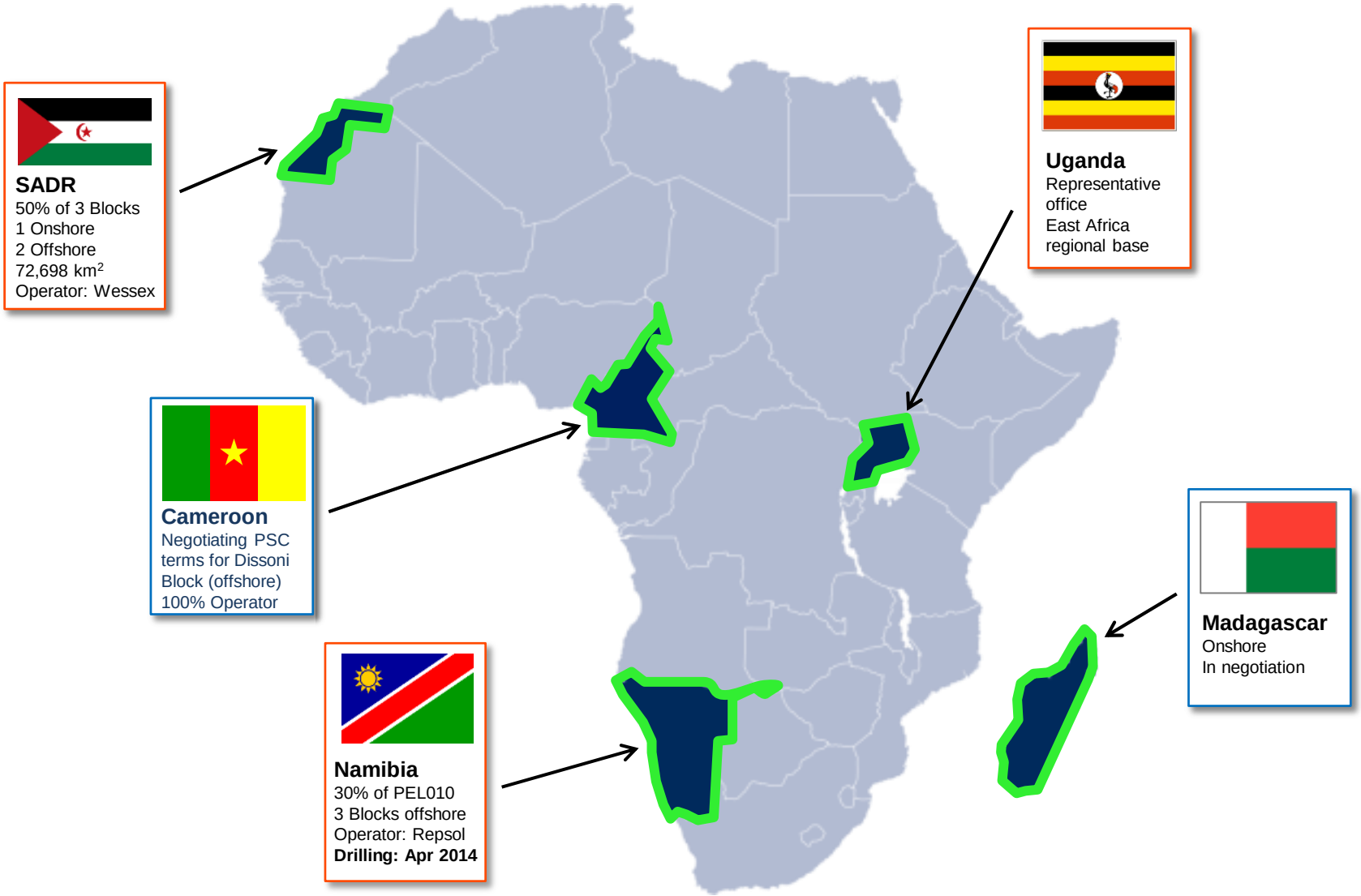
Shareholders



† At close on 23 Jan 2014

* Director

Tower Resources
Portfolio



Tower Resources
Cameroon, Dissoni

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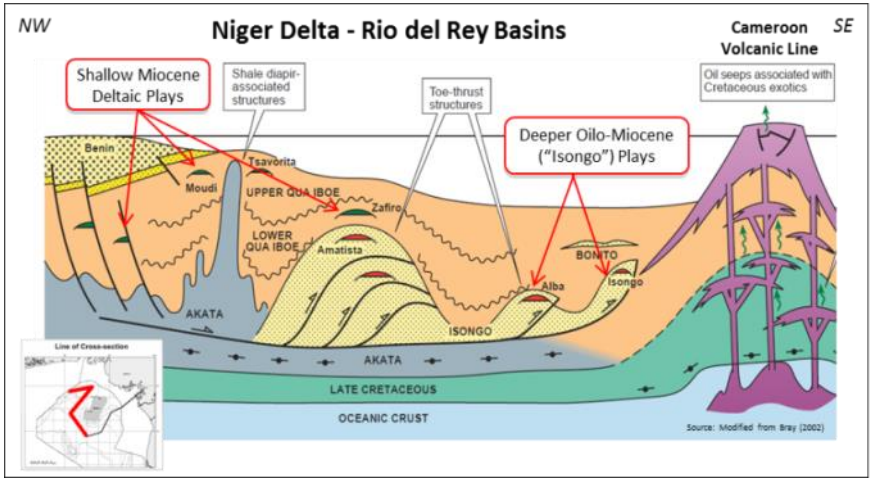
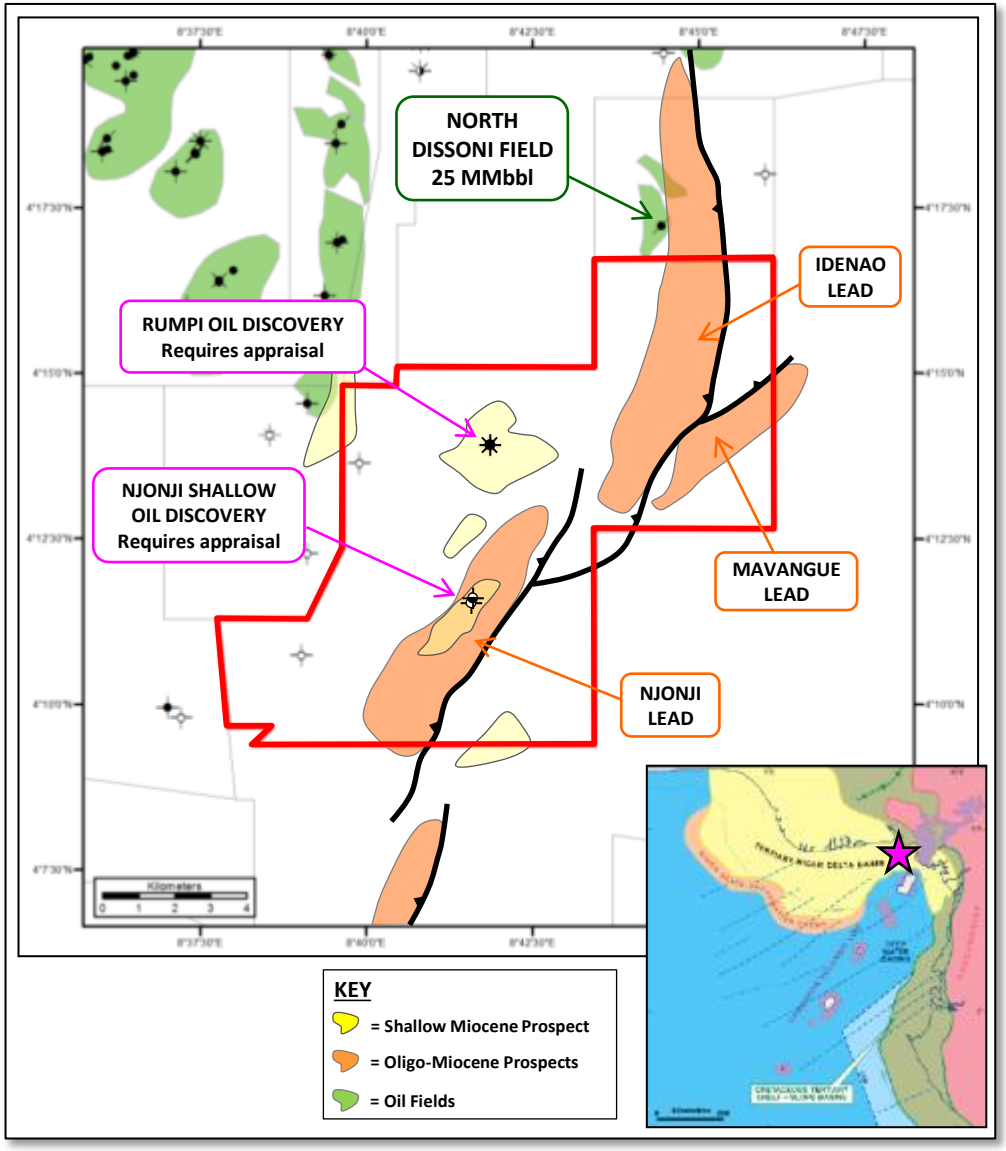
Rio del Rey Basin, Offshore Cameroon

- Shallow water depths: < 50m
- Two under-appraised shallow Miocene oil discoveries on block
- Upside potential in deeper toe-thrust plays (analogous to adjacent Alba field & Bowleven “Isongo” discoveries)
- North Dissoni Field came online in 2013, with production plateau of **14,000 bopd** expected in mid-2014 (operated by Perenco)

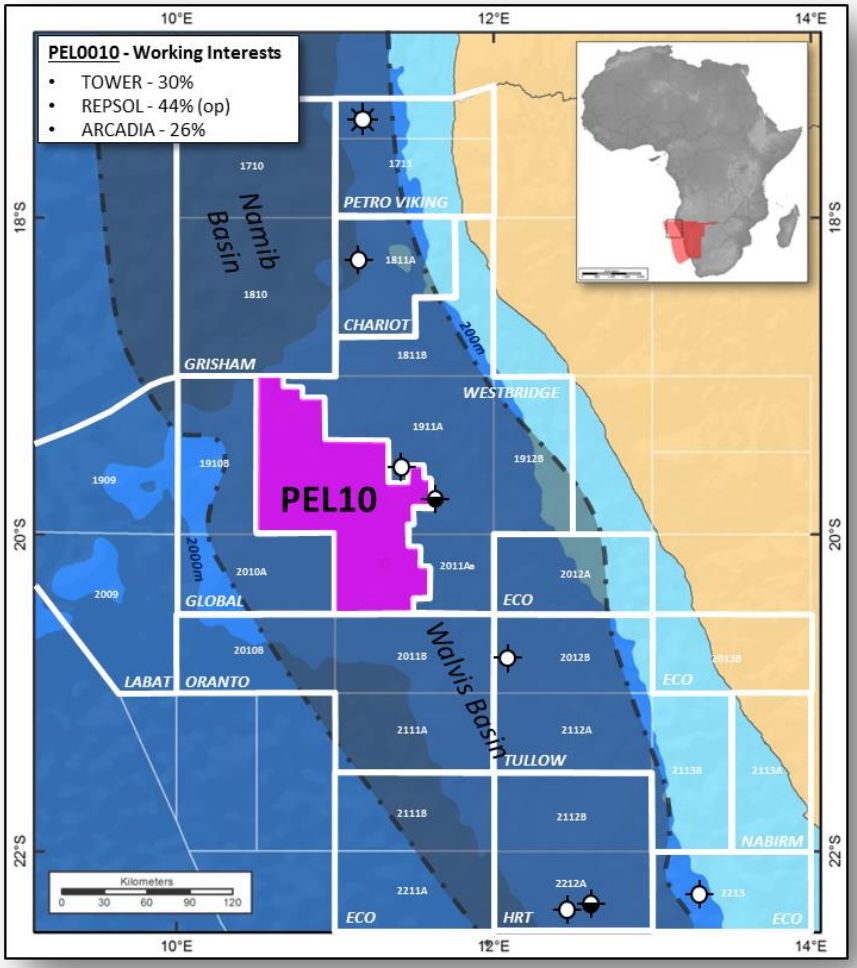




Offshore Namibia

PEL0010 - Giant Dip-closed Prospects

- First exploration well Welwitschia #1 to spud mid-April 2014 by Operator Repsol (44%)
- Rowan Renaissance drillship contracted
- Long lead items arriving in Namibia
- Simple 4-way dip closure with multiple reservoir sequences being intersected by Welwitschia #1
- Very strong DHI in the Maastrichtian
- Wingat #1 well recently confirmed presence of source in Walvis Basin and recovered light oil to surface
- Estimated well costs US$80m to US$100m
- Partners: Repsol (44%), Tower Resources (30%) and Arcadia (26%)
- Welwitschia #1 will meet all existing licence commitments
- **Giant potential @ 15 cents per risked boe**



Offshore Namibia

PEL0010 - Giant Dip-closed Prospects

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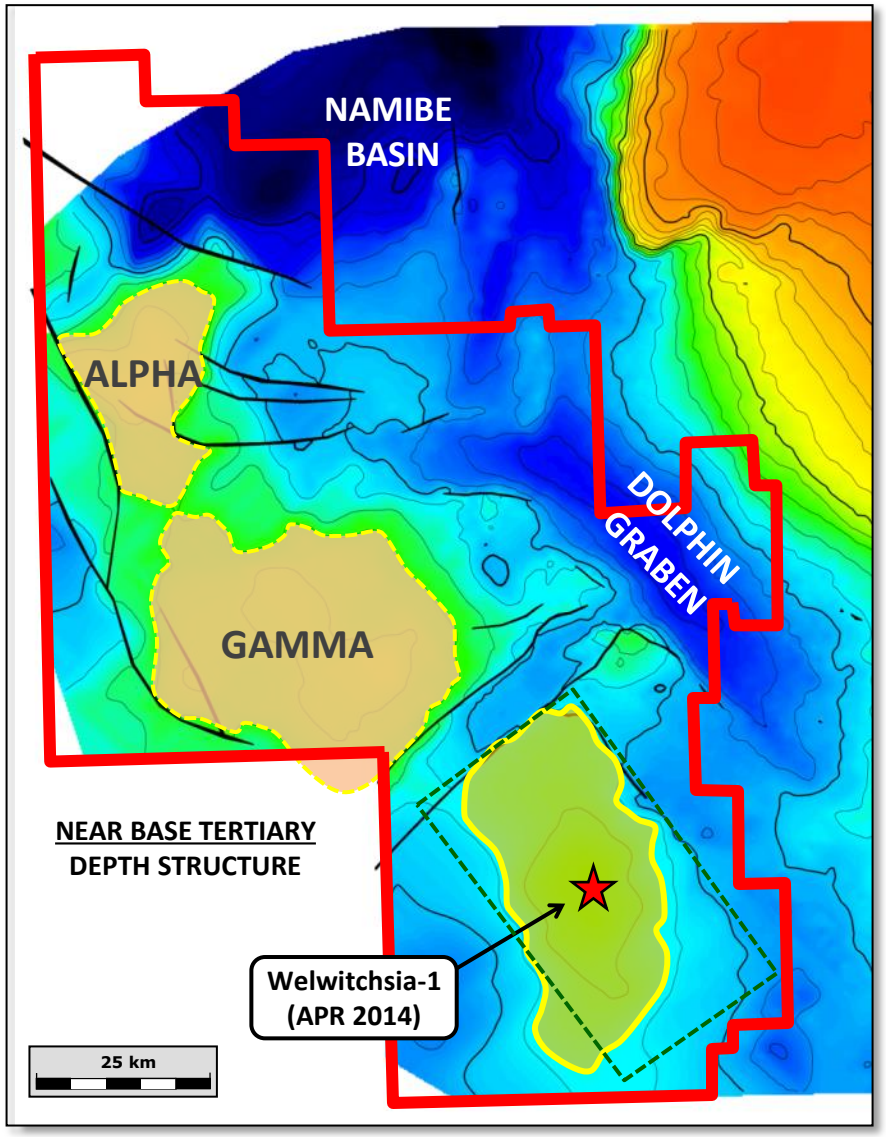
- Welwitschia #1 to spud mid-April 2014
- CPR gross prospective resources 9.9 Billion BOE
- Multiple reservoirs, main targets:
  - Maastrichtian-Palaeocene sands
  - Albian carbonates
- Maastrichtian GCOS of 23% without AVO & 39.5% with AVO multiplier (CPR, 2011)
- Significant follow-up potential exists in additional leads, with total prospective resources in PEL0010 estimated at >13 Billion BOE

Best Estimate of Resources* – June 2013 CPR update

Horizon	Gross Unrisked (mmboe)	Net Unrisked (mmboe)	ECoS	Net Risked (mmboe)
Maastrichtian	2357	672	31.4%	211
Palaeocene	3564	1016	18.7%	190
Upper Campanian	463	132	8.7%	11
Campanian Wedge	1215	346	9.3%	32
Albian	2277	649	8.0%	52
Total Welwitschia	**9875**	**2814**		**496**
Gamma Palaeocene	2408	686	9.3%	64
Alpha Palaeocene	789	225	11.8%	27
TOTAL PEL0010	**13073**	**3726**		**587**



* Aggregated case based on combined fluid probabilities of Volatile Oil, Gas Condensate and Dry Gas cases

Offshore Namibia, PEL0010

Walvis Basin - Underexplored

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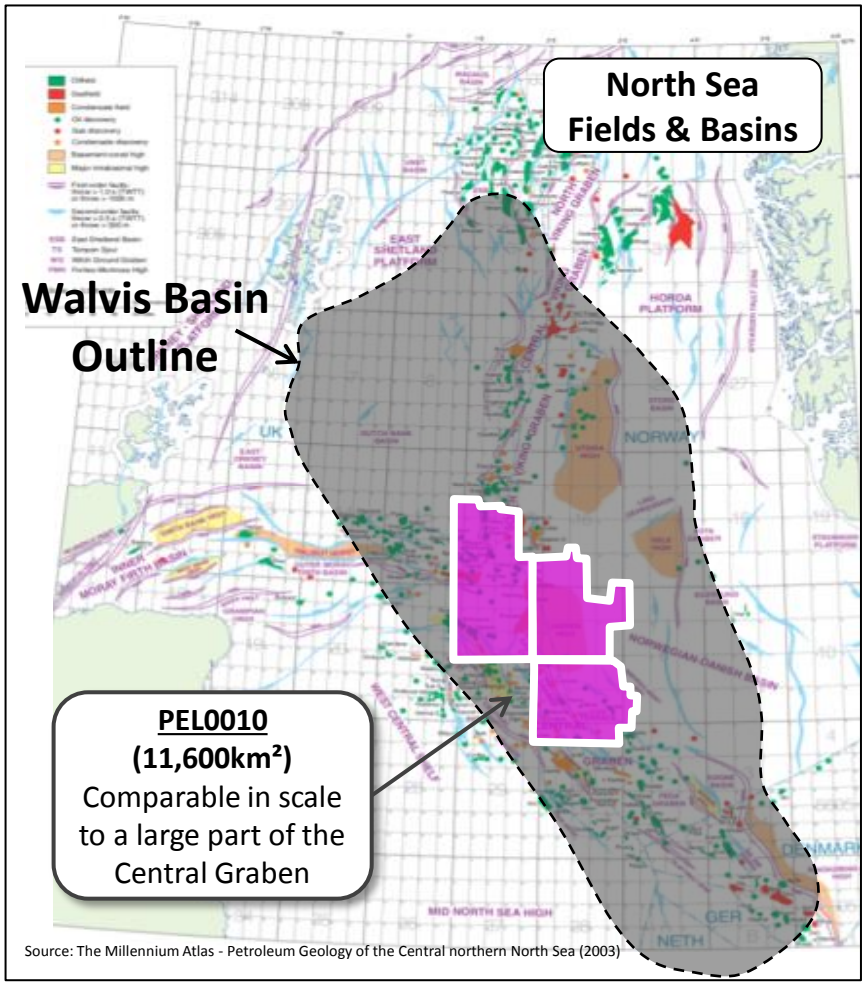
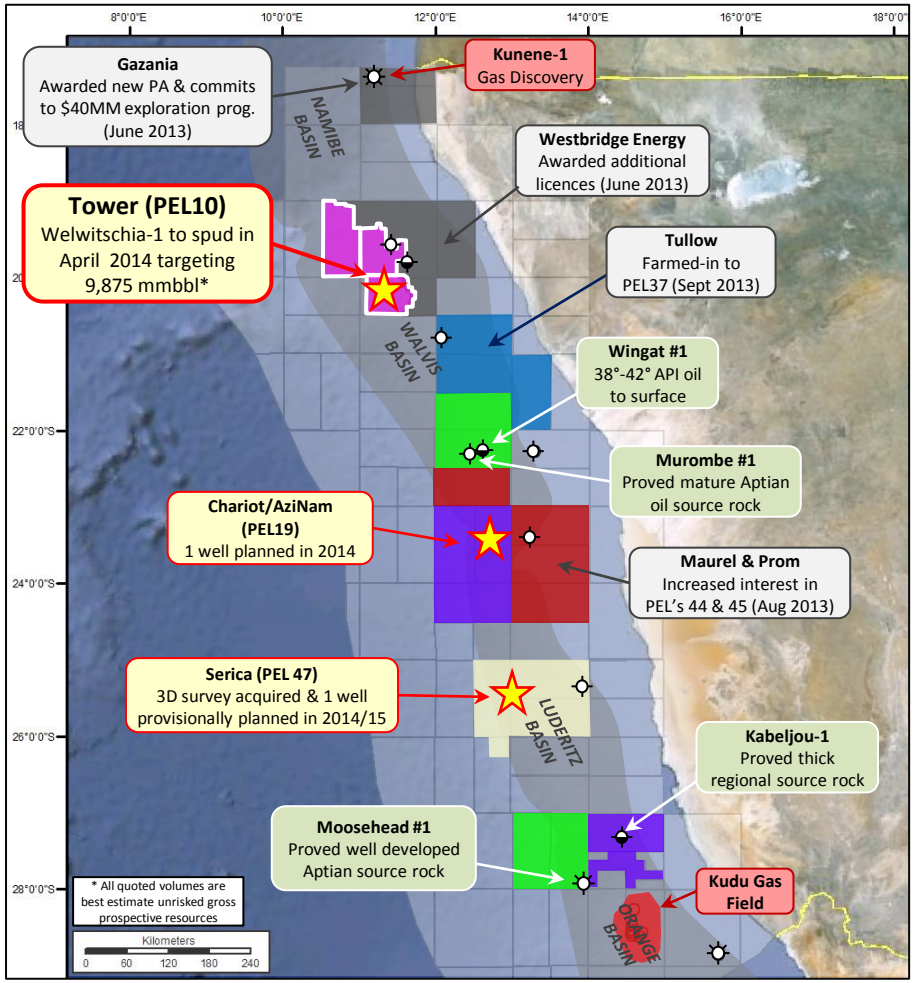
- Walvis Basin is bigger than the Central Graben
- Only six wells drilled to date in c. 90,000 km²



- Wingat #1 (2013 HRT) recovered 38º-42º API oil to surface and confirmed the presence of at least two mature oil source rocks



Offshore Namibia, PEL0010

Welwitschia Prospect Play Summary

(Schematic Depth Section)

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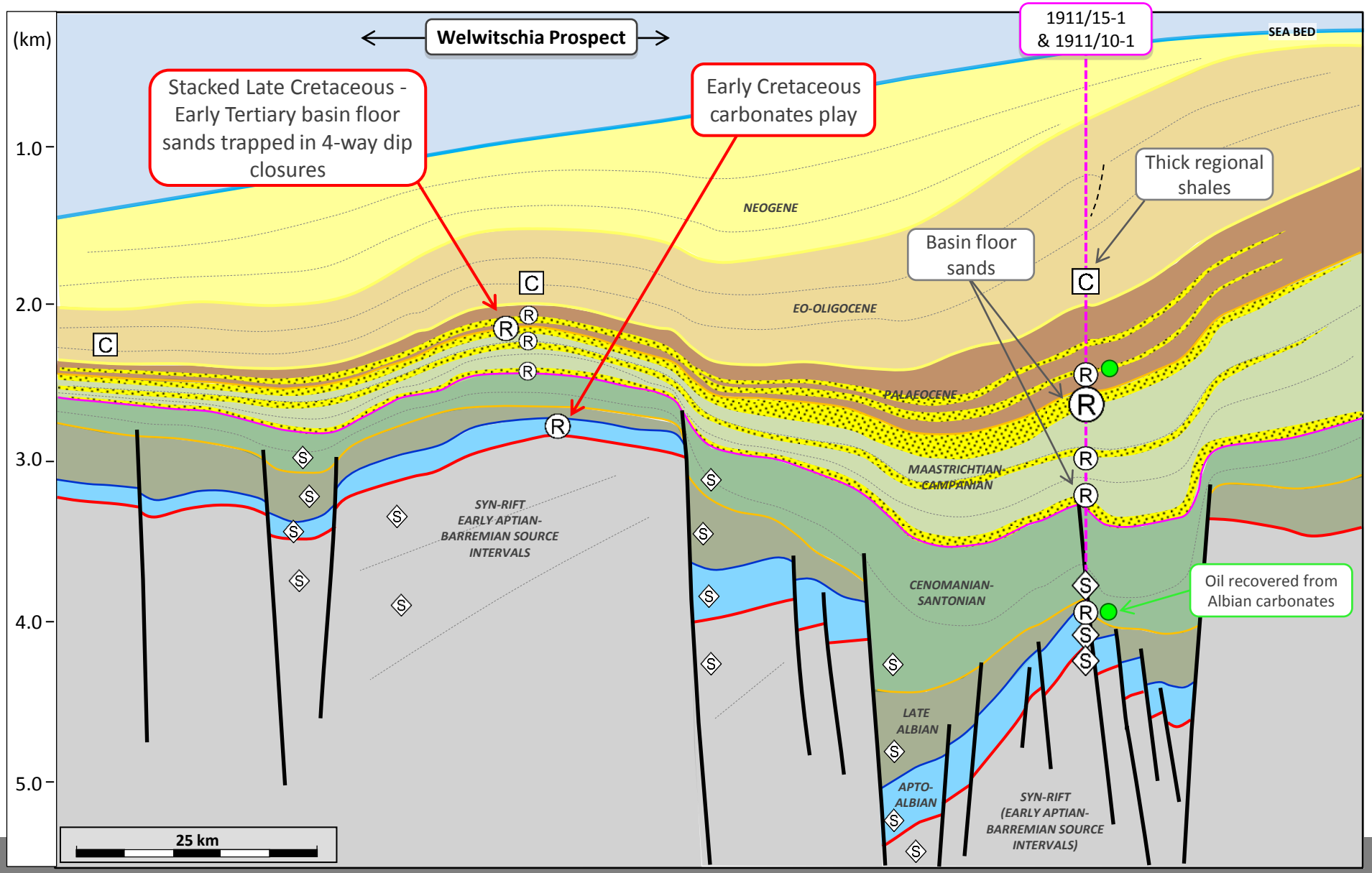

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Reservoir Presence: Sands in Offset Wells

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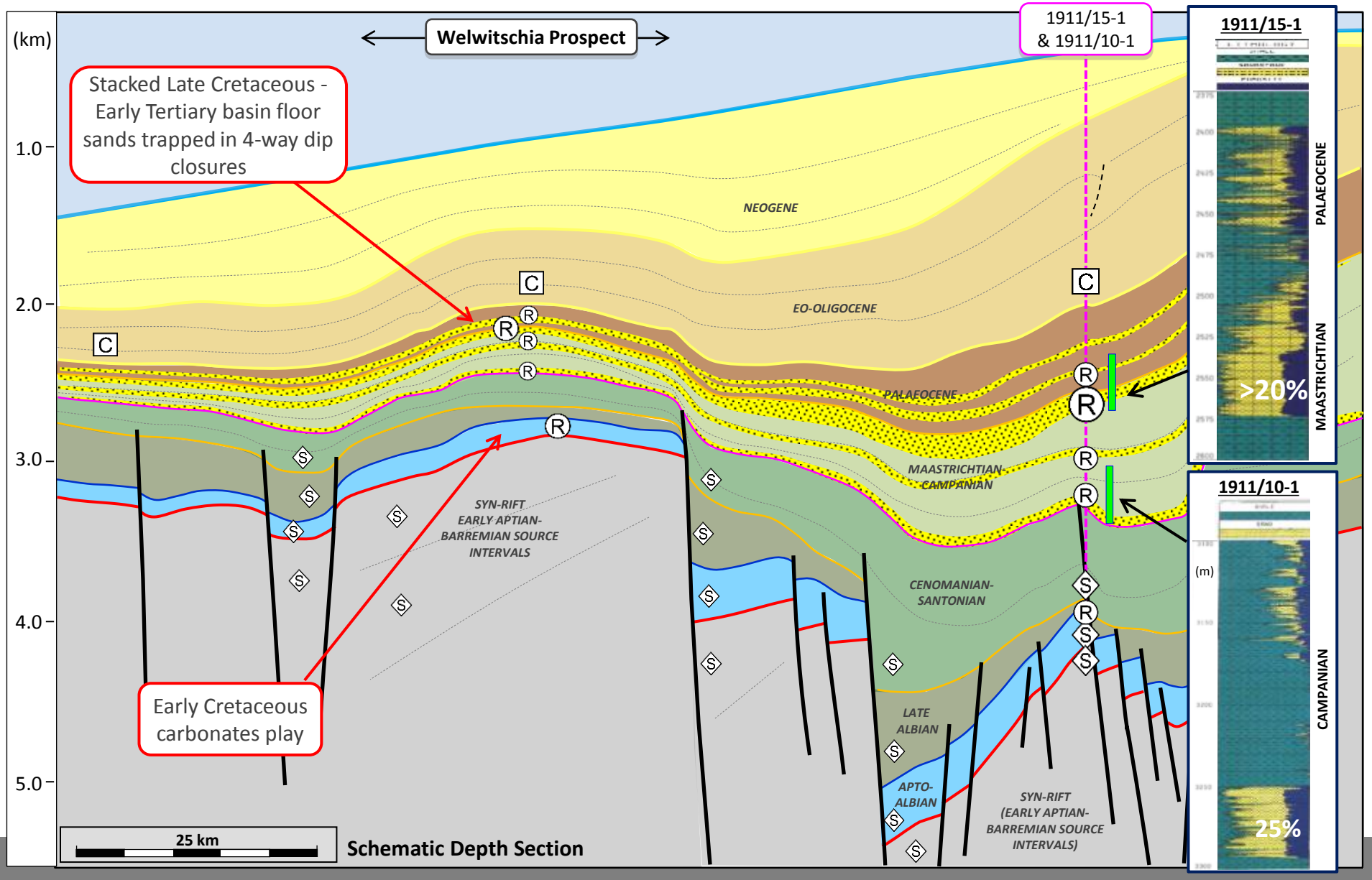

Offshore Namibia, PEL0010

Source Kitchens

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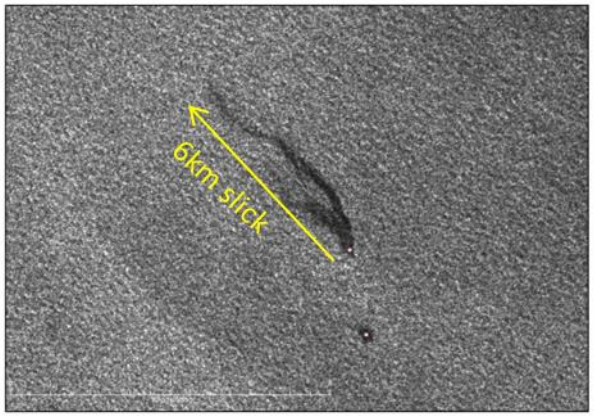
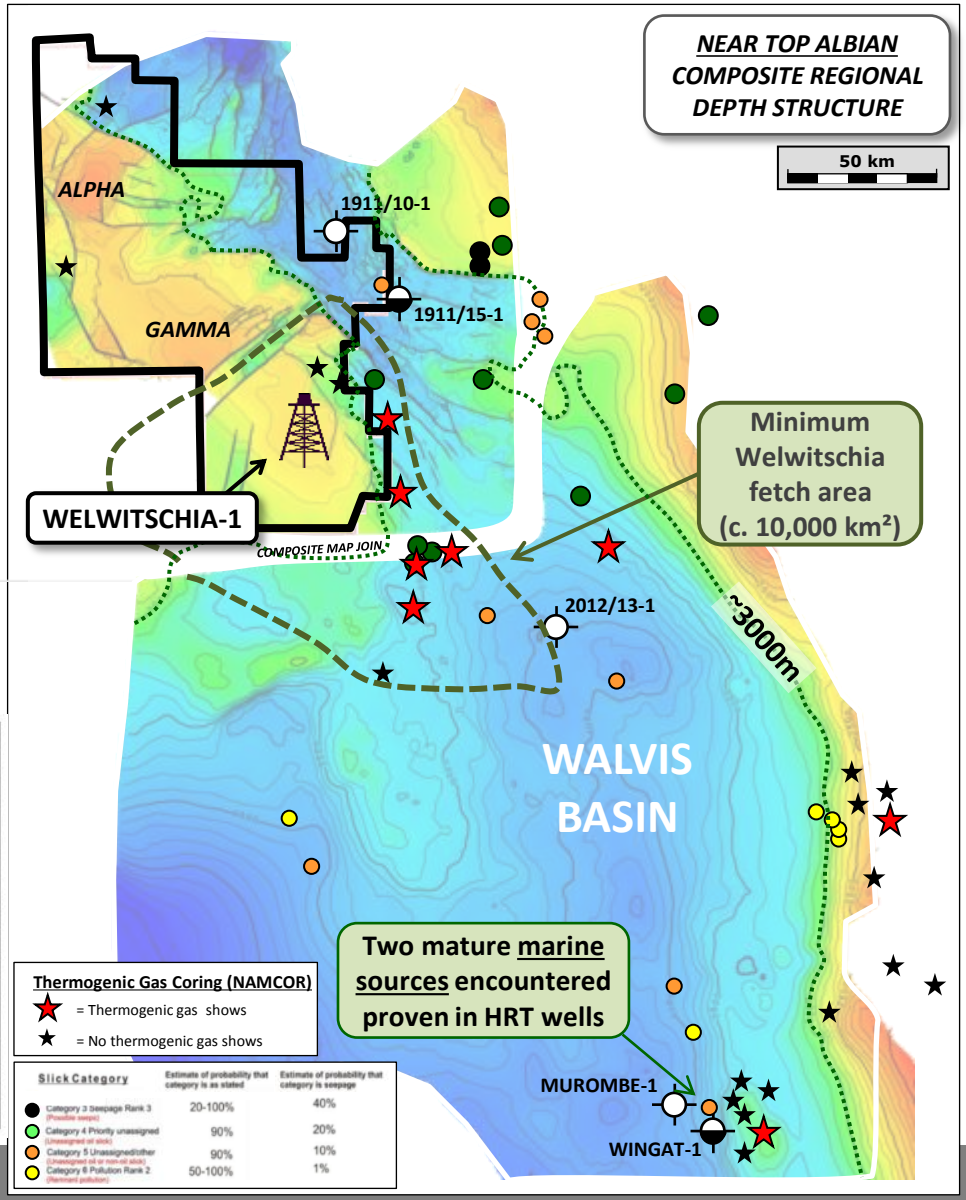
- PEL0010 sits on a regional high, that will be a regional focus for migration and charge from a large fetch area over the Walvis Basin, Dolphin Graben & Namibe Basin
- Recent drilling proved the presence of “at least two mature oil-prone source rocks” in the Walvis Basin (HRT)
- Potential source kitchens also exist to the west of the license
  - DSDP wells prove the presence of world class source rocks (up to 18% TOC) to the west of the licence

Surface slicks identified in the PEL10 area (Eco Atlantic Corporate Presentation, 2013)





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Methane Hydrates & Surface Seeps Over Walvis Basin Source Kitchen

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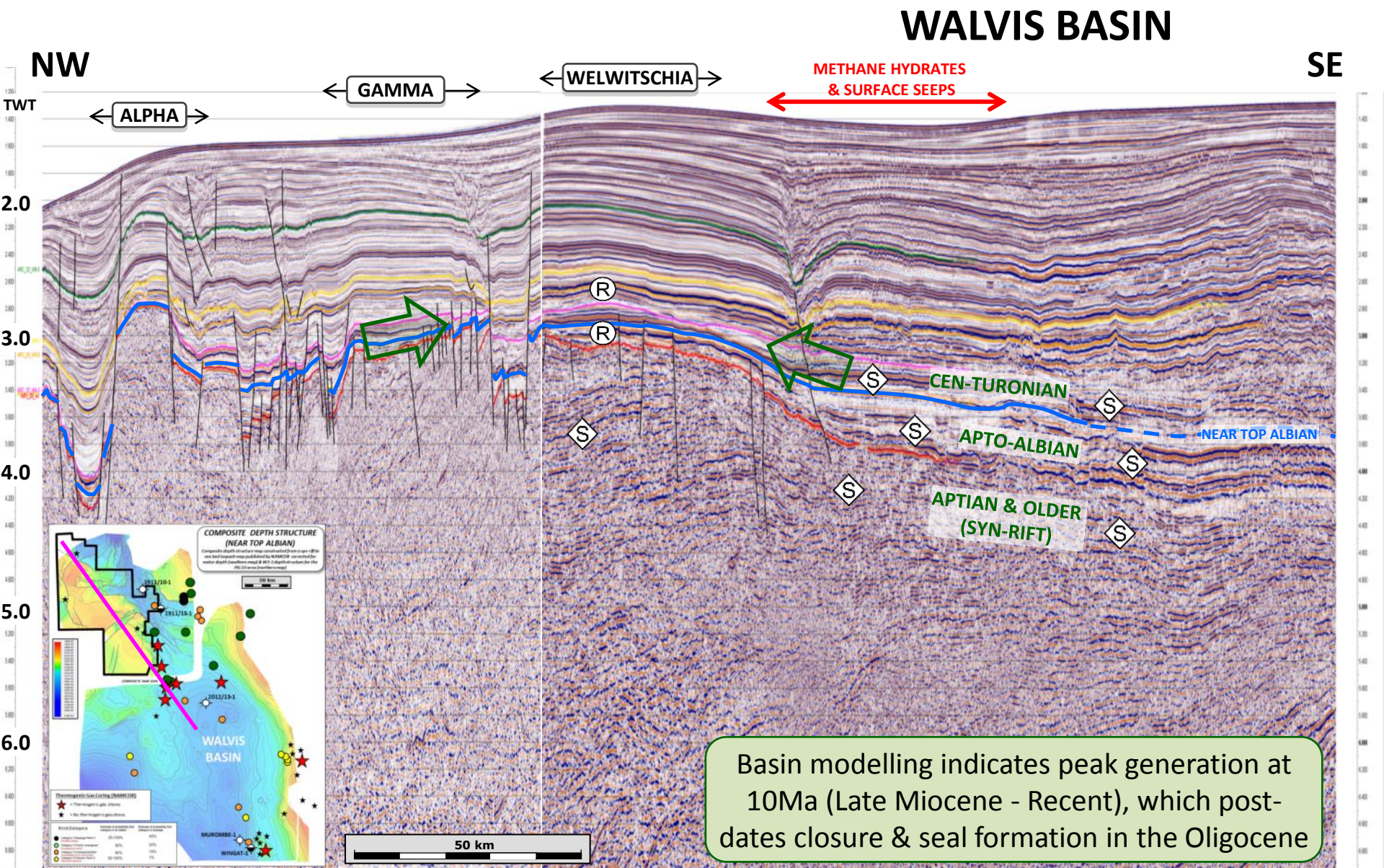

Basin modelling indicates peak generation at 10Ma (Late Miocene - Recent), which post-dates closure & seal formation in the Oligocene

Offshore Namibia, PEL0010

Welwitschia Prospect - Summary

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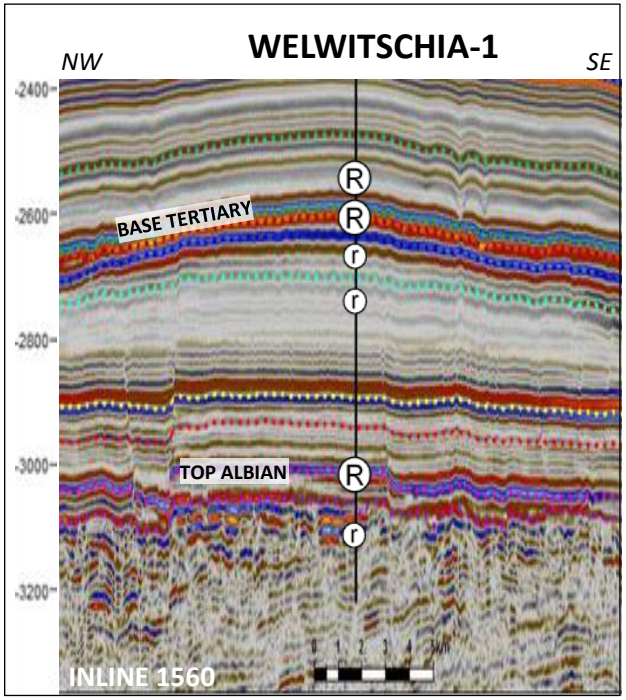
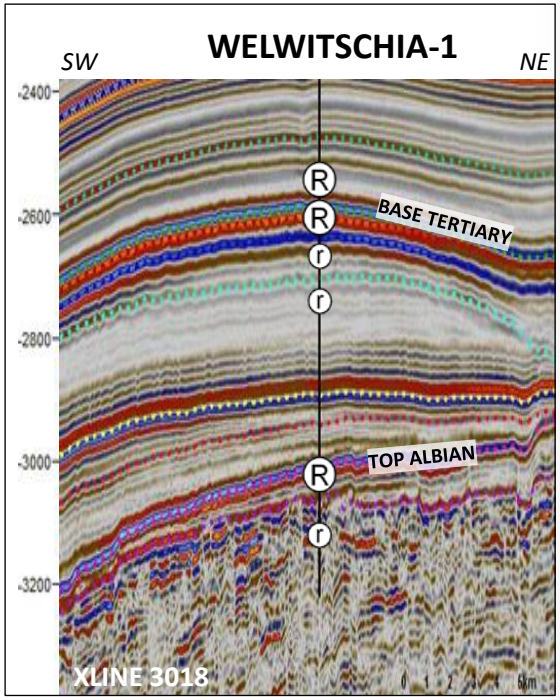
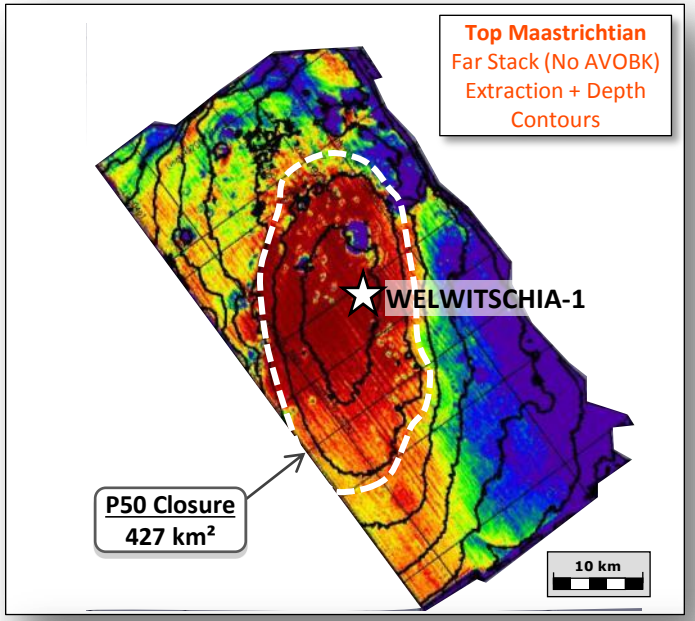
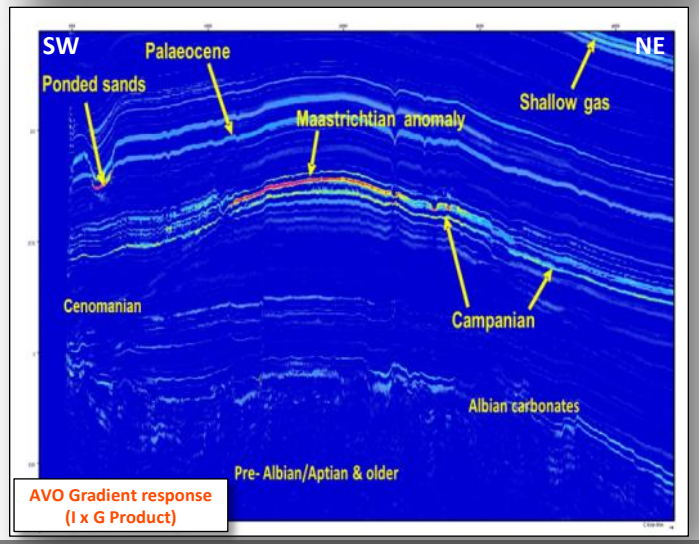
Prospect Description:

- 4-way dip closure
- Maximum closing area is circa 1,100 km^2
- Very strong amplitude anomaly at Maastrichtian target reservoir
- 5 reservoir targets (all proven in offset wells):
  - Primary: Maastrichtian & Palaeocene sands & Albian carbonates
  - Secondary: Campanian sands; Aptian-Barremian sands
- 3 oil-prone source intervals: Cen-Turonian (marine); Apt-Albian (marine), Barremian syn-rift (lacustrine)









AVO Response - Maastrichtian Anomaly

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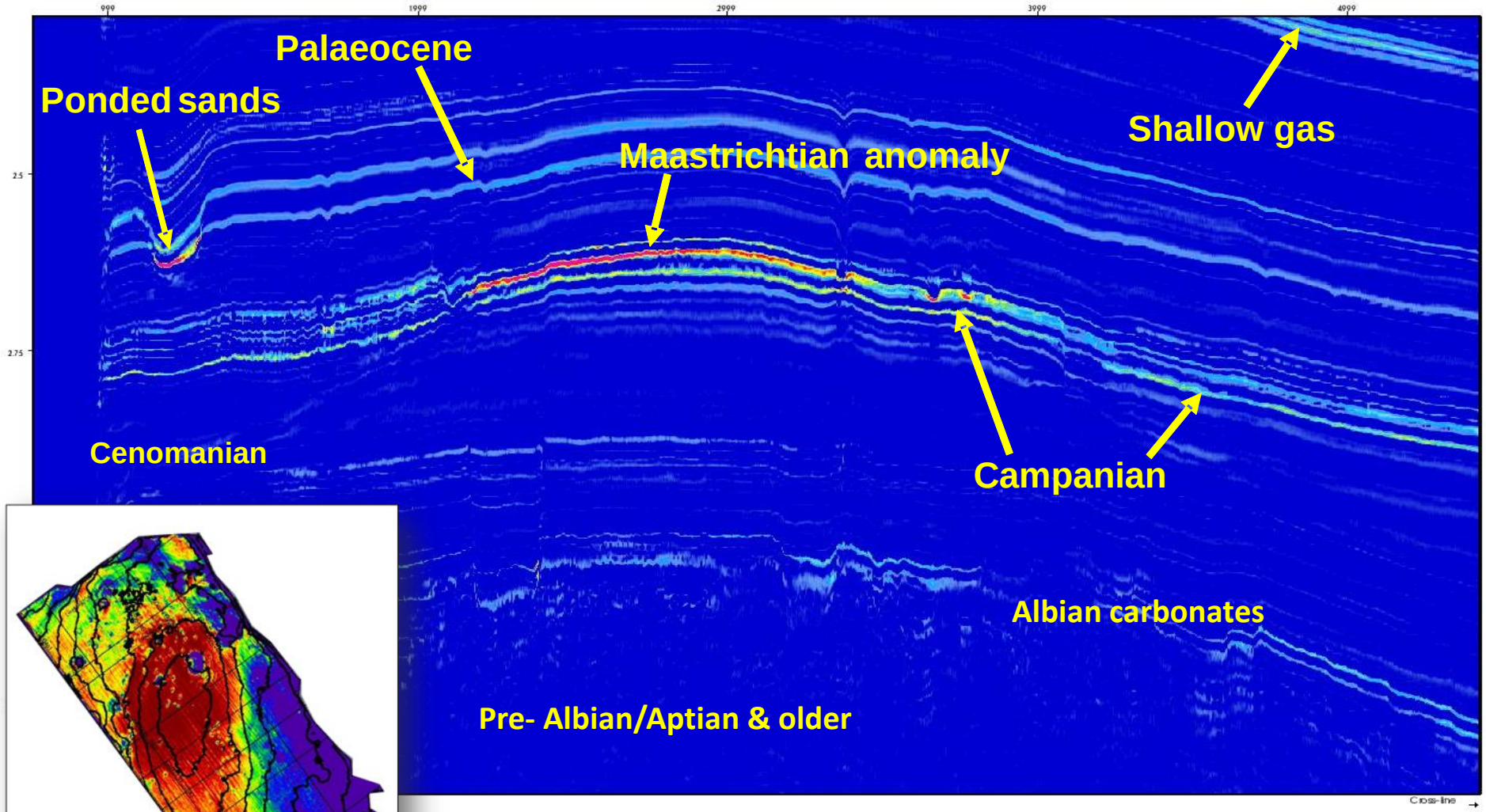

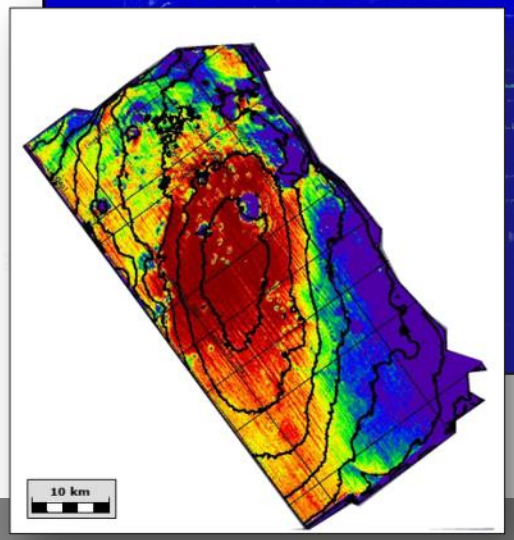

AVO Gradient response (I x G Product)

Conclusions

- **Experienced new management team, with fresh strategy to diversify and build a high impact African explorer**

- **"Where in the world can I find undrilled four-way closures with billion barrel potential….?"**

Rowan Renaissance

Welwitschia mirabilis (Hooker 1863)

…Welwitschia #1, Apr 2014