Press Release

For immediate release: 03 May 2007

Tower Resources Plc
Final Results for the 18 Months Ended 31 December 2006

Tower Resources plc (Tower" or "the Company"), the AIM-listed oil and gas exploration and production company today announces its final results for the 18 months ended 31 December 2006.

Highlights:

- Uganda
  - Encouraging results from gravity and magnetic data
  - 2D seismic shoot to commence in September 2007
  - Two wells anticipated early in 2008

- Namibia
  - Very large structures identified from seismic
  - One structure coincident with strong gas indications
  - Farm out discussions underway

Commenting on the results, Peter Kingston, Executive Chairman of Tower said:

"The evaluation programmes under way since the beginning of 2006 have yielded very encouraging results in both Uganda and Namibia and the Board's optimism about prospectivity in both Licences has steadily increased over the review period. The success achieved by other operators in Uganda has raised awareness of what promises to be an exciting new oil production province The year ahead will see significant tangible development."

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Tower Resources plc
Chairman's Statement

Your Company has made steady progress with its operations in Uganda and Namibia during 2006, continuing into this year to the point where seismic surveys are expected to take place for each venture before the end of 2007. Preparations are also underway to drill two wells in Uganda Block EA5 as early as possible in 2008. The evaluation programmes under way since the beginning of 2006 have yielded very encouraging results in both Uganda and Namibia and the Board's optimism about prospectivity in both Licences has steadily increased over the review period.

The success achieved by other operators in Uganda has raised awareness of what promises to be an exciting new oil production province. These existing discoveries lie in the southern area of the sedimentary basin but the exploration focus is moving northwards towards the Tower Licence. Active seismic acquisition is being undertaken by Tullow and Heritage to the north of Block 2 and in Block 1 no more than 50-100 kms from Tower's area of interest in Block 5. The past year has involved patient assessment of prospectivity – the next year will see excitement build culminating in the first exploration well.

In Namibia, detailed discussions are underway with a farm-in partner. However, because of local sea conditions which have delayed 2-D seismic, and the possible need for 3D seismic acquisition, the overall seismic programme will be over a longer period than in Uganda. Two years or more may be necessary to complete the seismic programmes before a first exploration well is drilled in Namibia. Notwithstanding that, the detailed seismic processing and interpretation that is now complete has revealed some very large structures coincident with strong indications of natural gas. Though the risk remains fairly high, success would be highly rewarding. The Board is excited that the prospectivity of the Namibia acreage has been significantly upgraded as a consequence of the evaluation programme.

Financial Highlights
Operating loss over the reporting period from 1 July 2005 to 31 December 2006 was £580,000. Capital expenditure was £720,000 being principally the capitalised expenditure on exploration studies. Cash balances at year end were £1,254,000 and this has increased to £2,343,601 at the end of March after the introduction of £1,425,000 of new equity in the first quarter. £140,000, being the balance of the investment from Agile, is due at the end of April 2007. There is sufficient capital to fund the Company's activities over at least the next six months and an expectation that new funds can be introduced if necessary to meet commitments for the remainder of 2007.

Operations Summary to end 2006

Uganda
Comprehensive evaluation of gravity and magnetic data gave encouragement that there were sufficient sediments at sufficient depth, to generate commercial quantities of hydrocarbons. The total contained basin area was shown to be at least 1100 - 1200 sq kms, equivalent to more than 5 complete North Sea Blocks. Extension of the proven rift basins at the southern end of Lake Albert northwards into EA5 was confirmed, albeit at a shallower depth than Block 2. Geochemical assessment has confirmed the likelihood that hydrocarbons could have been generated in significant quantities. The largest

structural features identified by the gravity interpretation are of significant size, each up to 35 sq km in total area.

Namibia
Approximately 10,000 kms of seismic line length was purchased from TGS-Nopec, covering most of the 23,000 sq km Licence area, some of it in reasonably close spacing. The initial interpretation showed multiple structures, coincident with or adjacent to a large deep basin, mostly represented by moderate sized fault traps, but three very large structures were present, adjacent to the deepest part of the basin. Several of the basinal fault trap structures also showed indications of hydrocarbons.

Geochemical studies indicated that four potential source rocks could be mature for generation of hydrocarbons; the two deepest of which being likely to have significant areas at peak maturity. A surface seep detection survey yielded ambiguous results but gave some support for light liquid hydrocarbon seeps in a couple of places.

Since year-end and looking forward

Uganda
Work in 2007 has largely been directed at planning for the seismic programme now due to begin shooting in early September. A geological field trip has just been completed, in conjunction with an evaluation of land satellite information. Valuable information was gathered but no obvious surface seeps of oil were encountered, despite information from local communities of oil on the River Nile. A further programme will be undertaken later in the year to investigate some areas of interest in more detail.

The highlight of this year in Uganda was the discovery by Heritage of oil under Lake Albert at significantly greater depth than earlier discoveries, within closure of a very large structure. Reservoir sands were of high quality and comparatively thick.

Namibia
The main focus of evaluation to date in 2007 has been the reprocessing of a small number of key seismic lines and reinterpretation using Amplitude Variations with Offset (AVO) analysis, which gives an enhanced assessment for the presence of hydrocarbons, particularly natural gas. This analysis has heightened the evidence to support natural gas presence, particularly in the northern area of the Licence. The most interesting result was the strong evidence of gas coincident with the largest known structure and future evaluations will be focused on this prospect. AVO analysis of seismic lines through two previous dry holes on the Licence showed little evidence of gas in the area of drilling and this is also encouraging.

It is now unlikely that the seismic commitment programme can be started before the onset of the annual period when weather conditions are not suitable for seismic acquisition. Plans are being made to record at the earliest opportunity, which will likely be in November of this year. The seismic programme is being designed to optimise the quality of AVO analysis.

Corporate Outlook

The next year should be exciting for exploration in Uganda, with a well programme being planned. As operations have become more advanced, the need to meet the commitments as operator has required the input of more manpower resources. Russell Langusch was no longer able to meet the growing demands as the executive director and I have assumed the role of Executive Chairman to direct activities going forward. Russell's assistance in launching the company and taking it forward during the early months was invaluable and the Board thanks him for his contribution. His place on the Board has been taken by Jeremy Asher who has also committed just over £1 million of new investment. He has assumed the role of Audit Committee Chairman. His contribution to the Company has already been significant and I extend him a warm welcome to the Board.

In the context of Uganda operations, the intention is now to put in place a local administration in Kampala with a full-time general manager and suitable support staff. Operations and logistical resources will be established with maximum use of local suppliers. An environmental impact assessment has been prepared and submitted to the Uganda Government for approval prior to the seismic programme. Community liaison activities have already begun and will be an important element of local activities. A Health and Safety Management System has been prepared and details are being finalised.

Significant operations in Namibia will be slower to unfold but the scale of the potential will support significant value for the Company. It is a priority to farm out this Licence to a financially strong partner, who would undoubtedly become the operator. Current prospects for farming out are encouraging with detailed discussions underway with a potential partner.

Tower has now evolved from being a new Licence holder to being a seismic and soon to be drilling operator. Tower will soon have the capacity to review and manage other opportunities, probably in Africa, to maintain the current focus, although the emphasis will be on a small number of good quality prospects rather than a large portfolio. The year ahead will see significant tangible development. Thank you for your ongoing support.

Peter Kingston
Chairman
3 May 2007

GROUP INCOME STATEMENT
FOR THE 18 MONTHS ENDED 31 DECEMBER 2006

	18 months ended 31 December 2006	*7 months ended 30 June 2005*
Continuing operations		
Group revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses before charge for share-based payments	(490,872)	(168,938)
Share-based payments	(89,250)	-
Total administrative expenses	(580,122)	(168,938)
Group operating loss	(580,122)	(168,938)
Finance income	66,226	11,350
Loss before taxation	(513,896)	(157,588)
Taxation	-	-
Loss for the period	(513,896)	(157,588)
Attributable to:		
Equity holders of the Company	(513,896)	(157,588)
Loss per share (pence)		
Basic	(0.15) p	(0.14) p
Diluted	(0.15) p	(0.14) p

The results shown above relate entirely to continuing operations

GROUP AND COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE 18 MONTHS ENDED 31 DECEMBER 2006

	Share Capital	*Share Premium*	*Share-based payments reserve*	*Retained Losses*	*Total Equity*
	£	*£*	*£*	*£*	*£*
Group					
Period ended 30 June 2005					
Share issues	125,000	585,000	-	-	710,000
Net loss for 2005	-	-	-	(157,588)	(157,588)
Balance at 30 June 2005	125,000	585,000	-	(157,588)	552,412
Period ended 31 December 2006					
Balance at 1 July 2005	125,000	585,000	-	(157,588)	552,412
Share issues	333,333	5,547,159	-	-	5,880,492
Net loss for 2006	-	-	89,250	(513,896)	(424,646)
Balance at 31 December 2006	458,333	6,132,159	89,250	(671,484)	6,008,258
Company					
Period ended 30 June 2005					
Share issues	125,000	585,000	-	-	710,000
Net loss for 2005	-	-	-	(157,588)	(157,588)
Balance at 30 June 2005	125,000	585,000	-	(157,588)	552,412
Period ended 31 December 2006					
Balance at 1 July 2005	125,000	585,000	-	(157,588)	552,412
Share issues	333,333	5,547,159	-	-	5,880,492
Net loss for 2006	-	-	89,250	(500,167)	(410,917)
Balance at 31 December 2006	458,333	6,132,159	89,250	(657,755)	6,021,987

GROUP BALANCE SHEET
AS AT 31 DECEMBER 2006

	31 December 2006	*30 June 2005*
	£	£
ASSETS		
Non-Current Assets		
Plant and equipment	1,889	-
Goodwill	4,018,795	-
Intangible exploration and evaluation assets	773,450	-
	4,794,134	-
Current Assets		
Trade and other receivables	28,135	-
Cash and cash equivalents	1,254,122	552,412
	1,282,257	552,412
Total Assets	6,076,391	552,412
LIABILITIES		
Current Liabilities		
Trade and other payables	68,133	-
Total Liabilities	68,133	-
Net Assets	6,008,258	552,412
EQUITY		
Capital and Reserves		
Share capital	458,333	125,000
Share premium account	6,132,159	585,000
Share-based payments reserve	89,250	-
Retained losses	(671,484)	(157,588)
Shareholders' Equity	6,008,258	552,412

The financial statements were approved by the Board of Directors on 2 May 2007 and singed on its behalf by:

Peter Kingston
Chairman

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2006

	31 December 2006	*30 June 2005*
	£	*£*
ASSETS		
Non-Current Assets		
Plant and equipment	1,889	-
Loan to subsidiary undertakings	803,812	-
Investment in subsidiary undertakings	4,080,965	-
	4,886,666	-
Current Assets		
Receivables	28,135	-
Cash and cash equivalents	1,174,321	552,412
	1,202,456	552,412
Total Assets	6,089,122	552,412
LIABILITIES		
Current Liabilities		
Trade and other payables	67,135	-
Total Liabilities	67,135	-
Net Assets	6,021,987	552,412
EQUITY		
Capital and Reserves		
Share capital	458,333	125,000
Share premium account	6,132,159	585,000
Share-based payments reserve	89,250	-
Retained losses	(657,755)	(157,588)
Shareholders' Equity	6,021,987	552,412

The financial statements were approved by the Board of Directors on 2 May 2007 and singed on its behalf by:

Peter Kingston
Chairman

GROUP CASH FLOW STATEMENT
FOR THE 18 MONTHS ENDED 31 DECEMBER 2006

	18 months ended 31 December 2006	*7 months ended 30 June 2005*
	£	*£*
Operating activities		
Group operating loss	(580,122)	(168,938)
Adjustments for items not requiring an outlay of funds:		
- Depreciation of plant and equipment	426	-
- Share-based payments charge	89,250	-
Operating loss before changes in working capital	(490,446)	(168,938)
Increase in receivables and prepayments	(26,251)	-
Increase in trade and other payables	44,493	-
Cash used in operations	(472,204)	(168,938)
Interest received	66,226	11,350
Net cash used in operating activities	(405,978)	(157,588)
Investing activities		
Funds used in exploration and evaluation	(716,801)	-
Payments to purchase plant and equipment	(2,315)	-
Costs of acquiring subsidiaries	(80,965)	-
Cash acquired with subsidiary undertakings	27,277	-
Net cash used in investing activities	(772,804)	-
Financing activities		
Cash proceeds from issue of shares	2,000,000	710,000
Share issue costs	(119,508)	-
Net cash from financing activities	1,880,492	710,000
Increase in cash and cash equivalents	701,710	552,412
Cash and cash equivalents at beginning of period	552,412	-
Cash and cash equivalents at end of period	1,254,122	552,412

COMPANY CASH FLOW STATEMENT
FOR THE 18 MONTHS ENDED 31 DECEMBER 2006

	18 months ended 31 December 2006	*7 months ended 30 June 2005*
	£	*£*
Operating activities		
Operating loss	(563,710)	(168,938)
Adjustments for items not requiring an outlay of funds:		
- Depreciation of plant and equipment	426	-
- Share-based payments charge	89,250	-
Operating loss before changes in working capital	(474,034)	(168,938)
Increase in receivables and prepayments	(28,135)	-
Increase in trade and other payables	67,135	-
Cash used in operations	(435,034)	(168,938)
Interest received	63,543	11,350
Net cash used in operating activities	(371,491)	(157,588)
Investing activities		
Payments to purchase plant and equipment	(2,315)	-
Costs of acquiring subsidiaries	(80,965)	-
Loan granted to subsidiaries	(803,812)	-
Net cash used in investing activities	(887,092)	-
Financing activities		
Cash proceeds from issue of shares	2,000,000	710,000
Share issue costs	(119,508)	-
Net cash from financing activities	1,880,492	710,000
Increase in cash and cash equivalents	621,909	552,412
Cash and cash equivalents at beginning of period	552,412	-
Cash and cash equivalents at end of period	1,174,321	552,412

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS ENDED 31 DECEMBER 2006

1. **Specific accounting policies**

1.1 **Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including IFRS6 'Exploration for and Evaluation of Mineral Resources' and in accordance with the Companies Act 1985. The Parent Company's financial statements have also been prepared in accordance with IFRS and the Companies Act 1985.

Although the Group is not yet required to prepare its financial statements under IFRS's the directors have decided to adopt IFRS's early.

1.2 **Going concern**

During the period ended 31 December 2006 the Group made a loss of £513,896 (2005 - £157,588). At the balance sheet date the Group had net assets of £6,008,258 (2005 - £552,412) and its current assets exceeded its current liabilities by £1,214,124 (2005 - £552,412). As set out in note 14 below, the Group has expected exploration expenditure commitments of £4,586,000 due within one year from the balance sheet date and a further £962,000 due between one and two years.

The operation of the Group is currently being financed from the funds which the Company raised from private and public placings of its shares. As stated in the Directors' report, the Group is currently seeking to farm out its Namibian license to a financially strong partner who can become the operator of that license. In the absence of finding a suitable farm out partner, the Company will have to raise additional equity funds in order to meet the exploration expenditure commitments of its two licenses.

The Directors believe that the Group will either be able to find a suitable farm out partner in the near future or be able to raise necessary funds later this year for it to be able to meet its license commitments. Accordingly, the Directors are satisfied that the going concern basis remains appropriate for the preparation of these financial statements.

2. **Loss per share**

The basic loss per ordinary share has been calculated using the loss for the financial year of £513,896 (2005: £157,588) and the weighted average number of ordinary shares in issue of 337,507,589 (2005: 112,922,705).

The diluted loss per share has been calculated using a weighted average number of shares in issue and to be issued of 338,718,970 (2005: 112,922,705). The diluted loss per share has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

3. **Events after the balance sheet date**

Subsequent to 31 December 2006, the Company allotted 71,320,000 ordinary shares of 0.1p each, raising new equity of £1,425,000 in cash.

4. The financial information set out above does not comprise full accounts as defined in the Companies Act 1985. Full accounts will be sent to shareholders before 11 May 2007 and will be available on the company's web site at www.towerresources.co.uk.

5. No dividend is proposed in respect of the period.

6. The annual general meeting of the company will take place at 30 Farringdon Street, London, EC4A 4HJ on 6 June 2007 at 11.00am .