24 January 2014

Tower Resources plc

Operational Update and Issue of Equity

Tower Resources plc (the "Company" or “Tower” (TRP.L, TRP LN)), the AIM listed Africa focussed oil and gas exploration company, is pleased to announce the following update with respect to the possible farm-out of part of its interests in Namibia PEL0010 and the issuance of New Ordinary Shares.

Namibia Farmout

Considerable progress has been made in the farm-out process. Tower is seeking a farm-in partner for a 10% working interest in Namibia PEL0010. A number of interested parties have conducted a full review of the data-room and subsequent follow-up enquiries have been or are in the process of being dealt with. The Company is pleased with the level of interest. Tower expects the final well design and budget to be agreed soon with its partners, Repsol (operator) and Arcadia, and anticipates that this should allow the farm-out process to be brought to a timely conclusion.

Rig Update

Following sea trials, the Rowan Renaissance drillship has this week departed from the rig yard in South Korea. It is now scheduled to commence its operations for the Welwitschia-1 well in Walvis Bay, Namibia on or around 11 April, with the spud being approximately one week later. Based on the CPR update completed by Oilfield International in June 2013, this well is targeting risked resources estimated at 496 mmboe net to Tower’s 30% interest.

New Shares Issued

Tower also announces that it has raised a gross £0.82 million at an average issue price of 4.2p per New Ordinary Share via a modest draw-down on its Equity Financing Facility (“EFF”) with Darwin Strategic Limited ("Darwin”). This funding will result in the issue of 19,250,000 New Ordinary Shares and raised £0.78 million net.

During December 2013 there was strong market demand for Tower shares which could not be fully met and which drove the share price above 5p. The Company therefore decided to undertake a limited equity issue under its EFF, with a strict floor price in place, in order to provide further shares to the market on days of shortage during the first three weeks of January.

Tower’s cash balances are now approximately $18 million, having now already paid approximately $3 million of towards the costs of the well.

Tower has also agreed to issue 1,573,181 New Ordinary Shares under contractual arrangements as part payment for services provided in the second half of 2013 at an average price of 3.1p per New Ordinary Share as detailed below.

Application has been made to the London Stock Exchange for the New Ordinary Shares as set out above to be admitted to trading on AIM. The shares will rank pari passu in all respects with the Company's existing Ordinary Shares. It is expected that the admission will become effective and that trading in the New Ordinary Shares will commence at 8.00am on 29 January 2014.

Jeremy Asher, Chairman of Tower, said

"We are pleased with the progress on the farm-out process and on the planning and preparation for the important Welwitchia-1 well, one of the largest upside wells to be drilled by an independent in 2014. We are also well advanced on a number of possible new ventures and we hope to be able to say more about these in the near-future."

For further information please contact:
Tower Resources
Graeme Thomson (CEO)
Andrew Matharu (VP – Corporate Affairs)
+44 20 7253 6639

Peel Hunt LLP
(Nominated Adviser and Joint Broker)
Richard Crichton/Charles Batten
+44 20 7418 8900

GMP Securities Europe LLP (Joint Broker)
Rob Collins/Liz Williamson
+44 20 7647 2800

Vigo Communications
Chris McMahon/ Peter Reilly
+44 20 7016 9570

Notes:
The 1,573,181 New Ordinary Shares noted above comprise:

A total of 733,125 New Ordinary Shares to P.D.F Limited, the company's Outsourced Exploration Department (OE_xD ™), in part payment for services provided during the calendar quarter ending 31 December 2013 as part of a previously announced quarterly contractual arrangement. It now holds a total of 12,838,634 Ordinary Shares in Tower representing 0.48% of the issued share capital and;

A total of 840,056 New Ordinary Shares to QX Energy Limited, a company controlled by Nigel Quinton, Head of Exploration, and his family, in part payment for services for the period covering 1 July 2013 to 31 December 2013. QX Energy Limited now holds a total of 840,056 Ordinary Shares and Mr Quinton and his wife own 9,000,000 Ordinary Shares in Tower, representing an interest of 0.37% of the issued share capital.

Following Admission of the above New Ordinary Shares, the Company's enlarged issued share capital will comprise of 2,659,141,398 Ordinary Shares of 0.1 pence each with voting rights. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.