

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) who specialises in advising on the acquisition of shares and other securities.**

If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares before the date upon which the Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange being 8.00 a.m. on 3 October 2016, please send this document, together with the accompanying Application Form (having completed Box 8 on the Application Form), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If your Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying CREST Holder, on settlement, will transfer the appropriate number of CREST Entitlements to the purchaser or transferee.

The total consideration under the Open Offer shall be less than €5,000,000 (or an equivalent amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules published by the Financial Conduct Authority and has not been approved by the Financial Conduct Authority or any other authority or regulatory body. Furthermore, as the total consideration under the Open Offer shall be less than €5,000,000 (or an equivalent amount) in aggregate in accordance with Regulation 8(h) of the Irish Regulations, this document is not, and is not required to be, a prospectus for the purposes of the Irish Regulations and has not been approved by the Central Bank of Ireland. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules. The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings will commence in the Open Offer Shares by 8.00 a.m. on 26 October 2016.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the United Kingdom Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

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# Tower Resources plc

*(Incorporated in England and Wales with registered number 05305345)*

## **Open Offer of up to 25,267,807 Open Offer Shares at 2.25 pence per Open Offer Share**

**on the basis of:**

**1 Open Offer Share for every 3 Existing Ordinary Shares**

**and**

## **Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and to the section headed “Risk Factors” in Part 2 of this document.**

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 18 October 2016. The procedure for acceptance and payment is set out in Part 3 of this document and, where relevant, in the Application Form. The Open Offer Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

**This document is being sent to all Shareholders, but in relation to those Shareholders who are not Qualifying Shareholders, it is being sent to them, insofar as the Open Offer is concerned, for information purposes only.**

This document does not constitute an offer to sell, or a solicitation to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this document and/or the accompanying documents and/or the transfer of Entitlements in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution or failure to comply with those restrictions could result in a violation of the law of such jurisdictions. In particular, subject to certain limited exemptions, this document is not for distribution into the United States, Canada, the Republic of South Africa, Australia or Japan, or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation. Neither the Existing Ordinary Shares, the Open Offer Shares nor the Entitlements have been, nor will they be, registered under the securities legislation of the United States, any province or territory of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, the Open Offer Shares may not, subject to certain exemptions, be offered or sold directly or indirectly into (and no Application Form will be posted to and no CREST Entitlements will be credited to the stock account of any person in) the United States, Canada, Australia, the Republic of South Africa or Japan, or to any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa or Japan. No action has been taken by the Company, or the holders of Ordinary Shares, that would permit a public offer of the Open Offer Shares or the Entitlements or possession or distribution of this document where action for that purpose is required. **The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled “Overseas Shareholders” at paragraph 7 of Part 3 of this document.**

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### **Forward-looking statements**

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, amongst other things, the risk factors described in Part 2 of this document. The Directors believe that the expectations reflected in these statements are based on reasonable grounds, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

Qualifying Ordinary Shareholders will find an Application Form enclosed with this document. Qualifying CREST Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the CREST Entitlements which will be enabled for settlement on 4 October 2016. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares were marked "ex" the entitlement by the London Stock Exchange. If the CREST Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 4 October 2016, an Application Form will be sent to each Qualifying CREST Holder in substitution for the CREST Entitlements credited to his stock account in CREST. Qualifying CREST Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

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## CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events.....	4
Share Capital, Placing And Open Offer Statistics.....	5
Directors And Advisers.....	6
Part 1 Letter From The Chairman Of Tower Resources Plc .....	7
Part 2 Risk Factors .....	14
Part 3 Terms and Conditions of the Open Offer.....	25
Part 4 Additional Information .....	45
Part 5 Interim Results To 30 June 2016.....	46
Definitions.....	55
Schedule 1 .....	59
Notice of General Meeting.....	63

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for Open Offer	close of business on 28 September 2016
Publication and despatch of this document, Application Forms and Forms of Proxy	3 October 2016
Expected ex-entitlement date for Open Offer	8.00 a.m. on 3 October 2016
Open Offer Entitlements and CREST Excess Entitlements credited to CREST stock accounts of Qualifying CREST Holders	as soon as practicable after 8.00 a.m. on 4 October 2016
Recommended latest time for requesting withdrawal of Open Offer Entitlements and CREST Excess Entitlements from CREST	4.30 p.m. on 12 October 2016
Latest time for depositing Open Offer Entitlements and CREST Excess Entitlements into CREST	3.00 p.m. on 13 October 2016
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 14 October 2016
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer</b>	<b>11.00 a.m. on 18 October 2016</b>
<b>Latest time and date for receipt of Forms of Proxy</b>	<b>11.00 a.m. on 18 October 2016</b>
Latest time and date for settlement of relevant CREST instruction	11.00 a.m. on 18 October 2016
General Meeting	11.00 a.m. on 20 October 2016
Expected date of announcement of the results of the General Meeting and the results of Open Offer	afternoon of 20 October 2016
Admission and dealings in the Open Offer Shares to commence on AIM	8.00 a.m. on 26 October 2016
CREST member accounts expected to be credited for the Open Offer Shares	as soon as practicable on 26 October 2016
Dispatch of definitive share certificates in respect of the Open Offer Shares in certificated form	on or around 4 November 2016

### Notes:

Each of the dates in the above timetable is subject to change at the absolute discretion of the Company. If any of the details should change, where appropriate, the revised times and/or dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

If you have any questions on how to complete the Application Form, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am - 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The ISIN code for the Ordinary Shares is GB00BZ6D6J81.

All references are to London time unless otherwise stated.

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## SHARE CAPITAL, PLACING AND OPEN OFFER STATISTICS

Number of Existing Ordinary Shares	75,803,421
Maximum number of Open Offer Shares available under the Open Offer	25,267,807
Enlarged Share Capital*	101,071,228
Issue Price of the Open Offer Shares	2.25 pence
Issue Price discount to the middle market closing price on 7 September 2016, the day prior to the announcement of the Placing and the proposed Open Offer	(59%)
Issue Price discount to the middle market closing price on 29 September 2016	(22%)
Market capitalisation of the Company following the Open Offer at the Issue Price*	£2.3 million
Open Offer Shares as a percentage of the Enlarged Share Capital*	25%
Placing Shares and Open Offer Shares as a percentage of the Enlarged Share Capital*	70%
Gross proceeds of Placing	£1.03 million
Estimated gross proceeds of Open Offer*	£0.569 million
Estimated net proceeds of Open Offer*	£0.54 million
Total gross proceeds from the Placing and the Open Offer*	£1.599 million
ISIN of the Ordinary Shares	GB00BZ6D6J81
ISIN of the Open Offer Entitlements	GB00BYQBBX43
ISIN of the CREST Excess Entitlements	GB00BYQBBZ66

\*Assumes the maximum number of Open Offer Shares under the Open Offer are allotted.

## EXCHANGE RATES

For reference purposes only, the following exchange rate was prevailing on 29 September 2016 (being the latest practicable date prior to the publication of this document):

£1 = €1.16

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Jeremy Asher ( <i>Non-Executive Chairman</i> ) Graeme Thomson ( <i>Chief Executive Officer</i> ) Nigel Quinton ( <i>Exploration Director</i> ) Philip Swatman ( <i>Non-Executive Director</i> ) Peter Taylor ( <i>Non-Executive Director</i> ) Philip Frank ( <i>Non-Executive Director</i> )
<b>Registered office</b>	One America Square Crosswall London EC3N 2SG
<b>Nominated Adviser and Broker</b>	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
<b>Solicitors to the Company as to English law</b>	Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB
<b>Auditor to the Company</b>	UHY Hacker Young 4 Thomas More Square London E1W 1YW
<b>Registrars</b>	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Receiving Agent</b>	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

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**PART 1**

**LETTER FROM THE CHAIRMAN OF TOWER RESOURCES PLC**

**Tower Resources plc**

*(Incorporated in England and Wales with registered number 05305345)*

*Directors:*

Jeremy Asher *(Non-Executive Chairman)*  
Graeme Thomson *(Chief Executive Officer)*  
Nigel Quinton *(Exploration Director)*  
Philip Swatman *(Non-Executive Director)*  
Peter Taylor *(Non-Executive Director)*  
Philip Frank *(Non-Executive Director)*

*Registered office:*  
One America Square  
Crosswall  
London  
EC3N 2SG

3 October 2016

Dear Shareholder,

**Open Offer of up to 25,267,807 Open Offer Shares  
at 2.25 pence per Open Offer Share**

**on the basis of:**

**1 Open Offer Share for every 3 Existing Ordinary Shares**

**and**

**Notice of General Meeting**

**1. INTRODUCTION AND SUMMARY**

On 8 September 2016, the Company announced that it had successfully raised £1.03 million (before expenses) by way of a placing of 45,919,084 Placing Shares at an Issue Price of 2.25 pence per Ordinary Share. The Issue Price is at a discount of 59 per cent. to the middle market closing price per Ordinary Share of 5.5 pence on 7 September 2016, the last business day before the announcement of the Placing. Admission of the Placing Shares became effective and dealings commenced in the Placing Shares on 13 September 2016.

It was also announced that the Company proposes to raise up to £0.569 million by way of an Open Offer to Qualifying Shareholders at the Issue Price (being the same price as the price paid by the Placees under the Placing) to ensure that Qualifying Shareholders were also given an opportunity to subscribe for Ordinary Shares at this discounted price. The Issue Price represents a discount of approximately 22 per cent. to the middle market closing price per Existing Ordinary Share of 2.88 pence on 29 September 2016 (the latest practicable business day before the date of this document). Accordingly, subject to fulfilment of the conditions set out in this document, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares at the Issue Price on the basis of:

**1 Open Offer Share for every 3 Existing Ordinary Shares**

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for additional Open Offer Shares through the Excess Application Facility.

The purpose of this document is to outline the reasons for, and to explain the terms of, the Open Offer and to explain the Resolutions to be proposed at the General Meeting, which is being convened to facilitate the issue of the Open Offer Shares under the Open Offer and why the Board considers the Open Offer to be in the best interests of the Company and of Shareholders as a whole. The Open Offer is subject to the passing of the Resolutions to be proposed at the General Meeting.

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## 2. BACKGROUND TO, AND REASONS FOR, THE OPEN OFFER AND THE GENERAL MEETING

Market conditions for exploration companies continue to be difficult, however the Blocks have generally low forward licence commitments and the Group has focused its activities on the Thali Block, offshore Cameroon in which Tower Cameroon has a 100 per cent. participating interest.

The Group is continuing in its efforts to find a partner for the Thali Block to help fund the costs of a 3D seismic programme in early-mid 2017 and to provide additional technical input. The Company has undertaken a formal farm-out process in order to identify suitable potential industry partners and is in discussions with several counterparties who could meet the Company's criteria as potential joint-venture partners both on the Thali Block and possibly more widely within Cameroon, although this process is taking longer than originally anticipated due to industry conditions.

The Company has reduced its cost base and will continue to do so, but required a modest amount of additional working capital to extend cash reserves into the first quarter of 2017 as it proceeds with the farm-out process at the Thali Block. Prevailing market sentiment in respect of funding oil and gas exploration has remained poor and despite support from our long standing core Shareholders, the Placing was required to be competitively priced and executed expeditiously. The Board is grateful for the continued support from all Shareholders and the Open Offer will allow Qualifying Shareholders to subscribe for new Ordinary Shares at the same price as under the Placing.

The proceeds of the Placing and the proposed Open Offer will be used, primarily, to provide the working capital to progress the search for a farm-out partner for the Thali Block and for other general working capital purposes.

The Open Offer is conditional on the passing of the Resolutions. A notice convening the General Meeting which is to be held at 11.00 a.m. on 20 October 2016 at the offices of Peel Hunt LLP at Moor House, 120 London Wall, London, EC2Y 5ET is set out at the end of this document.

Information on the Group, including the Company's current strategy, is set out in paragraph 6 of Part 1 of this document.

## 3. THE PLACING

As announced on 8 September 2016, the Company successfully placed 45,919,084 Placing Shares at the Issue Price, raising approximately £1.03 million (gross).

Admission of the Placing Shares became effective and dealings commenced in the Placing Shares at 8.00 a.m. on 13 September 2016.

## 4. THE OPEN OFFER

The Open Offer is for up to 25,267,807 Open Offer Shares at the Issue Price to raise up to £0.569 million (gross). **Only Qualifying Shareholders on the register as at the Record Date of 28 September 2016 may participate in the Open Offer.**

Subject to the fulfillment of the terms and conditions referred to in this document and, where relevant, set out in the Application Form, Qualifying Shareholders are being given the opportunity to apply for Open Offer Shares at a price of 2.25 pence per Open Offer Share (being the same price as the Issue Price for the Placing), free of expenses, payable in full in cash on application, on the basis of:

### **1 Open Offer Share for every 3 Existing Ordinary Shares**

registered in the name of each Qualifying Shareholder at the Record Date.

Qualifying Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer and applications in excess of a Qualifying Shareholder's Open Offer Entitlement will be dealt with under the Excess Application Facility. The Company shall, in its absolute discretion, determine whether to meet any applications for Excess Shares under the Excess Application Facility and no assurance can be given that these applications will be met in full or in part or at all. To the extent that additional Open Offer Shares are not subscribed for by Qualifying Shareholders, Open Offer

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Entitlements will lapse. Further details of the Open Offer and the Excess Application Facility are given in Part 3 of this document.

Excess applications will be rejected if, and to the extent that, acceptance would result in the Qualifying Shareholder, together with persons acting in concert with him for the purpose of the Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and, where necessary, entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. Any fractional entitlement to Open Offer Shares will be disregarded in calculating Open Offer Entitlements.

If you are a Qualifying Ordinary Shareholder you will have received an Application Form with this document and you should refer to paragraph 4(i) and paragraphs 5 to 11 of Part 3 of this document.

If you hold your Ordinary Shares in CREST and have received a credit of CREST Entitlements to your CREST stock account, please refer to paragraph 4(ii) and paragraphs 5 to 11 of Part 3 of this document and also to the CREST Manual for further information on the CREST procedures referred to below.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings will commence in the Open Offer Shares by 8.00 a.m. on 26 October 2016.

**Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part 3 of this document and where relevant, in the Application Form, which you should read in full. Qualifying Shareholders who subscribe for Open Offer Shares represent, warrant, covenant, agree and acknowledge that they have reviewed the representations, warranties, covenants, agreements and acknowledgements set out in Schedule 1 of this document and, in applying for Open Offer Shares, are deemed to have given such representations, warranties, covenants, agreements and acknowledgements.**

**For Qualifying Ordinary Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 18 October 2016. For Qualifying CREST Holders, the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 18 October 2016.**

The Issue Price of 2.25 pence per Open Offer Share represents a 59 per cent. discount to the closing middle market price of 5.5 pence per Ordinary Share on 7 September 2016, the last business day before announcement of the Placing and an approximately 22 per cent. discount to the closing middle market price of 2.88 pence per Ordinary Share on 29 September 2016, the latest practicable business day before publication of this document.

The Open Offer is conditional on:

- the passing of the Resolutions; and
- Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 26 October 2016 (or such later time and/or date as the Company may agree, not being later than 8.00 a.m. on 31 October 2016).

Accordingly, if such conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed and any Entitlements admitted to CREST will thereafter be disabled.

## **5. DILUTION**

As a result of the successful completion of the Placing, 45,919,084 Placing Shares were issued (representing 45 per cent. of the Enlarged Share Capital of the Company).

The Open Offer will result, if fully subscribed, in the issue of 25,267,807 Open Offer Shares (representing approximately 25 per cent. of the Enlarged Share Capital of the Company). The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Shareholders who do not elect to participate in the Open Offer will suffer a maximum dilution as set out in the table below:

<i>Amount Raised through Open Offer</i>	<i>Number of Open Offer Shares issued</i>	<i>Number of Existing Ordinary Shares (including the Placing Shares) as at the date of this Agreement</i>	<i>Dilution created by the Open Offer to non-participating Shareholders (%)</i>
£0.569 million <sup>(1)</sup>	25,267,807	75,803,421	25.0

(1) assuming full subscription under the Open Offer.

The participation of a Qualifying Shareholder for its Open Offer Entitlement and any Excess Shares will minimise dilution from the Placing but does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer.

## 6. INFORMATION ON THE GROUP

The Company's strategy of shifting the Group's portfolio towards lower risk assets in proven and emerging basins is presently focused on the Thali Block which already has existing discoveries. The Thali Block is located in the shallow water Rio de Rey basin, a proven producing sub-basin of the petroliferous Niger Delta, offshore Cameroon. The Thali Block PSC covers an area of 119.2 km<sup>2</sup>, with water depths ranging from 8 to 48 metres. The Rio del Rey basin has, to date, produced over one billion barrels of oil and has estimated remaining recoverable reserves of 1.2 billion barrels of oil equivalent, primarily within water depths of less than 50 metres.

### Cameroon

The Group's entry into Cameroon commenced on 15 September 2015 after signing the Thali Block PSC with the Government of Cameroon. Tower Resources Cameroon has a 100 per cent. participating interest in the Thali Block which already has discoveries that are estimated to contain 15 million barrels of recoverable oil. Tower Resources Cameroon is currently in year two of the initial three year exploration period of the Thali Block PSC. The minimum financial commitment for the initial exploration period is US\$13 million.

With existing discoveries on the Thali Block, near-term shallow appraisal opportunities and deeper exploration potential, the Company believes that the Thali Block provides a cornerstone asset with low-risk, yet high potential that could offer four hydrocarbon play systems, including the proven one in which three discovery wells have already been drilled. The other play systems are all successfully commercialised within the Gulf of Guinea, and in analogous petroleum systems, such as the Gulf of Mexico. The next key step to unlocking the Thali Block's potential is the acquisition of modern 3D seismic to significantly improve subsurface imaging and resolution, as the existing seismic data is 25 years old. Once improved quality seismic data has been obtained the Company sees both the potential to add incremental oil reserves to existing discoveries to achieve commerciality, plus significant exploration prospectivity in the other plays, which are in shallow water and most with target depths no greater than 2,500 metres, in both structural and stratigraphic traps.

A small in-country office staffed with local professionals has been established in Douala and is currently preparing for an operational campaign to acquire a minimum of 100 km<sup>2</sup> of 3D seismic. To this end, Tower Resources Cameroon has completed the ESIA (Environmental and Social Impact Assessment) and successfully applied for and has recently been granted a Certificate of Environmental Conformity (CEC) by the Cameroon Ministry of Environment permitting the acquisition of seismic over the Thali Block. The Group is engaging with seismic contractors and survey design modelling has been conducted to optimise acquisition parameters to ensure a high quality seismic volume is acquired for processing and interpretation.

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Current depressed market conditions have brought a benefit in the form of lower costs and competitive financing terms in the seismic and drilling sector. The Company is continuing in its search for a farm-in partner on the Thali Block to help cover these costs and the timing of operations will reflect these factors.

### **South Africa**

In September 2015, approval was received to enter into the first renewal period of the South African Exploration Right in which Rift Petroleum has a 50 per cent. participating interest. The first renewal period will run for two years until at least September 2017. At present, uncertainty about the new South African mining legislation and its impact on the oil exploration sector in South Africa has reduced industry activity to minor levels; it is hoped that this process will be brought to a conclusion in the next few months and provide greater certainty for investors.

The South African Exploration Right includes three basins, the Algoa, Gamtoos and deep water Outeniqua basins. Leads have been defined on 2D and 3D seismic data across the basins and the 2016 work programme has developed some positive exploration play types from the merged seismic volumes. The prospectivity evaluation is in progress and due to be completed before the end of 2016. The Company currently intends to seek a farm-in partner for the next programme of operational activity.

On 16 February 2016, the Company announced that Rift Petroleum and its partner, New Age (50 per cent. participating interest and operator of the South African Exploration Right), had agreed not to proceed with an application to convert the deep-water frontier SW Orange Basin Technical Co-operation Permit into an exploration right. Consequently, New Age reimbursed Rift Petroleum the sum of US\$400,000, which was paid by Rift Petroleum as part of the Rift FOA, which was also terminated.

The Group's exit from this high cost deep-water frontier basin is consistent with its move towards a more balanced portfolio of proven and emerging basins and enables the Group to focus its efforts in South Africa on the South African Exploration Right, which offers greater near-term potential.

### **Zambia**

Rift Petroleum Zambia is the operator of the Zambian Blocks with a 100 per cent. participating interest. The Zambian Blocks are located within the frontier mid-Zambesi basin, onshore Zambia, where virtually no oil & gas exploration activity has been conducted, no modern seismic exists over the Zambian Blocks and no wells have been drilled. Only two petroleum wells have been drilled in the entire country.

Despite the lack of prior exploration, the results of the fieldwork the Group conducted in 2014 and 2015 have indicated that all elements for a working petroleum system are present: the presence of source rock, reservoir and seal is now established. These geological studies have met all of the Group's commitments to date.

Future work commitments over the next two years potentially include airborne gravity/magnetic data acquisition and interpretation, and a 2D seismic programme. The Zambian Blocks can be relinquished at the end of each licence year if results are discouraging, so commitments are low and proportionate to prospectivity.

The Government of Zambia is currently working towards a new petroleum code which it is expected will further define the fiscal regime and give new entrants to the Zambian oil & gas sector greater clarity with respect to the investments they make in the country. The Group will engage with the appropriate government ministries once a new cabinet is formed and parliament re-called following nationwide elections held recently.

The Group currently intends to seek a farm-in partner for the Zambian Blocks so that it is carried through the more capital intensive stages of the work programme and to re-coup an appropriate part of the Group's investment.

### **Western Sahara (SADR)**

SADR is the territory known as Western Sahara, and has been occupied by Morocco since 1975. The sovereignty of the territory remains in dispute, despite being recognised by the United Nations as a non-self-governing territory and by the African Union.

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The Group holds a 50 per cent. participating interest in the SADR Blocks. There are no remaining work commitments on the SADR Blocks.

## **7. FINANCIAL INFORMATION**

The Company announced its unaudited interim results for the period to 30 June 2016 on 8 September 2016. A copy of the unaudited interim results is set out in Part 5 of this Document.

## **8. THE GENERAL MEETING**

At the end of this document, you will find a notice convening a general meeting of the Company, which is to be held at 11.00 a.m. on 20 October 2016 at the offices of Peel Hunt LLP at Moor House, 120 London Wall, London, EC2Y 5ET. The resolutions to be proposed at the General Meeting will be:

- an ordinary resolution to grant authority to the Directors to allot equity securities pursuant to section 551 of the Companies Act 2006 up to an aggregate nominal value of £1,516,068. This authority will expire (unless renewed, varied or revoked) at the conclusion of the Company's next Annual General Meeting; and
- conditional upon the passing of Resolution 1, a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Companies Act 2006 in respect of any allotments of equity securities for cash. Otherwise than in connection with a rights or similar issue (including the Open Offer), this authority shall be limited to an aggregate nominal value of £758,034. This authority will expire (unless renewed, varied or revoked) at the conclusion of the Company's next Annual General Meeting.

The full text of the Resolutions is set out in the notice of General Meeting which is appended to this document.

Approval of the Resolutions will enable the issue of the Open Offer Shares.

Resolution 1 will be proposed as an ordinary resolution while Resolution 2 will be proposed as a special resolution.

Each of the Placees has given an irrevocable undertaking to vote in favour of the Resolutions in respect of their interests, as a condition to their participation in the Placing, which in aggregate (as at the Record Date and as far as the Company is aware) total 49,579,704 Existing Ordinary Shares, representing 65.41 per cent. of the Existing Ordinary Shares. These Placees include Graeme Thomson, Jeremy Asher, Peter Taylor and Nigel Quinton being Directors who have also separately given a confirmation of their intention to vote in favour of the Resolutions pursuant to paragraph 13 of Part 1 of this document. The number of Existing Ordinary Shares held by the Placees (excluding Directors) is in aggregate 30,570,816 Existing Ordinary Shares representing 40.33 per cent. of the Existing Ordinary Shares.

## **9. ACTION TO BE TAKEN**

### **In respect of the General Meeting**

You will find enclosed with this document a Form of Proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 18 October 2016, being 48 hours (excluding non-Business Days) before the time appointed for holding the General Meeting. Completion of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so choose.

### **In respect of the Open Offer**

If you are a Qualifying Ordinary Shareholder, you will have received an Application Form which gives details of your entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Open Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Open Offer Shares than you are entitled to under the Open Offer, you should

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complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4(i) of Part 3 of this document and on the Application Form itself.

If you are a Qualifying CREST Holder, no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 4(ii) of Part 3 of this document.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 18 October 2016. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have CREST Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part 3 of this document. Further details also appear in the Application Form which has been sent to Qualifying Ordinary Shareholders.**

**Qualifying CREST Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.**

#### **10. OVERSEAS SHAREHOLDERS**

Information for Shareholders who are resident in, or who are citizens of, or who have registered addresses in, countries other than the United Kingdom appears in paragraph 7 of Part 3 of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

#### **11. TAXATION**

Information regarding taxation in the United Kingdom in connection with the Open Offer is set out in paragraph 6 of Part 3 of this document. Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their professional adviser as soon as possible.

#### **12. RISK FACTORS AND ADDITIONAL INFORMATION**

Your attention is drawn to the risk factors in Part 2 of this document which are important and should be read in full and the additional information set out in Part 4 of this document.

#### **13. RECOMMENDATION AND VOTING INTENTIONS**

**The Board believes that the Open Offer and the passing of the Resolutions are in the best interests of the Company, and the Shareholders as a whole, for the following reasons:**

- the Open Offer should provide the Company with additional funding to that raised in the Placing to progress the Company's search for a farm-out partner for the Thali Block and for other general working capital purposes; and
- the Open Offer provides Qualifying Shareholders with the opportunity to subscribe for additional Ordinary Shares at the same price per Ordinary Share as was available to Placees under the Placing, thereby minimising the dilutionary effect of the Placing on Qualifying Shareholders.

The Directors intend to vote in favour of all of the Resolutions in respect of their own interests which, in aggregate, total 19,008,888 Existing Ordinary Shares, representing 25.08 per. cent of the Existing Ordinary Shares.

Yours faithfully,

**Jeremy Asher**  
*Chairman*

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## PART 2

### RISK FACTORS

The investment detailed in this document may not be suitable for all of its recipients and involves a high degree of risk. Before making an investment decision, prospective investors are advised to consult a professional adviser authorised under the FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The exploration for and development of natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Ordinary Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, are of particular relevance to the Group's activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may also have an adverse effect on the Group. Any one or more of these risk factors could have a materially adverse impact on the value of the Group and should be taken into consideration when assessing the Company.

There can be no certainty that the Company will be able to implement successfully the strategy set out in this document and information which it has released to the market. No representation is or can be made as to the future of the Group and there can be no assurance that the Group will achieve its objectives.

#### 1. RISKS RELATING TO THE GROUP'S ACTIVITIES

##### Early stage of operations

The Group's operations are at an early stage of development and future success will depend on the Directors' ability to successfully manage the current projects and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for the Group to, develop the Blocks.

Further, the Group has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement their strategy, generate cash flow from economically viable projects and access equity markets. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. The Group will not generate any material income until commercial production has commenced, if indeed it does, and in the meantime the Group will continue to expend its cash reserves and will, in due course, need to raise additional capital, which the Company anticipates would be by way of the issue of further Ordinary Shares and/or by way of the farm-out of part of the Group's interests in the Blocks but could also include financing through debt.

The Group's projects have no operating history upon which to base estimates of future cash operating costs. For early stage projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data and feasibility studies which derive estimates of cash operating costs based upon anticipated recoveries, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those estimated.

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## **General exploration and production risks**

The business of exploration for, and development and exploitation of, hydrocarbon deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Hydrocarbon deposits assessed by the Group as contingent resources may not ultimately contain economically recoverable hydrocarbon reserves and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The operations of the Group may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, explosions, power outages and extended interruptions due to inclement or hazardous weather conditions and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Group's facilities, personal injury, damage to life or property, environmental damage or pollution, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

As is common with many exploration ventures, there is uncertainty and therefore risk associated with the Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Group's control. Few exploration assets are ultimately developed into producing assets. There can be no guarantee that any estimates of quantities of hydrocarbons discovered by the Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of hydrocarbons until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish hydrocarbon reserves through drilling and, in the case of new projects, to construct processing facilities and other relevant infrastructure. With many natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

## **Hydrocarbon reserve and resource estimates**

No assurance can be given that the hydrocarbon resources and reserves reported by the Group from time to time are present as estimated, that reserves will be recovered in the quantities and at the rates estimated or that they can be brought into profitable production. Hydrocarbon reserve and resource estimates may require revisions and/or changes (either up or down) based on additional technical data, new interpretations of data, actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

There are uncertainties inherent in estimating the quantity of reserves and resources and in projecting future rates of production, including factors beyond the Group's control. Estimating the amount of hydrocarbon reserves and resources is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates.

The hydrocarbon resources data historically reported by the Company are estimates only and should not be construed as representing exact quantities. The nature of quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Estimates of resources as reported by the Company may be based upon production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by the Group (which it may not necessarily have produced itself). The estimates may prove to be incorrect and potential

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investors should not place reliance on the forward looking statements contained in such reports (including data that has been expressed to have been certified by the relevant competent persons or otherwise).

Hydrocarbon reserves and resources estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available. This may result in alterations to development and production plans which may, in turn, adversely affect operations.

If the assumptions upon which the estimates of the Group's hydrocarbon resources and reserves have been based prove to be incorrect, the Group (or the operator of an asset in which the Group has an interest) may be unable to recover and produce the estimated levels or quality of hydrocarbons and the Group's business, prospects, financial condition or results of operations could be materially and adversely affected.

#### **Farm-out and joint venture partners**

From time to time, the Group may enter into farm-out agreements to fund a portion of the exploration and development costs associated with its assets. In addition, other companies may operate some of the assets in which the Group has an ownership interest. For example, New Age is the operator of the South African Exploration Right. Liquidity and cash flow problems encountered by the Group's partners and co-owners of such assets and any non-compliance or disagreements by the partners and co-owners (including, without limitation, disputes as to funding required or otherwise) may lead to a delay in the pace of exploration, development or production programmes that may be detrimental to such programmes or may otherwise have adverse consequences for the Group. In addition, any farm-out partners and working interest owners may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a farm-out partner, the Group may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the farm-out agreement. In the case of a working interest owner, the Group may be required to pay the working interest owner's share of the project costs in order to protect its interest in the asset. The Group cannot assure investors that it would be able to obtain the capital necessary in order to fund either of these contingencies. It is also possible that the interests of the Group and those of its joint venture partners (who may have other interests and who may prefer to dedicate their resources to other projects) are not aligned resulting in project delays or additional costs or losses.

Government approval may be required for farm-out transactions and negotiations with the government could delay exploration or development programmes or negatively impact the existing economics on a given Block.

The Group has undertaken a formal farm-out process to identify a farm-out partner for the Thali Block and it is the Group's current intention to seek farm-out partners for both the Zambian Blocks and the South African Exploration Right in the future. There can be no certainty that the Group will be successful in these searches and that such farm-ins to the Thali Block, the South African Exploration Right or the Zambian Blocks will be concluded. Should this be the case, the Group will continue to be responsible for the costs associated with its participating interest in such Blocks and if the Group fails to allocate funds towards the minimum work programmes then there is a risk that the Group will lose its interest in such Blocks.

#### **Volatility in the price of oil and gas and the general economic climate**

The general economic climate and market price of, and demand for, oil and gas is volatile and is affected by a variety of factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, growth in gross domestic product, supply and demand of capital, employment trends, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, the cost of freight, global or regional political events and international events, as well as a range of other market forces. The aggregate effect of these factors is impossible to predict. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and potential future oil and gas production related activities to be undertaken by the Group.

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### **Availability of drilling, exploration and production equipment**

The availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling operations outside the current focus area of the Group or in other areas may reduce the availability of equipment and services to the Group. Similarly, the Group may have difficulty sourcing the exploration and production equipment it requires in the timeframe envisaged by the Group's plans due to high global demand for such equipment. The reduced availability of equipment and services may delay the Group's ability to exploit any reserves and adversely affect the Group's operations and profitability.

### **Government regulations and permits**

The Blocks are located in offshore Cameroon and South Africa, onshore Zambia and in the Saharawi Arab Democratic Republic and there are a number of risks which the Group is unable to control.

The Saharawi Arab Democratic Republic is not currently recognised as a sovereign state by the United Nations and its legal status continues to be unclear; until its sovereign status is resolved the Group is unable to begin operations on its Blocks in the Saharawi Arab Democratic Republic.

There is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and permits, expropriation, war, terrorism, insurrection and changes to the laws and regulations governing petroleum exploration and development, including labour standards and occupational health, site safety, toxic substances and other matters.

Governmental approvals, licences and permits (including the documents relating to the Blocks) are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Group must comply with existing standards, laws and regulations that may entail greater or lesser costs and delays, depending on the nature of the activity to be permitted and the permitting authority.

The Group's intended activities are dependent upon the documents relating to the Blocks and other appropriate licences, concessions, leases, permits and regulatory consents which could subsequently be withdrawn or made subject to limitations. There can be no guarantee as to the terms of any such concessions or assurance that current concessions or future concessions will be renewed or, if so, on what terms when they come up for renewal.

Although the Directors believe that the Group's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration, production or development of the Group's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing the Group's operations and activities, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Group's business, results of operations and financial condition and its industry in general in terms of additional compliance costs.

### **Expropriation Risk**

There can be no assurance that the Governments of Cameroon, South Africa, Zambia or the Saharawi Arab Democratic Republic will not take any actions in the future that are adverse to the Company's ownership of its assets and its ability to operate in the country.

### **Dependence on key executives and personnel**

The future performance of the Group will to a significant extent be dependent on its ability to retain the services and personal connections or contacts of key executives and to attract, recruit, motivate and retain other suitably skilled, qualified and industry experienced personnel to form a high calibre management team. Such key executives are expected to play an important role in the development and growth of the Group, in particular by maintaining good business relationships with regulatory and governmental departments and essential contractors and suppliers.

Although certain key executives and personnel have entered into service agreements or letters of appointment with the Group, there can be no assurance that the Group will retain their services. The

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loss of the services of any of the key executives or personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group.

#### **Labour**

Certain of the Group's operations may be carried out under potentially hazardous conditions. Whilst the Group intends to operate in accordance with relevant health and safety regulations and requirements, the Group remains susceptible to the possibility that liabilities might arise as a result of accidents or other workforce-related misfortunes, some of which may be beyond the Group's control.

Shortage of labour or of skilled workers may cause delays or restrictions during exploration and development activities.

#### **Risks associated with the need to maintain an effective system of internal controls**

The Group faces risks frequently encountered by developing companies such as under-capitalisation, cash shortages and limited resources. In particular, its future prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **Environmental, health and safety and other regulatory standards**

The projects in which the Group invests and its exploration and potential production activities are subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities) and are also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can, in certain jurisdictions, comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted. Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. As a result, although all necessary environmental consents for the Group's activities will be obtained and the Group intends to operate in accordance with applicable petroleum industry standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Group to extensive liability, fines and/or penalties and have an adverse effect on the business and operations, financial results or financial position of the Group. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. Any changes to, and increases in, current regulation or legal requirements may have a material adverse effect upon the Group in terms of additional compliance costs.

#### **Decommissioning and abandonment**

Upon cessation of any operations on a Block, the Group is responsible for costs associated with abandoning infrastructure and restoring the operational sites by taking reasonable and necessary steps in accordance with generally accepted environmental practices in the international petroleum industry. The Group's environmental permits may specify commitments to governmental bodies for specific rehabilitation activities. At the end of the exploitation period, the relevant authority will confirm fulfilment, or require further work as necessary, to meet the permit conditions.

#### **Retention of key business relationships**

The Group will rely significantly on strategic relationships with other entities, on good relationships with regulatory and governmental departments and upon third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or

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that new ones will be successfully formed, and the Group could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Group, its business, operating results and prospects.

### **Project development risks**

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or that the Group's current personnel, systems, procedures and controls will be adequate to support the Group's operations. This includes, among other things, the Group managing the acquisition of required land tenure, infrastructure development and other related issues affecting local and indigenous populations, their cultures and religions. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated and that the Group will be profitable.

### **Payment obligations, work commitments and other obligations under Blocks related agreements**

Under the agreements relating to the Blocks or otherwise to which the Group is, or may in the future become, a party, the Group is, or may become, subject to payment obligations, work commitments and other obligations. If such obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Group. The Group may not have, or be able to obtain, funding for all such obligations as they arise.

### **The Group's objectives may not be fulfilled**

The ability of the Board to implement the Group's strategy could be adversely affected by changes in the economy and/or industries in which it operates. Although the Group has a clearly defined strategy there can be no guarantee that its objectives or any of them will be achieved on a timely basis or at all. In particular, further projects and/or opportunities may not be available or of the quality or in the number required to satisfy the Group's requirements and therefore the anticipated development or growth of the Group may not be achieved. The Group's ability to attract new growth opportunities is also dependent on the maintenance of its reputation.

## **2. GENERAL BUSINESS RISKS RELATING TO THE GROUP**

### **Future funding requirements**

Significant capital investment will be required to further advance the Group's existing projects. In particular, the Group will be required to investigate the funding options available to allow it to meet its likely commitments in relation to the proposed seismic operations to be conducted on the Thali Block, anticipated to commence in 2017.

The Group will need to raise additional capital which the Company anticipates would be by way of the farm-out of part of its interests in the Blocks and/or by way of the issue of further Ordinary Shares but could include financing by way of debt, or through other means, to finance its anticipated future operations, its working capital or capital expenditure requirements or to make acquisitions and finance its growth through future stages of development. In particular, the Group has undertaken a formal farm-out process to identify a farm-out partner for the Thali Block and it is the Group's current intention to seek farm-out partners for the Zambian Blocks and the South African Exploration Right in the future. There can be no certainty that such farm-outs will be completed in due course or at all. Please refer to the risk factor titled '*Farm-out and joint venture partners*'.

Additional equity issues may have a dilutive effect on the then prevailing Shareholders and investors if they are unable or choose not to subscribe for such additional Ordinary Shares and the issue of additional Ordinary Shares by the Company, or the possibility of such an issue, may cause the market price of the Ordinary Shares to decline.

Furthermore, any debt financing, if available, may include conditions that would restrict the Group's freedom to operate its business, such as conditions that:

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- limit the Group's ability to pay dividends or require it to seek consent for the payment of dividends;
  - increase the Group's vulnerability to general adverse economic and industry conditions;
  - require the Group to dedicate a portion of any cash flow arising from future operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes; and
  - limit the Group's flexibility in planning for, or reacting to, changes in its business and its industries.

There can be no guarantee or assurance that such farm-outs, debt funding or additional equity will be forthcoming when required, or as to the terms and price on which such funds would be available if at all. If the Group is unable to obtain additional financing as needed, or on terms which are acceptable, it may not be able to fulfill its strategy, which could have a material adverse effect on the Group's business, financial position and prospects. It may also be required to reduce the scope of its operations or anticipated growth, forfeit its interest in some or all of its assets, incur financial penalties or reduce or terminate its operations.

### **Insurance coverage and uninsured risks**

The Group insures its operations in accordance with industry practice and plans to insure the risks it considers appropriate for the Group's needs and circumstances. However, the Group may elect not to have insurance for certain risks, due to the high premium costs associated with insuring those risks or for various other reasons, including an assessment that the risks are remote.

No assurance can be given that the Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any claims arising. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past activities for which it was not responsible. Some forms of insurance protection used in developed western countries may be unavailable in Cameroon, South Africa, Zambia, the Saharawi Arab Democratic Republic or other countries in which the Group from time to time operates. In the event that insurance coverage is not available or the Group's insurance is insufficient to fully cover any losses, claims and/or liabilities incurred, the Group's business and operations, financial results or financial position may be disrupted and adversely affected.

The payment by the Group's insurers of any insurance claims may result in increases in the premiums payable by the Group for its insurance cover and adversely affect the Group's financial performance. In the future, some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

### **VAT Repayments**

As noted in the Company's 2015 Annual Report, HMRC has withheld VAT repayments from the Company totalling £613,000 pending completion of an ongoing review. A further £134,000 has accrued in the 6 months to 30 June 2016. In this regard, the Company has included US\$1 million within 'trade and receivables' in the Company's interim results for the six month period to 30 June 2016 (which are set out in Part 5 of this document).

Whilst the review remains on-going, and in order to preserve their rights over the maximum period, HMRC has since the Company's 2015 Annual Report issued further assessments totalling £843,000 (excluding interest and penalties), in respect of which the Company continues to take professional advice.

Following a detailed review by advisers, and as part of the review process, the Company has identified that certain suppliers have incorrectly charged UK VAT on their fees. The Company has been advised that the VAT incorrectly charged to the Company totals £903,000. The suppliers concerned have filed letters disclosing this error with HMRC and are seeking reimbursement from HMRC. The benefit and the handling of these claims have been assigned to the Company. Settlement of these reclaims in full would mean that the Company would be owed a net sum over and above the value of VAT repayments being withheld by HMRC, although there can be no certainty of the quantum of the repayment resulting from these reclaims until this part of the consultation has been concluded.

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It remains the firm opinion of the Company that it has and continues to meet the VAT registration criteria, has complied with all relevant VAT legislation and has submitted valid reclaims in accordance with existing VAT legislation.

Whilst the Directors consider the US\$1 million VAT receivable to be recoverable in full from HMRC, there can be no certainty of the timing or quantum of this VAT repayment or that it will be made at all.

### **Shareholder taxation**

The tax consequences to each Shareholder of owning Ordinary Shares will depend, *inter alia*, on tax laws in the jurisdiction in which that Shareholder is resident or domiciled. Potential investors should consult their professional advisers on the possible tax consequences of subscribing for, buying, holding, selling or transferring Ordinary Shares under the laws of their country of citizenship, residence or domicile.

### **Litigation**

Save as disclosed in this document, while the Group currently has no material outstanding litigation or dispute, there can be no guarantee that the current or future actions of the Group will not result in litigation since there have been a number of cases where the rights and privileges of natural resource companies have been the subject of litigation. The petroleum industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Group in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position, results or operations. The Group's business may be materially adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or not exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

## **3. RISKS RELATING TO OPERATIONS IN AFRICA**

### **Political instability and significant changes in government policies and regulatory environment**

The Group's assets are located in Cameroon, South Africa, Zambia and, the Saharawi Arab Democratic Republic.

Accordingly, the Group is subject to political, economic and social factors affecting both Africa generally and the African countries in which it is operating or proposing to operate, as well as regional diplomatic developments affecting those countries and changes in laws, regulations and policies implemented by the Governments of those countries from time to time. Government actions or changes in political conditions (and the impact thereof on the domestic economy) in the future could have a significant effect on economic conditions in those countries in which the Group is operating or purposes to operate, which could adversely affect the Group's business and its financial results. See also risk factor titled "*Government regulations and permits*" for further details in relation to the international status of the Saharawi Arab Democratic Republic.

### **Any downgrading of prevailing debt rating by an international rating agency could have a negative impact on the Group**

Any adverse revision to the prevailing credit rating for domestic and international debt by any of the international rating agencies may adversely impact the Group's ability to raise future project financing and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on the Group's financial performance and its ability to obtain financing to fund its growth on favourable terms or at all.

### **Financial instability in other countries, particularly emerging market countries, could disrupt the Group's business and affect the price of the Ordinary Shares**

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries, including

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the countries in which the Group is operating or proposes to operate. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the economies of the countries in which the Group is operating or proposes to operate in general as investors move their money to more stable, developed markets. Any worldwide financial instability, including instability related to rising crude oil prices, could also have a negative impact on such economies, including the movement of exchange rates and interest rates in countries in which the Group is operating or proposes to operate. Any financial disruption could have an adverse effect on the Group's business, future financial performance, shareholders' equity and the price of the Ordinary Shares.

#### **Exchange rate fluctuations**

Currency fluctuations may affect the Group's operating cash flow since certain of its costs and revenues are likely to be denominated in a number of different currencies other than Pounds Sterling such as US Dollars, and the currencies of countries in which the Group is operating or proposes to operate. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in its financial results which are not necessarily related to its underlying operations.

The Group has not engaged in hedging or other risk management activities in order to offset the risk of currency exchange rate fluctuations although the Directors will consider, if appropriate, to minimise such risks, where appropriate, through the use of hedging or other financial instruments. The Group cannot predict in any meaningful way the effect of exchange rate fluctuations upon future results.

#### **Acts of God, war, terrorist attacks and contagious diseases**

The Group's business is affected by general economic conditions in Cameroon, South Africa, Zambia and the Saharawi Arab Democratic Republic as well as in other parts of the world. Acts of God such as natural disasters and outbreaks of highly contagious diseases are beyond the control of the Group and, while isolated, may adversely affect the economy, infrastructure and livelihood of people in the countries in which the Group is operating or proposing to operate and other parts of the world. The Group's business and profitability may be adversely affected should such acts of God and/or outbreaks occur and/or continue. There can be no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations and profitability of the Group.

### **4. RISKS ASSOCIATED WITH THE ORDINARY SHARES**

#### **Share price volatility and liquidity**

There can be no assurance that an active or liquid trading market for the Ordinary Shares will be available or maintained. AIM is a market designed primarily for emerging or smaller growing companies which carry a higher than normal financial risk and tend to experience lower levels of liquidity than larger companies. Accordingly, AIM may not provide the liquidity normally associated with the Official List or some other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case.

The Company is principally aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the Ordinary Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

The share prices of publicly quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares may be influenced by a large number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group and its operations. These factors include, without limitation, the performance of the Company and the overall stock market, large purchases or sales of Ordinary Shares by other investors, changes in legislation or

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regulations and changes in general economic, political or regulatory conditions and other factors which are outside of the control of the Company.

Shareholders may sell their Ordinary Shares in the future to realise their investment. Sales of substantial amounts of Ordinary Shares following Admission or the perception that such sales could occur, could materially adversely affect the market price of the Ordinary Shares available for sale compared to the demand to buy Ordinary Shares. Such sales may also make it more difficult for the Company to sell equity securities in the future at a time and price that is deemed appropriate. There can be no guarantee that the price of the Ordinary Shares will reflect their actual or potential market value or the underlying value of the Group's net assets and the price of the Ordinary Shares may decline below their current market price.

### **Investment Risk**

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time. While various oil investment opportunities are available, potential investors should consider the risks that pertain to oil exploration and production projects in general.

### **Dividends**

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid and at present, there is no intention to pay a dividend. At present, the Company's dividend policy is that all funds available for distribution should be reinvested in the business of the Company.

### **Share options and warrants**

The Company has issued options and warrants to certain advisers, employees, Directors, senior management and consultants of the Group. The Company's remuneration Committee is also currently considering allowing further options to be issued to Directors and senior management as part of remuneration packages. This could lead to further options being issued in the coming months. The exercise of any such share options and warrants would result in a dilution of the shareholdings of other investors.

### **Forward-looking statements**

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical facts, contained in this document, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words like "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and similar terms. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group which are described in this section and elsewhere in this document. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

**It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be**

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**additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.**

**If any of the risks referred to above crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.**

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## PART 3

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. INTRODUCTION

As explained in Part 1 of this document, the Company proposes to raise up to £0.569 million by way of an Open Offer of up to 25,267,807 Open Offer Shares at the Issue Price. The Company hereby invites Qualifying Shareholders to apply, on and subject to the terms and conditions set out in this document and, where relevant, in the Application Form, and subject to the Articles, for Open Offer Shares at the Issue Price, free from all expenses, payable in cash in full on application.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for additional Open Offer Shares through the Excess Application Facility.

The participation of a Qualifying Shareholder for its Open Offer Entitlement and any Excess Shares under the Excess Application Facility does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer as a result of the Placing and the Open Offer.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. The allotment and issue of the Open Offer Shares will be made upon and be subject to the terms and conditions set out in this document and, in the case of Qualifying Ordinary Shareholders, in the Application Form.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence on AIM at 8.00 a.m. on 26 October 2016.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding of Existing Ordinary Shares before the date upon which the Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange at 8.00 a.m. on 3 October 2016, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange. This document and, for Qualifying Ordinary Shareholders, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part 3 which gives details of the procedure for application and payment for the Open Offer Shares.

**If a Qualifying Shareholder does not wish to apply for Open Offer Shares he should not complete or return the Application Form.**

A maximum number of 25,267,807 Open Offer Shares will be offered to Qualifying Shareholders as part of the Open Offer. In no circumstances will more than this number of Ordinary Shares be issued pursuant to the Open Offer.

#### 2. THE OPEN OFFER

Subject to the fulfilment of the terms and conditions referred to in this document and, where relevant, set out in the Application Form, Qualifying Shareholders are being given the opportunity to apply for Open Offer Shares at the Issue Price free of expenses, payable in full in cash on application, on the basis of:

**1 Open Offer Share for every 3 Existing Ordinary Shares**

**registered in the name of each Qualifying Shareholder at the Record Date. Qualifying Shareholders may apply for more or less Open Offer Shares than they are entitled to under the Open Offer. Applications under the Excess Application Facility for any Excess Shares**

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**shall be determined by the Directors in their absolute discretion and no assurance can be given that these applications will be met in full, in part or at all.**

The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount) in aggregate (so that the Company is not required to prepare a prospectus in connection with the Open Offer for the purposes of the Prospectus Rules published by the FCA). To the extent that applications received from Qualifying Shareholders reach or exceed €5 million in aggregate, excess applications shall be scaled-back at the absolute discretion of the Company (but to an amount which is not less than the relevant Qualifying Shareholder's Open Offer Entitlement). Any monies received from an applicant in excess of the amount due because applications have been scaled-back will be returned to the applicant without interest at the applicant's sole risk.

Fractions of Open Offer Shares will not be allotted, each Qualifying Shareholder's entitlement being rounded down to the nearest whole number. The fractional entitlements may be aggregated and made available via the Excess Application Facility. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Shares representing your CREST Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are a Qualifying Ordinary Shareholder you will have received an Application Form with this document and you should refer to paragraph 4(i) and paragraphs 5 to 11 of this Part 3.

If you hold your Ordinary Shares in CREST and have received a credit of your CREST Entitlements to your CREST stock account, please refer to paragraph 4(ii) and paragraphs 5 to 11 of this Part 3 and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue. Qualifying CREST Holders should note that although the CREST Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Ordinary Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for under the Open Offer (including under the Excess Application Facility) will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Open Offer Shares by 8.00 a.m. on 26 October 2016.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares; all of such Open Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the CREST Entitlements to be admitted to CREST. The conditions to such admission having already been met, the CREST Entitlements are expected to be admitted to CREST with effect from 4 October 2016.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

### **3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER**

The Open Offer is conditional upon:

- the passing of the Resolutions; and
- admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 26 October 2016 (or such later date as the Company may agree not being later than 8.00 a.m. on 31 October 2016).

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Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed.

Further terms of the Open Offer are set out in this document and, where appropriate, in the Application Form.

#### **4. PROCEDURE FOR APPLICATION AND PAYMENT**

The action to be taken by a Qualifying Shareholder in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his entitlement under the Open Offer or Open Offer Shares representing his CREST Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4(ii)(g) of this Part 3.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

The Company reserves the right to adjust the expected timetable as set out in this document. In this event, the Company will make an appropriate announcement on a Regulatory Information Service giving details of the revised dates.

**Qualifying Shareholders who do not want to take up or apply for Open Offer Shares under the Open Offer should take no action and, where appropriate, should not complete or return the Application Form.**

(i) **If you have an Application Form in respect of your entitlement under the Open Offer**

(a) ***General***

Save as provided in paragraph 7 of Part 3 of this document in relation to Overseas Shareholders, Qualifying Ordinary Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name at the close of business on the Record Date. It also shows the number of Open Offer Shares comprising your Open Offer Entitlement. You may apply for more or less Open Offer Shares than your Open Offer Entitlement should you wish to do so. Qualifying Ordinary Shareholders may apply for additional Open Offer Shares under the Excess Application Facility. Applications for any Excess Shares shall be determined by the Directors in their absolute discretion and no assurance can be given that these applications will be met in full or in part or at all. The total number of Open Offer Shares is fixed and will not be increased in response to any applications in excess of what is available under the Excess Application Facility. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without the payment of interest as soon as practicable.

The instructions and other terms set out in the Application Form part of the terms of the Open Offer.

(b) ***Market claims***

Applications may only be made on the Application Form and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the

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date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 8.00 a.m. on 3 October 2016. Application Forms may be split up to 3.00 p.m. on 14 October 2016. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Ordinary Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of Ireland or South Africa.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph ii(e) below.

(c) ***Excess Application Facility***

**Qualifying Shareholders who have taken up their Open Offer Entitlement in full may apply for additional Open Offer Shares through the Excess Application Facility.**

Qualifying Shareholders wishing to apply for additional Open Offer Shares through the Excess Application Facility may do so by inserting the total number of Open Offer Shares (including his Open Offer Entitlement) for which application is being made (which may be up to 25,267,807 Open Offer Shares) in Box 5(b) of the Application Form and enclosing remittance for the amount inserted in Box 6 of the Application Form.

Applications under the Excess Application Facility for any Excess Shares shall be determined by the Directors in their absolute discretion and no assurance can be given that these applications will be met in full, in part or at all. Excess monies in respect of applications which are not met in full will be returned by post to applicants, at the applicants’ risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

All enquiries in connection with the procedure for making an excess application should be addressed to the Receiving Agent (Capita Asset Services) on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(d) ***Application procedures***

If you are a Qualifying Ordinary Shareholder and wish to apply for all, some or more than your entitlement to Open Offer Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive no later than 11.00 a.m. on 18 October 2016. A reply paid envelope is enclosed for use by Qualifying Ordinary Shareholders in connection with the Open Offer.

Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer

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Shares under the Open Offer. If any Application Form is sent by first class post within the United Kingdom, Qualifying Ordinary Shareholders are recommended to allow at least four business days for delivery. The Company may, in its absolute discretion, elect to accept Application Forms and remittances received after that date. The Company may, in its sole discretion, elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

(e) ***Payments***

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Capita Registrars Limited re: Tower Resources Plc - Open Offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques, unless drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Capita Asset Services to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 26 October 2016 (or such later time and date as the Company may agree not being later than 8.00 a.m. on 31 October 2016), the Open Offer will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(f) ***Effect of application***

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

**By completing and delivering an Application Form, the applicant gives the representations, warranties, covenants, agreements and acknowledgments set out in Schedule 1.**

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in any doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying Ordinary Shareholders under the Open Offer should be addressed to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TV, United Kingdom (telephone: 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any

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financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(ii) **If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer**

(a) ***General***

Save as provided in paragraph 7 of Part 3 of this document in relation to Overseas Shareholders, each Qualifying CREST Holder will receive a credit to his stock account in CREST of his Open Offer Entitlements.

The CREST stock account to be credited will be an account under the Participant ID and Member Account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Holder in respect of which the CREST Entitlements have been allocated.

If for any reason the CREST Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Holders cannot be credited by, 3.00 p.m. on 4 October 2016 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Holder in substitution for the CREST Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Ordinary Shareholders with Application Forms will apply to Qualifying CREST Holders who receive Application Forms.

CREST members who wish to apply for some, all or more than their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Asset Services on 0871 664 0321. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) ***Market claims***

Each of the CREST Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although each of the CREST Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of the CREST Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the CREST Entitlements will generate an appropriate market claim transaction and the relevant CREST Entitlements will thereafter be transferred accordingly.

(c) ***Excess Application Facility***

The Excess Application Facility enables Qualifying CREST Holders to apply for additional Open Offer Shares in excess of their Open Offer Entitlement.

Save as provided in paragraph 7 of Part 3 of this document in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Holders will be credited with a CREST Excess Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Holders should note that, although the CREST Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). The CREST Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Excess Application Facility, Qualifying CREST Holders should follow the instructions below for submitting an Unmatched Stock Event (“USE”) in respect of the Excess Application Facility.

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Credits of CREST Excess Entitlements will be made to each Qualifying CREST Holder; if a Qualifying CREST Holder would like to apply for a larger CREST Excess Entitlement, such Qualifying CREST Holder should contact the Registrar to arrange for a further credit of CREST Excess Entitlements, subject at all times to the maximum number of Open Offer Shares available.

All enquiries in connection with the procedure for making an excess application should be addressed to the Receiving Agent at Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(d) ***USE instructions***

CREST members who wish to apply for Open Offer Shares in respect of some, all or more than their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrar under the Participant ID and Member Account ID specified below, with a number of Open Offer Entitlements and CREST Excess Entitlements (as applicable) corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(e) ***Content of USE instructions***

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BYQBBX43;
- (iii) the CREST Participant ID of the accepting CREST member;
- (iv) the CREST Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the Participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the Member Account ID of the Registrar, in its capacity as a CREST receiving agent. This is 28944TOW;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 18 October 2016; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

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In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 October 2016.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (A) a contact name and telephone number (in the free format shared note field); and
- (B) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 18 October 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 26 October 2016 (or such later time and date as the Company may agree not being later than 31 October), the Open Offer (including the Excess Application Facility) will lapse, the CREST Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) ***Content of USE Instructions in respect of the CREST Excess Entitlements under the Excess Application Facility***

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which application is being made (and hence the number of the CREST Excess Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the CREST Excess Entitlement. This is GB00BYQBBZ66;
- (iii) the Participant ID of the accepting CREST member;
- (iv) the CREST Member Account ID of the accepting CREST member from which the CREST Excess Entitlements are to be debited;
- (v) the Participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the Member Account ID of the Registrar, in its capacity as a CREST receiving agent. This is 28944TOW;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 18 October 2016; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of a CREST Excess Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 18 October 2016.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

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- (i) a contact name and telephone number (in the free format shared note field); and
  - (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 18 October 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 26 October 2016 (or such later time and date as the Company may agree not being later than 8.00 a.m. on 31 October 2016), the Open Offer (including the Excess Application Facility) will lapse, the CREST Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying Ordinary Shareholder's Open Offer Entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Qualifying Ordinary Shareholders must contact Capita Asset Services using the contact details set out in this document to deposit CREST Excess Entitlements into CREST. Similarly, CREST Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 October 2016.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as CREST Entitlements in CREST, is 3.00 p.m. on 13 October 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of the CREST Entitlements from CREST is 4.30 p.m. on 12 October 2016, in either case so as to enable the person acquiring or (as appropriate) holding the CREST Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the CREST Entitlements prior to 11.00 a.m. on 18 October 2016. Qualifying CREST Holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw their Open Offer Entitlement and their CREST Excess Entitlement.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of the United States, Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the

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relevant CREST member(s) is/are entitled to apply under the Open Offer (including the Excess Application Facility) by virtue of a *bona fide* market claim.

(h) ***Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 18 October 2016 will constitute a valid application under the Open Offer.

(i) ***CREST procedures and timings***

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action.

Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer (including the Excess Application Facility). It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 18 October 2016. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) ***Incorrect or incomplete applications***

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question (without interest).

(k) ***Effect of Valid Application***

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) give the representations, warranties, covenants, agreements and acknowledgments set out in Schedule 1;
- (ii) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrars payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application); and
- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Memorandum of Association and Articles of the Company.

(l) ***Company's discretion as to the rejection and validity of applications***

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;

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- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrar have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
  - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

## **5. MONEY LAUNDERING REGULATIONS**

### **(i) Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk)

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without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent and the Company from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- (b) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name.

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (A) if payment is made by cheque or banker's draft in sterling drawn on a branch in the British Isles of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques should be made payable to "*Capita Registrars Limited re: Tower Resources Plc - Open Offer*" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Application Form; or
- (B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5(i)(a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, The Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (during normal business hours only) or by telephone (telephone number 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

To confirm the acceptability of any written assurance referred to in paragraph 5(i)(B) above, or in any other case, the acceptor should contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £12,900) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 18 October 2016, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

(ii) **CREST Entitlements in CREST**

If you hold your CREST Entitlements in CREST and apply for Open Offer Shares in respect of all, some or more than your CREST Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## 6. TAXATION

The following summary is intended as a general guide for United Kingdom tax resident individuals and companies who hold Ordinary Shares as investments (rather than as dealing stock). Special rules apply to UK resident individuals who are not domiciled in the United Kingdom; those rules are not described in this summary. The summary is based upon existing legislation and current HM Revenue & Customs published practice, both of which are subject to change at any time, possibly with retrospective effect. Any person who is in any doubt as to his tax position, whether in the United Kingdom or in any other jurisdiction in which he may be liable to tax, should consult, and rely upon, the advice of his own professional adviser.

These statements do not apply to certain classes of shareholders, such as dealers in securities, or to shareholders who are not absolute beneficial owners of their Ordinary Shares.

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

The statements below do not constitute advice to any person.

(a) **Tax residence of the Company**

The Company was incorporated in England and Wales and is considered as being managed and controlled in the UK. Accordingly, it should be treated as being resident in the UK for UK tax purposes.

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(b) **Taxation of Dividends**

(i) ***Individuals***

A UK resident individual shareholder will be entitled to an effective exemption (called the “dividend nil rate”) for the first £5,000 of all dividends received (including dividends received from any other share investments in the same tax year) by that shareholder. The allowance exempts the first £5,000 of a UK resident individual shareholder’s dividend income received in a tax year, but does not reduce the total taxable income.

A UK resident individual shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 7.5 per cent. of the gross dividend. UK tax resident individual shareholders who are subject to income tax at the higher rate and the additional rate will have to account for additional income tax. The special rate of income tax set for higher rate tax payers who receive dividends is 32.5 per cent. and for the additional rate taxpayers is 38.1 per cent.

In determining what tax rates apply to a UK tax resident individual shareholder, dividend income is treated as the top slice of income.

A shareholder who is not liable to income tax on the dividend (or any part of it) is not able to claim repayment of the tax credit (or part of it) in cash from HMRC.

(ii) ***Companies***

Dividends paid by the Company to UK resident corporate shareholders should be exempt (subject to anti-avoidance rules) from corporation tax and will not be entitled to payment in cash of a tax credit. Corporate shareholders are recommended to consult, and rely upon, the advice of their own professional advisers in relation to dividend income from the Company.

(iii) ***Withholding Tax***

Under current UK tax legislation, no UK tax is withheld from dividends paid by the Company.

(c) **Capital Gains Tax**

The published practice of HMRC to date has been to treat an acquisition of shares by an existing shareholder up to its *pro rata* entitlement pursuant to the terms of an open offer as a reorganisation but it is understood that HMRC may not apply this practice in circumstances where an open offer is not made to all shareholders.

To the extent that the acquisition of Open Offer Shares under the Open Offer is regarded as reorganisation, the Open Offer Shares acquired by each Qualifying Shareholder under the Open Offer and the Existing Ordinary Shares in respect of which they are issued will, for the purposes of UK taxation of chargeable gains, be treated as the same asset and as having been acquired at the same time. The amount paid for the Open Offer Shares will be added to the base cost of the Existing Ordinary Shares when computing any gain or loss on any subsequent disposal.

If the acquisition of Open Offer Shares by Qualifying Shareholders up to their *pro rata* entitlement pursuant to the Open Offer is not regarded as a reorganisation, those Open Offer Shares would, for the purposes of UK taxation of chargeable gains, be treated as acquired as part of a separate acquisition of Ordinary Shares, but, on the assumption the new shares are acquired under a bargain at arm’s length in most circumstances there should be no practical difference to the tax consequences for an individual shareholder.

Open Offer Shares acquired by Qualifying Shareholders in excess of their *pro rata* entitlement should in any event be treated as acquired as part of a separate acquisition of Ordinary Shares.

(d) **Stamp Duty**

No UK stamp duty should be payable on the issue by the Company of any Open Offer Shares.

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## 7. OVERSEAS SHAREHOLDERS

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### (i) General

The distribution of this document and, where appropriate, the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required.

Receipt of this document and/or an Application Form and/or a credit of CREST Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdiction in which it may be illegal to make such an invitation or offer including, without limitation, and subject to certain exemptions, the United States, Canada, the Republic of South Africa, Australia or Japan (each, a “**Restricted Jurisdiction**”) and, in those circumstances, and subject to certain exemptions, this document and/or the Application Form must be treated as sent for information purposes only and should not be copied or redistributed. This document and/or the Application Form must not be copied or redistributed in the Republic of Ireland.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and CREST Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in, a Restricted Jurisdiction, or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of CREST Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of CREST Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of CREST Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information purposes only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

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None of the Company nor any of its representatives is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of CREST Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of CREST Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers CREST Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 (Terms and conditions of the Open Offer) and specifically the contents of this paragraph 7.

Subject to paragraphs 7(ii) to 7(vii) below, any person (including, without limitation, custodians, agents, nominees and trustees) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched by an Overseas Shareholder who is resident in, or who is a citizen of, or who has a registered address in, a Restricted Jurisdiction or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificate(s) for Open Offer Shares or, in the case of a credit of CREST Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificate(s) or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 7(ii) to 7(vii) below. Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is resident in, or who is a citizen of, or who has a registered address in, a Restricted Jurisdiction to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Holder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions, subject to certain exceptions, Overseas Shareholders who are resident in, or who are citizens of, or who have a registered address in, a Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with CREST Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or the Republic of Ireland or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

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No public offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction or the Republic of Ireland. Receipt of this document and/or an Application Form and/or a credit of CREST Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it may be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information purposes only and should not be copied or redistributed.

(ii) **United States**

Subject to certain exceptions, this document is intended for use only in connection with offers of Open Offer Shares outside the United States and neither this document nor any Application Form is to be sent or given to any person within the United States. The Open Offer Shares offered hereby are not being and will not be registered under the US Securities Act or securities laws of any US state or jurisdiction and will not be offered or sold within the United States.

The Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

- (a) it is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and
- (b) the Open Offer Shares have not been offered to it by the Company by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act.

Each subscriber acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber or purchaser by its subscription for the Open Offer Shares, as the case may be, are no longer accurate, it shall promptly notify the Company. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares without registration or an available exemption or safe harbour from registration under the US Securities Act, if required.

(iii) **Canada**

This document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of securities in Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

In addition, the relevant exemptions are not being obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares are not being offered for subscription by persons resident in Canada or any territory or possessions thereof. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid. Neither this document nor an Application Form will be sent to and no CREST Entitlements will be credited to a stock account in CREST of any Shareholder in the Company whose registered address is in Canada. If any Application Form is received by any Shareholder in the Company whose registered address is elsewhere but who is, in fact, a Canadian Person or the agent of a Canadian Person so resident, he should not apply under the Open Offer.

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For the purposes of this paragraph 7(iii), “Canadian Person” means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

(iv) **Other Restricted Jurisdictions**

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

(v) **Other overseas territories**

Application Forms will be sent to Qualifying Ordinary Shareholders and CREST Entitlements will be credited to the stock account in CREST of Qualifying CREST Holders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares. The participation by any such Qualifying Shareholder in the Open Offer will be at the absolute discretion of the Company.

(vi) **Representations and warranties relating to Overseas Shareholders**

(a) ***Qualifying Ordinary Shareholders***

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction (or the Republic of Ireland); (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (or the Republic of Ireland) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificate(s) of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this sub-paragraph 7(vi)(a).

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(b) **Qualifying CREST Holders**

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 (Terms and conditions of the Open Offer) represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

(vii) **Waiver**

The provisions of this paragraph 7 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 7 shall apply to them jointly and to each of them.

**8. ADMISSION, SETTLEMENT AND DEALINGS**

The results of the Open Offer are expected to be announced on 20 October 2016. Application will be made to AIM for Admission to trading of the Open Offer Shares. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 26 October 2016.

The Existing Ordinary Shares are already admitted to CREST and application will be made for Open Offer Shares to be admitted to CREST. All such Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

The CREST Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 18 October 2016 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 26 October 2016, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 26 October 2016). The stock accounts to be credited will be accounts under the same CREST Participant IDs and CREST Member Account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with CREST Entitlements and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Ordinary Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post on or around 4 November 2016. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application,

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Qualifying Ordinary Shareholders are referred to in paragraph 4(i)(d) of this Part 3, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

#### **9. TIMES AND DATES**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service.

If a supplementary circular is published by the Company two or fewer business days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is at least three business days after the date of publication of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

#### **10. GOVERNING LAW AND JURISDICTION**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

#### **11. FURTHER INFORMATION**

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Application Form.

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## PART 4

### ADDITIONAL INFORMATION

#### 1. SHARE CAPITAL

The issued share capital of the Company as at the date of this document and as it will be immediately following Admission of the Open Offer Shares is set out below:

	<i>Issued and fully paid</i>	
	<i>Number</i>	<i>Amount GBP£</i>
As at the date of this document		
Ordinary Shares	75,803,421	758,034
Immediately following Admission of the Open Offer Shares <sup>(1)</sup>	101,071,228	1,010,712

(1) Assuming full subscription under the Open Offer.

#### 2. SIGNIFICANT SHAREHOLDERS

	<i>As at the date of this document</i>		<i>Immediately following Admission of the Open Offer Shares<sup>(1)</sup></i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of Enlarged Share Capital</i>
Lansdowne Partners	19,091,677	25.2	19,091,677	18.9
Jeremy Asher	9,374,829	12.4	9,374,829	9.3
Peter Taylor	4,785,059	6.3	4,785,059	4.7
Quantum Pacific Finance Holdings Limited	4,361,784	5.8	4,361,784	4.3
Graeme Thomson	3,597,333	4.8	3,597,333	3.6

(1) assuming full subscription under the Open Offer and that the significant shareholders do not participate in the Open Offer. No participation in the Open Offer

#### 3. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available for inspection at the offices of Watson Farley & Williams LLP at 15 Appold Street, London, EC2A 2HB during normal business hours on any day (Saturdays, Sundays and public holidays excepted) for a period of one month from the date of publication.

This document will also be available for a period of 12 months from the date of this document on the Company's website [www.towerresources.co.uk](http://www.towerresources.co.uk) free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

Dated: 3 October 2016

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**PART 5**

**HALF-YEARLY FINANCIAL REPORT  
FOR THE SIX MONTHS ENDING 30 JUNE 2016**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		<i>Six months ended 30 June 2016 (unaudited)</i>	<i>Six months ended 30 June 2015 (unaudited)</i>
	<i>Note</i>	<i>\$</i>	<i>\$</i>
<b>Revenue</b>		—	—
Cost of sales		—	—
		<hr/>	<hr/>
<b>Gross profit</b>		—	—
Other administrative expenses		(1,527,268)	(1,047,275)
Pre-licence expenditures		(457,476)	(1,511,445)
Reversal/impairment of exploration and evaluation assets	4	85,044	(2,841,308)
		<hr/>	<hr/>
<b>Total administrative expenses</b>		(1,899,700)	(5,400,028)
		<hr/>	<hr/>
<b>Group operating loss</b>		(1,899,700)	(5,400,028)
Finance income		175	1,436
Finance expense		(3,348)	(5,781)
		<hr/>	<hr/>
<b>Loss for the year before taxation</b>		(1,902,873)	(5,404,373)
Taxation		—	—
		<hr/>	<hr/>
Loss for the year after taxation		(1,902,873)	(5,404,373)
		<hr/>	<hr/>
Other comprehensive income		—	—
		<hr/>	<hr/>
Total comprehensive expense for the period		(1,902,873)	(5,404,373)
		<hr/>	<hr/>
<b>Basic loss per share (USc) as restated</b>	3	(6.99c)	(35.42c)
<b>Diluted loss per share (USc) as restated</b>	3	(6.99c)	(35.42c)

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**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		<i>30 June 2016</i> <i>(unaudited)</i>	<i>31 December 2015</i> <i>(audited)</i>
	<i>Note</i>	<i>\$</i>	<i>\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		63,977	72,226
Exploration and evaluation assets	4	38,285,902	36,982,467
		<u>38,349,879</u>	<u>37,054,693</u>
<b>Current assets</b>			
Trade and other receivables	5	2,220,778	2,202,055
Cash and cash equivalents		756,922	3,494,083
		<u>2,977,700</u>	<u>5,696,138</u>
<b>Total assets</b>		<u>41,327,579</u>	<u>42,750,831</u>
<b>Current liabilities</b>			
Trade and other payables	6	1,912,916	1,576,165
<b>Total liabilities</b>		<u>1,912,916</u>	<u>1,576,165</u>
<b>Net assets</b>		<u>39,414,663</u>	<u>41,174,666</u>
<b>Equity</b>			
Share capital	7	11,024,090	11,024,090
Share premium		141,289,445	141,289,445
Retained losses		(112,898,872)	(111,138,869)
<b>Total shareholders' equity</b>		<u>39,414,663</u>	<u>41,174,666</u>

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**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<i>Share capital</i>	<i>Share premium</i>	<sup>(1)</sup> <i>Share-based payments reserve</i>	<i>Retained losses</i>	<i>Total</i>
	\$	\$	\$	\$	\$
<b>At 1 January 2015</b>	6,346,538	137,554,592	3,576,682	(107,273,954)	40,203,858
Shares issued for cash net of costs	5,516	15,500	—	—	21,016
Shares issued on settlement of third party fees	32,497	132,986	—	—	165,483
Total comprehensive income for the period	—	—	1,013,976	(5,404,373)	(4,390,397)
<b>At 30 June 2015</b>	<u>6,384,551</u>	<u>137,703,078</u>	<u>4,590,658</u>	<u>(112,678,327)</u>	<u>35,999,960</u>
Shares issued for cash net of costs	4,540,321	3,498,322	—	—	8,038,643
Shares issued on settlement of third party fees	99,218	88,045	—	—	187,263
Total comprehensive income for the period	—	—	1,336,596	(4,387,796)	(3,051,200)
<b>At 31 December 2015</b>	<u>11,024,090</u>	<u>141,289,445</u>	<u>5,927,254</u>	<u>(117,066,123)</u>	<u>41,174,666</u>
Shares issued for cash net of costs	—	—	—	—	—
Shares issued on settlement of third party fees	—	—	—	—	—
Total comprehensive income for the period	—	—	142,870	(1,902,873)	(1,760,003)
<b>At 30 June 2016</b>	<u>11,024,090</u>	<u>141,289,445</u>	<u>6,070,124</u>	<u>(118,968,996)</u>	<u>39,414,663</u>

(1) The share-based payment reserve has been included within the retained loss reserve and is a non-distributable reserve.

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**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

		<i>Six months ended</i> 30 June 2016 <i>(unaudited)</i>	<i>Six months ended</i> 30 June 2015 <i>(unaudited)</i>
	<i>Note</i>	\$	\$
<b>Cash outflow from operating activities</b>			
Group operating loss for the period		(1,899,700)	(5,400,028)
Depreciation of property, plant and equipment		8,505	826
Share-based payments	8	142,870	1,013,976
(Reversal)/impairment of intangible exploration and evaluation assets	4	(85,044)	2,841,308
<b>Operating cash flow before changes in working capital</b>		<u>(1,833,369)</u>	<u>(1,543,918)</u>
Increase in receivables and prepayments		(18,723)	(309,352)
Increase/(decrease) in trade and other payables		336,751	(1,201,537)
<b>Cash used in operations</b>		<u>(1,515,341)</u>	<u>(3,054,807)</u>
Interest received		175	1,436
<b>Cash used in operating activities</b>		<u>(1,515,166)</u>	<u>(3,053,371)</u>
<b>Investing activities</b>			
Exploration and evaluation costs	4	(1,218,391)	(3,671,646)
Purchase of property, plant and equipment		(256)	(4,241)
<b>Net cash used in investing activities</b>		<u>(1,218,647)</u>	<u>(3,675,887)</u>
<b>Financing activities</b>			
Cash proceeds from issue of ordinary share capital net of issue costs	7	—	21,016
Finance costs		(3,348)	(5,781)
<b>Net cash (used in)/from financing activities</b>		<u>(3,348)</u>	<u>15,235</u>
Decrease in cash and cash equivalents		(2,737,161)	(6,714,023)
Cash and cash equivalents at beginning of period		3,494,083	7,941,833
<b>Cash and cash equivalents at end of period</b>		<u>756,922</u>	<u>1,227,810</u>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

### 1. Accounting policies

#### (a) *Basis of preparation*

This interim financial report, which includes a condensed set of financial statements of the Company and its subsidiary undertakings (“the Group”), has been prepared using the historical cost convention and based on International Financial Reporting Standards (“IFRS”) including IAS 34 ‘Interim Financial Reporting’ and IFRS 6 ‘Exploration for and Evaluation of Mineral Reserves’, as adopted by the European Union (“EU”).

The condensed set of financial statements for the six months ended 30 June 2016 is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. They have been prepared using accounting bases and policies consistent with those used in the preparation of the audited financial statements of the Company and the Group for the year ended 31 December 2015 and those to be used for the year ending 31 December 2016. The comparative figures for the half year ended 30 June 2015 are unaudited. The comparative figures for the year ended 31 December 2015 are not the Company’s full statutory accounts but have been extracted from the financial statements for the year ended 31 December 2015 which have been delivered to the Registrar of Companies and the auditors’ report thereon was unqualified and did not contain a statement under sections 498 (2) and 498(3) of the Companies Act 2006.

This half-yearly financial report was approved by the Board of Directors on 7 September 2016.

#### (b) *Going concern*

The Group’s business activities, future development, financial performance and position are discussed in the Overview and Operational Update.

At 30 June 2016 the Group had cash balances of \$757 thousand. The operations of the Group are currently being financed by funds raised from private and public placings of shares and the Directors recognise that the Group will need to raise additional finance within the next few months sufficient to meet its committed capital expenditure programme for at least the next 12 months and are confident of the Company’s ability to do so within this timeframe. As a consequence, the Directors believe that the Group is well placed to manage its business risks and have a reasonable expectation of it continuing in operational existence for the foreseeable future. The Directors therefore continue to adopt the going concern basis of accounting in preparing the interim report and accounts.

### 2. Operating segments

The Group has two reportable operating segments: Africa and Head Office. Non-current assets and operating liabilities are located in Africa, whilst the majority of current assets are carried at Head Office. The Group has not yet commenced production and therefore has no revenue. Each reportable segment adopts the same accounting policies. In compliance with IAS 34 ‘Interim Financial Reporting’ the following table reconciles the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the period-ended 30 June 2015.

	<i>Africa</i>		<i>Head Office</i>		<i>Total</i>	
	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>	<i>Six months ended 30 June 2016</i>	<i>Six months ended 30 June 2015</i>
	\$	\$	\$	\$	\$	\$
Loss by reportable segment	35,644	3,089,774	1,867,229	2,314,599	1,902,873	5,404,373
Total assets by reportable segment <sup>(1)</sup>	39,444,261	36,870,172	1,883,318	1,821,213	41,327,579	38,691,385
Total liabilities by reportable segment <sup>(2)</sup>	(1,001,396)	(2,112,333)	(911,520)	(579,092)	(1,912,916)	(2,691,425)

(1) Carrying amounts of segment assets exclude investments in subsidiaries.

(2) Carrying amounts of segment liabilities exclude intra-group financing.

### 3. Loss per ordinary share

	<i>Basic &amp; Diluted</i>	
	<i>30 June 2016</i>	<i>30 June 2015</i>
	<i>\$</i>	<i>(restated)</i>
	<i>\$</i>	<i>\$</i>
Loss for the period	1,902,873	5,404,373
Weighted average number of ordinary shares in issue during the period	27,228,472	15,257,812
Dilutive effect of share options outstanding	—	—
Fully diluted average number of ordinary shares during the period	27,228,472	15,257,812
Loss per share (Usc)	<u>6.99c</u>	<u>35.42c</u>

At the Company's AGM held on 6 April 2016, shareholders approved the consolidation of 6,807,118,052 ordinary shares of £0.001 each to 27,228,472 ordinary shares of £0.01 each. The comparative figures at 30 June 2015 have been restated to reflect the consolidated balances as they would have been at that time had the consolidation already have taken place. Full details of the consolidation can be found in note 7.

### 4. Intangible Exploration and Evaluation (E&E) assets

<i>Period-ended 30 June 2016</i>	<i>Exploration and evaluation assets</i>	<i>Goodwill</i>	<i>Total</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>
<b>Cost</b>			
At 1 January 2016	121,285,504	8,023,292	129,308,796
Additions during the period	1,218,391	—	1,218,391
<b>At 30 June 2016</b>	<u>122,503,895</u>	<u>8,023,292</u>	<u>130,527,187</u>
<b>Amortisation and impairment</b>			
At 1 January 2016	(84,346,827)	(7,979,502)	(92,326,329)
Impairment reversal during the period	85,044	—	85,044
<b>At 30 June 2016</b>	<u>(84,261,783)</u>	<u>(7,979,502)</u>	<u>(92,241,285)</u>
<b>Net book value</b>			
<b>At 30 June 2016</b>	<u>38,242,112</u>	<u>43,790</u>	<u>38,285,902</u>
At 31 December 2015	<u>36,938,677</u>	<u>43,790</u>	<u>36,982,467</u>

During the period the Group reversed impaired assets totalling \$85 thousand in accordance with IAS 36 "Impairment of Assets" following the final withdrawal in Kenya from the Block 2B licence and finalisation of joint-venture costs. Of the \$1.2 million capitalised with respect to exploration and evaluation assets, \$1.1 million related to Cameroon with the majority of the remaining balance relating to Zambia.

### 5. Trade and other receivables

	<i>30 June 2016</i>	<i>31 December 2015</i>
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>\$</i>	<i>\$</i>
Trade and other receivables	<u>2,220,778</u>	<u>2,202,055</u>

Included within trade and other receivables is \$1 million (£747 thousand) of VAT due to the company from HMRC. As noted in the 2015 Annual Report, HMRC has withheld VAT repayments totalling £613 thousand pending the completion of an ongoing review. A further £134 thousand has accrued in the six months to 30 June 2016. Whilst the review process remains on-going, and in order to preserve their rights over the maximum period, HMRC has since issued further assessments totalling £843 thousand excluding interest and penalties, in respect of which the Company continues to take professional advice.

Following a detailed review by advisers, and as part of the review process, the Company has identified that certain suppliers have incorrectly charged UK VAT on their fees. VAT incorrectly charged to the Company totals £903 thousand. The suppliers concerned have filed letters disclosing this error with HMRC and are seeking reimbursement from HMRC. The benefit and the handling of these claims have been assigned to the Company. Settlement of these reclaims in full would mean that the Company would be owed a net sum over and above the value of VAT repayments being withheld by HMRC, although there can be no certainty of the quantum of the repayment resulting from these reclaims until this part of the consultation has been concluded.

A summary of the current position is noted below:

	<i>30 June 2016</i> <i>(unaudited)</i>	<i>31 June 2016</i> <i>(unaudited)</i>
	£	\$
Assessments raised by HMRC	(1,456,019)	(1,949,580)
UK VAT incorrectly charged to the Company by suppliers	902,577	1,208,533
Repayment due to the Company from HMRC (excluding interest and penalties)	(59,728)	(79,975)
UK VAT Repayments claimed but withheld by HMRC	613,170	821,022
UK VAT Repayments accrued but withheld by HMRC	134,299	179,824
<b>Total UK VAT receivable</b>	<u>747,469</u>	<u>1,000,846</u>

It remains the firm opinion of the Company that it has and continues to meet the VAT registration criteria, has complied with all relevant VAT legislation and has submitted valid reclaims in accordance with existing VAT legislation. The Directors therefore consider the \$1 million receivable to be recoverable in full from HMRC. The Company also notes the fast rising number of disputes with respect to UK holding companies and VAT, in the energy and mining sectors and more widely, and that new guidance meant to clarify the position in light of case law developments in this area remains unpublished by HMRC despite these rises.

## 6. Trade and other payables

	<i>30 June 2016</i> <i>(unaudited)</i>	<i>31 December 2015</i> <i>(audited)</i>
	\$	\$
Trade and other payables	1,690,157	1,407,354
Accruals	222,759	168,811
	<u>1,912,916</u>	<u>1,576,165</u>

## 7. Share capital

	<i>30 June 2016</i> <i>(unaudited)</i>	<i>31 December 2015</i> <i>(audited)</i>
	\$	\$
<b>Authorised, called up, allotted and fully paid</b>		
27,228,472 (2015: 15,257,812 <sup>(1)</sup> ) ordinary shares of 1p	11,024,090	11,024,090
653,483,333 (2015: nil) deferred shares of 0.004p	—	—
	<u>11,024,090</u>	<u>11,024,090</u>

(1) Share capital of 3,814,453,006 adjusted for share consolidation approved by shareholders on 6 April 2016.

The share capital issues during the period are summarised below:

		<i>Share capital at nominal value</i>	<i>Share premium</i>
	<i>Number of shares</i>	\$	\$
<i>Ordinary shares</i>			
At 1 January 2016	6,807,118,052	11,024,090	141,289,445
Shares consolidated in period	(6,779,889,580)	—	—
<b>At 30 June 2016</b>	<b>27,228,472</b>	<b>11,024,090</b>	<b>141,289,445</b>
<b>Deferred shares</b>			
At 1 January 2016	—	—	—
Shares issued on consolidation	163,370,833,248	—	—
Shares consolidated in period	(162,717,349,915)	—	—
<b>At 30 June 2016</b>	<b>653,483,333</b>	<b>—</b>	<b>—</b>

At the Company's AGM held on 6 April 2016, shareholders approved the consolidation of 6,807,118,052 ordinary shares of £0.001 each to 27,228,472 ordinary shares of £0.01 each. For every share in issue on at that date, 24 interim deferred shares and 1 interim ordinary share was created. For every 250 interim ordinary and interim deferred shares in issue at that time, a single consolidated share in the Company was issued. The ordinary shares carry full voting rights, however, the deferred shares carry no voting rights and only such limited other rights that no value has been ascribed to them.

There were no other share capital issues during the period.

## 8. Share-based payments

	<i>Six months ended 30 June 2016 (unaudited)</i>	<i>Six months ended 30 June 2015 (unaudited)</i>
	\$	\$
In the Statement of Comprehensive Income the Group recognised the following charge in respect of its share based payment plan:	<u>142,870</u>	<u>544,006</u>

### Options

Details of share options outstanding at 30 June 2016 are as follows:

	<i>Number in issue (restated)</i>
At 1 January 2016	794,800
Granted during the period	<u>537,600</u>
<b>At 30 June 2016</b>	<b><u>1,332,400</u></b>

Following the share consolidation outlined in note 7, all options outstanding at that date were consolidated *pari passu*. Prior to the consolidation there were 333,100,000 share options in issue with a weighted average exercise price of 0.31p and a weighted average contractual life of 4.6 years. Subsequent to the consolidation there were 1,332,400 share options in issue with a weighted average exercise price of 77.6p and a weighted average contractual life of 4.6 years.

<i>Date of grant</i>	<i>Number in issue (restated)</i>	<i>Option price (p) (restated)</i>	<i>Latest exercise date</i>
27 December 2014	314,800 <sup>(1)</sup>	175.000	27 Dec 19
9 December 2015	480,000 <sup>(1)</sup>	47.500	09 Dec 20
16 March 2016	537,600 <sup>(1)</sup>	47.500	16 Mar 21
	<u>1,332,400</u>		

(1) These options vest in the beneficiaries in equal tranches on the first, second and third anniversaries of grant.

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## **Warrants**

Details of warrants outstanding at 30 June 2016 are as follows:

	<i>Number in issue (restated)</i>
At 1 January 2016	143,767
Lapsed during the period	<u>(6,865)</u>
<b>At 30 June 2016</b>	<b><u>136,902</u></b>

Following the share consolidation outlined in note 7, all warrants outstanding at that date were consolidated *pari passu*. Prior to the consolidation there were 35,944,363 share warrants in issue with a weighted average exercise price of 1.99p and a weighted average contractual life of 1.9 years. Subsequent to the consolidation there were 143,767 share warrants in issue with a weighted average exercise price of 496.2p and a weighted average contractual life of 1.9 years.

<i>Date of grant</i>	<i>Number in issue (restated)</i>	<i>Option price (p) (restated)</i>	<i>Latest exercise date</i>
30 July 2012	40,054	806.250	30 Jul 17
26 July 2013	<u>96,848</u>	306.250	26 Jul 18
	<b><u>136,902</u></b>		

These warrants vest in the beneficiaries on the first anniversary of grant.

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## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>“Admission”</b>	admission of the Placing Shares or the Open Offer Shares (as the case may be) to trading on AIM and such admission becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	the market known as “AIM” operated by the London Stock Exchange
<b>“AIM Rules” or “AIM Rules for Companies”</b>	the rules applicable to companies whose securities are traded on AIM and their advisers, together with the guidance note for mining and oil and gas companies, as published by the London Stock Exchange from time to time
<b>“Application Form”</b>	the application form accompanying this document to be used by Qualifying Shareholders in connection with the Open Offer
<b>“Articles”</b>	the articles of association of the Company, in force from time to time
<b>“Board”</b>	means the board of Directors of the Company
<b>“Blocks”</b>	the Thali Block, the South African Exploration Right, the Zambian Blocks and the SADR Blocks
<b>“Capita Asset Services”</b>	a trading name of Capita Registrars Limited
<b>“certificated” or “certificated form”</b>	not in uncertificated form
<b>“Code”</b>	the City Code on Takeovers and Mergers
<b>“Company” or “Issuer”</b>	Tower Resources plc, a company incorporated in England and Wales with registered number 05305345 whose registered office is at One America Square, Crosswall, London EC3N 2SG
<b>“CREST”</b>	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear Limited in accordance with the Regulations
<b>“CREST Entitlements”</b>	the Open Offer Entitlements and the CREST Excess Entitlements
<b>“CREST Excess Entitlement”</b>	in respect of each Qualifying CREST Holder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
<b>“CREST Payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)

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<b>“Directors”</b>	the directors of the Company at the date of this document whose names are set out in the “Directors, Secretary and Advisers” section of this document
<b>“Enlarged Share Capital”</b>	the Existing Ordinary Shares together with the Open Offer Shares
<b>“Entitlements”</b>	the Open Offer Entitlements and the Excess Entitlements
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Ex-Date”</b>	the date on which the Ordinary Shares are marked “ex” the entitlement to the Open Offer, being 8.00 a.m. on 3 October 2016
<b>“Excess Application Facility”</b>	to the extent that the Open Offer Entitlements to Open Offer Shares are not subscribed for in full by Qualifying Shareholders, the facility for Qualifying Shareholders to apply for additional Open Offer Shares over and above their Open Offer Entitlements subject to the terms and conditions of the Open Offer set out in Part 3 of the document
<b>“Excess Entitlement”</b>	the entitlement for each Qualifying Shareholder to apply for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
<b>“Exchange Information”</b>	the business and financial information required to be published in accordance with the sales of AIM
<b>“Existing Ordinary Shares”</b>	the 75,803,421 Ordinary Shares in issue as at the date of this document
<b>“FCA”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy for the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended) of the UK including any regulations made pursuant thereto
<b>“General Meeting”</b>	the general meeting of the Company to be held at 11.00 a.m. on 20 October 2016 at the offices of Peel Hunt LLP at Moor House, 120 London Wall, London, EC2Y 5ET
<b>“Group”</b>	the Company and its subsidiary undertakings, including Tower Resources Cameroon, Rift Petroleum and Rift Petroleum Zambia
<b>“HMRC”</b>	Her Majesty’s Revenue and Customs
<b>“Irish Regulations”</b>	Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland
<b>“Issue Price”</b>	2.25 pence per Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Member Account ID”</b>	the identification code or number attached to any member account in CREST
<b>“Money Laundering Regulations”</b>	the Money Laundering Regulations 2007 and obligations in connection with money laundering under the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002
<b>“New Age”</b>	New African Global Energy SA (Pty) Ltd, a company incorporated in South Africa with registration number 2010/002588/07 whose registered office is at Unit 511, 5th Floor, The Cliffs, Block 2, Niagara Way, Charl Cronje Drive, Tygerfalls, Bellville
<b>“Official List”</b>	the Official List of the UK Listing Authority

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<b>“Open Offer”</b>	the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out or referred to in Part 3 of this document and, where relevant, in the Application Form
<b>“Open Offer Entitlement”</b>	the entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 3 Existing Common Shares held by them at the Record Date pursuant to the Open Offer
<b>“Open Offer Shares”</b>	up to 25,267,807 Ordinary Shares which are to be made available for subscription by Qualifying Shareholders under the Open Offer
<b>“Ordinary Shares”</b>	ordinary shares of 1 pence each in the capital of the Company
<b>“Overseas Shareholders”</b>	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, countries other than the United Kingdom
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>“Placing”</b>	the non-brokered subscription, including a cash box placing, under which the Placing Shares were issued to certain directors and placees as announced on 8 September 2016
<b>“Placing Shares”</b>	the 45,919,084 Ordinary Shares issued at the Issue Price
<b>“Qualifying CREST Holders”</b>	Qualifying Shareholders holding Ordinary Shares in uncertificated form
<b>“Qualifying Ordinary Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in certificated form
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document and, where relevant, in the Application Form
<b>“Record Date”</b>	28 September 2016
<b>“Registrar”</b>	Capita Asset Services
<b>“Regulation S”</b>	Regulation S under the Securities Act
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001, as amended from time to time
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules
<b>“Resolutions”</b>	the resolutions set out in the notice of meeting accompanying this document, and reference to a resolution number shall mean the resolution with that number in that notice
<b>“Restricted Jurisdiction”</b>	United States, Canada, the Republic of South Africa, Australia or Japan
<b>“Rift FOA”</b>	the farm in agreement dated 22 February 2013 (as amended from time to time) entered into between New Age and Rift Petroleum
<b>“Rift Petroleum”</b>	Rift Petroleum Limited, a company incorporated in the Isle of Man with company registration number 0127064C and whose registered office is at 36 Hope Street, Douglas, Isle of Man, IM1 1AR

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<b>“Rift Petroleum Zambia”</b>	Rift Petroleum Limited, a company incorporated in Zambia with registration number 107096 and whose registered office is at P.O Box 39371, Lusaka, Zambia
<b>“SADR”</b>	the Saharawi Arab Democratic Republic
<b>“SADR Blocks”</b>	Guelta block, Imlili block and Bojador block covered by the SADR PSCs
<b>“SADR PSCs”</b>	the two production sharing contracts and related assurance agreements between the government of SADR and Comet Petroleum (SADR) Limited dated around 16 March 2006 and the production sharing contract between the government of SADR, Wessex Exploration Plc and Tower Resources Limited dated 27 October 2011 each as amended from time to time
<b>“Securities Act” or “US Securities Act”</b>	US Securities Act of 1933, as amended
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“South African Exploitation Right”</b>	the exploration right granted to New Age by the Republic of South Africa (Ref No: 12/13/201) dated 12 December 2011 (and renewed on 15 September 2015 (Ref No: 12/3/201/1A)), which pursuant to the Rift FOA and related deeds of assignment entered into between New Age and Petroleum, Rift Petroleum has a 50 per cent. participating interest
<b>“stock account”</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
<b>“Thali Block”</b>	the area (being approximately 119.2 km <sup>2</sup> in the Rio de Ray basin, offshore Cameroon covered by the Thali Block PSC
<b>“Thali Block PSC”</b>	the production sharing contract entered into between Tower Resources Cameroon and The Republic of Cameroon on 15 September 2015
<b>“Tower Resources Cameroon”</b>	Tower Resources Cameroon S A, a company incorporated in Cameroon with company number RC/DLA/2015/B/2711 and whose registered office is at 537, rue AFCODI, Njo-Njo, Binapriso, Douala, Cameroon, PO Box 1245.
<b>“TVDSS”</b>	total vertical depth sub-sea
<b>“uncertificated” or “uncertificated form”</b>	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	The United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions and any state of the United States and the District of Columbia
<b>“VAT”</b>	Value added tax
<b>“Zambian Blocks”</b>	licence number PEL 024 covering block number 41 issued on 2 December 2013 by the Republic of Zambia to Rift Petroleum Zambia and licence number PEL 025 covering block number 41 issued on 2 December 2013 by the Republic of Zambia to Rift Petroleum Zambia

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## SCHEDULE 1

**Each Qualifying Shareholder applying for Open Offer Shares represents, warrants, covenants, agrees and acknowledges as follows:**

1. the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth herein, and it agrees to notify the Company promptly in writing if any of its representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
2. it has read and understood and accepted the terms and conditions of the Open Offer contained in this document and its application for Open Offer Shares shall be on and subject to the terms and conditions of this document and, if it is a Qualifying Ordinary Shareholder, the Application Form;
3. it agrees that all applications, and contracts resulting therefrom, and all non-contractual claims under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
4. it is a Qualifying Shareholder originally entitled to Open Offer Entitlements or if it has received some or all of its Open Offer Entitlements and Excess Entitlements from a person other than the Company, it is entitled to apply under the Open Offer in relation to such Open Offer Entitlements and Excess Entitlements by virtue of a *bona fide* market claim;
5. it may lawfully acquire the Open Offer Shares to be subscribed by it pursuant to the Open Offer (including under the Excess Application Facility, as applicable) and has the capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Open Offer Shares and will honour such obligations;
6. it agrees that its obligations under this letter shall not be capable of rescission or termination by it in any circumstance;
7. in agreeing to acquire the Open Offer Shares, it is relying on the information contained in this document and it is not relying on any information given or representation, warranty, undertaking, agreement or statement made at any time by the Company or any of its officers, directors, agents, employees or advisers, or any other person in relation to the Company or its subsidiary undertakings, the Open Offer or the Open Offer Shares, and neither the Company nor any other person will be liable for any Qualifying Shareholder's decision to participate in the Open Offer based on any other information, representation, warranty, undertaking, agreement or statement which Qualifying Shareholders may have obtained or received. In addition, it has neither received nor relied on any confidential price-sensitive information. Nothing in this paragraph shall exclude the liability of any person for fraud;
8. it is entitled to acquire the Open Offer Shares under the terms of the Open Offer and the laws of all relevant jurisdictions which apply to it (the "**Applicable Securities Laws**") and it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has not taken any action or omitted to take any action which will or may result in the Company or any of their officers, directors, agents, employees or advisers acting in breach of any law or regulatory requirement of any territory or jurisdiction in connection with the Open Offer or its entitlement;
9. it is not, nor is it applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome) and the Qualifying Shareholder is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity

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- created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is or may be prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Qualifying Shareholder is able to accept the invitation by the Company pursuant to an applicable exemption and free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor such person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
10. it irrevocably appoints any director of the Company as its agent for the purpose of executing and delivering to the Company and/or the Receiving Agent any documents on its behalf necessary to enable it to be registered as the holder of Open Offer Shares;
  11. it is not, and nor is it applying for Open Offer Shares as nominee or agent for, a person who is or may be liable to notify and account for stamp duty or stamp duty reserve tax at any of the increased rates referred to in sections 67 to 72 inclusive and sections 93 to 97A inclusive of the Finance Act 1986 (Depositary Receipts and Clearance Services) and, in the event of any breach of this warranty, it agrees that neither the Company nor any other person will have any liability to it or other persons in respect of such duty or tax;
  12. the Applicable Securities Laws do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in connection with the Open Offer in the jurisdiction in which it is resident;
  13. the purchase by it of Open Offer Shares does not trigger in the jurisdiction in which it is resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action;
  14. its application for Open Offer Shares under the Open Offer will not result in it together with persons acting in concert with it for the purpose of the Code, obtaining an interest in 30 per cent or more of the total number of Ordinary Shares in issue following the Open Offer;
  15. it and any person acting on its behalf is aware of the obligations in connection with money laundering under the Money Laundering Regulations to the extent applicable to it and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;
  16. it agrees to be bound by the terms of the Articles of the Company in force immediately following Admission of the Open Offer Shares;
  17. it will not deal or cause or permit any other person to deal in all or any of the Open Offer Shares unless and until Admission of the Open Offer Shares becomes effective;
  18. the Company is relying on one or more exemptions from the registration requirements of the Securities Act and, as a consequence of acquiring the Open Offer Shares pursuant to such exemption(s), certain protections, rights and remedies provided by applicable securities laws will not be available to it, including an obligation on the Company to provide it with a prospectus or other disclosure document, and, save for this document, no offer document, admission document or prospectus has been, or is required to be, prepared in connection with the Open Offer;
  19. it has not received a prospectus or admission document or, save for this document, any other offering document in connection with the Open Offer, and no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Open Offer Shares or the fairness or suitability of the investment in the Open Offer Shares nor have such authorities passed upon or endorsed the merits of the offering of the Open Offer Shares;
  20. it acknowledges that the Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the
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- rules of AIM (the “**Exchange Information**”), and that it is able to obtain or access the Exchange Information without undue difficulty;
21. neither the Company nor any person acting on their behalf nor any of its respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
  22. if it is acquiring any Open Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, covenants, agreements and acknowledgements on behalf of each such account;
  23. it acknowledges that neither the Open Offer Shares or the Entitlements have been and nor will they be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, resold, taken up, exercised, renounced, transferred, delivered or distributed, directly or indirectly, into or within the United States absent registration under the Securities Act or an exemption or exclusion from the registration requirements of the Securities Act;
  24. if in the future it decides to offer, sell, transfer, assign or otherwise dispose of the Open Offer Shares, it will do so only (i) in an offshore transaction complying with the provisions of Regulation S under the Securities Act, and not in a pre-arranged transaction to a person in the United States, (ii) in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 144 or another exemption from the registration requirements of the Securities Act, if available, (iii) to the Company or an affiliate thereof, or (iv) pursuant to an effective registration statement under the Securities Act (which it acknowledges that the Company has no obligation to file or make available) and in each case in accordance with any applicable securities laws of any state or jurisdiction of the United States. It understands that any sale not made in accordance with the above may not be recognised by the Company;
  25. the Company reserves the right to make inquiries of any holder of the Open Offer Shares or interests therein at any time as to such person’s status under the federal US securities laws and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under the US securities laws to transfer such Open Offer Shares or interests immediately at the direction of the Company;
  26. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) to or within the United States, nor will it do any of the foregoing;
  27. it is purchasing the Open Offer Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Open Offer Shares in any manner for resale in the United States or that would violate the Securities Act, the Investment Company Act or any other applicable securities laws, or otherwise cause the Company’s assets to become subject to ERISA, and it does not have a present arrangement to effect any distribution of the Open Offer Shares to or through any person or entity;
  28. it will indemnify and hold the Company and its affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, agreements and covenants in this document. All representations, warranties, agreements and covenants given by it in this document are given to the Company and will survive completion of the Open Offer;
  29. it is acquiring the Open Offer Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
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30. at the time it received the offer to purchase the Open Offer Shares it was not in the United States;
  31. it (i) understands and acknowledges that the offering and sale of the Open Offer Shares are not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States; and (ii) acknowledges that no Application Form will be accepted by any such use, means, instrumentality or facility or from within the United States, and doing so may render such Application Form invalid;
  32. it is not part of an identifiable group of U.S. citizens abroad, such as a member of the U.S. armed forces serving overseas;
  33. its receipt and execution of the Application Form each occurred outside the United States; and
  34. it is not acquiring the Open Offer Shares as a result of or due to, and will not engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of the Open Offer Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Open Offer Shares, including placing an advertisement in a publication with a general circulation in the United States, nor has it seen or been aware of any activity that, to its knowledge, constitutes directed selling efforts in the United States.

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# Tower Resources plc

*(Incorporated and registered in England and Wales with registered number 05305345)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** a general meeting of Tower Resources plc (the “**Company**”) will be held at 11.00 a.m. on 20 October 2016 at the offices of Peel Hunt LLP at Moor House, 120 London Wall, London, EC2Y 5ET (the “**Meeting**”) to transact the following business:

To consider and, if thought fit, pass the resolutions set out below, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution:

### SPECIAL BUSINESS

#### THAT:

1. The directors of the Company (the “**Directors**”) be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the “**Act**”) to allot equity securities (within the meaning of Section 560 of the Act) up to an aggregate nominal amount of £1,516,068. The authority referred to in this resolution shall be in substitution for all other existing authorities, and shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the conclusion of the next Annual General Meeting of the Company. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require equity securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot equity securities in pursuance of such offer or agreement as if the authority had not expired.
2. Conditional on the passing of resolution 1 above, the Directors, pursuant to Section 570 of the Act, be and are hereby empowered to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:
  - (a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and
  - (b) the allotment, other than pursuant to (a) above, of equity securities up to an aggregate nominal value of £758,034,

and this power shall, unless previously renewed, varied or revoked by special resolution of the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

By Order of the Board

**Jeremy Asher**  
*Chairman*

*Registered Office:*  
One America Square  
Crosswall  
London EC3N 2SG

Dated 3 October 2016

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**Notes:**

- 1 As a holder of ordinary shares in the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. A proxy need not be a member of the Company.
  - 2 In the case of joint holders, the vote of the person first named in the register of members tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
  - 3 In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be executed under its common seal, or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
  - 4 To be valid, the form of proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be deposited with Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU in accordance with the instructions printed thereon so as to be received not less than 48 hours (excluding any part of the day that is not a business day) before the time of the meeting or any adjournment thereof, alternatively you may submit your proxy electronically using The Share Portal service at [www.capitashareportal.com](http://www.capitashareportal.com), which must be received not less than 48 hours (excluding any part of the day that is not a business day) before the time of the Meeting, or any adjournment thereof.
  - 5 The completion and return of a proxy card will not affect the right of a member to attend, speak and vote in person at the meeting convened by this notice, however, if you have appointed a proxy and attend the Meeting in person, your proxy will automatically be terminated.
  - 6 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
  - 7 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
  - 8 To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
  - 9 Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, members will be entitled to attend and vote at the meeting if they are registered on the Company's register of members 48 hours (excluding any part of a day that is not a business day) before the time appointed for the meeting or any adjournment thereof. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
  - 10 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required) for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting system provider(s) take(s)) such action as shall be necessary to ensure that message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
  - 11 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services.
  - 12 In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
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By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Capita Asset Services no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

