Cameroon:
Unlocking value in a producing basin

Oil Capital Conference
14 March 2018

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Tower Resources
Summary

Focus on Cameroon

- Main focus is near-field exploration/appraisal in Cameroon
- Thali license in shallow water, prolific Rio Del Rey basin
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- Numerous prospects for scaling up
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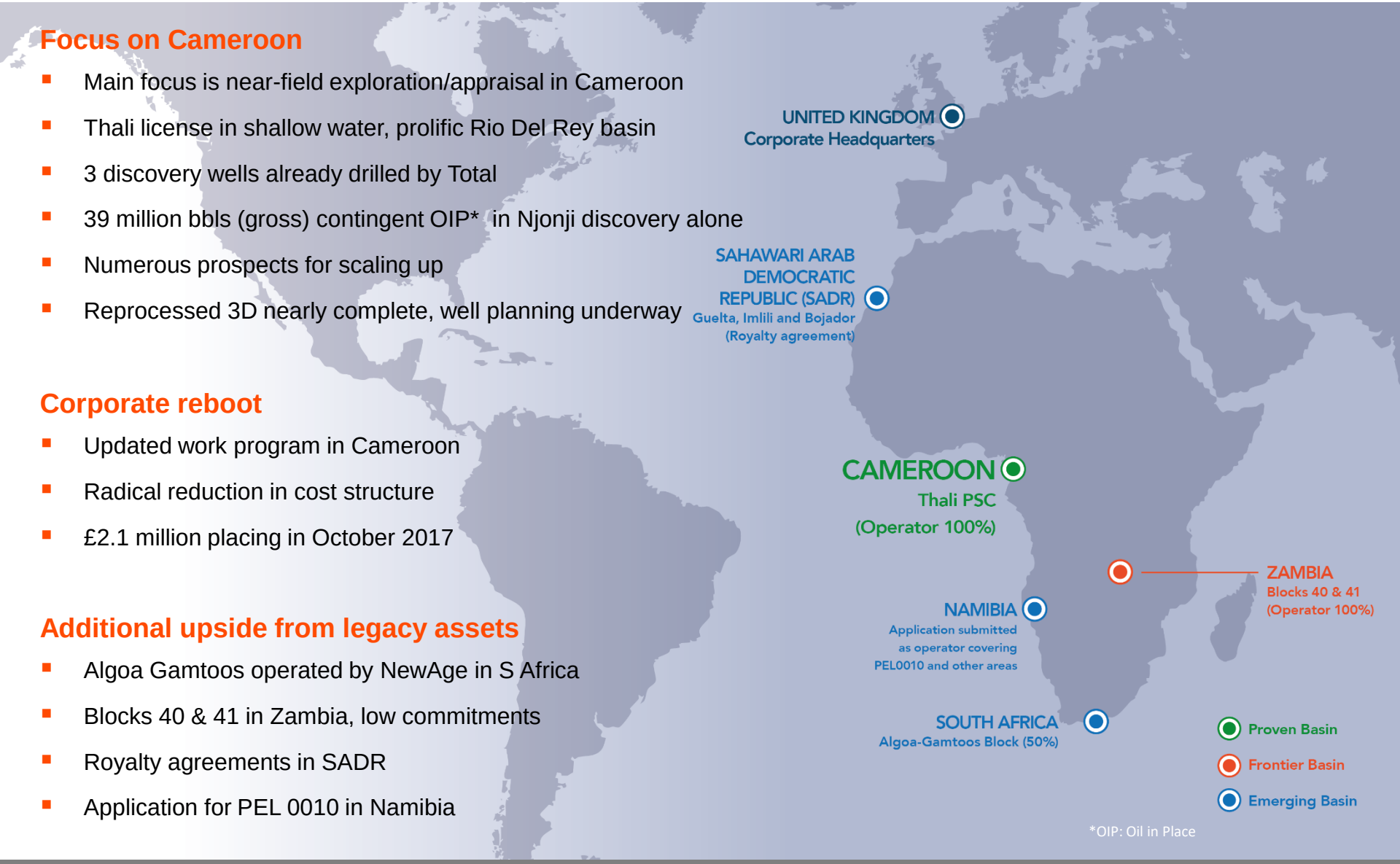
Corporate reboot

- Updated work program in Cameroon
- Radical reduction in cost structure
- £2.1 million placing in October 2017

Additional upside from legacy assets

- Algoa Gamtoos operated by NewAge in S Africa
- Blocks 40 & 41 in Zambia, low commitments
- Royalty agreements in SADR
- Application for PEL 0010 in Namibia



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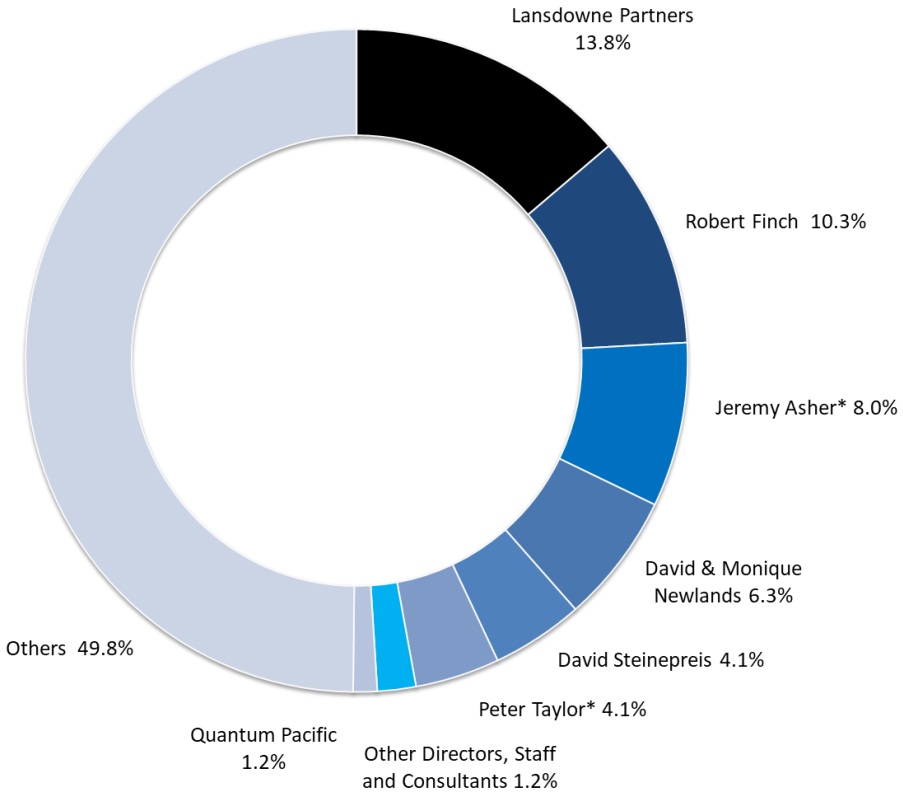
Capital Structure

Capital Structure	
Listing	AIM
Share price	1.38p
Market capitalisation	~ £5.3m
Issued share capital	374.27m
Options & warrants‡	36.1m (8.8%)
Director, staff and consultant holdings	15.4%
Average Daily Volume†	3.2 million
12 month low (at close)	0.751p
12 month high (at close)	2.375p

Shareholders



Data correct at close on 6 March 2018

** Director † Based on three months prior trading*

‡ As at 2 Jan 2018

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Tower's Team

- Small committed board with significant personal investment
- Directors own ~14% of issued share capital
- Staff with the company since 2013 and supported its rationalisation
- Strategic partnership with EPI (formerly PDF) providing Outsourced Exploration Department ($OE_xD^{®}$) led by Mark Enfield:
  - specialised personnel
  - technical support systems

Jeremy Asher
Chairman & CEO

Peter Taylor
Non-Executive Director

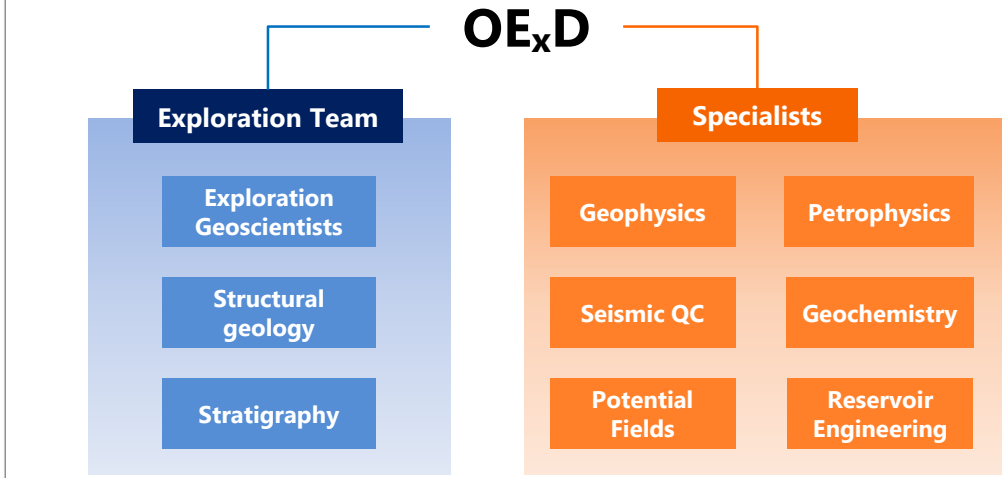
Graeme Thomson
Non-Executive Director

David M Thomas
Non-Executive Director

Andrew Matharu
VP – Corporate Affairs

Mark Enfield
Technical Advisor to the Board, Head of Exploration, OExD

Andrew Smith
Financial Controller



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Thali Block

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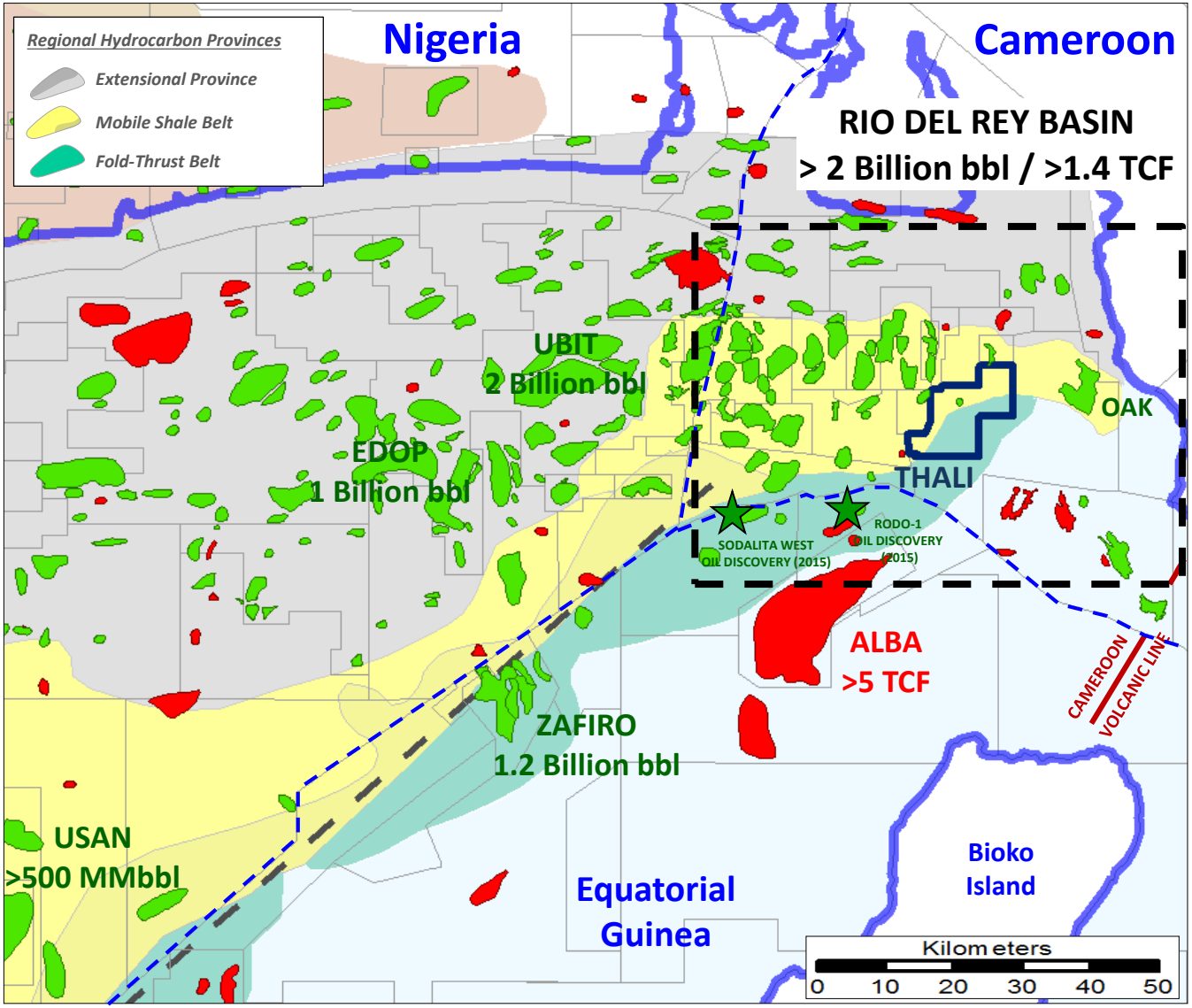
Rio del Rey – proven plays in Niger Delta

Rio Del Rey Basin

- Underexplored sub-basin of the prolific Niger Delta
- >> 34.5 Billion bbls found in whole Niger Delta Basin
- >1 billion barrels produced to date in Rio del Rey basin
- 2012 Oak discovery extends play fairway



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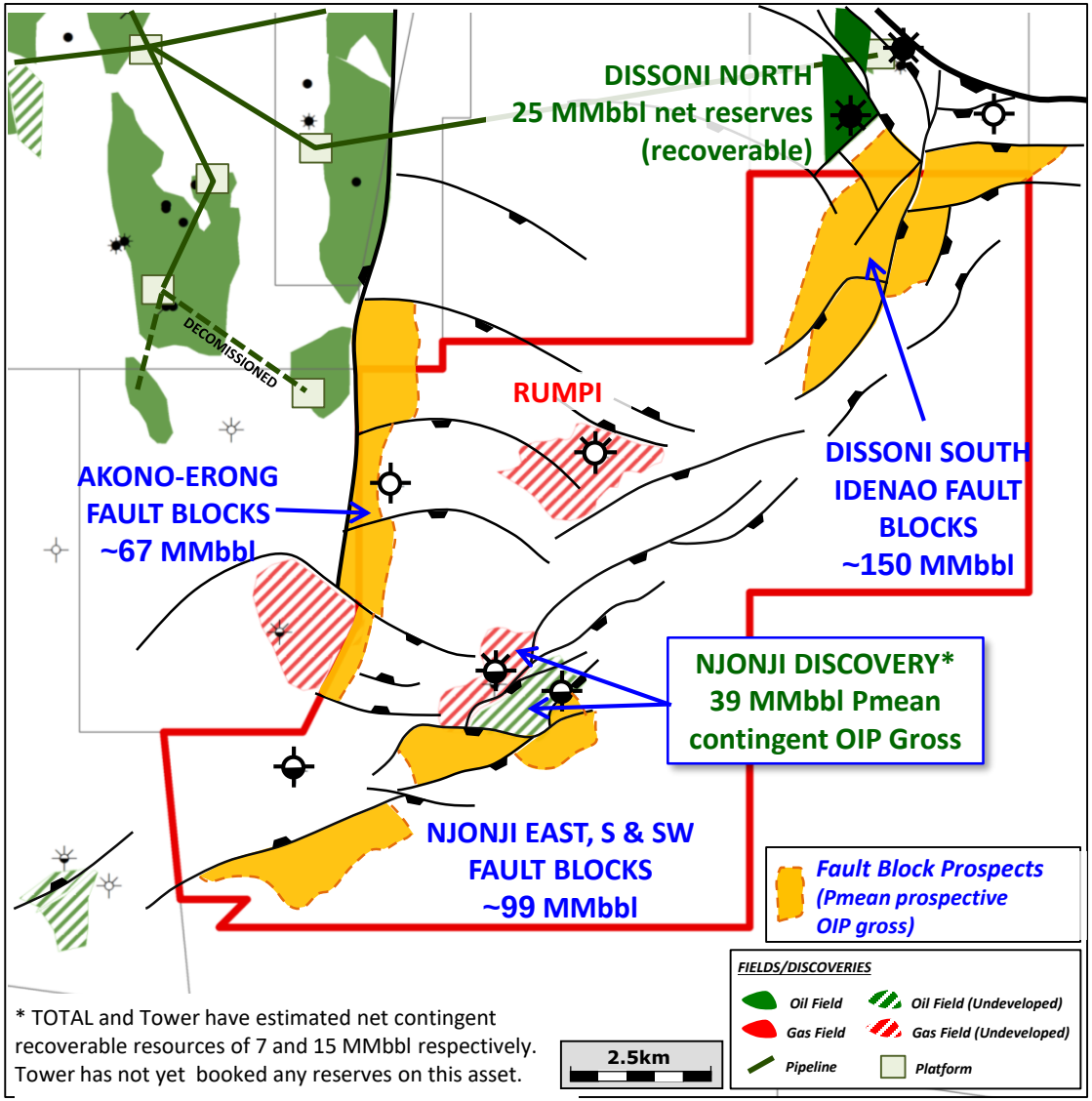
Cameroon, Thali Block

Proven Oil and Gas on Block

Low-Risk Fault-Blocks Close to Existing Infrastructure

- **25 MMbbl Dissoni North field lies immediately north of the Thali block**
  - Developed by Perenco – planned to reach 12,500 bpd of 35^{o} API oil
  - Cameroon oil production 15% up in 2014/15 largely due to Dissoni North
- **Since 1990s 3D, six wells drilled on block, all encountered oil/gas**
- **Undeveloped discoveries on the Thali block, including Njonji**
  - 20+ undrilled fault block leads
  - Low risk, shallow, stacked targets
  - Summed Pmean gross prospective potential: >315 MMbbl (OIP)
- **Objective is early production**
  - Reprocessing of 3D data covering full license area is nearly complete
  - New wells can be tied in to existing local infrastructure



* TOTAL and Tower have estimated net contingent recoverable resources of 7 and 15 MMbbl respectively. Tower has not yet booked any reserves on this asset.

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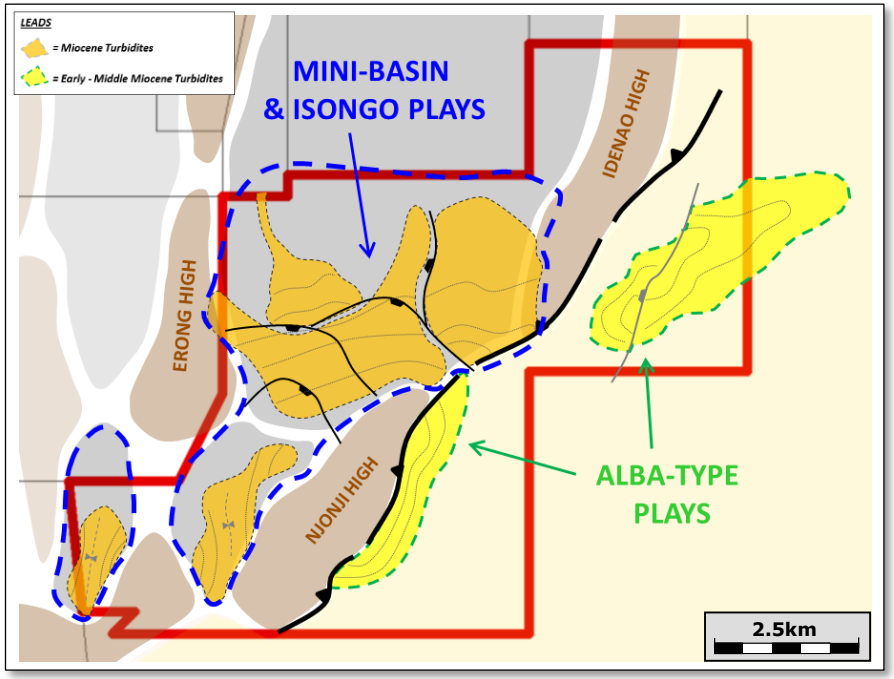
Cameroon, Thali Block
Significant Exploration Potential in Addition to Near-Term Production

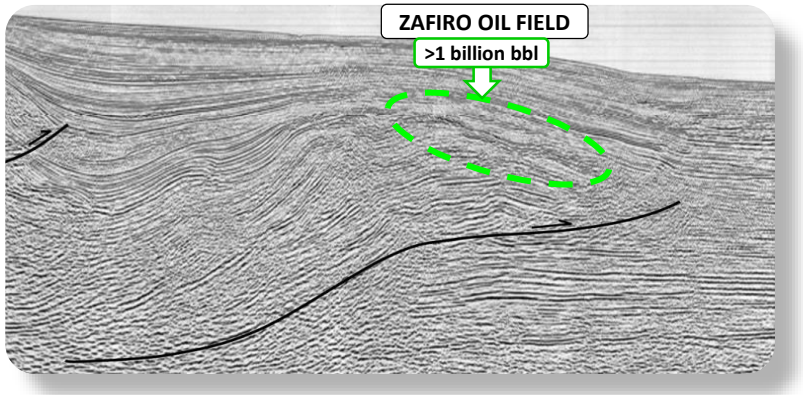
Turbidites to South-East

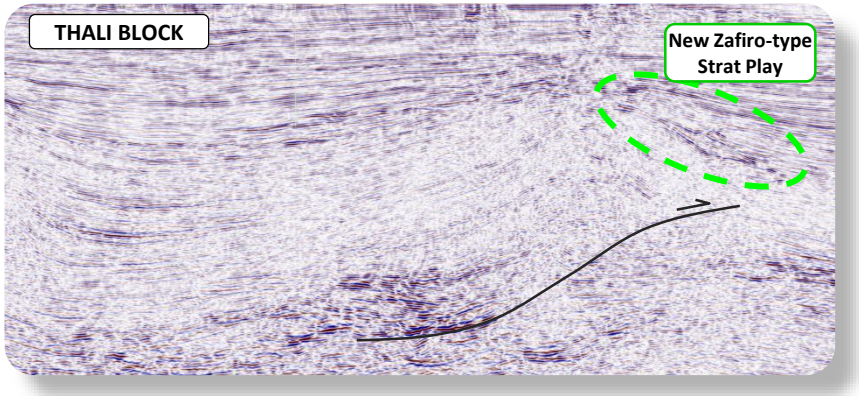
- Potential Alba-type plays

Deeper Underexplored Sandstone Plays

- Billion barrel fields along trend in Equatorial Guinea
- Similar leads identified in Thali
- Marathon and Exxon oil discoveries in Equatorial Guinea extend and de-risk fairway







Giant Zafiro Oil Field (Equatorial Guinea) along trend of the Thali Block

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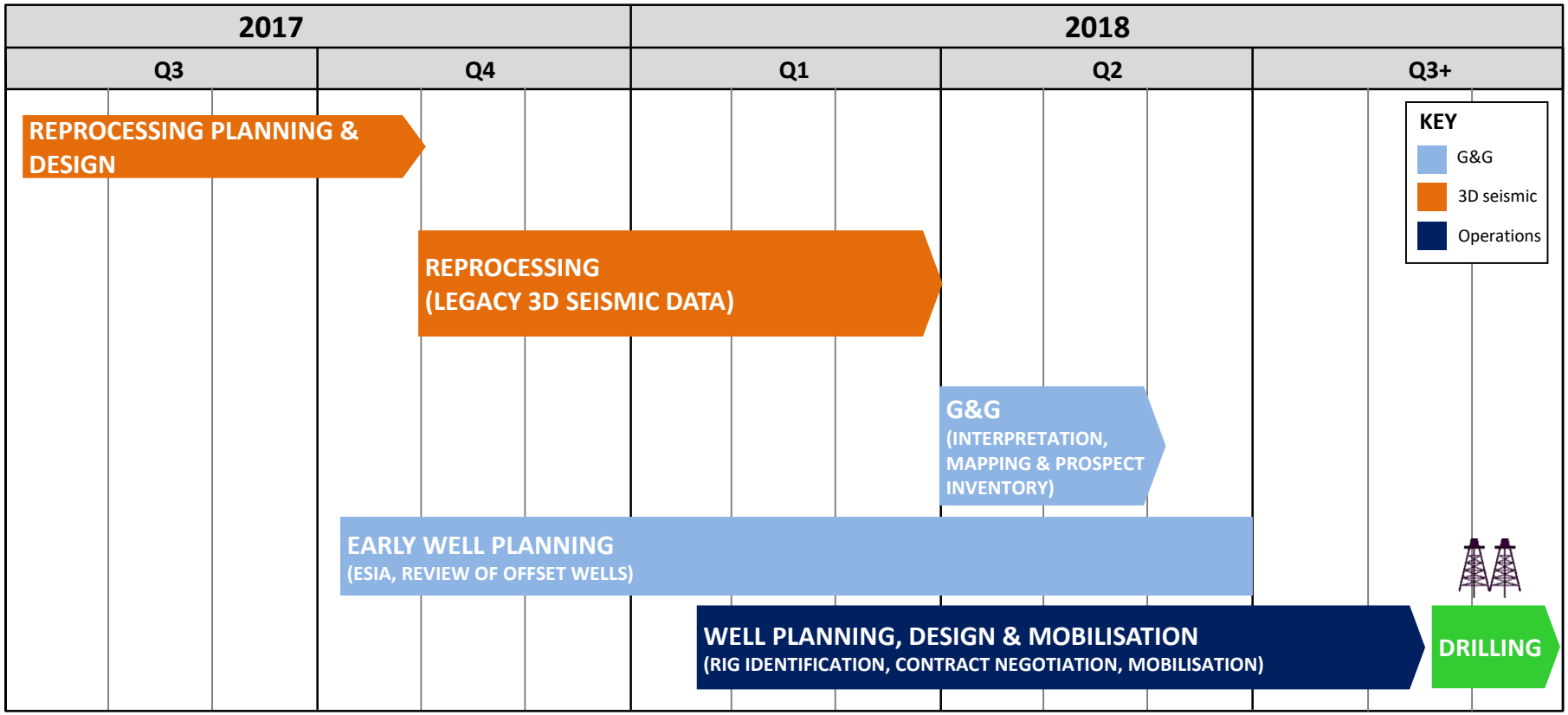
Cameroon, Thali Block
Forward Plan

- **Seismic Reprocessing** - estimate 4 to 6 months to Pre Stack Time Migration
- **Interpretation & Prospect Inventory -** re-interpretation on new reprocessed seismic
- **Drilling ESIA** - TOR, specialist studies, reporting & approval for potential multi-well programme



Timings are indicative, plan is subject to change, drilling is based on further financing

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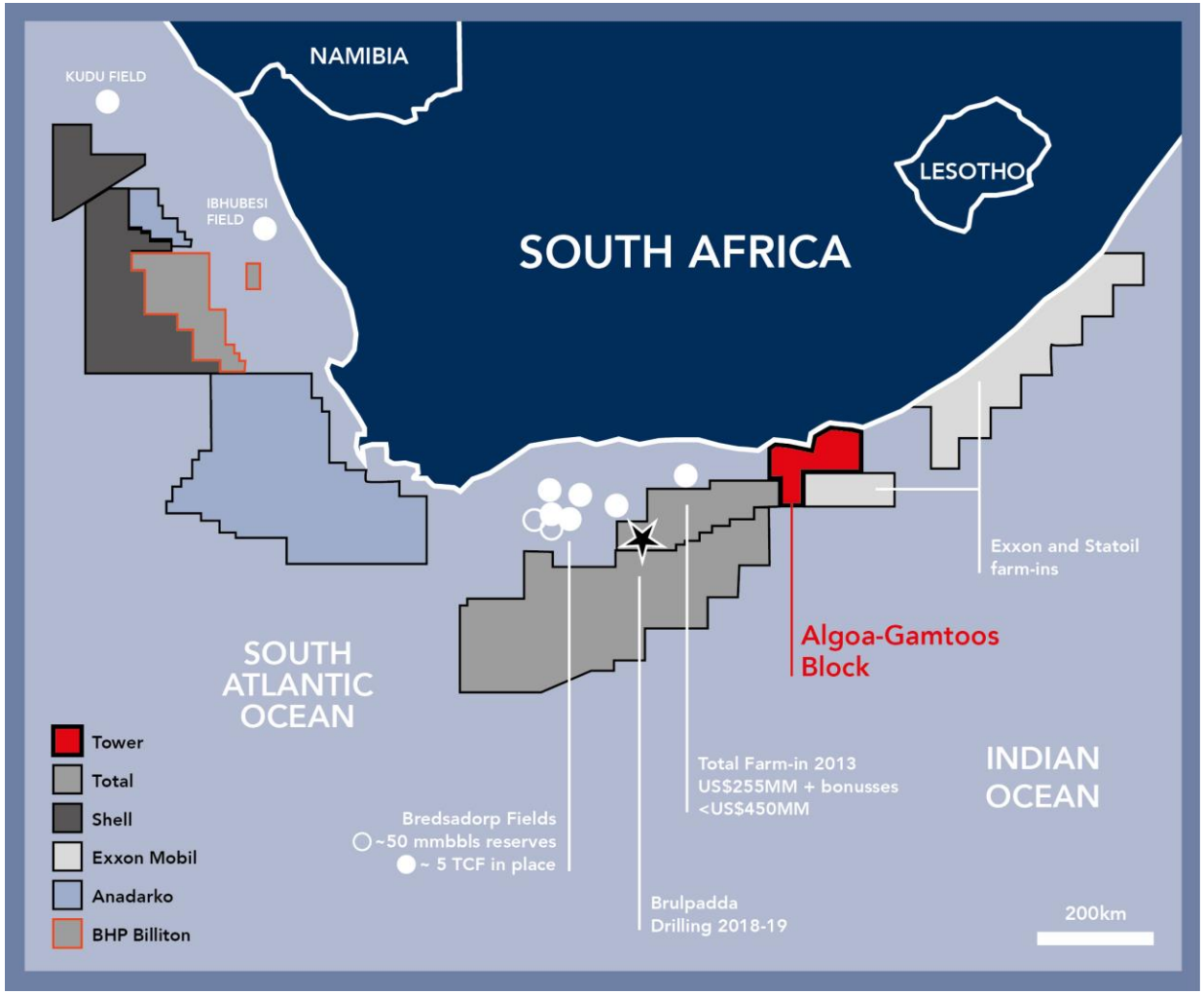
Well placed in areas targeted by Majors

2014 Acquisition of Rift Petroleum

- Algoa-Gamtoos (50%, Operator: New Age)
- 3D acquired in 2014
- 1st Renewal Period of Algoa-Gamtoos granted in Sept 2015, agreed in 2017 – additional geophysical data planned in 2019
- Oil-majors in neighbouring South African licences:
  - Total, Exxon, Shell, Anadarko, Statoil
  - Recent Qatar Petroleum farm-in
  - Brulpadda 1 testing new deep-water play



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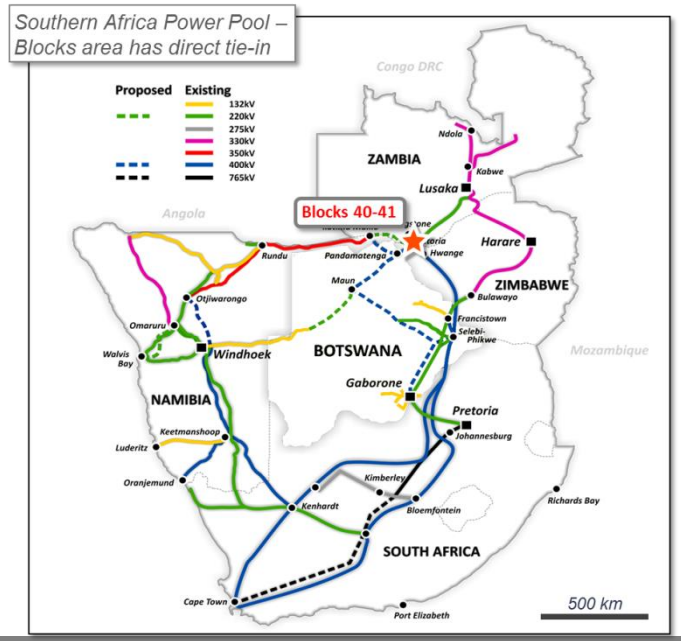
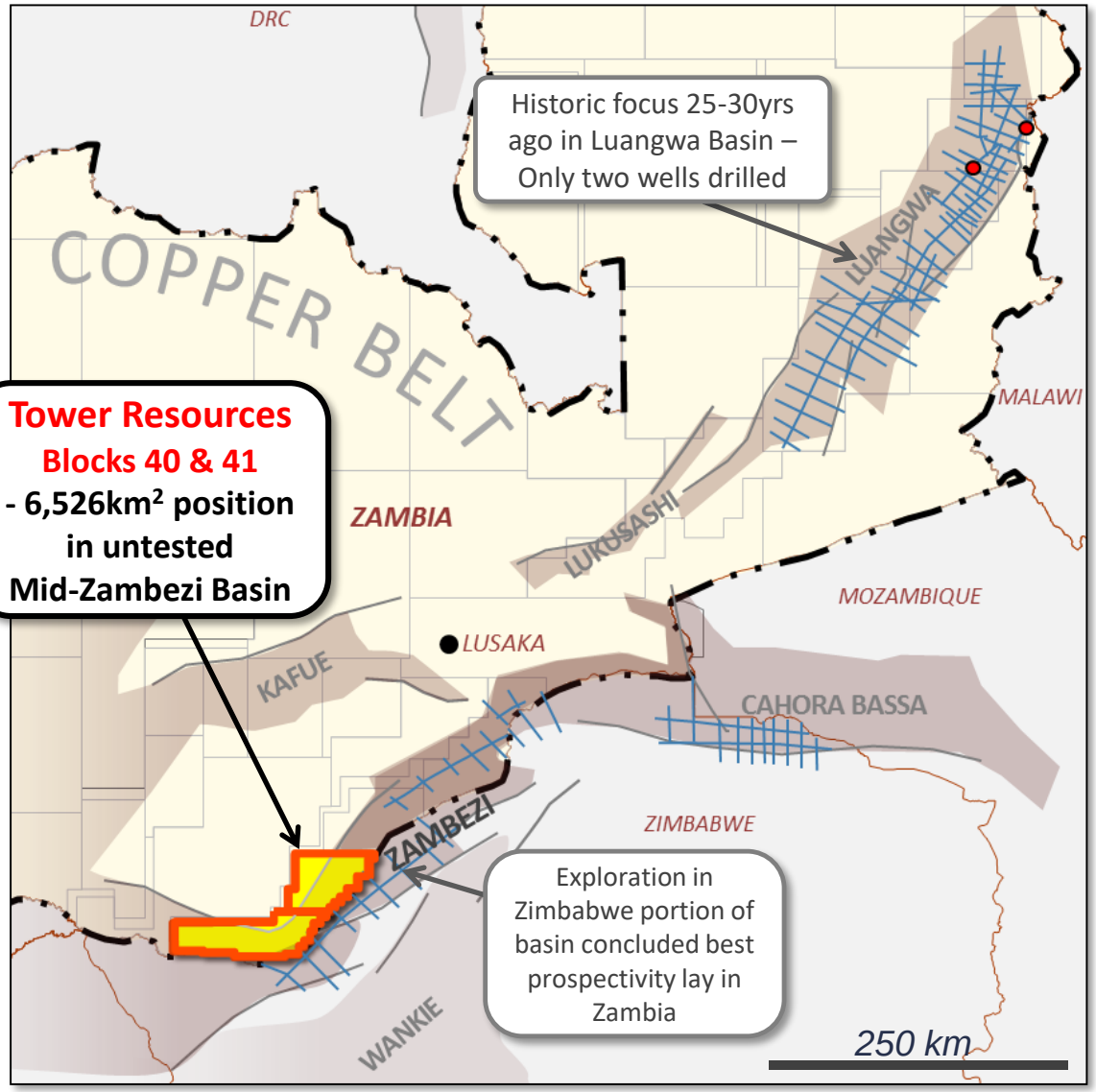
Why Zambia? 'There is no oil there….'

- **The Mid-Zambezi Basin:**
  A 25,000+ km^2 rift basin with no oil & gas exploration wells, nor even any seismic data
- But source rock, reservoir and seals all appear to be present
- Excellent potential for gas to power market, good infrastructure





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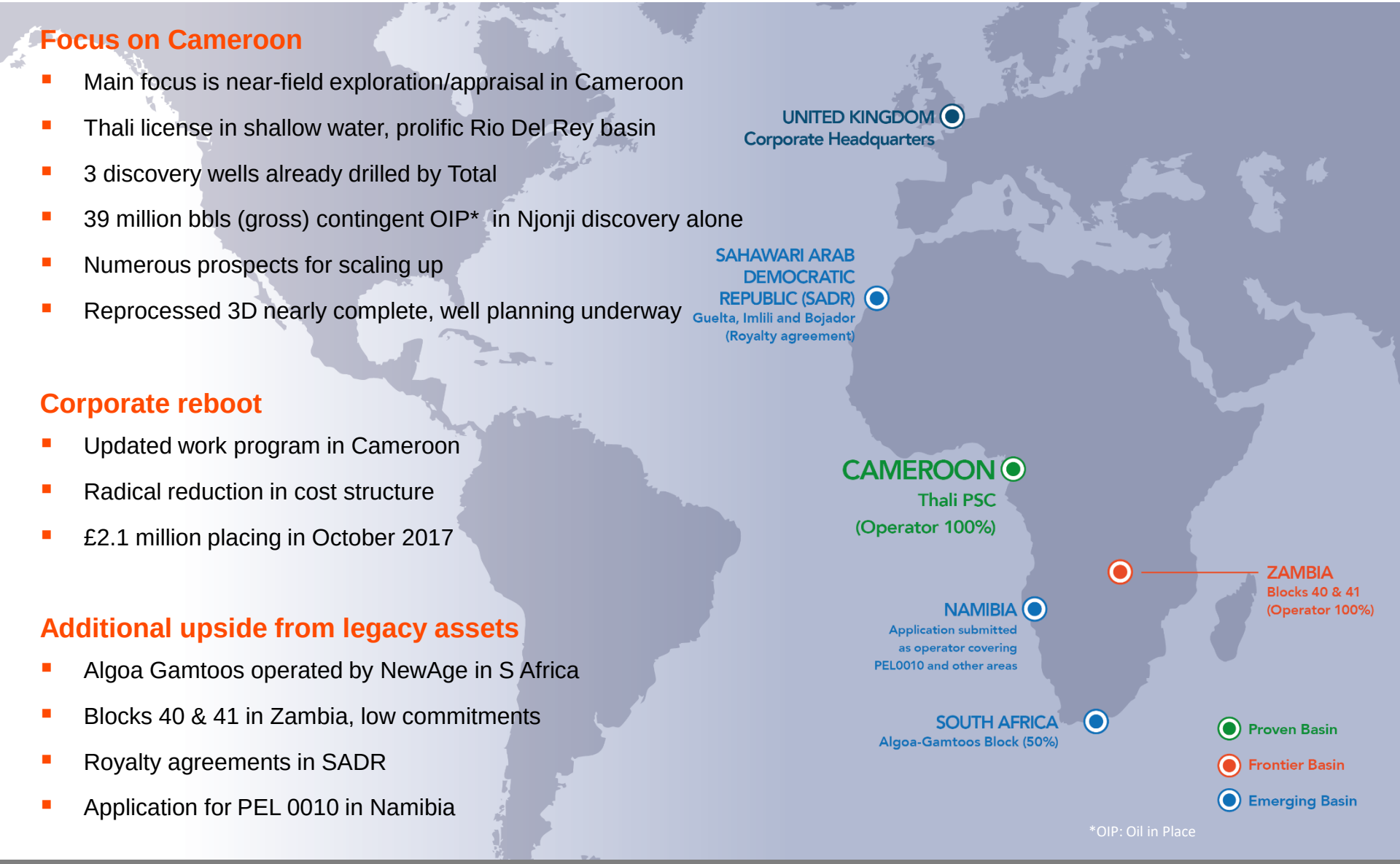

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Appendix

- **Cameroon – Thali block history**
- **Zambia – Play stratigraphy**

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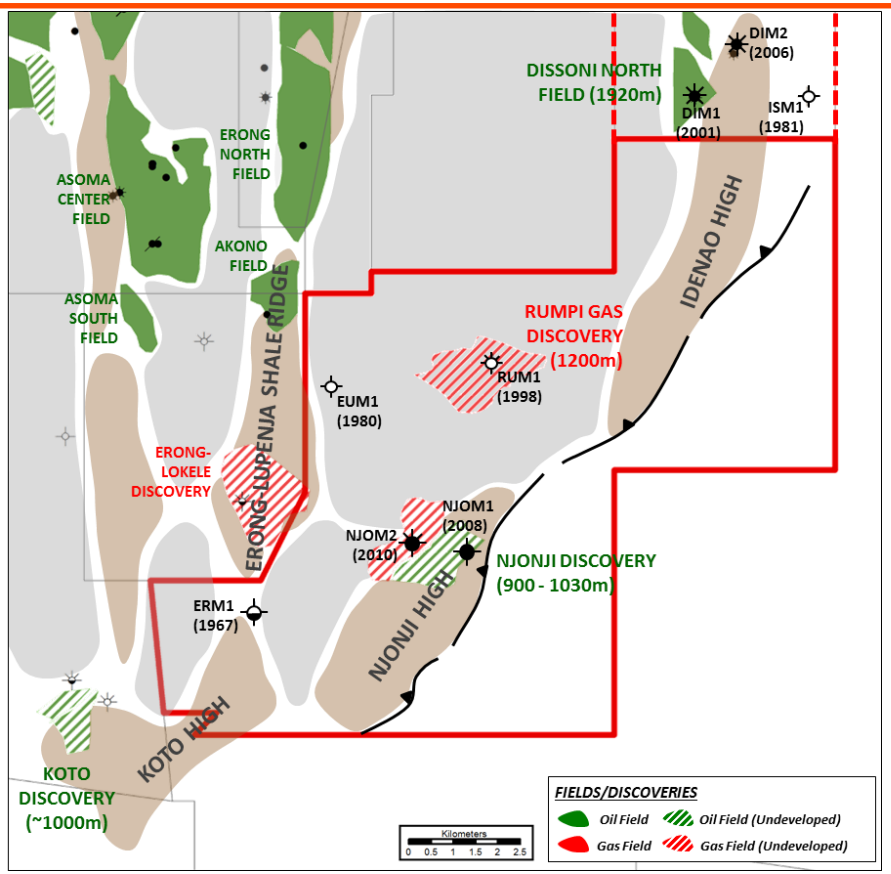
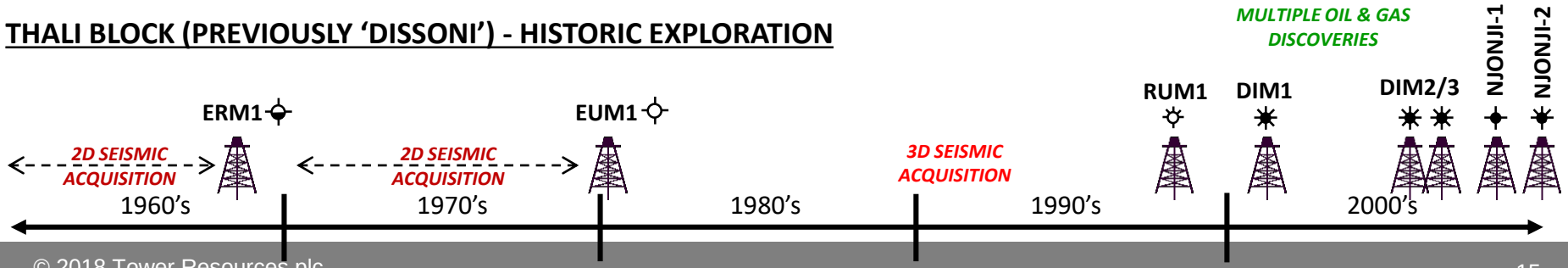
Exploration history

- Three wells drilled in the 1960-80's on **2D seismic data**
  - ERM1 (1967) - oil shows ('PS.9' sands)
  - EUM1 (1980) - dry
  - ISM1 (1981) - dry
  - **Result:** proved the presence of deltaic 'S' reservoirs
  - **Reasons for failure:**
    - Not drilled on structure
- Six wells drilled in 1990's - 2000's on **3D seismic data**, resulted in **multiple shallow discoveries**
  - Thali Block wells;
    - RUM1 (1998) - gas discovery ('S4' sands)
    - NJONJI 1 (2008) - oil discovery (3 oil zones)
    - NJONJI 2 (2010) - appraisal (2 oil & 2 gas zones)
  - Dissoni North wells;
    - DIM1 (2001) - oil discovery ('S5F' sands)
    - DIM2 (2006) - appraisal, encountered 50m oil pay ('S5F')
    - DIM3 (2007) - appraisal, oil



THALI BLOCK (PREVIOUSLY 'DISSONI') - HISTORIC EXPLORATION



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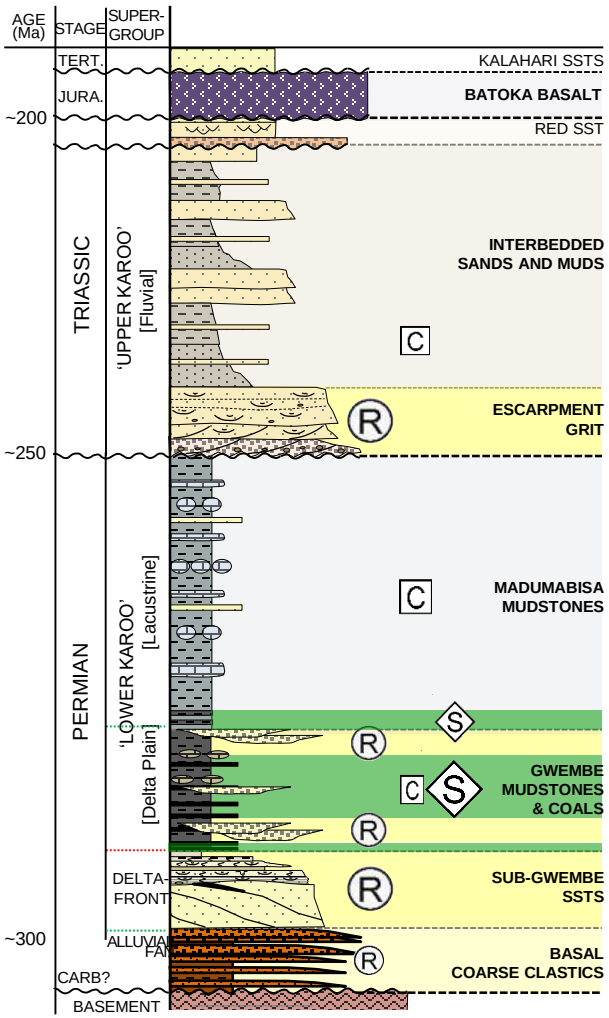
Proven Source Rocks & Reservoirs

- Key play elements proven in Blocks 40 & 41 by initial field work in 2014, additional work in 2015/16:
  - *Widespread source rocks*
  - ***Excellent Gas potential***
  - ***Additional Oil potential***
  - *Multiple reservoirs*
  - *Thick regional seals*

- Fieldwork focused on evaluation of the proven plays
- Seeps reported – more field investigation planned
- Next major step likely to be aerogravity survey

PLAY ELEMENTS		
(S) SOURCE	(R) RESERVOIR	(C) SEAL
✓ Presence Effectiveness	✓ Presence Effectiveness	✓ Presence Effectiveness
Oil & Gas Prone	Multiple Plays	Thick & Regional

Play Stratigraphy of Blocks 40 & 41



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