Cameroon: Unlocking value in a producing basin

Proactive Investors
31 May 2018
DISCLAIMER

The information contained in these slides has been prepared by Tower Resources plc (the “Company”). This Presentation is being made for information purposes only and does not constitute an offer or invitation for the sale or purchase of securities or any of the assets described in it nor shall they nor any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or otherwise engage in any investment activity (including within the meaning specified in section 21 of the Financial Services and Markets Act 2000).

The information in this Presentation does not purport to be comprehensive and has not been independently verified. While this information has been prepared in good faith, no representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by the Company or any of its officers, employees, agents or advisers as to, or in relation to, the accuracy or completeness of this Presentation, and any such liability is expressly disclaimed. In particular, but without prejudice to the generality of the foregoing, no representation or warranty is given as to the achievement or reasonableness of any future projections, management estimates or prospects contained in this Presentation. Such forward-looking statements, estimates and forecasts reflect various assumptions made by the management of the Company and their current beliefs, which may or may not prove to be correct. A number of factors could cause actual results to differ materially from the potential results discussed in such forward-looking statements, estimates and forecasts including: changes in general economic and market conditions, changes in the regulatory environment, business and operational risks and other risk factors. Past performance is not a guide to future performance.

The cover photo in this Presentation is for illustrative purposes only and is not a photo of the Company’s assets.

The Presentation is not a prospectus nor has it been approved by the London Stock Exchange plc or by any authority which could be a competent authority for the purposes of the Prospectus Directive (Directive 2003/71/EC). This Presentation has not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000.

The information contained in this Presentation is subject to change, completion or amendment without notice. However, the Company gives no undertaking to provide the recipient with access to any additional information, or to update this Presentation or any additional information, or to correct any inaccuracies in it or any omissions from it which may become apparent.

Recipients of this Presentation in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements. This Presentation does not constitute an offer to sell or an invitation to purchase securities in any jurisdiction.
Focus on getting into production in Cameroon

- Thali license in shallow water
- 3 discovery wells already drilled by Total
- 39 million bbls (gross) contingent OIP* in Njonji discovery alone
- Numerous prospects for scaling up
- Reprocessed 3D being analysed, well planning underway
- Independent reserve report to be completed in June, 2018
- Goal is to begin drilling in coming months

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 in Namibia

*OIP: Oil in Place
# Tower Resources

## Capital Structure

<table>
<thead>
<tr>
<th>Capital Structure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing</td>
<td>AIM</td>
</tr>
<tr>
<td>Share price</td>
<td>1.725p</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>~ £6.5m</td>
</tr>
<tr>
<td>Issued share capital</td>
<td>377.3m</td>
</tr>
<tr>
<td>Options &amp; warrants‡</td>
<td>38.2m (9.3%)</td>
</tr>
<tr>
<td>Director, staff and consultant holdings</td>
<td>14.7%</td>
</tr>
<tr>
<td>Average Daily Volume†</td>
<td>1.85 million</td>
</tr>
<tr>
<td>12 month low (at close)</td>
<td>0.751p</td>
</tr>
<tr>
<td>12 month high (at close)</td>
<td>2.375p</td>
</tr>
</tbody>
</table>

* Data correct at close on 30 May 2018  
† Source: Vox Markets  
‡ As at 30 May 2018

### Shareholders

- Lansdowne Partners 13.7%
- Robert Finch 10.3%
- Jeremy Asher* 8.0%
- David & Monique Newlands 6.3%
- Peter Taylor 4.1%
- Other Directors, Staff & Consultants 2.7%
- Others 53.9%

© 2018 Tower Resources plc
Small committed board with significant personal investment

Directors own ~15% 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\textsuperscript{x}D\textsuperscript{®}) led by Mark Enfield:
- specialised personnel
- technical support systems
Cameroon, Thali Block
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
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° API oil
- 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)
  - All figures now being updated

- Objective is early production
  - Reprocessing of 3D data covering full license area is now complete, analysis underway
  - New wells can be tied in to existing local infrastructure

© 2018 Tower Resources plc
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
### Cameroon, Thali Block
#### Forward Plan

- **Seismic Reprocessing** - COMPLETE
- **Interpretation & Prospect Inventory** - IN PROGRESS
- **Drilling ESIA** - IN PROGRESS
- **Well Planning & Design** - IN PROGRESS

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reprocessing</strong>&lt;br&gt;(Legacy 3D Seismic Data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G&amp;G Studies</strong>&lt;br&gt;(Interpretation, Mapping &amp; Prospect Inventory)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drilling ESIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Early Well Planning</strong>&lt;br&gt;(Review of Offset Wells)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Detailed Well Planning, Design &amp; Mobilisation</strong>&lt;br&gt;(Rig Identification, Contract Negotiation, Mobilisation)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drilling</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

© 2018 Tower Resources plc
South Africa
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
Zambia, Blocks 40 and 41

Why Zambia? ‘There is no oil there…’

- **The Mid-Zambezi Basin:**
  A 25,000+ km² 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

---

Tower Resources
Blocks 40 & 41
- 6,526km² position in untested Mid-Zambezi Basin

Historic focus 25-30yrs ago in Luangwa Basin – Only two wells drilled

- Exploration in Zimbabwe portion of basin concluded best prospectivity lay in Zambia

© 2018 Tower Resources plc
Focus on getting into production in Cameroon

- Thali license in shallow water
- 3 discovery wells already drilled by Total
- 39 million bbls (gross) contingent OIP* in Njonji discovery alone
- Numerous prospects for scaling up
- Reprocessed 3D being analysed, well planning underway
- Independent reserve report to be completed in June, 2018
- Goal is to begin drilling in coming months

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 in Namibia
Appendix

- Cameroon – Thali block history
- Zambia – Play stratigraphy
Thali Block Prospectivity

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
Zambia, Blocks 40 and 41
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

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>RESERVOIR</th>
<th>SEAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence Effectiveness</td>
<td>Presence Effectiveness</td>
<td>Presence Effectiveness</td>
</tr>
</tbody>
</table>

Oil & Gas Prone | Multiple Plays | Thick & Regional