Oil Capital Conference

Preparing for First Oil in Cameroon

31 January 2019

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Tower Resources
Summary

Focus on Sub-Saharan Africa

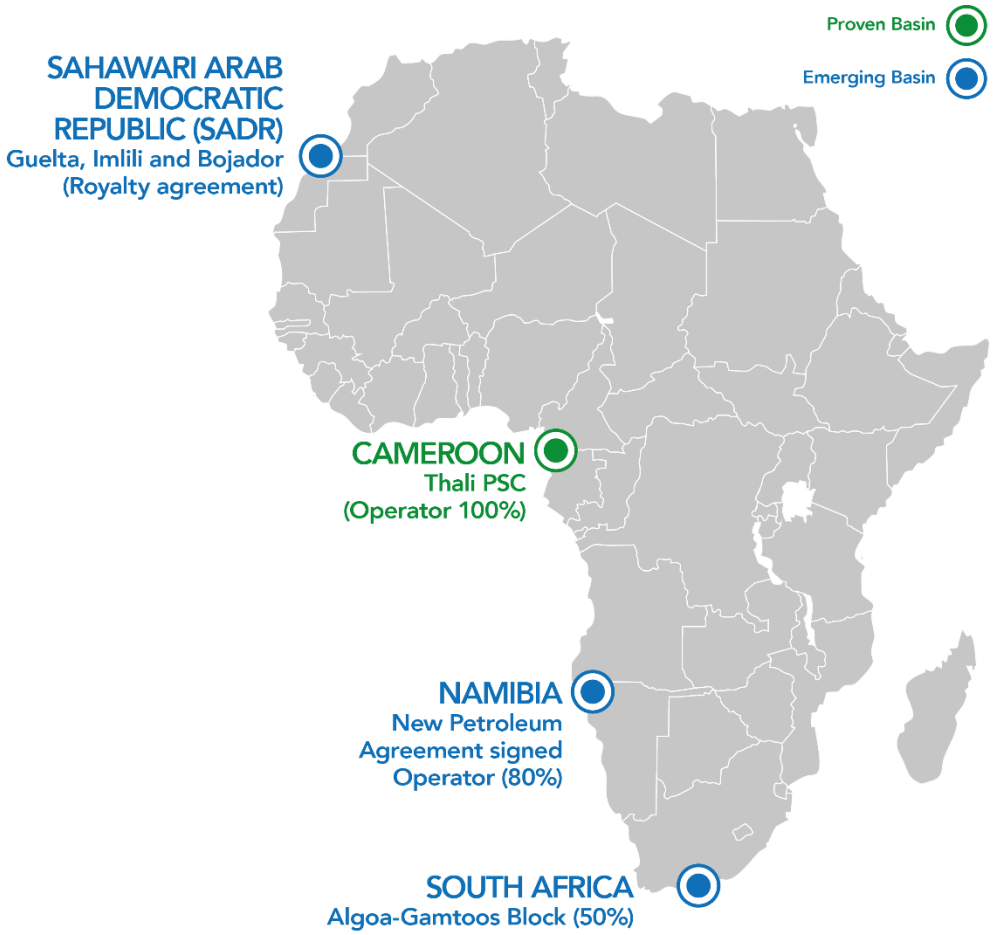
- Cameroon – drilling on the Thali license
- Other exploration assets with longer time horizon
    - South Africa, Namibia and more

Preparing for first oil in Cameroon

- Drilling NJOM-3 well on Thali license in Q2 2019
- Aiming to unlock ~18 million bbls of mean contingent recoverable resources at Njonji
- Further ~20 million bbls of mean prospective resources in Njonji alone
- Planning for early production system

Thali Reserve Report valuation

- EMV10 Mean Contingent Resources: US$118m
- EMV10 Risked Prospective Resources: US$82m



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Cameroon, Rio del Rey Basin

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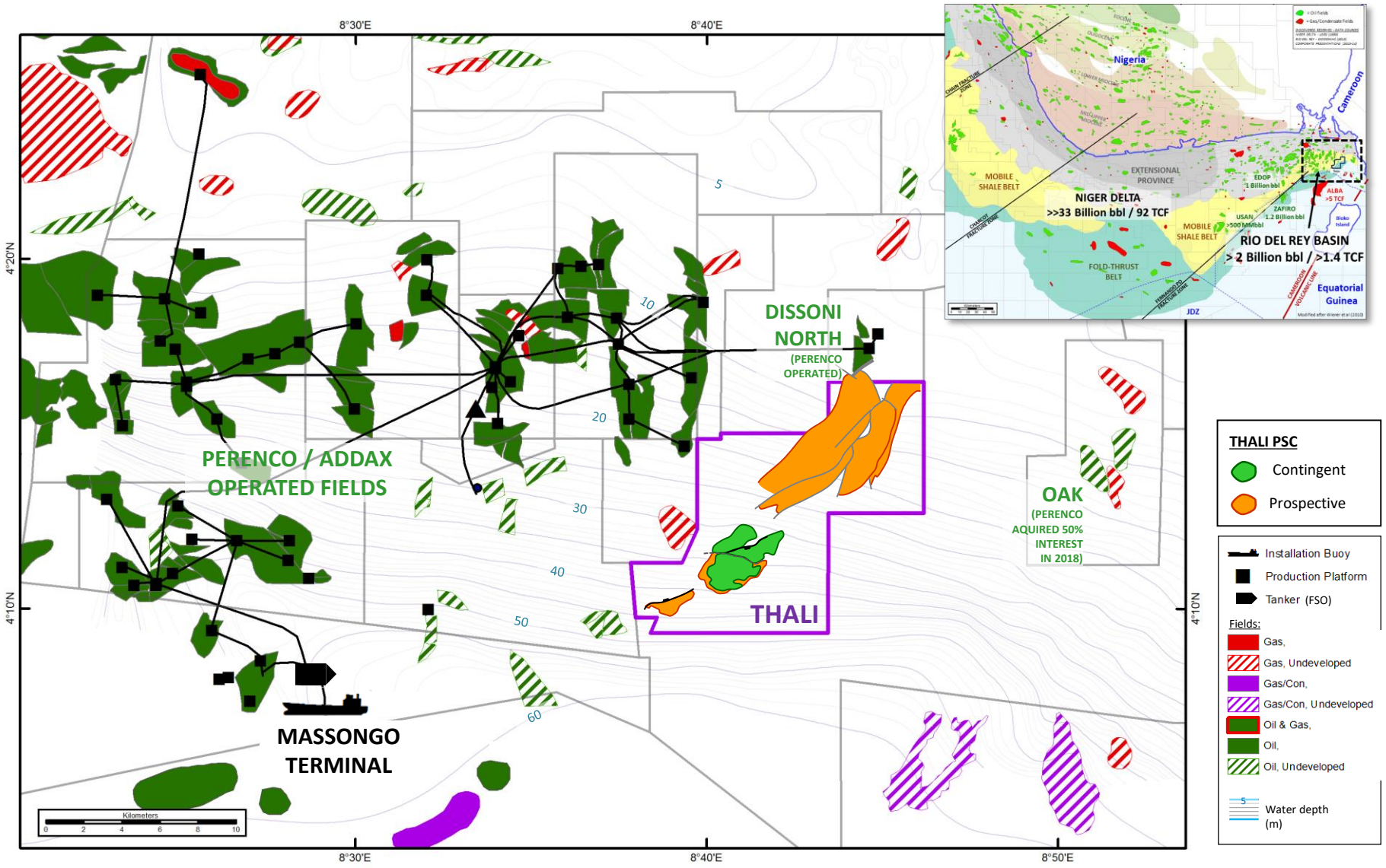
Cameroon, Thali Block

Local Infrastructure



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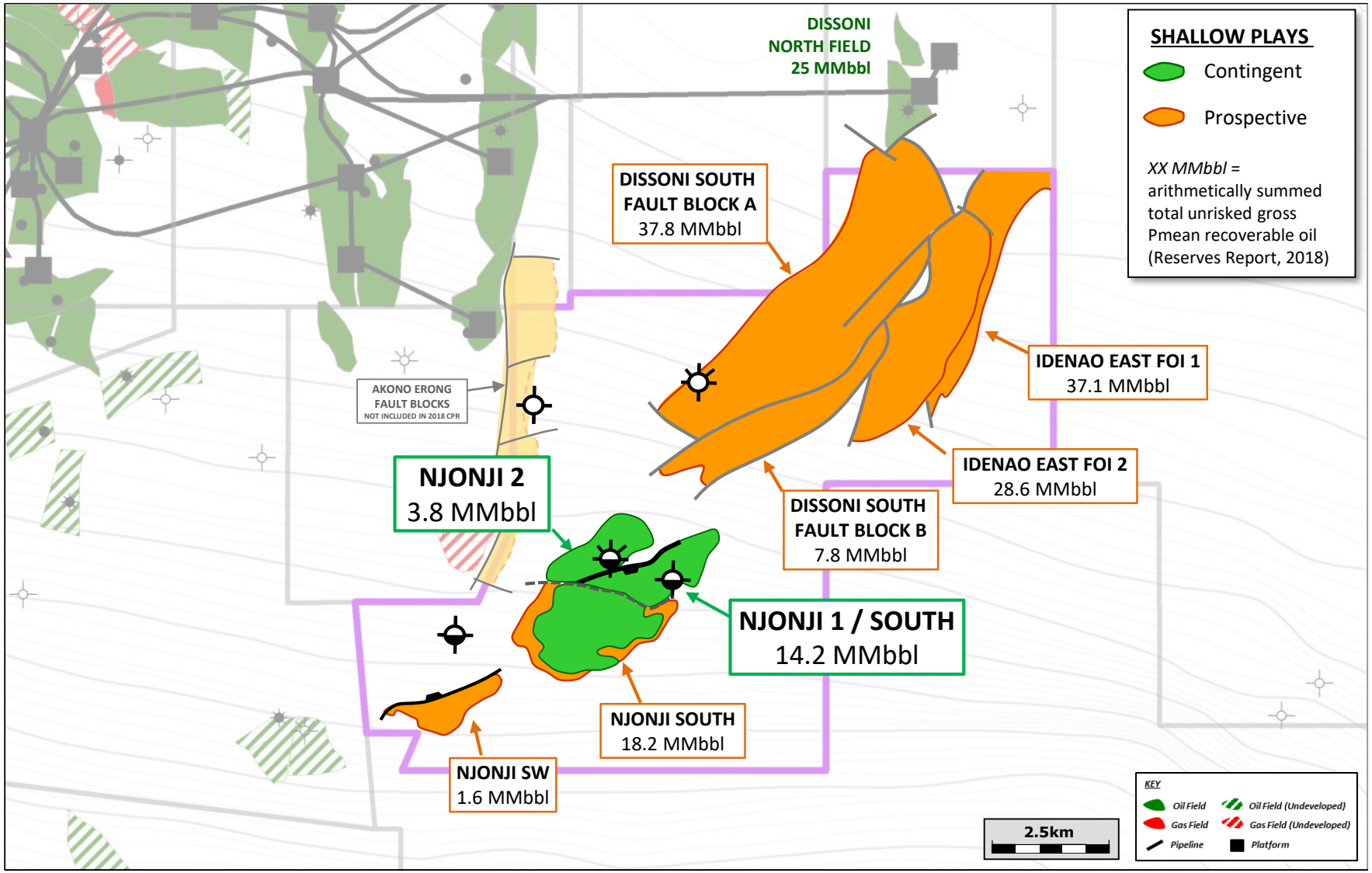
Cameroon, Thali Block

Updated Pmean Resource Estimates



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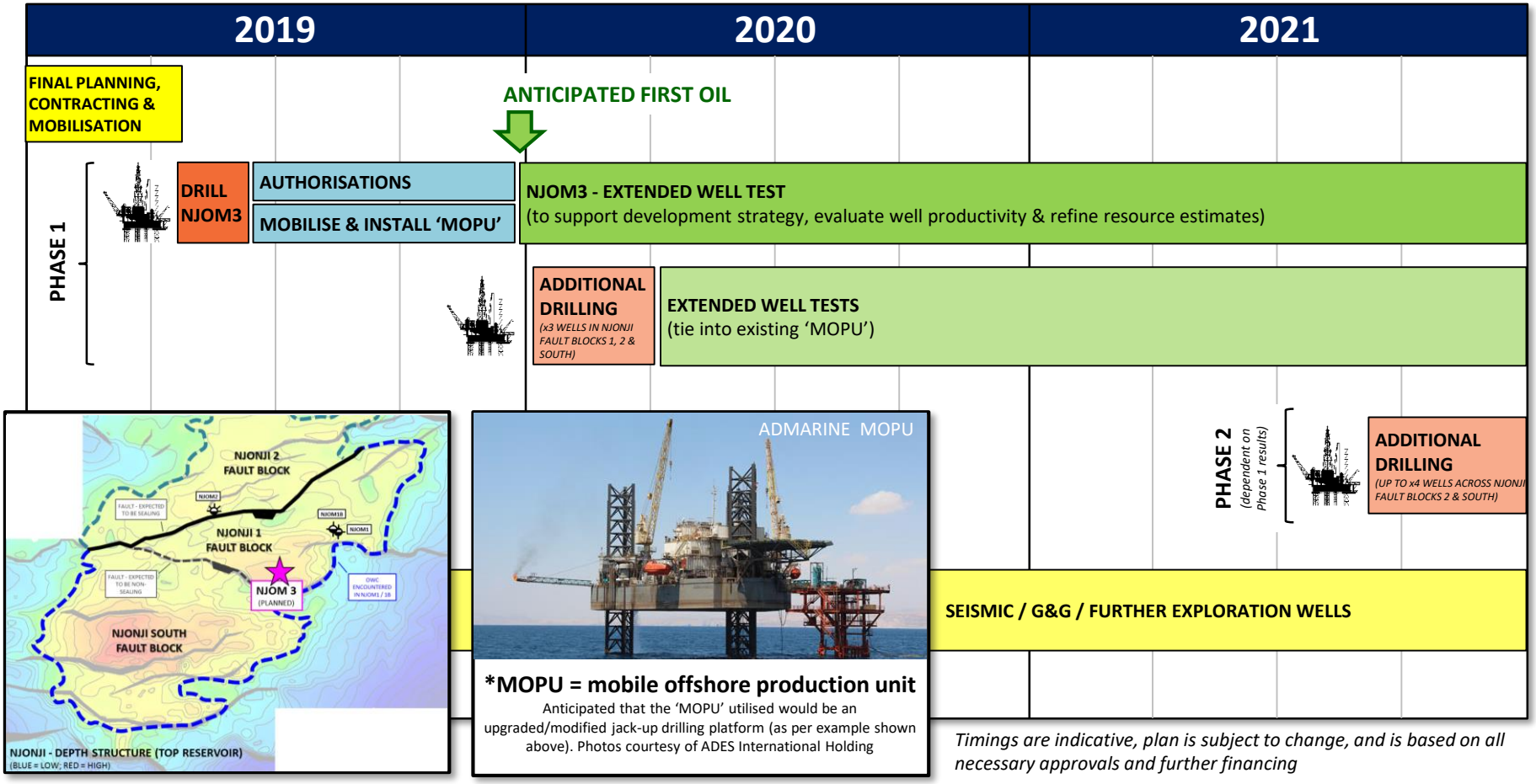
Cameroon, Thali Block

Njonji Development

- **NJOM3 drill & extended well test** - confirm development strategy
- Phased approach, low upfront costs - **leased MOPU* & shuttle tanker**
- Wells **deviated from centralised hub(s)** - reduce surface infrastructure requirements



Timings are indicative, plan is subject to change, and is based on all necessary approvals and further financing

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Cameroon, Thali Block

Njonji Economics per Reserve Report

- Best estimate Contingent Resources **NPV10 of $158 million** and EMV10 of $118 million
- NPV10 and EMV10 take into account costs of development including Q2 2019 well
- Over $100 million of further NPV10 in Njonji South if the prospective deeper reservoir can be proven

CONTINGENT RESOURCES	After Tax NPV10 Attributable to Tower			Chance of Development Pd	Cost of Failure	EMV10
	Low Estimate	Best Estimate	High Estimate			Swanson's Rule*
NJONJI 1, 2 & SOUTH	$m MOD	$m MOD	$m MOD	%	$m MOD	$m MOD
Phase 1	$4	$139	$206	80%	$17	$91
Phase 2	$0	$19	$114	70%	$9	$27
Total	**$4**	**$158**	**$320**	-	-	**$118**

PROSPECTIVE RESOURCES	After Tax NPV10 Attributable to Tower			Chance of Development Pd	Cost of Failure	EMV10
	Low Estimate	Best Estimate	High Estimate			Swanson's Rule
	$m MOD	$m MOD	$m MOD	%	$m MOD	$m MOD
Njonji South	$31	$117	$262	30%	$13	$30
Njonji SW	-$3	$7	$29	16%	$11	-$8

**Swanson's rule = 40% P50 + 30% P90 +30% P10. $m = USD million. MOD = Money of Day (CPR, 2018)*

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Cameroon, Thali Block

Cash Flow Impact per Reserve Report

- Reserve Report is based on Brent price of $69.80 in 2020 and $67.00 in 2021
- Phase 1 is a 4 well development in 2019-2020 delivering production of 8,000 bbls/day in early 2020
- Best Estimate (2C) is subject to successful flow test of Q2 2019 well, and assumes MOPU is leased
- Does not include Phase 2 of Contingent Resources or Prospective Resources development

Cameroon License - Phase 1 cashflow	**2019**	**2020**	**2021**
Annual Production (bbls)	**6,100**	**2,339,300**	**2,800,000**
Gross Production Revenue (US$ millions)	**0.4**	**163.3**	**187.6**
Cost Recovery for Contractor (US$ millions)	0.3	97.6	49.8
Gross Profit Oil for Contractor (US$ millions)	0.1	55.7	85.1
Less: Income tax on Profit Oil (US$ millions)	(0.0)	(10.3)	(20.8)
Gross Cashflow to Contractor (US$ millions)	**0.4**	**143.0**	**114.1**
Less: Operating costs and capex (US$ millions)	(79.3)	(30.4)	(32.5)
Net Cash Flow to Contractor (US$ millions)	**(78.9)**	**112.5**	**81.6**

Note: Contractor is Tower 100% until farm-out or SNH back-in

Expecting to fund majority with Reserve Based Lending

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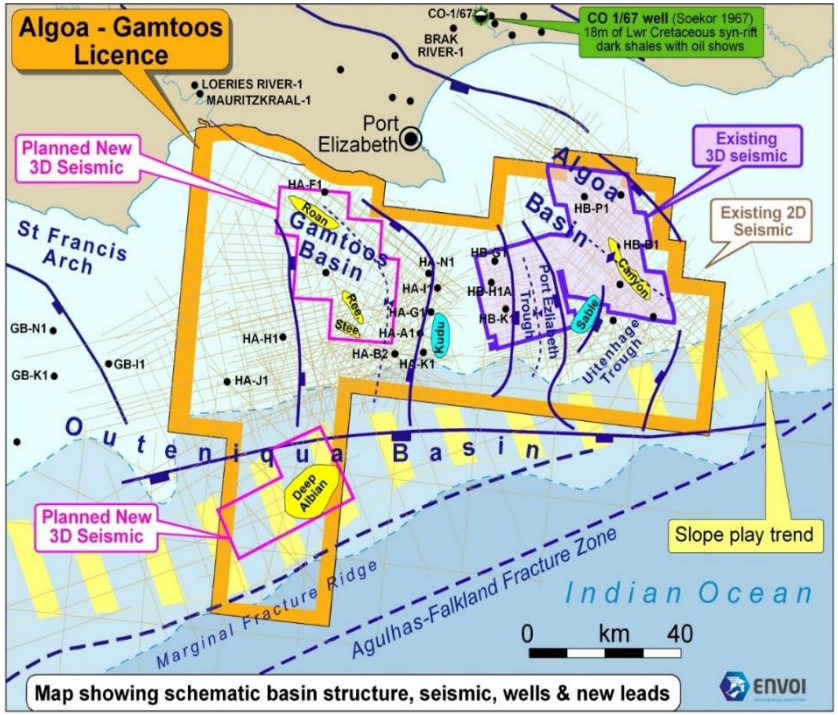
Operated by New Age, 50% interest

Substantial Prospective Resources in three basins

- Gamtoos Basin: Roan, Reedbuck and Steenbock prospects covered by extensive 2D
- Algoa Basin: Canyon prospect, already covered by 3D
- Outeniqua Basin: Deep Albian prospect on trend with Brulpadda, limited 2D only, but interesting



Map showing schematic basin structure, seismic, wells & new leads

Prospect/Lead	Basin/Trough	Targets/Play	Mean Prospective Resources (unrisked) (MMboe Recoverable)
Roan	Gamtoos	Syn-Rift Basin Floor Strat trap	119
Reedbuck	Gamtoos		67
Steenbok	Gamtoos		43
Canyon	Algoa: Uitenhage	Post-Rift Canyon fill	80
Deep Albian	Outenique Basin Slope	Post-Rift Canyon fed basin slope	210
			510

Farm-out process underway…

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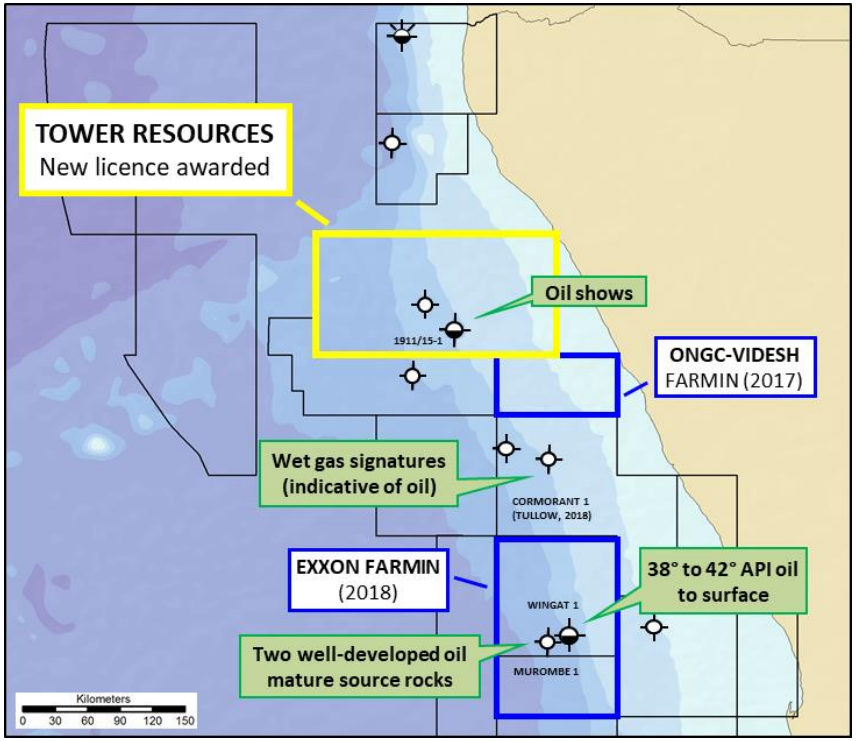
New Petroleum Agreement Signed

New License Covers Blocks 1910A, 1911 & 1912B

- Operator: Tower with 80% interest
- Local partner and Namcor to hold 20%
- Subject to JOA and ancillary documents
- Very large area of 23,297 km^2
- Tower knows these blocks very well
- Recent farm-ins by Exxon, Africa Energy and Kosmos Energy



Northern Walvis Basin / Dolphin Graben

- 1911/15-1 encountered three source rock intervals and recovered oil from Albian carbonates
- Recent drilling supports presence of an oil prone petroleum system
  - Wingat 1 - oil recovered to surface
  - Cormorant 1 - wet gas signatures (indicative of oil)
- Multiple stacked reservoir targets and traps identified

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Tower's Team

- Small committed board with significant personal investment
- Directors own ~17% of issued shares
- UK staff with the company since 2013
- Cameroon General Manager Honore Dairou, former MD of Gaz de Cameroon
- Overhead kept as low and flexible as possible
- Strategic partnership with EPI (formerly PDF) providing Outsourced Exploration Department (OE_xD®) led by Mark Enfield:
  - specialised personnel
  - technical support systems
- Bedrock Drilling, led by Phil Church, retained to supervise Cameroon well (drilled recent Etinde well for New Age)

Jeremy Asher
Chairman & CEO

Peter Taylor
Non-Executive Director

Graeme Thomson
Non-Executive Director

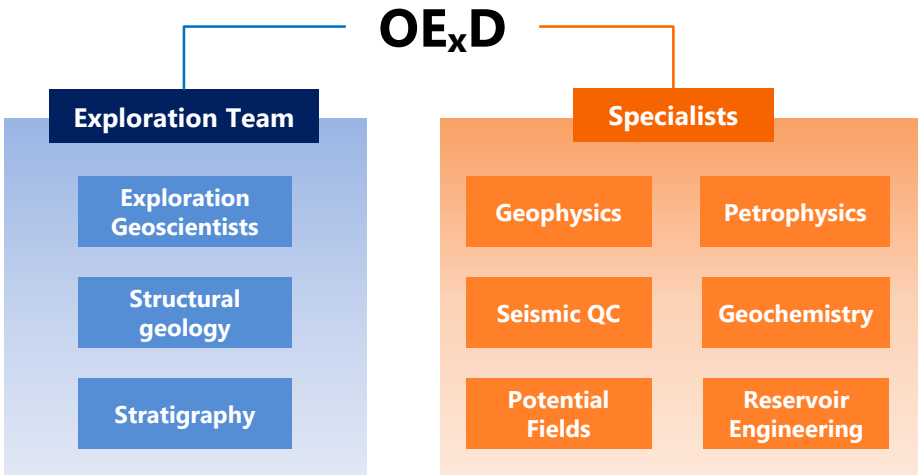
David M Thomas
Non-Executive Director

Andrew Matharu
VP – Corporate Affairs

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

Andrew Smith
Financial Controller

Honore Dairou
Cameroon General Manager



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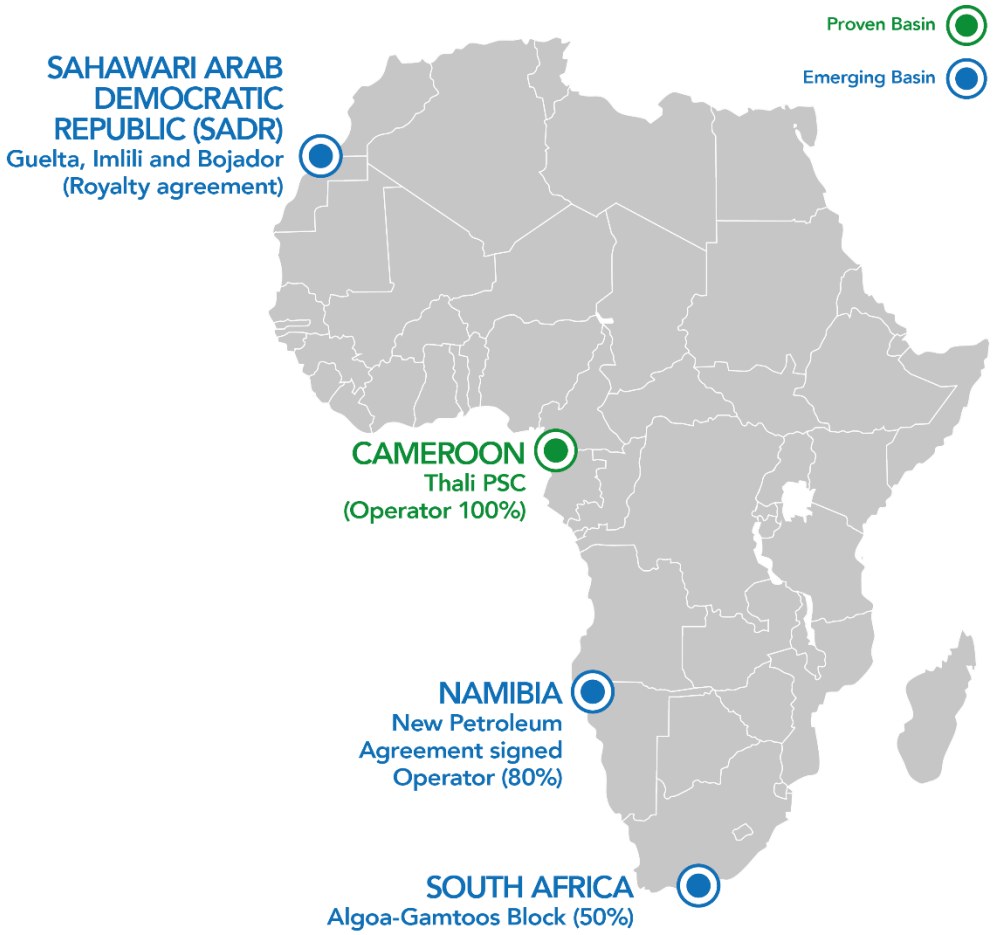

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tower resources
oil and gas

APPENDIX

Capital Structure

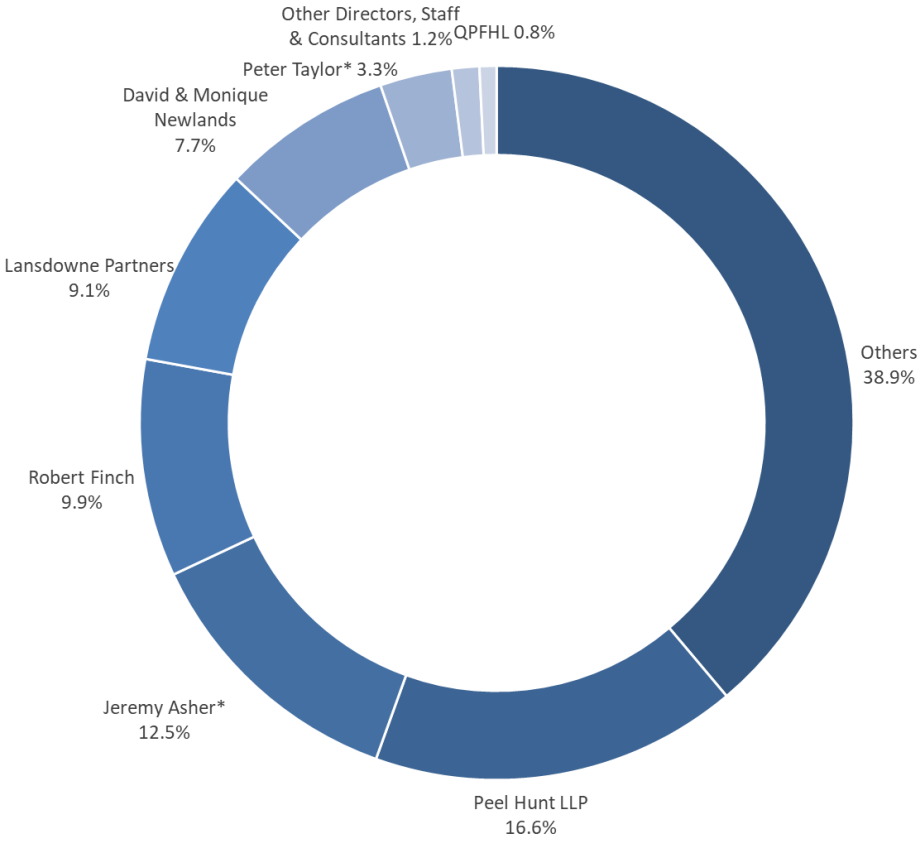
Capital Structure	
Listing	AIM
Share price	1p
Market capitalisation	~ £5.6m
Issued share capital	565.7m
Employee options and unvested Equity Awards‡	71.6m (9.0%)
Warrants‡	155.7m (19.6%)
Director, staff and consultant holdings	16.7%
Average Daily Volume†	516115
12 month low (at close)	0.90p
12 month high (at close)	1.80p

Data correct at close on 28 January 2019

** Director † Source: Bloomberg*

‡ As at 28 January 2019, option and warrant %ages expressed as % of fully diluted capital

Shareholders



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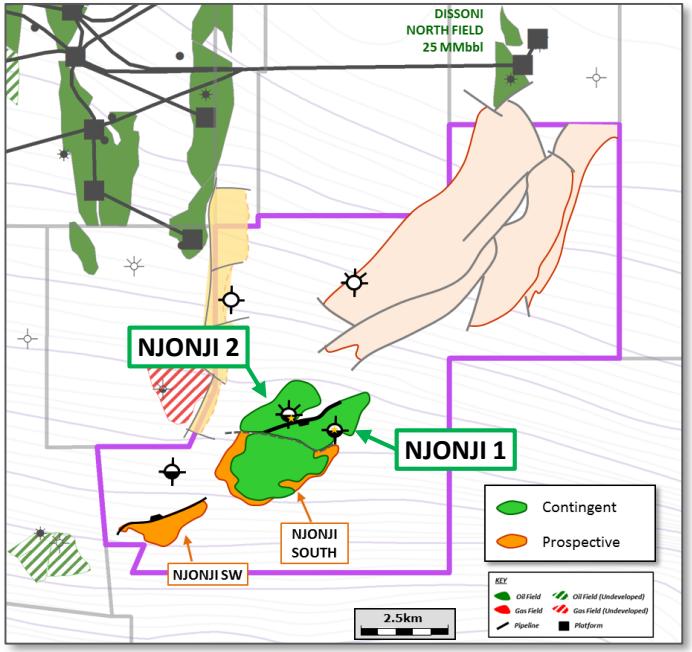
Existing Discoveries on Block

Njonji Discovery

- Two proven fault blocks (+ add-on prospects)
- Average 35° API oil
- Shallow drilling depths (900 - 1100m)
- 30m water depth

NJONJI - CONTINGENT RESOURCES (Recoverable Oil, MMbbl)				
	Low Estimate	Best Estimate	High Estimate	Mean
Phase 1	5.0	11.8	19.6	
Phase 2	0	3.4	14.8	
TOTAL	**5.0**	**15.2**	**34.4**	**17.9**

NJONJI - PROSPECTIVE RESOURCES (Recoverable Oil, MMbbl)				
	Low Estimate	Best Estimate	High Estimate	Mean
NJONJI SOUTH	4.7	14.9	35.4	18.2
NJONJI SW	0.2	1.1	3.6	1.6
TOTAL	**4.9**	**16.0**	**39.0**	**19.8**



All resource estimates shown are arithmetically summed total unrisked gross recoverable oil (Reserves Report, 2018).

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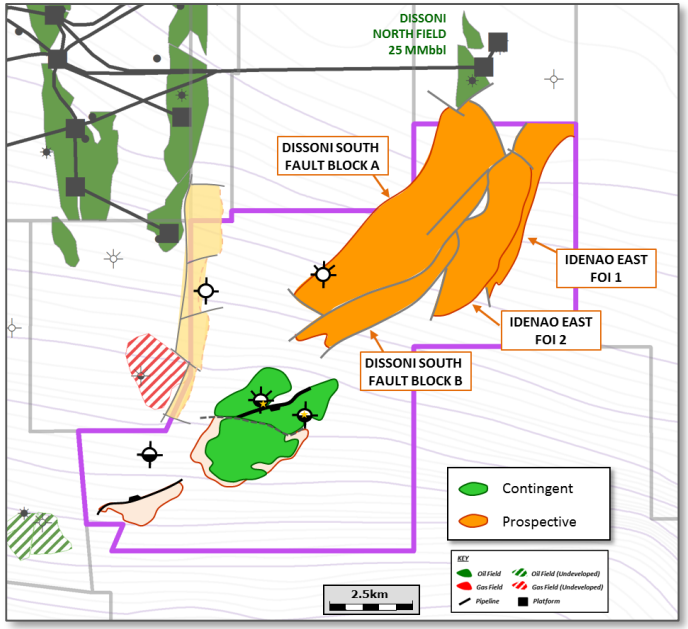
Additional Shallow Prospectivity

Dissoni South & Idenao East Prospects

- Multiple shallow prospects (< 1200m depth) identified
- Adjacent to the producing Dissoni North field
- Stacked reservoir targets

DISSONI & IDENAO - PROSPECTIVE RESOURCES (Recoverable Oil, MMbbl)				
	Low Estimate	Best Estimate	High Estimate	Mean
Dissoni South A	8.3	30.9	76.2	37.8
Dissoni South B	1.3	5.6	16.8	7.8
Idenao East FOI1	5.1	21.2	62.0	28.6
Idenao East FOI2	6.4	26.6	82.1	37.1
TOTAL	**21.2**	**84.3**	**237.1**	**111.3**



All resource estimates shown are arithmetically summed total unrisked gross recoverable oil (Reserves Report, 2018)

- Potential to test shallow prospects & significant upside in deeper reservoirs (i.e. Alba & Zafiro-type plays) with a single well

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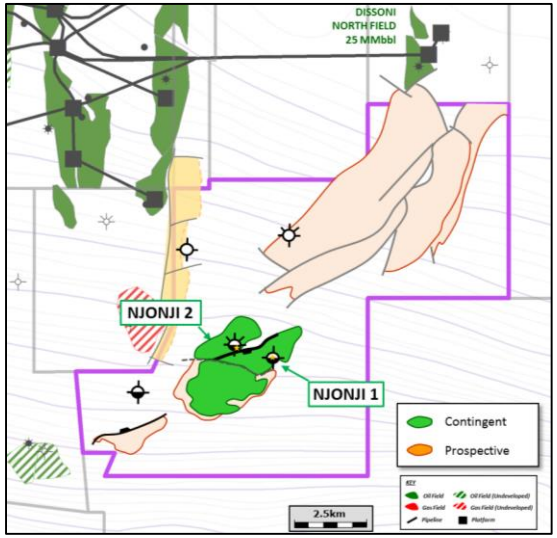
Cameroon, Thali Block

Njonji – Contingent Resources

Fault Block	Reservoir	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
		P90	P50	P10	Mean	P90	P50	P10	Mean
Njonji 1	PS9_R1_R1X_R2	11.06	24.93	43.55	26.37	2.38	6.87	14.84	7.89
Njonji 1	PS3_R1	7.21	17.75	35.50	19.91	1.53	4.91	11.85	6.02
Njonji 1	PS3_R2	0.86	1.91	3.53	2.09	0.09	0.22	0.45	0.25
Njonji 1	**Arithmetically Summed Total**	**19.13**	**44.59**	**82.58**	**48.36**	**4.01**	**12.00**	**27.14**	**14.16**
Njonji 2	PS9_SUP	0	0	0	0	0	0	0	0
Njonji 2	PS9 R1	0	0	0	0	0	0	0	0
Njonji 2	S1	3.24	8.40	16.99	9.38	0.72	2.37	5.62	2.84
Njonji 2	PS3_R1	1.34	3.06	4.86	3.11	0.31	0.84	1.65	0.93
Njonji 2	**Arithmetically Summed Total**	**4.59**	**11.46**	**21.86**	**12.50**	**1.03**	**3.21**	**7.26**	**3.77**

GROSS CONTINGENT RESOURCES	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
NJONJI 1 & 2	**1C**	**2C**	**3C**	**Mean**	**1C**	**2C**	**3C**	**Mean**
Arithmetically Summed Total	23.71	56.04	104.44	60.86	5.03	15.21	34.40	17.93



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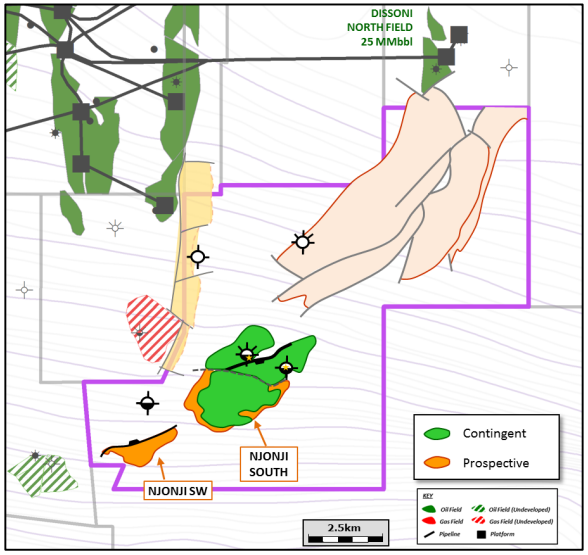
Njonji – Prospective Resources

Fault Block	Reservoir	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
		P90	P50	P10	Mean	P90	P50	P10	Mean
Njonji South	PS9_R1_R1X_R2	1.68	4.46	15.39	4.96	0.16	0.71	2.02	0.94
Njonji South	PS3_R1	18.73	49.73	96.00	54.68	4.29	13.67	32.22	16.58
Njonji South	PS3_R2	2.14	4.94	9.04	5.34	0.23	0.56	1.16	0.64
Njonji South	**Arithmetically Summed Total**	**22.54**	**59.13**	**120.43**	**64.98**	**4.68**	**14.94**	**35.40**	**18.17**
Njonji SW	PS9_R1_R1X_R2	1.02	3.67	10.29	4.87	0.16	0.77	2.64	1.16
Njonji SW	PS3_R1	0.22	0.73	1.74	0.88	0.05	0.20	0.55	0.26
Njonji SW	PS3_R1X1_R1X2_R2	0.36	1.19	2.92	1.47	0.04	0.14	0.36	0.18
Njonji SW	**Arithmetically Summed Total**	**1.60**	**5.59**	**14.95**	**7.22**	**0.25**	**1.11**	**3.56**	**1.60**

GROSS PROSPECTIVE RESOURCES	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
NJONJI SOUTH + SW	Low	Best	High	Mean	Low	Best	High	Mean
Arithmetically Summed Total	24.15	64.72	135.38	72.20	4.92	16.05	38.96	19.77



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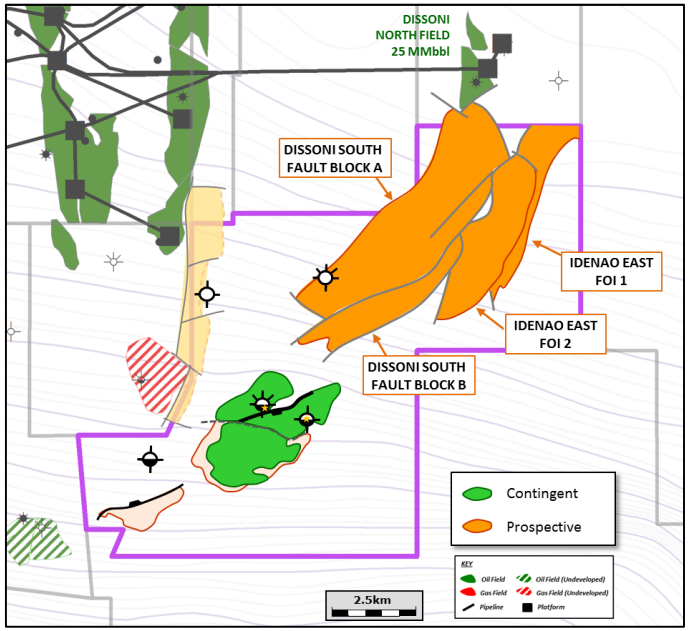
Northern area Prospective Resources

Fault Block	Reservoir	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
		P90	P50	P10	Mean	P90	P50	P10	Mean
Dissoni South Fault Block A	S5	35.29	112.69	228.31	123.87	8.33	30.86	76.21	37.81
Dissoni South Fault Block B	S5	5.76	20.25	53.20	25.81	1.34	5.62	16.82	7.84
Idenao East FOI 2	S5/S4	22.44	76.40	191.27	94.73	5.10	21.22	61.96	28.56
Idenao East FOI 1	Pliocene	27.47	94.28	255.18	121.89	6.44	26.58	82.13	37.12

GROSS PROSPECTIVE RESOURCES DISSONI SOUTH + IDENAO EAST	STOIIP (MMSTB)				Recoverable Oil (MMSTB)			
	Low	Best	High	Mean	Low	Best	High	Mean
Arithmetically Summed Total	90.97	303.62	727.96	366.29	21.21	84.29	237.12	111.34



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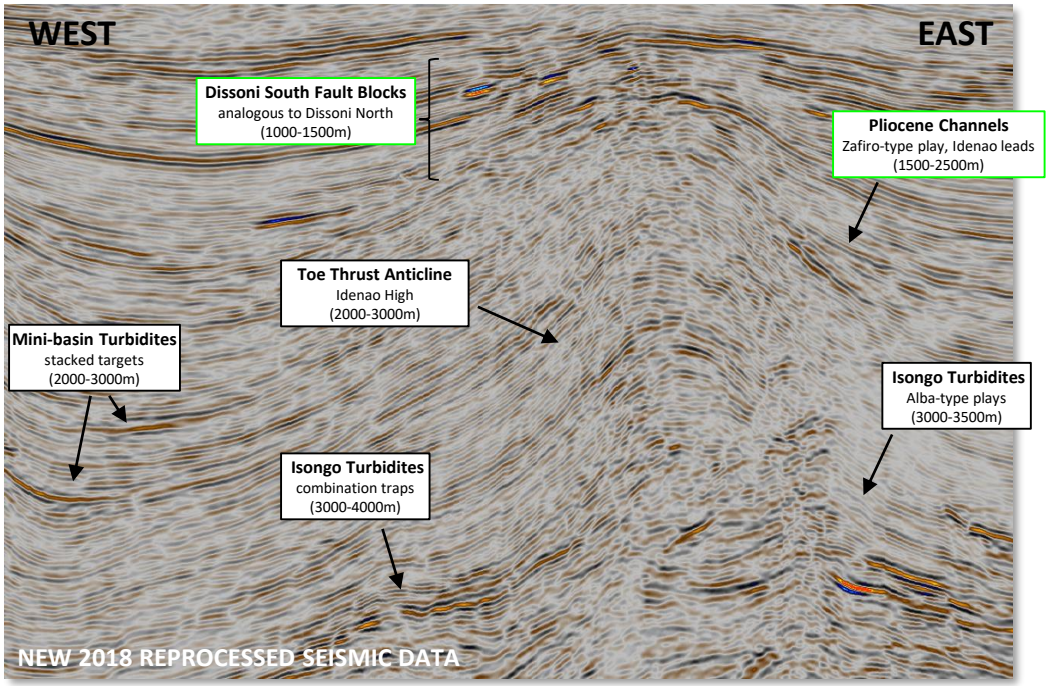
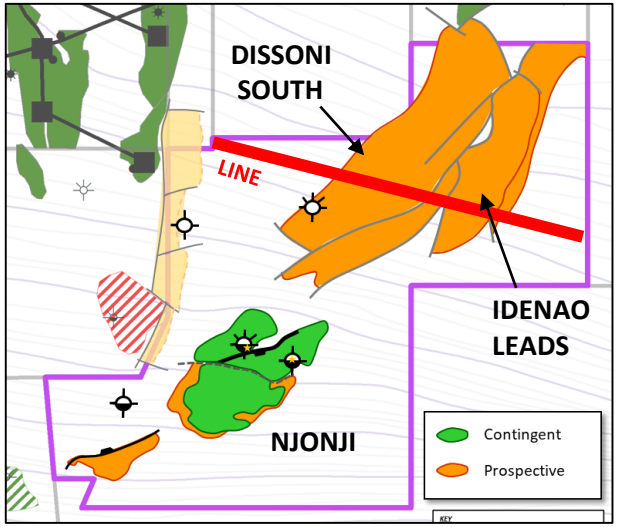
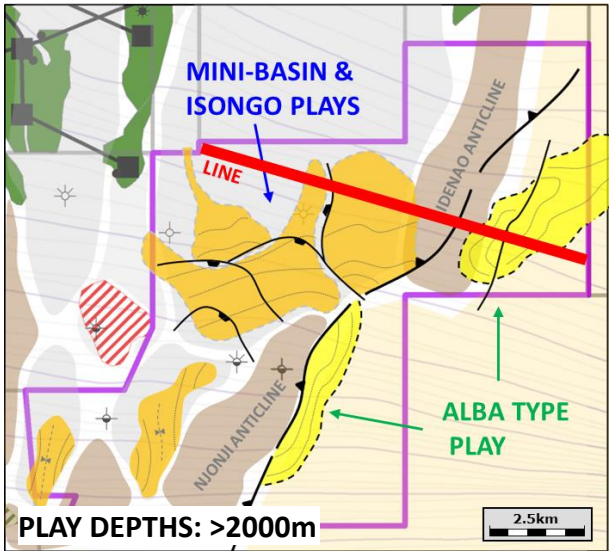
Cameroon, Thali Block

Deeper Prospectivity





Map showing low risk shallow fault blocks



Map showing regionally prolific turbidite & sandstone leads identified

Multiple plays identified

- Low risk, shallow structural traps
- Deeper turbidite and sandstone exploration plays
  - Stacked reservoir targets
  - Potentially analogous to giant fields along trend (e.g. Alba, Zafiro)

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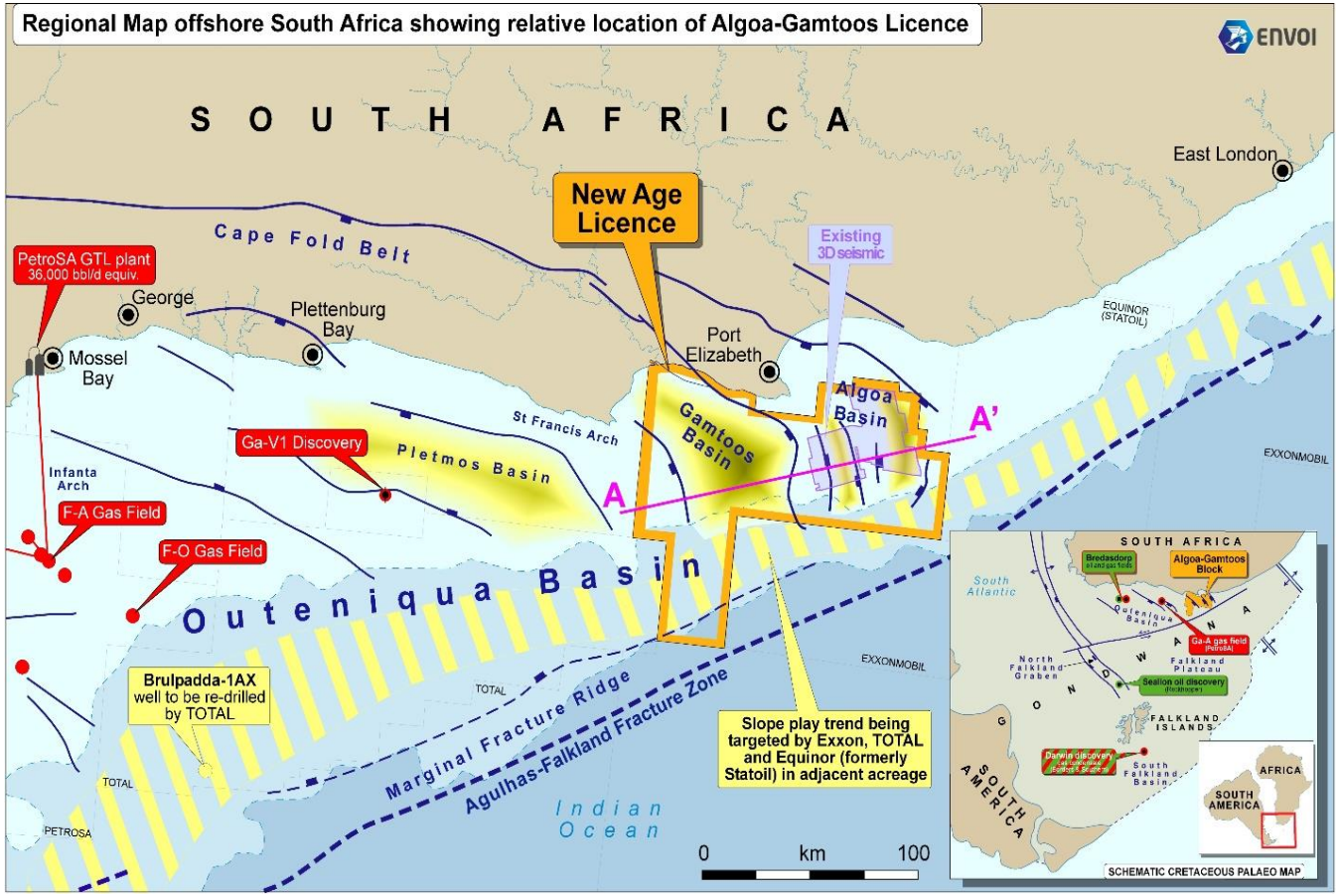
Algoa Gamtoos background and context

Algoa-Gamtoos (Tower interest 50%) acquired with Rift Petroleum

- Operator: New Age
- 3D acquired in 2014
- 1st Renewal Period granted in Sept 2015, agreed in August 2017
- Additional geophysical work planned in 2019
- Total, Exxon, BHP, Statoil all nearby



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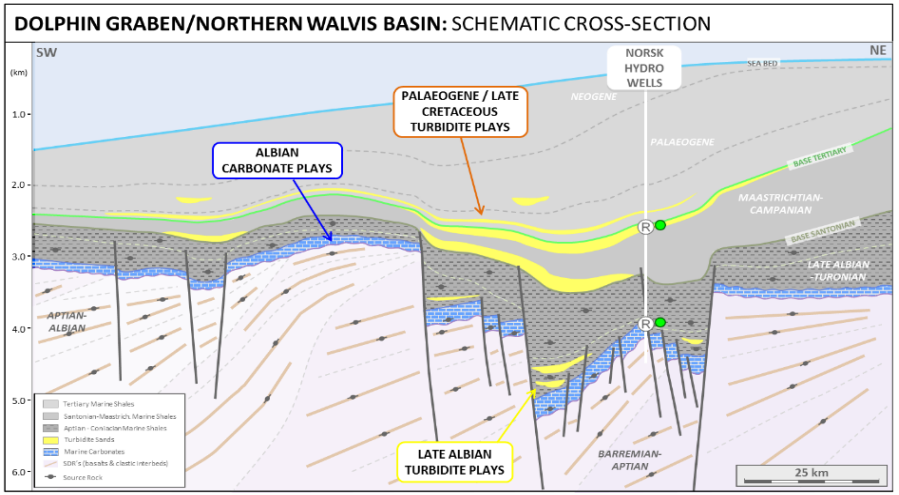
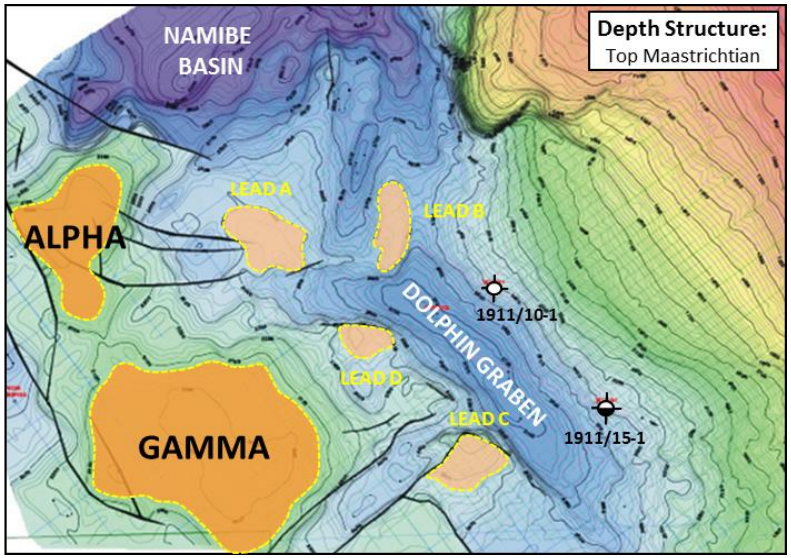
Multiple Plays, Stacked Targets

- Norsk Hydro wells (mid-1990s) proved presence of:
  - Thick Palaeocene, Maastrichtian & Campanian turbidite sands
  - Good quality Albian carbonate reservoirs
- Multiple large structural traps identified and mapped on existing 2D seismic





Giant 4-way Dip Closures in West of the license, and large structures in Dolphin Graben

- Alpha and Gamma structures have potential in excess of 1 billion bbls each
- Large structures (Leads ‘A’ to ‘D’) within the core of the Dolphin Graben - close to source kitchen
- Multiple stacked reservoir targets
- Upside potential in stratigraphic plays

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