



16 January 2023

Tower Resources plc
("Tower" or the "Company")

Institutional Placing of up to US\$6 million with Energy Exploration Capital Partners LLC

Tower Resources plc (AIM: TRP), the Africa-focused energy company, is pleased to announce the completion of an institutional placing (the "**Placing**") to Energy Exploration Capital Partners, LLC ("**EECP**" or the "**Placee**"), a U.S.-based institutional investor, pursuant to an investment deed (the "**Deed**").

Institutional Placing:

The Placing will initially raise US\$1,250,000 as a placing to the Placee of new ordinary shares (with nominal value of 0.001p each) in the Company ("**Shares**") worth US\$1,362,500. Following the initial placing, the Placee will invest, at the request of the Company, up to US\$1,750,000 in the aggregate for Shares worth US\$1,907,500 in the aggregate, no earlier than three months and no later than eight months after the initial placing (such period, the "**Commitment Period**", and collectively, such investments, the "**Second Placing**"). If required by the Company, a further US\$3,000,000 may be raised from the Placee for Shares worth an equivalent amount, with the Placee's consent. Further information regarding the Placing is set out below.

The proceeds from the Placing will be used by Tower to fund work programme commitments in respect of its licenses in Cameroon, Namibia and South Africa as well as for general working capital purposes.

Jeremy Asher, Tower's Chairman and CEO, commented:

"We are very pleased to announce this placing to EECP. The placing has been structured specifically to fit alongside the intended bank financing led by BGF Bank Group, which is presently awaiting group credit committee approval. The timing and amounts are flexible, to enable us to accommodate other sources of financing if we wish, and to adapt to the final schedule of the NJOM-3 well on the Njonji structure in our Thali PSC area in Cameroon. We are continuing to discuss alternative rig options for this critical well, which will be targeting the appraisal and testing of 18 million barrels (pMean) of Contingent Resources and will also be penetrating additional potential reservoirs containing further prospective resources unconnected to the original two Njonji discovery wells. We are excited to be moving forward with this transformative project."

Details of the Placing

Each placing under the Deed will be made by way of the Placee prepaying for Shares to be issued at the Placee's request within twenty-four months of the date of the placing (the "**Placing Shares**"), at the Placement Price, but subject to the Floor Price, as set out below.

The Placement Price of the Placing Shares will initially be equal to 0.36p per Share, representing a premium of approximately 130% to the closing price of Tower's Shares on 13 January 2023. Subject to the Floor Price described below, the Placement Price will reset after the initial month to the average of the five daily volume-weighted average prices selected by the Placee during a specified period immediately prior to the date of the Placee's notice to issue Placing Shares, less an 8% discount, rounded down to the nearest fiftieth of a pence.

The Placee will be entitled to a long-term hold benefit of a 10% (rather than 8%) discount to the above-mentioned formula for Placing Shares if the Placing Shares are issued after the first anniversary of the initial investment. In addition, the Company may benefit from share price appreciation following issuance of Placing Shares: if an issuance of shares to the Placee would result in the effective discount to the prevailing market price of the Company's shares being in excess of 25%, the Placement Price will be increased by half of such excess.

Further, the Placement Price will not be the subject of a ceiling and will be the subject of the Floor Price of 0.1p per Share. If the Placement Price formula results in a price that is less than the Floor Price, the Company may elect not to issue shares and instead opt to repay the applicable placement amount in cash, with a 9% premium, subject to the Placee's right to receive Placing Shares at the Floor Price in lieu of such cash repayment.

The Company may at any time repay one half of the outstanding balance of each placing in relation to which Placing Shares have not yet been issued, with a 5% premium.

The Placee has agreed to certain substantial limitations on its ability to resell or otherwise dispose of the Shares it receives. The Placee is also contractually precluded from shorting the Company's Shares.

Application will be made to the London Stock Exchange for any ordinary shares issued and allotted in relation to the placing to be admitted to trading on AIM. Such ordinary shares will only be issued to the extent that the Company has agreements

be admitted to trading on AIM. Such ordinary shares will only be issued to the extent that the Company has corporate authority to do so.

The Placee will not be obligated to invest in the Second Placing, if the market price of the Shares has decreased to below 0.1p and does not recover to above that level within three months after the Placee notifies the Company thereof. The Company may not, in any given month during the Commitment Period, request that the Placee fund proceeds of the Second Placing that, together with outstanding balance of the initial placing in relation to which shares have not been issued, exceed 14.99% of the Company's market capitalisation. For clarity, for the benefit of the Company, this limitation will apply to the proceeds of the Second Placing in a given month only and not in the aggregate. The Second Placing may be funded in one or more tranches, subject to the foregoing limitation, and may be accelerated by the Placee.

The Company will issue to the Placee 105,000,000 Shares in satisfaction of a fee. The Company has applied for admission of these Shares to trading on the AIM ("Admission"), and Admission is expected to become effective on or about 20 January 2023. On Admission, these shares will rank *pari passu* with all existing ordinary shares in the Company.

Concurrent with the initial placing, the Company will issue 82,000,000 of the Placing Shares to the Placee, with the balance to be issued as set out above. The Company has applied for admission of these Shares to trading on the AIM, and this is expected to become effective on or about 20 January 2023. On admission, these shares will rank *pari passu* with all existing ordinary shares in the Company. In lieu of applying these Placing Shares towards the aggregate number of Placing Shares to be issued, the Placee may make an additional cash payment to the Company.

Total Voting Rights:

Following Admission of these Shares, the Company will have 3,741,437,955 Shares in issue with each Share carrying the right to one vote. There are no Shares currently held in treasury. The total number of voting rights in the Company is therefore 3,741,437,955 and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

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In accordance with the guidelines for the AIM market of the London Stock Exchange, Dr Mark Enfield, BSc, PhD, and a member of the Board of Tower Resources plc, who has over 30 years' experience in the oil & gas industry, is the qualified person that has reviewed and approved the technical content of this announcement.

About Tower Resources

Tower Resources plc is an AIM listed energy company building a balanced portfolio of energy opportunities in Africa across the exploration and production cycle in oil and gas and beyond. The Company's current focus is on advancing its operations in

Cameroon to deliver cash flow through short-cycle development and rapid production with long term upside, and de-risking attractive exploration licenses through acquiring 3D seismic data in the emerging oil and gas provinces of Namibia and South Africa, where world-class discoveries have recently been made.

Tower's strategy is centred around stable jurisdictions that the Company knows well and that offer excellent fiscal terms. Through its Directors, staff and strategic relationship with EPI Group, Tower has access to decades of expertise and experience in Cameroon and Namibia, and its joint venture with New Age builds on years of experience in South Africa.

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