



THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN, INTO OR FROM THE UNITED STATES, CANADA, AUSTRALIA, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A BREACH OF THE RELEVANT SECURITIES LAWS OF SUCH JURISDICTION.

This announcement does not constitute a prospectus or offering memorandum or an offer in respect of any securities and is not intended to provide the basis for any decision in respect of Tower Resources PLC or other evaluation of any securities of Tower Resources PLC or any other entity and should not be considered as a recommendation that any investor should subscribe for or purchase any such securities.

16 October 2024

Tower Resources plc
("Tower" or the "Company")
Cameroon Farm-out Update
Placing to raise £1,188,500

Tower Resources plc (AIM: TRP), the AIM-listed oil and gas company focused on Africa, is pleased to provide an update on the farm-out process in respect of its Thali production-sharing contract in Cameroon (the "PSC").

The Company is also announcing a placing of 4,401,851,851 ordinary shares of 0.001p each (the "Subscription Shares") at a price of 0.027p per Placing Share (the "Placing"), representing a discount of approximately 22.9% to the closing bid price of the Company's shares on 15 October 2024.

The Placing has been arranged by the Company's joint broker, Axis Capital Markets Limited.

Cameroon Farm-out Update

The Company has received an updated proposal from the party whose financing proposal was first announced together with the Company's Interim Results on 30 September 2024, and is also still in discussions with other parties and expecting another proposal in due course.

The updated proposal the Company has received is more detailed and would now provide in excess of US 15 million of funding for the Thali PSC work programme, including drilling the NJOM-3 well (which is already partly funded), in return for a minority interest in the PSC, and with Tower remaining as the Operator. It also provides for future production-based payments to the Company, a portion of which are committed to Pegasus Petroleum Limited ("Pegasus", wholly owned by a trust of which the Company's CEO and Chairman is a lifetime beneficiary) pursuant to agreements made in 2019 arising from the working capital facility that Pegasus had provided to the Company at that time and as announced on 4 March 2021 (the "Production Payment Agreements").

The proposal has normal conditions precedent, including the Cameroon Government's approval for the farm-out and drilling schedule, and the proposal would also require amending the Production Payment Agreements, which the Company believes can be agreed. Importantly, the proposal does not contain any financing contingency as the counterparty has available funds, and a portion of the funding would be secured by a bank guarantee.

The Company is presently reviewing the current proposal and clarifying its terms where appropriate, and expects to work on detailed contracts with this partner, or one of the other parties, over the coming weeks. The Company does not intend to comment further on these negotiations until a final agreement is reached.

The Company is also continuing its discussions with African banks about either or both of a short-term facility to enable earlier production from the NJOM-3 well, and also a longer-term facility to finance production from the subsequent wells the Company intends to drill on the Njonji structure. The Company has now signed a mandate to BDEAC, the Development Bank of the Central African States, for it to provide a guarantee in respect of such a facility, following a lengthy process of due diligence, and that proposal is now being reviewed at the highest levels of the bank.

While we remain confident of achieving a positive funding result, there can be no certainty in respect of the final outcome of discussions or the timing thereof until we have signed definitive agreements.

Placing

The Placing is being made to fund working capital, including work commitments on the Company's licenses. The objective of the Placing is to remove any funding pressure while the Company concludes its Cameroon farm-out negotiations, and to allow the Company to keep operational preparations for drilling the NJOM-3 well moving forward without delay in the meantime; and also to fund the Company's ongoing work on the PEL 96 license in Namibia and to a lesser extent the Algoa-Gamtoos license in South Africa.

The Placing will raise gross proceeds of £1,188,500 through the issue of 4,401,851,851 ordinary shares of 0.001p each at a price of 0.027p per Subscription Share, representing a discount of approximately 22.9% to the closing bid price of the Company's shares on 15 October 2024.

The Subscription Shares will be issued in two tranches with a first tranche of 1,243,851,851 shares ("First Tranche Subscription Shares") and a second tranche of 3,158,000,000 shares ("Second Tranche Subscription Shares").

The Company has agreed to issue the broker, Axis Capital Markets Limited, warrants over 220,092,592 new ordinary shares for arranging the Placing ("Broker Warrants"). The period of the Broker Warrants will be three years at a strike price of 0.027p per share.

Share Capital following the Subscription

Application has been made for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission of the First Tranche Subscription Shares will become effective and that dealings will commence at 8.00 a.m. on or around 22 October 2024. It is expected that Admission of the Second Tranche Subscription Shares will become effective and that dealings will commence at 8.00 a.m. on or around 6 November 2024.

Following admission of the Subscription Shares, the Company's enlarged issued share capital will comprise 22,375,689,275 Ordinary Shares of 0.001p each with voting rights in the Company. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in the interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Warrants and Options in Issue

Following the issue of the Broker Warrants, and the expiry of 10,990,933 existing warrants, the total number of warrants in issue is 1,868,424,957 equating to 7.17% of the Company's enlarged share capital assuming full exercise of all warrants and options.

Tower Resources Chairman & CEO, Jeremy Asher, commented:

"We are very pleased with the progress of the farm-out process and look forward to finalising an agreement in the near future. Although the Thali farm-out is a key priority for us, we also want to move forward with our work programme in Namibia and we must ensure that we can also keep well planning on track while financing discussions are completed. This is a very exciting time for the Company."

IMPORTANT NOTICE

This announcement does not constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction.

The information contained in this announcement is not to be released, published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States or to any US Person. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US Person. Securities may not be offered or sold in the United States absent: (i) registration under the Securities Act; or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

This announcement does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in the capital of the Company or any other security in any jurisdiction in which such offer or solicitation is unlawful. The securities mentioned herein have not been, and the Ordinary Shares will not be, qualified for sale under the laws of any of Canada, Australia, the Republic of South Africa or Japan and may not be offered or sold in Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. Neither this announcement nor any copy of it may be sent to or taken into the United States, Canada, Australia, the Republic of South Africa or Japan. In addition, the securities to which this announcement relates must not be marketed into any jurisdiction where to do so would be unlawful.

Note regarding forward-looking statements

This announcement contains certain forward-looking statements relating to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative of those, variations or comparable expressions, including references to assumptions.

The forward-looking statements in this announcement are based on current expectations and are subject to risks and uncertainties which could cause actual results to differ materially from those expressed or implied by those statements. These forward-looking statements relate only to the position as at the date of this announcement. Neither the Directors nor the Company undertake any obligation to update forward looking statements, other than as required by the AIM Rules for Companies or by the rules of any other applicable securities regulatory authority, whether as a result of the information, future events or otherwise. You are advised to read this announcement and the information incorporated by reference herein, in its entirety. The events described in the forward-looking statements made in this announcement may not occur.

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

Any person receiving this announcement is advised to exercise caution in relation to the Placing. If in any doubt about any of the contents of this announcement, independent professional advice should be obtained.

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.

Contacts:

Tower Resources plc +44 20 7157 9625
Jeremy Asher
Chairman & CEO
Andrew Matharu
VP - Corporate Affairs

BlytheRay +44 20 7138 3204
Financial PR

Tim Blythe
Megan Ray

SP Angel Corporate Finance LLP +44 20 3470 0470
Nominated Adviser and Joint Broker

Stuart Gledhill
Caroline Rowe

Axis Capital Markets Limited +44 203 026 2689
Joint Broker

Ben Tadd

Novum Securities Ltd +44 20 7399 9400
Joint Broker

Jon Bellis
Colin Rowbury

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCFFDEFIELSESS