

9 January 2012

## Tower Resources

Year End	Revenue (\$m)	PBT* (\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/08	0.0	(0.93)	(0.2)	0.0	N/A	N/A
12/09	0.0	(0.71)	(0.1)	0.0	N/A	N/A
12/10	0.0	(1.13)	(0.1)	0.0	N/A	N/A
12/11e	0.0	(1.26)	(0.1)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding intangible amortisation and exceptional items.

## Investment summary: Uganda well go ahead

Tower has arranged a \$15.5m SEDA agreement with a fund managed by Yorkville Advisors, that will enable the Mvule-1 well in Uganda to be drilled on schedule in February. The new financing will also underpin corporate overheads for the foreseeable future. Mvule-1 will target an 80mm barrel recoverable prospect in the Albertine Basin to the north of the large Tullow finds and follows a great deal of preparatory exploration work and two earlier dry wells. Tower believes that Mvule-1 is its most de-risked well in Uganda to date.

Earlier exploration work in the vicinity of the Mvule-1 site, including 2D-seismic, pointed to the existence of a potential hydrocarbon kitchen capable of filling a commercial-sized trap. The issues of oil generation and migration within the general area of interest have been de-risked. The outstanding areas of uncertainty relate to migration into the trap along a fault plane, trap integrity and reservoir quality. Tower estimates its chances of success at 20-25%.

Mvule-1 will be drilled in a deeper part of the Albertine Basin north of Lake Albert where reservoir quality should be better than encountered previously. Although Mvule-1 is targeting 80mm barrels, in all probability 30mm barrels would be economic at anything like current oil prices. The well will be relatively shallow at about 600m and will take around two weeks from the expected spud date in mid-February. It is expected to cost around \$6.8m on a dry hole basis. Tower will be financing 100% of Mvule-1, unlike for the two previous wells where Global Petroleum participated.

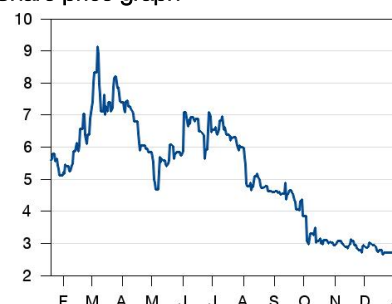
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Price 2.95p  
Market Cap £36m

### Share price graph



### Share details

Code TRP  
Listing AIM  
Sector Oil & Gas  
Shares in issue 1225.9m

### Price

52 week High Low  
9.28p 2.55p

### Business

Tower Resources is a frontier oil and gas company focused on Africa. There are two main projects in Uganda's Albertine Basin and offshore Namibia. Tower also has an early stage project offshore Western Sahara.

### Analysts

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