tower resources
oil and gas

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2024

COMPANY REGISTRATION NUMBER 05305345
TOWER RESOURCES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2024

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
CONTENTS

CONTENTS

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
OVERVIEW

Tower Resources plc (the "Company", the "Group" or "Tower") is an upstream oil and gas company listed on the London Stock Exchange AIM market. Tower is an experienced international operator of oil and gas licenses with high potential projects in Cameroon, Namibia and South Africa.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

2024 has seen a great deal of work carried out on our Company's licenses, which is already bearing fruit in 2025. It has also been a year of increased market volatility, which has continued after the year-end, and while some of this volatility has been favourable for us, none has presented unsurmountable challenges. The price of Brent crude oil, after beginning 2024 just under $80 per barrel, peaked at close to $90 per barrel, before falling to around $74 per barrel by the end of the year, and has since fluctuated between almost $80 per barrel and around $60 per barrel. Naturally, in the long term a higher oil price improves the economics of all of our projects, and a more stable oil price reassures banks and investors, making financing easier. However, the recent volatility remains in ranges that still provide excellent economic outcomes for all of our projects; and the recent reduction in oil prices has coincided with an easier market for jack-up rigs and services, which is favourable for us,

During this period we had hoped to use Borr's Norve rig to drill the NJOM-3 well in Cameroon, but delays to the rig's original schedule made that impossible to schedule, and to tie together with financing discussions which we were undertaking throughout the summer and autumn. Eventually, we completed a farm-out agreement with Prime Global Energies Limited ("Prime"), as announced on 10 January 2025, which provided for $15 million of additional investment in the license (and earned a 42.5% license interest for Prime); at the same time we also agreed a $2.5 million farm-out of our Namibian license to Prime, earning them a 25% interest in that license also. As we explained at the time, this transformed our prospective financing position and we are also delighted to have Prime as a partner – and while these agreements remain subject to government approvals and completion, we are confident these will be forthcoming.

The easing of the market for jack-up rigs, in particular, has also been helpful for us, and mitigates any regret we might otherwise have felt about being unable to proceed with the Norve as originally planned in 2024. Day-rates for jack-up rigs in the region are now substantially lower than they were in early 2024 when we contracted for the Norve. In addition we have been helped by the fact that a couple of our neighbours also require rigs for drilling campaigns to begin around the end of 2025. If we can use the same rig and some of the same services, we should be able to reduce the mobilisation and demobilisation costs associated with the well. We cannot discuss the details of the commercial discussions around the rig and services until they are finalised, but we can say that we are now very confident of their successful conclusion.

In the meantime, we have submitted applications to the Government of Cameroon for the further extension of the current exploration period of the Thali license, and for the approval of the farm-out. These approvals usually take a while, and we also understand that the Government would like to see the final rig selection completed so that they can see more clearly what extension may be required. However, we know that the Government is working on other aspects of the approvals and remains supportive of our project.

We may also need to be patient in waiting for our approvals in Namibia, where we have agreed a modest re-alignment of our local partner interest at the same time as the Prime farm-out agreement. Since the Presidential election, a new Minister of Mines and Energy has been appointed, and although the Petroleum Commissioner and other key staff remain in place, they are extremely busy with contractual, and regulatory issues associated with the ramping up of development operations following the recent Orange Basin discoveries. We are in regular touch with both Namcor and the Ministry and we know they are working as fast as they can.

In South Africa, discussions continue, albeit slowly, with a party who is interested in farming into the Algoa-Gamtoos license (operated by our 50/50 joint venture partner NewAge), which we first announced some time ago. This is not the only party that has shown interest in the license, but they have now put a significant amount of effort into the process, so we continue to take their interest seriously. We are also continuing to look at different 3D seismic data acquisition options, whether with partners or without.

Finally, in August 2024 we welcomed Stacey Kivel to the board of directors as a non-executive director, at around the same time that Mark Enfield moved from a non-executive director to an executive director role. Stacey has brought a wealth of experience and a strong personal network to the company, in addition to her commercial and legal expertise, and it is also worth mentioning that Stacey was one of the lawyers involved in negotiation of Tower's original production-sharing agreement in Cameroon, between 2013 and 2015.

In summary, 2024 has been a very productive year, and we have already seen some of the results in 2025. We hope that the rest of 2025 will be even better, and in particular we hope to see the NJOM-3 well spudded before the current year-end, rig availability permitting.

Jeremy Asher

Chairman and Chief Executive

30 May 2025

STRATEGIC REPORT

Our strategy over the past several years has been to focus in the near term on lower risk appraisal and development within proven basins where there is still low-risk exploration upside, such as our Thali PSC in Cameroon, while still maintaining selective exposure to longer term and high risk/reward exploration in areas where we have existing relationships, such as Namibia and South Africa.

Even before the current conflict in Ukraine, markets were becoming aware by the end of 2021 that the global underinvestment in exploration and production since 2015 was already having a profound effect on both oil and gas supply, and on prices. This has reinforced the benefits, both short and long term, of a strategy based on achieving short-term production as quickly as we can, while also continuing to develop potential resources for the future. This general outlook has not changed, despite recent volatility in oil prices over the past year, which still reflect good fundamental economics despite quite dramatic shifts in economic policies in the United States and elsewhere.

The numerous oil and gas discoveries in both South Africa and Namibia since 2020 support our view that these are promising countries for our exposure to high risk, high reward exploration. These successes have also resulted in a renaissance of investor interest in exploration, and especially in these countries, as both the scale of these opportunities and the need for the resulting oil and gas over the next decade have become apparent.

In the near term, our strategy still requires reaching first oil in Cameroon as soon as possible. Our Cameroon license also has substantial exploration upside, but this can only be unlocked once we have the existing discovery appraised and in production.

This activity requires financing, and while there is still non-dilutive financing available (within limits) for producing assets, we have for several years been seeking farm-in partners at the asset level to provide additional equity financing (and risk management) in our various licenses. During 2024 we continued to pursue this strategy, which culminated in our announcing two farm-out transactions in January 2025: a farm-out of a 42.5% interest in our Cameroon license and a farm-out of a 25% interest in our Namibia license, with both transactions expected to complete in 2025. Both transactions will reduce the economic burden on our shareholders of the early-stage equity investment in these licenses. Our South African license is already a 50-50 joint venture with another industry partner.

Although we have both operated and non-operated interests, our preference is to operate assets, in order to control costs and timing more directly, and to build up our local relationships and internal knowledge of reservoirs and petroleum systems, and this remains the case today.

Over the past few years, keeping costs low and flexible without losing access to our people and their skills has also been critical to survival, and we believe will continue to be critical to success in future – not merely in being able to keep costs to a minimum in periods where activity is necessarily low, as we have recently seen, but also in being able to ramp up the resources and technology we are able to bring to our projects in the future when needed. This is why strategic relationships such as our previous technical-subsurface relationship with EPI, which has served us well since 2015, and our more recent relationship with Bedrock Drilling on well design and management, have formed a key part of our strategy. However, as we anticipated last year, we now need to increase our in-house subsurface capability, to support our increased operating activity. Therefore, as our relationship with EPI reached a natural end in 2024, we have replaced it with a larger, highly experienced and directly managed subsurface team.

Finally, as noted in previous annual reports, our strategy remains to enable and to support the wider strategic and environmental plans of each of the countries in which we operate, to increase power generation from cleaner sources, including both renewables and natural gas, both to aid economic development and to displace less efficient diesel and fuel-oil based power generation, and to reduce imports of liquid fuels by increasing local production where possible. These countries' strategic plans depend critically on the continued development of local oil and gas production in the near term, to meet their national goals and COP26 and other climate commitments which they have set for the next decade.

OPERATIONAL REVIEW

In 2024 our main operational focus has been on well planning, and reviewing the forward development options in Cameroon. We have also continued to work on our initial prioritisation of leads in Namibia and shared that work with our partners and with the Ministry of Mines and Energy.

Cameroon

The first issue we have been reviewing in Cameroon has been the optimization of the well location and design to take full advantage of the substantial amount of seismic attribute analysis that we conducted on the reprocessed 3D seismic data in 2023 and before, and which we have advanced further since the year-end. Our aim is to position NJOM-3 so that it is most likely to encounter the thicker sections of the largest number of target reservoirs, while also minimizing the exposure to potential gas caps in the reservoirs. There is no perfect choice, perhaps not even with hindsight, but during the year we identified alternative locations and designs, and following the year-end we have reached a provisional conclusion on the optimal location to enter the reservoirs, which is a short distance away from where we had originally intended.

We have also been considering alternative testing options for the well, which is something we began discussing with our prospective partners Prime as early as the summer of 2023. While our base case plan for the NJOM-3 well remains to drill it, test it, and then suspend it, we have also been looking at options to place the well onto longer term test and production while preparing to drill further production wells as originally envisaged. These options all depend on what we actually find in the well, of course, and also on the economic environment at the time, as well as the availability of equipment and our financing position. But it is something we are seriously considering.

While we tried to minimize the call on our colleagues at Bedrock Drilling during 2024, in order to manage expenses while waiting to be in a position to drill, we nevertheless did a fair bit of work on drilling preparedness in 2024, which has ramped up considerably in 2025. Apart from the contract negotiations (which will minimize lead times once we receive our approvals), we have also agreed with Bedrock to add a senior drilling engineer to their team, and we have added a senior operations geologist, a part-time geophysicist and other specialist associates to our own subsurface team, all of whom have worked on the project in the past.

At this point, we believe we can be ready to spud the NJOM-3 well in the fourth quarter of 2025, provided the necessary government approvals and the rig are in place in good time.

Namibia

In Namibia, we began the year following on from 2023's basin modelling work to prioritise leads and to select the best areas for 3D seismic acquisition. By the middle of the year, we had taken this work to a point where we have identified the areas of the license that we wish to relinquish in moving into the next exploration period, to begin in November 2024, and we also identified three promising areas with new stratigraphic leads that resemble large discoveries made further south in the Namibian offshore, as well as large structural leads, that provide focus areas for potential new 3D seismic acquisition. However, we could not, with the data available, sufficiently quantify the seismic attributes for these leads in order to make detailed comparative risked volumetric assessments and to make a final decision regarding the optimal 3D acquisition area.

We therefore established a work programme to acquire and reprocess additional data to enable this analysis, and we shared this with both our partners and with the Ministry of Mines and Energy in the autumn of 2024. Based on this, we were invited to apply to enter the next exploration period with a modified work programme as presented, and that application has been submitted, prior to the end of the current period. We supplemented this, after the year-end, with notification of the proposed farm-out to Prime. Since that time, we have maintained a dialogue with both our partners and with the Ministry of Mines and Energy, but we have not yet received formal notification of approval. Nevertheless, we have continued to develop alternative data options for the next phase of work.

South Africa

In South Africa, during 2024 the operator NewAge delivered updated economic analysis of the main leads identified in the deepwater section of the Algoa Gamtoos license, and we are continuing to review these and to share them with interested potential license partners.

FINANCIAL REVIEW

Selected financial data

	2024	2023
Loss after tax ($)	**(983,621)**	(454,196)
Net cash investment in oil and gas assets ($)	**1,839,436**	2,910,691
Year-end cash ($)	**284,118**	20,633
Year-end share price (p)	**0.04p**	0.03p

Highlights:

- **Cameroon**
  - **8 February 2024:** The Company received formal notification from the Minister of Mines, Industry and Technological Development in Cameroon of the extension of the First Exploration Period of the Thali production-sharing contract to 4th February 2025, in accordance with the Company's PSC and the Cameroon Petroleum Code, and with the approval of the President of the Republic of Cameroon. (A further extension was requested after the year-end.) The Company's principal obligation during the First Exploration Period remained the drilling of a single well which the Company intends to fulfil through the drilling of the NJOM-3 well during 2025.
  - **23 May 2024:** Further to the Rig contract announced on 18 December 2023, Borr Drilling Limited, advised that it had extended its commitment of the Norve jack-up rig to BW Energy to October 2024. Tower's intention was still to drill the NJOM-3 well with Borr in the current year and the Company was continuing to work with Borr on the timing in light of the situation with BW Energy.
  - **16 October 2024:** An update with respect to the Company's farm-out process was announced relating to potential financing of $15 million for the Thali PSC work programme. The Company also noted that its discussions continued with African banks regarding a short-term facility to enable earlier production from the NJOM-3 well.

- **Namibia**
  - **2 August 2024:** The Namibian Ministry of Mines and Energy agreed the extension of the Initial Exploration Period of PEL 96 to 31 October 2024 and invited the Company to apply to enter the First Renewal Period of PEL 96, for a period of 2-3 further years.

    The Company announced that the remaining work commitment for the Initial Exploration Period was substantially complete and the Ministry of Mines and Energy had also agreed to defer the Company's commitment to acquire 1,000 square kilometres of new 3D seismic data to the First Renewal Period.

    An update on the evaluation of large stratigraphic and structural leads and prospects was provided together with plans to reprocess the previously acquired 2D seismic data over large areas of the license both in the remainder of the Initial Exploration Period and in the First Renewal Period.

- **Corporate**
  - Pursuant to the investment deed to Energy Exploration Capital Partners, LLC (“EEPC”), announced in January 2023, additional tranches of share issues were made during 2024, raising an additional $230k at an issue price of between 0.021p and 0.0225p per share.
  - The Company reached an agreement for the repayment of the outstanding balance owed to EECP in February 2024, in accordance with the terms of the investment deed announced to the market on 16 January 2023. In addition, the Company also announced a Subscription to raise £600,000 via the issue of 3,333,333,333 shares at a price of 0.018p per share.
  - A Placing of 4,401,851,851 shares, via a two-tranche subscription agreement, to raise £1,188,500 at a price of 0.027p per share, was announced in October 2024.
  - A Subscription arranged with the Company’s Chairman and CEO, Jeremy Asher, for 1,195,652,174 ordinary shares at a share price of 0.0115p per share to raise £137,500, was announced in June 2024.
  - The appointment of Ms Stacey Kivel as independent Non-Executive Director was announced in August 2024. Ms Kivel joined the Remuneration and Audit Committees and agreed to chair the Remuneration Committee.
  - A Subscription for 1,018,518,519 ordinary shares at a share price of 0.027p per share to raise £275,000 was announced in November 2024.
  - Cash balance at year-end of $284.1k (2023: $20.6k).
  - 2023 full-year net administrative costs, excluding share-based payment charges, of $608k (2023: $702k).

Post-reporting period events

10 January 2025: Transformational farm-out agreements executed with Prime Global Energies Limited ("Prime") for minority, non-operated interests in the Company’s Thali license, offshore Cameroon, and PEL96 offshore Namibia.

Tower agreed to farm-out a 42.5% non-operated interest in the Thali license to Prime in exchange for a US$15,000,000 cash contribution towards the Thali work programme and drilling of the NJOM-3 well in 2025, and further terms as set out in the announcement. In addition, Prime has also agreed to farm-in to PEL96, offshore Namibia, for a 25% non-operated interest. The Company’s shareholder Pegasus Petroleum Limited (“Pegasus”, a company owned by the Asher Family Trust, of which the Company’s Chairman Jeremy Asher is the lifetime beneficiary) agreed to modify certain agreements between Pegasus and Tower and also to subscribe to further shares in Tower, as set out in the announcement. As a result of these arrangements, the Company received cash proceeds of $937,500 in cash immediately and will receive a further $3,437,500 cash following completion of the two farm-out agreements.

22 January 2025: A broker to the Company exercised rights over 271,018,518 Ordinary shares comprised of 271,018,518 Warrants at an exercise price of 0.027p per share and at an exercise cost of £73,175.

7 March 2025: Tower Resources (Namibia) Limited agreed to purchase an additional 5% interest in the PEL96 license offshore Namibia from its local partner, ZM Fourteen Investment (Pty) Ltd for a cash consideration on completion of $375k.

At the same time, the Company noted that Tower Resources Cameroon SA has submitted the TRCSA-Prime farm-out agreement documentation and the request for a year's further extension of the First Exploration Period of the Thali license to the Cameroon Minister of Mines, Industry and Technological Development for approvals.

26 March 2025: The Company announced that it had agreed an unsecured fixed-price convertible bridge loan of £500,000 with Prime Resources Limited with a term of up to 12 months, and convertible into ordinary shares at a fixed conversion price of 0.05588 pence per share if not prepaid earlier. Prime Resources Limited is a Gibraltar-registered private investment company and is not related to the Company's prospective farm-in partner Prime Global Energies Limited.

9 April 2025: The Company announced that it had made an annual award of 1,540,000,000 Restricted Shares to directors, employees and consultants under its Long Term Incentive Plan (LTIP).

Loss for year

The 2024 loss totalled $984k (2023: $454k) and includes the following items:

	2024 $	Variance $	2023 $
Administrative expenses	(607,969)	94,737	(702,706)
VAT provision release	-	(1,178,228)	1,178,228
Share-based payment charges included within staff costs	(323,286)	(45,031)	(278,255)
Share-based payment charges included within professional costs	(51,019)	8,084	(59,103)
Foreign exchange gain / (loss)	1,813	48,647	(46,834)
Finance expense	(3,160)	542,366	(545,526)
Loss for the year after taxation	(983,621)	(529,425)	(454,196)

During the year the company raised $2.8 million (2023: $3.6 million) in equity net of fees and commissions.

Administrative expenses (excluding share-based payments, foreign exchange and finance costs) have reduced marginally by $95k to $608k (2023: $703k).

Exploration and evaluation expenditure

The Group invested the following amounts in the exploration for oil and gas during the year (net of a reduction in accruals for expenditure in South Africa):

	2024	2023
	$	$
Cameroon	**1,381,042**	2,651,002
Namibia	**350,279**	156,851
South Africa	**108,115**	129,400
Total	**1,839,436**	2,937,253

At the year-end the Group had capitalised the following amounts (net of impairments) within intangible exploration and evaluation assets:

	2024	2023
	$	$
Cameroon	**21,454,648**	20,073,606
South Africa	**13,897,512**	13,789,397
Namibia	**1,258,200**	907,921
Total	**36,610,360**	34,770,924

BUSINESS RISKS

Principal business risks and uncertainties

The Directors have identified the following current principal risks in relation to the Group's future performance. The relative importance of risks faced by the Group can and is likely to change with progress in the Group's strategy and developments in the external business environment.

1. **Market volatility and uncertainty over conflict in Ukraine.** The recent US elections and the subsequent tariffs and trade sanctions have generated considerable volatility in both capital markets and commodity pricing. The Company periodically relies upon capital markets to raise equity funding and there can be no certainty that sufficient funds can be raised where there are extraneous downward pressures on the Company's share price (see item 3 below). The pricing of hydrocarbons underpins the recoverable amount of the Company's assets and the ready availability of drilling rigs and associated support infrastructure and equipment. Where there is market instability, there remains an increased risk of cost escalations and/or availability shortages which may impact the ability of the Company to complete its planned operations on budget and on time (see item 7 below).
2. **Oil price and gas price / foreign exchange volatility.** The carrying value of the Group's assets is underpinned by current and future oil prices, particularly in higher-cost exploration environments such as deep-water offshore acreage. Although higher oil prices might improve the valuation of assets, they can only increase cash flow to the extent there is current production, and they may also be accompanied by higher costs for fuel and services (and vice versa). Volatility in oil and gas price markets makes it more difficult for the Group to accurately value their assets at any given time. The Group is primarily financed in the United Kingdom from the proceeds of shares issued on the AIM in pounds Sterling. The majority of the Group's operational expenditure is denominated in US Dollars and currency fluctuations may adversely affect the cost of that expenditure.
3. **Restrictions in capital markets impacting available financial resource.** The Group's assets are not yet developed to a stage where it could secure debt finance against proven reserves and, therefore, it relies upon the ability to raise money at the asset-level or from capital markets to finance its exploration and evaluation activities. Any downturn or closure of capital markets may restrict the amount and price at which the Group can issue new shares, which may in turn impact upon the ambition of its forward exploration programme. The Group will need to complete its agreed farm-out and/or another asset-level transaction within the next nine months, or otherwise raise further funds, in order to meet all of its forward commitments. The Directors believe that there are a number of options available to them either through capital markets, farm-outs or asset disposals with respect to raising these funds. There can, however, be no guarantee that the required funds may be raised or transactions completed within the necessary timeframes.
4. **Exploration activities within the Group's licences may not result in a commercial discovery.** The historic industry average exploration drilling success rate is approximately one success for every five wells. There is no certainty of success from the existing portfolio. Tower mitigates the risk through the experience and expertise of the Group's specialists, the application of appropriate technology, by farm-outs to other industry participants and the selection of prospective exploration assets.

5. **Tower does not operate all of the Group's licences where exploration drilling is anticipated as the next operational activity.** The Group is from time to time dependent on other operators for the performance of activities and will be largely unable to direct, control or influence the activities and costs of other operators. By farming-out prior to drilling activities, the Group has and intends to reduce its cost exposure, but this may on occasion require the transfer of operatorship to other, normally larger and more experienced, operators for drilling activities, with a consequent increase in the Group's dependence on other operators for the performance of these activities.
6. **Some of the Group's assets are located in countries where the medium-long term political and fiscal stability may be uncertain**. Country risk is mitigated by monitoring the political, regulatory, and security environment within the countries in which Tower holds assets, engaging in constructive discussions where and when appropriate, and introducing third-party expertise if this may assist in the resolution of issues affecting the Group's assets. The Group seeks to acquire additional assets for the exploration portfolio, which may assist in diversifying country risk. The countries in which the Group currently have direct interests (Cameroon, South Africa and Namibia) are considered to be medium-low risk by the Board of Directors.
7. **Cost escalation and budget overruns.** The Group closely monitors actual performance against pre-approved work programmes and budgets, however, given the nature and inherent risks involved in the exploration for oil and gas, operational cost overruns and cost escalation with respect to supply constrained services can quickly become material. The Group seeks to mitigate these factors by farming-down material commitments where possible and in carefully selecting reputable joint-venture partners. Where the Group cannot farm-down a material interest before committing to expenditures, it will undertake a tendering process with a view to selecting the contractor with a suitable track record and credentials for the proposed work.
8. **Attracting and retaining experienced and skilled individuals.** The Group considers its investment in skilled and competent human capital to be the key to delivering material future success for shareholders and has adopted a proportionate remuneration strategy, in accordance with industry best practice, that the Remuneration Committee consider sufficient to attract and retain key talent.

   The Directors regularly review these and other risks using information obtained or developed from external and internal sources and will take actions as appropriate to mitigate these risks. Effective risk mitigation may be critical to Tower in achieving its strategic objectives and protecting its assets, personnel and reputation.

Jeremy Asher

Chairman and Chief Executive

30 May 2025

BOARD OF DIRECTORS

Jeremy Asher BSc (Econ), MBA, MEI – Chairman and Chief Executive Officer

Jeremy, in addition to his role in Tower, is Chairman of Agile Energy Limited, a privately held energy investment company, and Senior Independent Director at Block Energy Limited, an AIM-listed exploration and production company with operations in the Republic of Georgia. Until November 2018 he also served as a Director of NYSE-listed Pacific Drilling SA, where he chaired the Remuneration Committee and was a member of the Restructuring Committee. He has also served as Deputy Chairman of LSE-listed Gulf Keystone Petroleum Ltd (until June 2014) and TASE-listed Oil Refineries Ltd (until December 2014). Following several years as a management consultant, he ran the global oil products trading business at Glencore AG and then acquired, developed and sold the 275,000 b/d Beta oil refinery at Wilhelmshaven in Germany. Between 1998 and 2001 he was CEO of PA Consulting Group, and since that time has been an investor and Director in various public and private companies.

Dr Mark Enfield BSc (Hons), PhD - Executive Director

Mark is a geoscientist with over 40 years' experience in the oil and gas E&P industry, and a doctorate in structural geology from the Royal School of Mines, Imperial College, London. Mark has been an advisor to the Company's board since 2013, was a non-executive director of the Company since 2020 and became an executive director, with the role of Exploration Director in 2024. After an early career working for a large US independent operator in various exploration roles in Central and Eastern Europe and East Africa, and development projects in the Gulf of Mexico in the 1980's and 1990's, Mark founded P.D.F. Ltd in 1994, and ran this highly successful UK-based E&P consultancy for 25 years. PDF specialised in delivering successful exploration and new ventures projects and operating exploration assets on behalf of companies across the industry spectrum, from small independents to super-majors, focusing on delivering technical success and commercial value. Mark and his team at PDF developed the model of partnering with oil and gas companies in collaborative ventures as the 'Outsourced E&P Department™ (OExD®)', where PDF provided a full spectrum, subsurface geoscience function to support their partner clients' exploration efforts, where PDF acted as sub-surface operator for the assets. PDF was acquired by the larger international energy consultancy EPI Group in 2016 and now continues as the Geoscience function within EPI. He remains in an advisory role as CEO of Geoscience at EPI. Mark also founded TerraMod Ltd, a specialist basin modelling and oil generation simulator software and consultancy provider to the exploration sector. He founded the PDF Fellowship (for collaborative research within the oil and gas industry) based at Plymouth University in 2005, which provided a forum for global experts to participate in active exploration and development projects and apply their cutting edge geoscience specialisations to these projects.

Paula Brancato MBA, FINRA, CFA - Independent Non-Executive Director

Paula is an investment advisor with Barnum Financial Group in New York, where she works with clients and also in new venture and market development. Paula holds an MBA from Harvard Business School and FINRA qualifications in the US as both a broker and investment advisor, as well as being a member of the CFA Society New York. Paula is chair of the Audit Committee.

Stacey Kivel, JD, BS - Independent Non-Executive Director

Stacey has 21 years' experience in senior E&P management including Head Corporate Counsel, and Company Secretary, working across business development and investor relations for oil exploration operators with assets in Africa. As a California qualified lawyer with a degree in Finance, she assisted these entrepreneurial companies with their commercial activities, including the raising debt and equity finance. Stacey is also familiar with both Cameroon and Tower, having served as consultant corporate counsel to Tower between 2013 and 2016 where she was mandated with securing the successful acquisition of the Thali block in Cameroon and assisted the Company with its other African interests. Stacey is a partner at the city firm, McCarthy Denning, volunteers as Co-Chairperson of the Geophysics Energy Society of Great Britain and is a non-executive Director of Gcorp Strategies Incorporated, a Canadian critical minerals company with assets in Burundi and Cameroon. Stacey is Chair of the Remuneration Committee.

CORPORATE GOVERNANCE

Application of QCA Code and s.172 principles

Throughout the year-ended 31 December 2024 the Board has sought to comply with the provisions of the latest version of the QCA Code ("the Code") published in November 2023 and has invested in its own copy of the Code as certified on the Company's website by the display of the trademarked QCA badge. The Company's Corporate Governance Statement is available on the Company's website and explains how the 10 Principles of the QCA Code are applied by the Company and where it departs from the QCA Code, an explanation of the reasons for doing so is provided.

A director of a company must act in a way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following factors:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

The Board has regard to the provisions of s.172 of the Companies Act 2006 in carrying out their duties and have regard to the matters set out in s.172 (a) – (f) in the decisions taken during the year ended 31 December 2024.

Further details are also provided below.

Board composition, operation and independence

The Board currently comprises the Chairman/Chief Executive Officer, another Executive Director in the role of Exploration Director, and two independent non-executive Directors. Each of the Board members have substantial knowledge of the oil and gas industry combined with general business and financial skills and bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Board meets regularly throughout the year and all the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively.

The Board is responsible to the Shareholders for the proper management of the Company. A Statement of Directors' Responsibilities in respect of the Financial Statements is set out at the end of the Directors' Report.

The Board has a formal schedule of matters specifically reserved for its decision. These include strategic planning, business acquisitions or disposals, authorisation of major capital expenditure and material contractual arrangements, changes to the Group's capital structure, setting policies for the conduct of business, approval of budgets, remuneration policy of Directors and senior management, and taking on debt and approval of Financial Statements. Other matters are delegated to the Committees of the Board and executive Directors, supported by policies for reporting to the Board.

The Group maintains Directors' and Officers' liability insurance cover, the level of which is reviewed annually, and provides the Directors with indemnity.

Board meetings and attendance

The following table summarises the number of Board and committee meetings held during the year and the attendance record of the individual Directors:

	Board Meetings	Audit Committee	Remuneration Committee
Number of meetings in year	9	2	1
Jeremy Asher	9	[1] -	[1] -
Paula Brancato	9	2	1
Mark Enfield	9	2	1
Stacey Kivel [2]	3	2	1

[1] not a committee member

[2] appointed 2 August 2024

AUDIT COMMITTEE REPORT

An important part of the role of the Audit Committee is its responsibility for reviewing the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment and reporting of risk. The Committee devotes significant time to their review and further information on the risk management and internal control systems is provided within the Strategic Report.

A key governance requirement of the Group's financial statements is for the report and accounts to be fair, balanced and understandable. The co-ordination and review of the Group-wide input into the Annual Report and Accounts is a sizeable exercise performed within an exacting time-frame. It runs alongside the formal audit process undertaken by external Auditors and is designed to arrive at a position where initially the Audit Committee, and then the Board, is satisfied with the overall fairness, balance and clarity of the document is underpinned by the following:

- detailed guidance issued to contributors at operational levels;
- a verification process dealing with the factual content of the reports;
- thorough review undertaken at different levels that aim to ensure consistency and overall balance; and
- comprehensive review by the senior management team.

An essential part of the integrity of the financial statements are the key assumptions and estimates or judgments that have to be made (see note 2 to the financial statements). The Committee reviews key judgments prior to publication of the financial statements at the full and half year, as well as considering significant issues throughout the year. In particular, this includes reviewing any materially subjective assumptions within the Group's activities to enable an appropriate determination of asset valuation and provisioning. The Committee reviewed and was satisfied that the judgments exercised by management on material items contained within the Annual Report were reasonable.

The Committee also considered management's assessment of going concern with respect to the Group's cash position and its commitments for the next 12 months. In this respect, the Committee refers to the Going concern section in the Directors' Report.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Committee is satisfied that the Group does not currently require an internal audit function.

The Committee has recommended to the Board that shareholders support the re-appointment of the Auditors at the 2025 AGM.

Paula Brancato

Chair of the Audit Committee

30 May 2025

Audit Committee Members

This Committee comprises:

- Paula Brancato (Chair)
- Mark Enfield (through July 2024)
- Stacey Kivel (from August 2024)

Summary of responsibilities of Audit Committee

- Reviewing the effectiveness of the Group's financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk;
- monitoring the integrity of the Group's financial statements;
- monitoring the effectiveness of the internal control environment;
- making recommendations to the Board on the appointment of the Auditors;
- agreeing the scope of the Auditors' annual audit programme and reviewing the output;
- keeping the relationship with the Auditors under review;
- assessing the effectiveness of the audit process; and
- developing and implementing policy on the engagement of the Auditors to supply non-audit services.

The external Auditors have unrestricted access to the Chairman of the Audit Committee. Audit Committee meetings are also attended by the external Auditor where appropriate and, by invitation, the Chairman/Chief Executive Officer, any other Directors and senior management.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee ("Committee") convened once during the year and has been engaged on all matters of corporate remuneration. Over the past year, the Committee has considered the following matters:

- CEO compensation including base compensation, bonus and equity incentives;
- Related party transactions with regard to Pegasus Petroleum Limited and share-based payment awards during the year; and
- Director remuneration.

In order to conserve the Company's working capital, it was decided that Directors would take their remuneration in warrants in Q1 to Q3 2024. In Q4 2024, remuneration was paid in cash.

Directors and certain consultants are only eligible to participate in the Group bonus or equity incentive schemes at the absolute discretion of the Board, with recommendations from the Remuneration Committee. The Company's current policy is that annual bonuses are capped as follows:

- Executive Directors: one times base compensation;
- Senior managers: nine months' base compensation; and
- Selected other employees: six months' base compensation.

The Committee, when reviewing base salaries or compensation, consider matters of retention, motivation, the economic climate, and the challenges facing the business and the wider sector; they also consider appropriate industry benchmarks. The annual remuneration for the Directors is noted in the Directors' report.

Stacey Kivel

Chairman, Remuneration Committee

30 May 2025

Remuneration Committee Members

This Committee comprises:

- Mark Enfield (Chairman) through July 2024
- Paula Brancato
- Stacey Kivel (Chairman) from August 2024

Summary of responsibilities of Remuneration Committee

- Agreeing a policy for the remuneration of the Chairman, executive Directors, non-executive Directors and other senior executives;
- Within the agreed policy, determining individual remuneration packages for the Chairman, executive Directors, non-executive Directors and other senior executives;
- Agreeing the policy on terms and conditions to be included in service agreements for the Chairman, executive Directors, non-executive Directors and other senior executives, including termination payments and compensation commitments, where applicable; and
- Approving any employee incentive schemes and the performance conditions to be used for such schemes including share performance targets.

NOMINATIONS COMMITTEE

The Board does not feel that, at this time, the establishment of a formal Nominations Committee is merited given its current composition. The Board will continue to evaluate the requirement for a formal standing Nominations Committee on a periodic basis.

QCA CODE

The Board recognises that good standards of corporate governance help the Company to achieve its strategic goals and is vital for the success of the Company. The Company adopts proper standards of corporate governance and follows the principles of best practice set out in the latest version of the Quoted Companies Alliance Governance Code (Published November 2023) (the 'QCA Code'), as far as is appropriate for the size and nature of the Company and the Group. Further details in respect of the Company's application of the principles from the QCA Code can be found at **https://www.towerresources.co.uk/about-us/corporate-governance/the-code/** on the Company's website which also displays the trademarked QCA Code badge indicating that the Company has invested in its own copy of the Code.

Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders

Tower Resources is focused on building a production-led, African-based, conventional oil & gas group, which intends to have a balanced portfolio ranging from exploration through appraisal to production, primarily through its own origination of opportunities and their organic development, but also via the inorganic route where appropriate acquisition opportunities arise.

The Company aims to achieve this through:

1. Originating high-potential, entry stage, exploration and appraisal licenses with large equity interests (50-100%) that provide the flexibility to farm-out whilst retaining a material exposure in the event of success;

2. Holding smaller equity stakes or royalty interests in production or potential production, whether developed internally or acquired; and

3. Maintaining the capacity to operate throughout the exploration and appraisal phase of a project to production.

Exploration success is transformational in terms of shareholder value creation in the E&P sector, but in the early stages requires funding via partnering with major industry players or shareholder equity; both of which are subject to market conditions. To balance risk across the portfolio, Tower aims to develop oil & gas production thereby providing operational cashflow to fund its early-stage exploration costs.

The US Energy Information Administration (EIA) estimates that oil demand, compared to 2022, will increase between 3% and 10% by 2030. Existing production is subject to annual depletion. Therefore, there is a requirement within the upstream energy sector to replace current production with new reserves, and Tower's strategy is aligned with this required reserve replacement.

Tower's success in delivering on this strategy will be measured in terms of exploration and development success, oil & gas reserves growth (both organically and inorganically) and ultimately in the Company's equity valuation.

Principle 2. Promote a corporate culture that is based on ethical values and behaviours

All Directors are committed to transparency and the highest standard of ethical dealings with all stakeholders as the Company realises that this is critical in maintaining the quality of relationships which are vital for success.

The recent strengthening of the board via the appointment of an additional non-executive director will further support and enhance the Company adherence to ethical and cultural standards.

The Group operates in the international oil & gas sector and therefore recognises that its corporate culture not only needs to comply with UK law and the laws of the countries in which the Company operates, but also to incorporate ethical values and professional behaviour which reflect positively on the Company and treats employees, partners, stakeholders and service providers with respect.

The Company's Code of Conduct sets out compliance with rules, laws and regulations, such as the UK Bribery Act and the Company's whistleblowing policy and given that Tower Resources is a listed company, has adopted a Market Abuse Regulations (MAR) 2016 compliant share dealing code.

Principle 3. Seek to understand and meet shareholders' needs and expectations

The Board is committed to maintaining good communications with its institutional and private shareholders. The Company provides regular updates on operational matters together with price sensitive information, which is released to the market via the Regulatory News Service (RNS) under the guidance of the Company's nominated advisor, SP Angel Corporate Finance LLP and its joint brokers Axis Capital Markets Limited and Novum Securities Limited The Company website also allows shareholders and prospective shareholders to register for automatic news alerts for both regulatory announcements and non-regulatory news and is updated regularly.

The Company also regularly presents at oil & gas investor forums, as well as other international conferences of note. The corporate presentations from such conferences are made available to investors via the Company website. Tower also subscribes to the Proactive IR platform and periodically records podcasts, which are uploaded to the Company website of industry commentator's interviews with the CEO. The Company has a presence on X but does not currently utilise social media as a major part of its Investor Relations ("IR") strategy, but this may be reviewed in the future should it complement existing IR efforts.

The Company usually encourages all shareholders to attend its Annual General Meeting where they can meet and question the Directors and express ideas or concerns.

Principle 4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board recognises that the long-term success of Tower and value creation for shareholders depend on good relations with both internal (shareholders and employees) and external stakeholders (advisors, license partners, technical consultants, governments).

The Company has established a code of conduct policy (including an antibribery policy), a disciplinary & grievance procedure and a health & safety policy, all of which are notified to both employees and contractors.

The Company maintains a regular dialogue with its external stakeholders, especially the oil & gas ministries of foreign governments where the Company has its operations or licence applications, such as Cameroon, South Africa and Namibia. The Company also works closely with its advisors to ensure it complies with its AIM listing requirements, MAR and FCA disclosures, as well as the social, legal and financial requirements of the countries in which it operates.

Health, Safety and the Environment (HSE)

Health, Safety and the Environment (HSE) are of paramount importance to the oil & gas industry with the potential for high profile and severe consequences on the rare occasions where strict compliance to HSE has not been maintained or things go wrong.

Tower is committed to excellence and continual improvement in operations and HSE standards throughout its activities. The Company complies with all applicable laws, governmental rules and regulations and other requirements of its host countries and strive to meet the following broad goals:

- Protect the health and safety of its employees, contractors and others who may be affected by its activities;
- Prevent environmental pollution;
- Promote the needs of the local communities; and
- Optimise raw material and energy consumption

We will achieve this by:

- Strong leadership and clearly defined responsibilities for HSE at all levels of the organisation;
- Setting and reviewing HSE goals and objectives;
- Hiring of competent staff to manage the business;
- Identifying, assessing and managing HSE risks to people and the environment as an integral part of the business;

- Emergency planning to ensure that an emergency can be quickly and efficiently contained;
- Selection of competent contractors and suppliers to support the company;
- Reporting and investigating incidents to ensure appropriate lessons learned;
- Monitoring HSE performance through regular reporting; and
- Periodic audits and management reviews to identify and implement improvements to our HSE

We all have a responsibility for maintaining high standards of HSE and this policy shall be used to guide our activities and our HSE standards should not be compromised by other business priorities.

Social Responsibility Statement

Tower places great importance on establishing good relationships within the communities in which it operates, and the group is committed to best practice, consistent with IFC guidelines and the "Equator Principles" in its management of social issues in its areas of operation. Planning to manage the environmental impact is very comprehensive and adherence to the spirit, as well as the letter, of Environmental Impact Assessment is a fundamental aim.

Local relationships are led by Tower's local country manager facilitated by focused social investment projects established after consultation with national and local government and the communities themselves to establish the greatest need and the potential for sustainability.

Community Programmes

Throughout its operations in Cameroon, South Africa and Namibia, Tower and its partners have supported a programme of communicating with, and supporting, local communities to ensure that they are aware of the operations being undertaken by the Company and potential benefits that Tower are bringing to communities through its investment in local operating companies. Importantly, "Town Hall" meetings are held to present the environmental impact assessments of, geological sampling and fieldwork, seismic and drilling operations so that local communities can ask questions and obtain reassurances prior to the commencement of operations. Other examples of community engagement include:

- Promoting wider awareness of the Company and the oil industry;
- Establishing a strong local identity through employment and the training of locals to manage key areas of the business;
- Communication with local communities in all areas to keep them informed of operations;
- Consultation to gain feedback and understand community priorities for Tower's social investments; and
- Building local capacity for the long term through encouragement of local educational initiatives and use of local labour and contractors.

Climate Change Risk

The Company's operations in sub-Saharan Africa are located offshore where the impact of rising sea temperatures on weather patterns need to be assessed and considered during offshore operations; including mobilsation and demobilsation to drilling sites and the design and engineering of facilities. More dramatic weather cycles are a feature of increasing sea temperatures and weather windows are a key input into the risk management of the drilling programme.

Principle 5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The exploration for and development of natural resources is an inherently highly speculative activity which involves a high degree of risk and in addition there are specific country risks in which Tower operates or hold license interests. These risks are regularly assessed by the Board at either a corporate level or on a specific project basis to mitigate those risks which include, amongst others, geological/sub-surface, operational, commercial, commodity pricing, currency, geopolitical, security, climate change and funding risks.

Tower acknowledges the risks of climate change and the challenge of delivering secure, low cost energy as part of the energy transition. The Thali development planning incorporates inherent sustainability by aiming to keep emissions to the lowest practical levels and by incorporating decommissioning options into the planning process from the outset, in order to achieve the lowest long-term impact on the environment.

The independence of the company auditor is set out each year in the Annual Report and Accounts under the Audit Report "Basis of Opinion" in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. The opinion explicitly states "We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements."

Principle 6. Establish and maintain the board as a well-functioning, balanced team led by the chair

The Board comprises four directors – a joint chairman and CEO, Jeremy Asher, who has executive responsibilities, including the day-to-day management and financial control of the Company's subsidiaries; Exploration Director Mark Enfield, an executive director who has responsibility for technical and sub-surface matters; and two independent non-executive directors: Paula Brancato and Stacey Kivel.

Based on the size of the company and stage of its development the board are comfortable with the re-election of Directors when their reappointment by rotation falls due at the time of the AGM

The Board is aware that the QCA Code advises that save in exceptional circumstances, the Chairman should not also fulfil the role of Chief Executive. Given the Company's current size and stage of development, the Company believes that this combined role is merited and appropriate to the current size of the management team and board. However, this is an aspect of the Company's governance that is reviewed every year.

The Audit Committee is chaired by Paula Brancato (NED) and Stacey Kivel (NED) is the other member; while the Remuneration Committee is chaired by Stacey Kivel (NED) with Paula Brancato (NED) being the other member. Therefore, both committees consist entirely of independent directors as recommended by the QCA code.

The QCA Code also recommends that the Board includes at least two non-executive directors who are identified as independent, as is presently the case at Tower; the Board will also review further appointments as the Group's scale and complexity grows.

Historically, and in order to conserve working capital, NED compensation fees were paid in the form of warrants. However, going forward it is expected that NED fees will usually be paid in cash, therefore removing any element of performance-related remuneration from the independent non-executive directors.

The Board meets formally at least four times a year but in practice holds many more additional meetings when necessary to transact other business. All the necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. The UK-based directors also meet to review operational and administrative progress with input from technical and administrative consultants at least once a month.

The composition of the board is balanced in terms of gender and nationalities, comprising two UK and two US nationals with widely ranging business, technical, legal and financial experience.

There are formally constituted Audit and Remuneration Committees. There is currently no formal Nominations Committee as the Board participates in all relevant decisions. The Company will report annually on the number of Board and Committee meetings that have been held and the attendance record of individual directors in its annual accounts.

Principle 7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

Tower operates its business in the complex oil & gas sector in developing African countries which presents specific challenges. It is critical that the Board is composed of members who have experience in all facets of the international oil & gas sector, including sub-Saharan Africa, as well as commercial and financial knowledge The Chairman and CEO and the Exploration Director, together with the non-executive directors, have successful track records in establishing and developing oil and gas companies, and all the directors are fully committed to using their experience to benefit all shareholders.

The Board and its committees also seek external expertise and advice when required.

The current composition of the Board and bios are noted in the 'About Us' section of the Company's website. The Board's responsibility is to set out the strategic objectives and ensure that the correct resources are in place for the delivery of those objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company. The recent addition to the Board of Stacey Kivel as a Non-Executive Director brings a qualified solicitor and an experienced oil & gas lawyer and negotiator to the team, which supplements the other skill-sets across the board.

The Board's responsibility is to set out the strategic objectives and ensure that the correct resources are in place for the delivery of those objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

The Board has a formal schedule of matters specifically reserved for its decision. These include strategic planning, business acquisitions or disposals, authorisation of major capital expenditure and material contractual arrangements, changes to the Group's capital structure, setting policies for the conduct of business, approval of budgets, remuneration policy of Directors and senior management, and taking on debt and approval of Financial Statements. Other matters are delegated to the Committees of the Board and executive Directors, supported by policies for reporting to the Board. The Group maintains Directors' and Officers' liability insurance cover, the level of which is reviewed annually, and provides the Directors with indemnity.

Although not legally required, the Company has agreed a Relationship Agreement with Pegasus Petroleum Limited as a significant shareholder in the Company, to regulate the relationship between them and ensure that in general it is conducted on arms-length terms.

The Board has a joint Chairman and CEO role currently fulfilled by Jeremy Asher, and an Executive Director, Mark Enfield, who fulfils the role of Exploration Director. The Chairman is responsible for overall leadership of the Board and ensuring that the Board operates effectively and has the right level of experience and expertise to deliver the company's strategic objectives.

The Board and its committees also seek external expertise and advice when required.

The current composition of the Board and bios are noted in the Board of Directors section of this report.

Principle 8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The ultimate measure of the effectiveness of the Board is the Company's progress against the long-term strategy and aims of the business. This progress is reviewed in Board meetings held at least quarterly.

Given the size of the Company, a formal annual appraisal process for the members of the Board does not currently exist although informally, each of the members are reviewed by their fellow board members to ensure that their individual contributions are relevant and effective, that they are committed, and where relevant, have maintained their independence.

The Board will continue to evaluate the requirement for a formal appraisal process as the Company grows and may consider independent external evaluation reviews at such a point in time.

Succession planning is also a vital task for boards, and the management of succession planning represents a key responsibility of the Board.

The recent additions of Mark Enfield as an Executive Director and Stacey Kivel as a Non-Executive Director materially enhance the board's ability to conduct internal reviews of the board's performance and provide bandwidth for succession planning.

Principle 9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Remuneration Committee is comprised of Stacey Kivel (Chair) and Paula Brancato and is responsible for agreeing a policy for the remuneration of the Chairman, executive Directors, non-executive Directors and other senior executives.

The Remuneration Committee oversees the Company's policy on terms and conditions to be included in service agreements for the Chairman, executive Directors, non-executive Directors and other senior executives, including termination payments and compensation commitments, where applicable; and approves any employee incentive schemes and the performance conditions to be used for such schemes including share performance targets.

Given the size of the company and its stage of development, the Board considers that the annual remuneration report is sufficiently scrutinised with the use of external remuneration consultants, without the need to put it to an advisory shareholder vote.

The company makes use of external remuneration consultants from time to time, to undertake bench-marking studies in the AIM listed company landscape to ensure that compensation packages remain competitive.

A key component of the incentivisation for management to deliver long term growth is the annual LTIP awards of share options which aims to align management incentives with those of external shareholders.

Historically, and in order to preserve capital, NED compensation fees were paid in the form of warrants. However, going forward it is expected that NED fees will be compensated for in cash and therefore removes any element of performance related remuneration from non-executives.

Principle 10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

Tower Resources is committed to maintaining good and transparent relations with shareholders. The Company's website is regularly updated with all the required regulatory information and news events as well as other corporate, shareholder and operational information. Results of shareholder meetings are announced through the Regulatory News Service and displayed on the Company's website, with explanations of any actions undertaken as a result of any significant votes against resolutions.

Tower also actively engages with investors through the Proactive IR platform and investor forums, as well as other international oil & gas conferences. The corporate presentations from such conferences are then made available on the Company website and viewable as webcasts.

The Company's investor relations programme is supported by the Company's Corporate Affairs function and Nominated Adviser and joint broker SP Angel Corporate Finance LLP, together with joint brokers Axis Capital Markets Limited and Novum Securities Limited and the Company's financial PR advisers BlytheRay and Total Market Solutions.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is accountable to the Company's shareholders and as such it is important for the Board to appreciate the aspirations of the shareholders and equally that the shareholders understand how the actions of the Board and short-term financial performance relate to the achievement of the Company's longer-term goals.

The Board reports to the shareholders on its stewardship of the Company through the publication of interim and final results each year. Press releases are issued throughout the year and the Company maintains a website (www.towerresources.co.uk) on which press releases, corporate presentations and Annual Reports are available. Additionally, this Annual Report contains extensive information about the Company's activities. Enquiries from individual shareholders on matters relating to the business of the Company are welcomed. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email. In addition, the executive Directors meet with major shareholders to discuss the progress of the Company.

The Chairman/Chief Executive Officer provides periodic feedback to the Board following meetings with shareholders. Other Executive and Non-Executive Directors also attend some shareholder meetings to ensure the Board is appraised of all feedback provided by such meetings.

The Annual General Meeting provides an opportunity for communication with all Shareholders and the Board encourages the Shareholders to attend and welcomes their participation. The Directors attend the Annual General Meeting and are available to answer questions. Details of resolutions to be proposed at the Annual General Meeting will be made available to shareholders and posted on the Company's website.

CONFLICTS OF INTEREST

The Company has in place procedures for the disclosure and review of any conflicts, or potential conflicts of interest which the Directors may have and for the authorisation of such conflicts by the Board. In deciding whether to authorise a conflict matter or a potential conflict the Directors must have regard to their general duties under the Companies Act 2006.

DIRECTORS' REPORT

The Directors present the Report and Financial Statements on the affairs of Tower and its subsidiaries, together with the financial statements and Auditors' Report for the year-ended 31 December 2024.

Principal activity and business review

The principal activity of the Group and Company throughout the year remained the exploration for oil and gas in Africa. The significant developments during 2024, and more recently, the other activities of the Group, as well as the future strategy and prospects for the Group, are reviewed in detail in the Chairman and Chief Executive's Statement and the Strategic Report section of this report.

The Group operates through overseas branches and subsidiary undertakings as appropriate to the fiscal environment. Subsidiary undertakings of the Group are set out in note 13 to the financial statements.

Results and dividends

The Group loss for the financial year was $984k (2023: $454k). Full analysis of the movements in the Group's reserves is provided in the Consolidated Statement of Changes in Equity. The Directors do not recommend the payment of a dividend (2023: $nil).

Going concern

The Group will need to receive the requisite government approvals and to complete its agreed Cameroon farm-out with Prime Global Energies Limited and/or another asset-level transaction within the coming months, or otherwise raise further funds in addition to funds already raised in 2024, in order to meet its liabilities as they fall due, particularly with respect to the forthcoming drilling programme in Cameroon. The Directors are confident that the government approvals will be provided and that the agreed farm-out will be completed, but this is not yet certain.

The Group's assets in Namibia and South Africa are also pre-revenue, and therefore also depend on funds for further investment being available to the Group, whether from cash flow in Cameroon or other sources. To bring the Cameroon assets to the point of sustainable cash flow generation will also require significant further investment.

The Directors believe that there are a number of options available to fund these investments through any, or a combination, of production pre-financing or reserve-based lending, capital markets, further farm-outs or asset disposals. There can, however, be no guarantee that the required funds may be raised or transactions completed within the necessary timeframes, which results in an inherent material uncertainty as to the application of going concern in these accounts. Having assessed the risks attached to these uncertainties on a probabilistic basis, the Directors are confident that they can raise sufficient finance in a timely manner and therefore believe that the application of going concern is both appropriate and correct.

This point is also discussed in note 2 of the financial statements.

CORPORATE GOVERNANCE

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 17 to the financial statements. The Company has one class of ordinary share, which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of the employee share schemes are set out in note 20. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Directors

The Directors who served during the year were as follows:

Mr Jeremy Asher (Chairman)

Mr Mark Enfield (Executive Director) (independent non-executive until July 2024)

Ms Paula Brancato (independent non-executive Director)

Ms Stacey Kivel (independent non-executive Director) (appointed 2 August 2024)

Biographical details of serving Directors can be found in the Board of Directors section of this report.

Directors and election rotation

With regard to the appointment and replacement of the Directors, the Company is governed by its Articles of Association, the QCA Code, the Companies Acts and related legislation. The powers of Directors are described in the Corporate Governance section.

In accordance with Article 25.2 of the Company's Articles of Association Stacey Kivel retires by rotation and has offered herself for re-election at the forthcoming AGM.

Directors and their interests

The Directors, who served during the year and subsequently, together with their beneficial interests in the issued share capital of the Company, were as follows:

	Ordinary shares of 0.001p each	**Share options and warrants**	Ordinary shares of 0.001p each	Share options and warrants
	31 May 25	**31 May 25**	31 May 24	31 May 24
Jeremy Asher [1]	**7,357,739,463**	**1,734,473,126**	1,011,603,608	1,679,266,438
Paula Brancato	**-**	**256,129,357**	-	184,700,786
Mark Enfield	**1,877,546**	**256,163,055**	1,877,546	182,856,938
Stacey Kivel	**-**	**71,428,571**	-	-

[1] Most of Jeremy Asher's shares, options and warrants are held by Agile Energy Limited and by Pegasus Petroleum Ltd, both companies owned by the Asher Family Trust and of which Jeremy Asher is a lifetime beneficiary; Mark Enfield's shares are held by Geoscience Equity Ltd

Beneficial shareholdings include the shareholdings of a Director's spouse and infant children.

Directors' Remuneration and service contracts

- Jeremy Asher (Chairman) was paid at a rate of £60,000 pa some of which was in share warrants. Pegasus Petroleum Limited ("Pegasus"), a company owned and controlled by Jeremy Asher, also received $531,161 (2023: $521,862) in respect of management services provided to group companies by Jeremy Asher both in 2024 and in previous years. Separately, Pegasus received fees in respect of other financial and administrative support services (not provided by Jeremy Asher) during the year of $56,097 (2023: $45,787).
- Mark Enfield (Executive Director) was paid at a rate of £30,000 pa while he was a non-executive director (until July 2024), some of which was paid in share warrants; since becoming an executive director he is being paid at a rate of £120,000 pa, some of which in 2024 was also paid in share warrants.
- Paula Brancato (independent non-executive) was paid at a rate of £30,000 pa some of which was paid in share warrants.
- Stacey Kivel (independent non-executive) was paid at a rate of £30,000 pa some of which was paid in share warrants.

The remuneration paid to the Directors during the 12 months ended 31 December 2024 was as follows:

	Salary	Share warrants	2024 Total	2023 Total
	$	$	$	$
Jeremy Asher	20,431	57,094 [1]	77,525	74,212
Paula Brancato	9,745	28,547	38,292	37,106
Mark Enfield	9,910	28,547	38,457	37,106
Stacey Kivel [2]	9,745	9,593	19,338	-
Total	49,831	123,781 [3]	173,612	148,424

[1] Excludes share options awarded to Pegasus of $199,506 (2023: $129,831) in connection with management services provided.

[2] Share warrants represent warrants issued in lieu of salaries forgone.

[3] Appointed 2 August 2024

Substantial shareholdings

Except for the holdings of ordinary shares listed below, the Company has not been notified by or become aware of any persons holding 3% or more of the 23,394,207,794 issued ordinary shares of 0.001 pence each of the Company at 31 December 2024 (29,315,709,993 at 30 May 2025)

At 31 May 2025	**Number**	%
Jeremy Asher [1]	7,357,739,463	25.1%
	7,357,739,463	25.1%

At 31 December 2024	**Number**	%
Jeremy Asher [1]	1,707,255,782	7.3%
	1,707,255,782	7.3%

[1] Most of these shares are held by Agile Energy Limited and Pegasus Petroleum Limited, companies owned by the Asher Family Trust and of which Jeremy Asher is a lifetime beneficiary. The list of substantial shareholdings above excludes the shareholdings of market makers in the Company's shares.

Business risk

A summary of the principal and general business risks can be found within the Strategic Report.

Financial instruments

Information about the use of financial instruments, the Group's policy and objectives for financial risk management is given in note 19 to the financial statements.

Auditors

Each of the persons who are Directors at the date of approval of this Report and Financial Statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

UHY Hacker Young has expressed its willingness to continue in office as Auditors and a resolution to appoint UHY Hacker Young will be proposed at the forthcoming Annual General Meeting.

Jeremy Asher

Chairman and Chief Executive

30 May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report and Financial Statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statement in accordance with UK-adopted international accounting standards, in conformity with the requirements of the UK Companies Act 2006.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange (LSE) for companies trading securities on the AIM.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained, and assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Use the going concern basis of accounting, unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so; and
- The Directors are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They have general responsibility for safeguarding the assets of the Group, and for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report is available on a website. Financial statements are published on the Company's website, in accordance with the requirements of the Company's Articles. The maintenance and integrity of corporate and financial information included on the Company's website is the responsibility of our Directors. Their responsibility also extends to the ongoing integrity of the financial statements contained therein.

For and on behalf of the Board

Jeremy Asher

Chairman and Chief Executive

30 May 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWER RESOURCES PLC

Opinion

We have audited the financial statements of Tower Resources Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company Statement of Cash Flows and the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the Going Concern section of the Accounting Policies (note 1c) of the Group financial statements which indicates that the Group raises finance for its exploration activities in discrete tranches from shareholders or from farm-out partners. As described in note 1c, the Group will require further funds in order to meet its budgeted operating and planned exploration costs for the coming year. The Group is also in the process of formalizing arrangements with farm-out partners and the completion of these approvals are uncertain. These events and conditions indicate that material uncertainties exists that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result (such as impairment of assets) if the Group and Company were unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included an assessment of the risk and audit procedures to address this risk:

The risk

The Group is still in the exploration phase of its licenses and has minimum required spend amounts on certain licenses in order to keep them in good standing. The Group is therefore dependent on its cash reserves and ability to raise additional funding, either through share issues, farm out arrangements, bank loans or other similar transactions to cover its ongoing activities for the foreseeable future.

Given the above factors, we consider going concern to be a significant audit risk area.

The directors' conclusion of the risks and circumstances described in the Going Concern section of the Accounting Policies of the Group financial statements represent a material uncertainty over the ability of the Group and Company to continue as a going concern for a period of at least a year from the date of approval of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

How our audit addressed the risk:

Our audit procedures included:

- We discussed plans for the Group going forward with management, ensuring these had been incorporated into the budgeting and gained an understanding of the future plans for each project and their impact on the going concern status of the Group.
- We obtained budgets and cashflow forecasts, reviewed the methodology behind these, ensured arithmetically correct and challenged the assumptions.
- We obtained farm-out agreements (which are still subject to approvals) and reviewed for any indicators that relevant approvals would not be granted.
- We assessed the transparency and the completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cashflow projections for the next 12 months and the underlying assumptions.
- We compared prior year cash flow projections with actual trading results for the year to provide comfort over management's ability to budget effectively and reliably.
- We reviewed post year end Regulatory News Services ("RNS") and compared these to budget and our knowledge of the business and future plans to ensure consistency.
- We evaluated the key assumptions in the forecasts, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained.
- We reviewed the disclosures relating to the going concern basis of preparation made in the financial statements to determine if these provided an explanation of the directors' assessment that was consistent with the evidence we obtained.

Key observations

Based on the audit procedures performed we concluded that the Group has a material uncertainty over the ability to continue as a going concern for a period of at least a year from the date of approval of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter - valuation of exploration assets, investments in subsidiaries and material uncertainty

We draw attention to note 12 of the financial statements, which describes the intangible exploration licenses. The Directors have undertaken a review for indicators of impairment under IFRS 6 'Exploration for and Evaluation of Mineral Resources' and where identified have completed an impairment review in accordance with IAS 36 'Impairment of Assets'. The Group will require additional funds, or the completion of farm out arrangements, in order to meet the Group's licence commitments, the timing and outcome of which is currently unknown. Should sufficient funds not be raised or the timing not lead to committed exploration activities being possible, it may impact upon the ability of the Group to continue to maintain the licenses and continue exploration.

Additionally, two of the Group's licences have expired as at the date of this report (see note 23). The Directors are currently in discussions regarding the work required on these projects and the availability of funds to complete these. Once this has been finalised, the directors' expectation is that these licences will be renewed, or further time allowed, on the same or similar terms to those currently in existence.

Should these renewals not be successful or the farm out arrangements not be approved, there may be a requirement to impair the related capitalised costs in the E&E assets.

We also draw attention to note 13 of the financial statements, which includes the value of the investments in subsidiaries (including intercompany receivables). The recoverability of these investments and receivables is inherently linked to the successful outcome of the Group's exploration projects, its farm out arrangements and the ultimate generation of revenue from the licences. The exploration projects are at an early stage making it difficult to determine their value and outcome.

These conditions indicate the existence of a material uncertainty which may cast significant doubt over the value and recoverability of the intangible assets in the Group financial statements and the investments in subsidiaries (including intercompany receivables) in the Parent Company financial statements. Our opinion is not modified in this respect.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company and the Group, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

Our Group audit scope includes all of the group companies. At the Parent Company level, we also evaluated the consolidation procedures. The audit team communicated regularly throughout the audit with the CFO in order to ensure we had a good knowledge of the business of the Group. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key audit matters	**How our audit addressed the key audit matters**
Valuation and Impairment review – Exploration and evaluation assets *(applicable to the Group financial statements only)* The Group has significant exploration and evaluation ('E&E') assets, amounting to $36.6 million at the year end. A review for indicators of impairment of exploration and evaluation assets that have been capitalised in the past should be undertaken by management in accordance with the requirements and criteria set out in IFRS 6 'Exploration for and Evaluation of Mineral Resources'. This review involves some level of judgement relating to the future commodity prices. Where indicators of impairment are identified, a robust review of the assets held should be undertaken by the directors to confirm the value in use of these amounts and that there are no indications, or requirements for, impairments of their values. Significant management judgements and estimation uncertainty is involved in this area, primarily around: • Future commodity prices; • The ability to obtain financing; and • The ability to renew licences. As a result of the level of judgement required to be exercised by management in assessing the carrying value of these assets, we consider the risk over the valuation of the exploration and evaluation assets as a key audit matter, which was one of the most significant risks of material misstatement in the financial statements of the Group.	Our work included, but was not restricted to: • Obtained a copy of the Group's impairment review prepared by the CFO and reviewed by the directors. We have assesed this document in conjunction with our review of each E&E asset for impairment indicators and considered whether the conclusions reached by management are reasonable and in line with our knowledge of the business. • We obtained evidence of the current position of the licenses held to ensure they are current and in good standing. • We compared the future plans of the projects in respect of farm-out agreements, funding, viability and developments to assess whether there were any indicators of impairment in line with IFRS 6. • We assessed whether the conclusions reached by management were in line with our expectations based on our knowledge of the exploration projects and industry. • We have verified the additions to the assets to ensure that they meet the recognition criteria under IFRS 6. • We assessed the accuracy and completeness of disclosures in the financial statements. The Group's accounting policy on Oil & Gas Exploration and Evaluation Expenditure is shown in Accounting Policies for the consolidated financial statements and related disclosures are included in note 12. **Key observations** There is ongoing uncertainty in respect of the Zambia licence as petroleum legislation has led to delays in agreeing work programmes and the expiry of the exploration licences. The exploration assets have been impaired in full in a prior year and remain impaired. During the year, there were impairment triggers in respect of the license held for Algo Gamtoos in South Africa. The licence expired in November 2022 and the group is unable to

	obtain a renewal without first completing the work commitments for the current phase. The Group has a potential offer for funding and is of the view that the licence will continue in place even though progress has been slow. The Group has a farm-out with Prime Global Energies Limited for a 42.5% non-operated interest in the Thali license in Cameroon. The farm-out is subject to approval from the Minister of Mines, Industry and Technological Development. The Thali license expired in February 2025 and an application for extension has been submitted to the Ministry. The Group has a farm-out agreement with Prime Energies Limited for a 25% non-operated interest in the PEL96 license in Namibia. Completion of the farm-out is subject to Namibian Government approvals and the consent of the other partners in the PEL96 license. The PEL 96 licence in Namibia expired in November 2023. The Group have a right to extend for a period of 2-3 years and an application has been made subject to Government approvals. The approval of the farm-out agreements and license extensions for Cameroon and Namibia are expected after the date of signing this report. The outstanding licence obligations are higher than the cash reserves of the Group currently however the Directors are confident that further funding, or transactions on one or more of the licenses may be achieved in order to obtain sufficient funding to meet their current commitments. As a result of the audit procedures we performed and, after considering management's disclosures of the judgements applied by them, we have concluded that no further impairments are currently required under IFRS 6. As noted above, the Group has licence renewals in progress, should these applications not be successful or the farm out arrangements not be approved, there may be a requirement to impair the related capitalised costs in the E&E assets. As the above matters are inherently uncertain, we have included above an 'emphasis of matter' paragraph in our audit report for this uncertainty.
Valuation and impairment review of investments in subsidiaries and intercompany receivables	Our work included, but was not restricted to: • Assessed the value of investment balances against the value of the underlying assets, including reference

(applicable to the Parent Company financial statements only) There is a risk of material misstatement regarding the recoverability of investments in subsidiaries (including intercompany receivables i.e. the net investment in each subsidiary). The carrying value of investments is ultimately dependent on the value of the underlying exploration projects which are at an early stage of exploration, making it difficult to definitively determine their value. Valuations for these assets are therefore based on judgments and estimates made by the Directors, which leads to a risk of misstatement. Similar considerations apply to the recoverability of loans to group undertakings disclosed as investments. Where indicators of impairment have been identified a robust review of the investments held by the Parent Company and any amounts due from subsidiaries to the Parent Company should be undertaken by the directors to confirm whether there are requirements for impairments of the amounts. As a result of the level of judgement required to be exercised by management in assessing the carrying value of these assets, we consider this area to be a key audit matter.	to work performed in respect of the carrying value of exploration expenditure in accordance with IFRS 6, where relevant. • Evaluated management's impairment paper in respect of the recoverability of investment balances (including intragroup receivables) and providing appropriate challenge, corroborating any key assumptions used. • Assessed whether the conclusions reached by management were in line with our knowledge of the business. • Ensured that intercompany loans have been reconciled and confirmed that there are no material differences. • Reviewed the disclosure made in the financial statements to ensure it is in line with accounting standards. **Key Observations** The carrying value of the investment in subsidiaries (and intercompany receivables) is intrinsically linked to the carrying value of the E&E assets held by the subsidiaries. As per the above discussion in the risk over the valuation of E&E assets, no impairments were recognized in connection with these amounts. As such, no impairments are considered necessary on the investments in subsidiaries and intercompany receivables. As noted above, the Group has licence renewals in progress, should these applications not be successful or the farm out arrangements not be approved, there may be a requirement to impair the related capitalised costs in the E&E assets in the Group financial statements and the investment balances and intercompany receivables in the Parent Company financial statements. As the above matters are inherently uncertain, we have included above an 'emphasis of matter' paragraph in our audit report for this uncertainty.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality Measure	Group	Parent
Overall materiality	We determined materiality for the financial statements as a whole to be $550,000 (2023: $543,000).	We determined materiality for the financial statements as a whole to be $550,000 (2023: $434,000).
How we determine it	Based on a benchmark of the main key indicator, being 1.5% of gross assets of the Group. As the Group is not trading and still in the exploration phase, we determine this to be the best benchmark.	Company materiality based on approximately 1.5% of gross assets of the Company but limited to the Group materiality as Company materiality exceeded Group materiality.
Rationale for benchmarks applied	We believe 1.5% of gross assets to be the most appropriate benchmark due to the size and nature of the Group.	We believe 1.5% of gross assets to be the most appropriate benchmark due to the size and nature of the Company.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Group's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and was set at $412,500 (2023: $407,250).	On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and was set at $412,500 (2023: $325,800).
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over $27,500 (2023: $27,150) (5% of Group materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	We agreed with the Audit Committee that we would report to them all misstatements over $27,500 (2023: $21,720) (5% of Company materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and Parent Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to exploration laws and regulations in the countries the Group operates, UK tax legislation, employment and health, safety and environment (HSE) regulation, anti-bribery, corruption and fraud, we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the AIM Rules, the Quoted Companies Alliance Corporate Governance Code ("QCA Code"), UK adopted International Accounting Standards. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated investment valuations and exploration and evaluation assets.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and the QCA's Code on Corporate Governance and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Review of the financial statement disclosures to underlying supporting documentation;
- Review of correspondence with legal advisors;
- Review of Board minutes;
- Evaluating management's controls designed to prevent and detect irregularities;
- Challenging management on the judgements and assumptions made in their significant accounting estimates;
- Enquiring of management as to actual and potential litigation and claims;
- Review of relevant legal or professional costs within the accounting records for any evidence of previously un-detected or un-reported instances of non-compliance;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Considering the risk of acts by the company which were contrary to the applicable laws and
- regulations, including fraud;
- Enquiry of management in so far as they related to the financial statements and testing of journals; and
- Evaluate whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Substantively testing of journals to identify unusual transactions and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud;
- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Investigated the rationale behind any significant or unusual transactions;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright

(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditor

4 Thomas More Square

London E1W 1YW

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	31 December 2024 (audited)	31 December 2023 (audited)
		$	$
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other administrative expenses		(606,156)	(749,540)
Share-based payment charges	20	(374,305)	(337,358)
VAT provision release	14	-	1,178,228
Total administrative expenses		(980,461)	91,330
Group operating (loss) /profit	4	(980,461)	91,330
Finance expense	6	(3,160)	(545,526)
Loss for the year before taxation		(983,621)	(454,196)
Taxation	7	-	-
Loss for the year after taxation		(983,621)	(454,196)
Other comprehensive income		-	-
Total comprehensive (expense) / income for the year		(983,621)	(454,196)
Basic loss per share (USc)	10	(0.01c)	(0.01c)
Diluted loss per share (USc)	10	(0.01c)	(0.01c)

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2024 (audited)	31 December 2023 (audited)
-		$	$
Non-current assets			
Property, plant and equipment	11	-	-
Exploration and evaluation assets	12	36,610,360	34,770,924
		36,610,360	34,770,924
Current assets			
Trade and other receivables	14	15,599	1,420,325
Cash and cash equivalents		284,118	20,633
		299,717	1,440,958
Total assets		**36,910,077**	36,211,882
Current liabilities			
Trade and other payables	15	1,196,996	2,832,127
Borrowings	16	12,604	12,867
		1,209,600	2,844,994
Non-current liabilities			
Borrowings	16	5,229	18,098
Total liabilities		**1,214,829**	2,863,092
Net assets		**35,695,248**	33,348,790
Equity			
Share capital	17	18,534,081	18,394,680
Share premium	17	158,795,411	156,166,470
Retained losses	18	(141,634,244)	(141,212,360)
Total shareholders' equity		**35,695,248**	33,348,790

The financial statements of Tower Resources plc, registered number 05305345 were approved by the Board of Directors and authorised for issue on 30 May 2025.

Signed on behalf of the Board of Directors

Jeremy Asher - Chairman and Chief Executive

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	[1] Share-based payments reserve	Retained losses	Total
	$	$	$	$	$
At 1 January 2023	**18,283,317**	**152,336,303**	**2,508,230**	**(143,764,531)**	**29,363,319**
Shares issued for cash	97,460	3,859,030			3,956,490
Shares issued on settlement of third-party fees	13,903	298,593	-	-	312,496
Share issue costs	-	(327,456)			(327,456)
Share-based payment charge for the year	-	-	498,137	-	498,137
Transfer to retained losses	-	-	-	-	-
Total comprehensive expense for the year	-	-	-	(454,196)	(454,196)
At 31 December 2023	**18,394,680**	**156,166,470**	**3,006,367**	**(144,218,727)**	**33,348,790**
Shares issued for cash	128,805	2,719,132			**2,847,937**
Shares issued on settlement of third-party fees	10,596	220,311	-	-	**230,907**
Share issue costs	-	(310,502)			**(310,502)**
Share-based payment charge for the year	-	-	561,737	-	**561,737**
Exercise of share warrants			(25,291)	25,291	
Total comprehensive income for the year	-	-	-	(983,621)	**(983,621)**
At 31 December 2024	**18,534,081**	**158,795,411**	**3,542,813**	**(145,177,057)**	**35,695,248**

[1] The share-based payment reserve has been included within the retained loss reserve on the consolidated statement of financial position and is a non-distributable reserve.

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2024 (audited) $	31 December 2023 (audited) (restated) $
Reconciliation to net cash outflow from operating activities			
Group operating (loss) / profit for the year		(980,461)	91,330
Share-based payments	20	561,737	498,137
Shares issued on settlement of third-party fees		230,907	312,496
Operating cash flow before changes in working capital		**(187,817)**	901,963
Decrease / (increase) in receivables and prepayments	14	1,404,726	(945,576)
Decrease in provision for liabilities and charges		-	(502,972)
Decrease in trade and other payables	15	(1,150,131)	(1,045,773)
Cash from / (used in) operations		**66,778**	(1,592,358)
Interest paid (net)		(2,881)	(542,705)
Cash from / (used in) operating activities		**63,897**	(2,135,063)
Investing activities			
Exploration and evaluation costs	12	(1,839,436)	(2,937,253)
Net cash used in investing activities		**(1,839,436)**	(2,937,253)
Financing activities			
(Repayment) / drawdown of loan facilities	15/16	(497,786)	1,233,620
Cash proceeds from issue of ordinary share capital net of issue costs	17	2,537,435	3,629,034
Interest paid	16	(625)	(921)
Net cash from financing activities		**2,039,024**	4,861,733
Increase / (decrease) in cash and cash equivalents		263,485	(210,583)
Cash and cash equivalents at beginning of year		**20,633**	231,216
Cash and cash equivalents at end of year		**284,118**	20,633

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
COMPANY STATEMENT OF FINANCIAL POSITION

	Note	31 December 2024 (audited) $	31 December 2023 (audited) $
Non-current assets			
Loans to subsidiary undertakings	13	30,664,515	26,242,971
Investments in subsidiary undertakings	13	12,307,766	12,307,766
		42,972,281	38,550,737
Current assets			
Trade and other receivables	14	15,597	1,420,323
Cash and cash equivalents		224,814	11,663
		240,411	1,431,986
Total assets		**43,212,692**	39,982,723
Current liabilities			
Trade and other payables	15	69,309	1,013,290
Borrowings	16	12,604	12,867
		81,913	1,026,157
Non-current liabilities			
Borrowings	16	5,229	18,098
Total liabilities		**87,142**	1,044,255
Net assets		**43,125,550**	38,938,468
Equity			
Share capital	17	18,534,081	18,394,680
Share premium	17	158,795,411	156,166,470
Retained losses	18	(134,203,942)	(135,622,682)
Total shareholders' equity		**43,125,550**	38,938,468

In accordance with the provisions of Section 408 of the Companies Act 2006, the Company has not presented a statement of comprehensive income and for the year-ended 31 December 2024 the Company made a profit of $857k (2023: $1.3 million)

The financial statements of Tower Resources plc, registered number 05305345 were approved by the Board of Directors and authorised for issue on 30 May 2025.

Signed on behalf of the Board of Directors

Jeremy Asher - Chairman and Chief Executive

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	[1] Share-based payments reserve	Retained losses	Total
	$	$	$	$	$
At 1 January 2023	**18,283,317**	**152,336,303**	**2,508,230**	**(139,958,064)**	**33,169,786**
Shares issued for cash	97,460	3,859,030	-	-	3,956,490
Shares issued on settlement of third-party fees	13,903	298,593	-	-	312,496
Share issue costs	-	(327,456)	-	-	(327,456)
Share option charge for the year	-	-	498,137	-	498,137
Transfer to retained losses	-	-	-	-	-
Total comprehensive expense for the year	-	-	-	1,329,015	1,329,015
At 31 December 2023	**18,394,680**	**156,166,470**	**3,006,367**	**(138,629,049)**	**38,938,468**
Shares issued for cash	**128,805**	**2,719,132**	**-**	-	2,847,937
Shares issued on settlement of third-party fees	**10,596**	**220,311**	**-**	-	230,907
Share issue costs	**-**	**(310,502)**	**-**	-	(310,502)
Share option charge for the year	**-**	**-**	**561,737**	-	561,737
Exercise of share warrants	**-**	**-**	**(25,291)**	**25,291**	
Total comprehensive expense for the year	**-**	**-**	**-**	857,003	857,003
At 31 December 2024	**18,534,081**	**158,795,411**	**3,542,813**	**(137,746,755)**	**43,125,550**

[1] The share-based payment reserve has been included within the retained loss reserve on the Company statement of financial position and is a non-distributable reserve.

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
COMPANY STATEMENT OF CASH FLOWS

	Note	31 December 2024 (audited)	31 December 2023 (audited) (restated)
		$	$
Reconciliation to net cash outflow from operating activities			
Operating (loss) / profit for the year		(917,416)	386,442
Share-based payments	20	561,737	498,137
Shares issued on settlement of third-party fees		230,907	312,496
Operating cash flow before changes in working capital		**(124,772)**	1,197,075
Decrease / (increase) in receivables and prepayments	14	1,404,726	(945,576)
Decrease in provision for liabilities and charges		-	(502,972)
Decrease in trade and other payables	15	(458,981)	(319,864)
Cash from / (used in) operating activities		**820,973**	(571,337)
Investing activities			
Loans granted to subsidiary undertakings	13	(2,646,846)	(3,896,080)
Net cash used in investing activities		**(2,646,846)**	(3,896,080)
Financing activities			
(Repayment) / drawdown of loan facilities	15/16	(497,786)	1,233,620
Cash proceeds from issue of ordinary share capital net of issue costs	17	2,537,435	3,629,034
Interest paid	16	(625)	(543,030)
Net cash from financing activities		**2,039,024**	4,319,624
Increase / (decrease) in cash and cash equivalents		213,151	(147,793)
Cash and cash equivalents at beginning of year		**11,663**	159,456
Cash and cash equivalents at end of year		**224,814**	11,663

1. Accounting policies

a) General information

Tower Resources plc is a public company incorporated in the United Kingdom under the UK Companies Act. The address of the registered office is 134 Buckingham Palace Road, London, SW1W 9SA. The Company and the Group are engaged in the exploration for oil and gas.

These financial statements are presented in US dollars as this is the currency in which the majority of the Group's expenditures are transacted and the functional currency of the Company and have been prepared in accordance with UK-adopted International Accounting Standards, and in compliance with the requirements of the Companies Act 2006. The statements of cash flows for the year ended 31 December 2023 have been restated to correct two classifications.

b) Basis of accounting and adoption of new and revised standards

Changes in accounting policies

The following standards and amendments became effective in the year ended 31 December 2024:

Standard	Description	UKEB Effective Date
IAS 7 (amendments)	Statement of Cash Flows	1 January 2024
IFRS 7 (amendments)	Financial Instruments (Disclosures)	1 January 2024
IAS 1 (amendments)	Presentation of Financial Statements	1 January 2024
IFRS 16 (amendments)	Leases	1 January 2024

None of these standards are considered to have a material effect on the Group's financial statements.

New and amended standards

The following amended standards and interpretation are effective for financial years commencing on or after 1 January 2025. The Group does not intend to adopt the standards below, before their mandatory application date.

Standard	Description	Adoption Date	UKEB Effective Date	Secretary of State Adoption Date
IAS 21 (amendments)	The Effects of Changes in Foreign Exchange Rates	15 July 2024	1 January 2025	Endorsed
IFRS 9 (amendments)	Financial Instruments	15 April 2025	1 January 2026	Endorsed
IFRS 7 (amendments)	Financial Instruments (Disclosures)	15 April 2025	1 January 2026	Endorsed

Future accounting pronouncements

The Company intends to adopt the above listed standards and interpretations in its financial statements for the annual period beginning 1 January 2025. The Company does not expect the implementation to have a material impact on the financial statements.

c) Going concern

The Group will need to receive the requisite government approvals and to complete its agreed Cameroon farm-out with Prime Global Energies Limited and/or another asset-level transaction within the coming months, or otherwise raise further funds in addition to funds already raised in 2024, in order to meet its liabilities as they fall due, particularly with respect to the forthcoming drilling programme in Cameroon. The Directors are confident that the government approvals will be provided and that the agreed farm-out will be completed, but this is not yet certain.

The Group's assets in Namibia and South Africa are also pre-revenue, and therefore also depend on funds for further investment being available to the Group, whether from cash flow in Cameroon or other sources. To bring the Cameroon assets to the point of sustainable cash flow generation will also require significant further investment.

The directors believe that there are a number of options available to fund these investments through any, or a combination, of production pre-financing or reserve-based lending, capital markets, further farm-outs or asset disposals. There can, however, be no guarantee that the required funds may be raised or transactions completed within the necessary timeframes, which results in an inherent material uncertainty as to the application of going concern in these accounts. Having assessed the risks attached to these uncertainties on a probabilistic basis, the Directors are confident that they can raise sufficient finance in a timely manner and therefore believe that the application of going concern is both appropriate and correct.

d) Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

The results of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

As a Consolidated Statement of Comprehensive Income is published, a separate Statement of Comprehensive Income for the Parent Company has not been published in accordance with section 408 of the Companies Act 2006.

e) Audit exemptions for subsidiaries companies

For the year ended 31 December 2024, the UK subsidiaries of the Company incorporated in England and Wales (see note 13) were entitled to exemption from audit under section 479 of the Companies Act 2006 relating to subsidiary companies.

The members have not required the subsidiary companies to obtain an audit of its accounts for the year in question in accordance with section 476 and the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

f) Jointly controlled operations

Jointly controlled operations are arrangements in which the Group holds an interest on a long-term basis which are jointly controlled by the Group and one or more ventures under a contractual arrangement. The Group's exploration, development and production activities are sometimes conducted jointly with other companies in this way. Since these arrangements do not constitute entities in their own right, the consolidated financial statements reflect the relevant proportion of costs, revenues, assets and liabilities applicable to the Group's interests.

g) Oil and Gas Exploration and Evaluation Expenditure

Costs incurred before the acquisition of a license or permit to explore an area are expensed to the income statement.

All exploration and evaluation costs incurred following a license or permit to explore being obtained or acquired on the acquisition of a subsidiary are capitalised in respect of each identifiable project area. These costs are classified as intangible assets and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (successful efforts).

Exploration and evaluation assets are not amortised but are assessed for impairment, with an impairment test being required when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Costs incurred by Directors' and employees of the parent Company on the exploration activities are recharged to the subsidiaries and capitalised as exploration assets accordingly.

Other costs are expensed unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as 'Developed Oil and Gas Assets' and amortised over the life of the area according to the rate of depletion of the economically recoverable costs.

h) Impairment of Oil and Gas Exploration and Evaluation assets

In accordance with IFRS 6, E&E assets are reviewed for impairment when circumstances arise which indicate that the carrying value of an E&E asset exceeds the recoverable amount. The recoverable amount of the individual asset is determined as the higher of its fair value less costs to sell and its value in use. Impairment losses resulting from an impairment review are recognised within the Statement of Comprehensive Income.

The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

Exploration projects are at an early stage of development and the Directors have assessed the impairment of the projects based on future exploration plans and estimates of geological and economic data. The Board does not believe that the key assumptions will change so as to cause the carrying values to exceed the recoverable amounts.

To date impairment losses recognised have followed the decision of the Board not to continue exploration and evaluation activity on a particular project licence area where it is no longer considered an economically viable project or where the underlying exploration licence has been relinquished.

i) Decommissioning costs

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is made. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

j) Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computers and equipment, fixtures, fittings and equipment: straight line over 4 years

Leasehold and office refurbishment costs: over duration of lease

The assets' residual values and useful lives are reviewed and adjusted if necessary at each year-end. Profits or losses on disposals of plant and equipment are determined by comparing the sale proceeds with the carrying amount and are included in the statement of comprehensive income. Items are reviewed for impairment if and when events indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

k) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses. Investments in subsidiaries are assessed for impairment in line with the requirements of IAS36 and, where evidence of non-recoverability is identified, an appropriate impairment loss is recorded.

The Parent Company's investments in subsidiary companies are stated at cost less any expected credit loss for impairment and are shown in the Company's Statement of Financial Position.

Amounts due from subsidiaries are recognised and measured at nominal value less any provision for Expected Credit Losses.

l) Share-based payments

The Company makes share-based payments to certain Directors, employees and consultants by the issue of share options or warrants. The fair value of these payments is calculated either using the Black Scholes option pricing model or by reference to the fair value of the remuneration settled by way of the grant of such options or warrants. The expense is recognised on a straight-line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

m) Foreign currency translation

i Functional and presentational currency

Items included in the financial statements are shown in the currency of the primary economic environment in which the Company operates ("the functional currency") which is considered by the Directors to be the U.S Dollar. The exchange rate at 31 December 2024 was £1 / $1.2529 (2023: £1 / $1.2715).

ii Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the year-end. All differences are taken to the statement of comprehensive income.

n) Taxation

i Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible on other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

ii Deferred taxation

Deferred income taxes are provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using tax rates that have been enacted or substantially enacted and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled.

The principal temporary differences arise from depreciation or amortisation charged on assets and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

o) Financial instruments

The Group's Financial Instruments comprise of cash and cash equivalents, loans and receivables. There are no other categories of financial instrument.

i Cash and cash equivalents

Cash and cash equivalents are carried at cost and comprise cash in hand, cash at bank, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

ii Receivables

Receivables are measured at amortised cost unless the time value of money is immaterial. A provision for expected credit losses of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the expected credit losses is the difference between the assets' carrying amount and the recoverable amount. Expected credit losses for impairment of receivables are included in the statement of comprehensive income.

iii Payables

Payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

p) Share capital

Ordinary shares are classified as equity. Proceeds received from the issue of ordinary shares above the nominal value are classified as Share Premium. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the Share Premium account.

q) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group would be required to settle that obligation. Provisions are measured at the managements' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the executive Board members.

s) Leases

The Group do not have any leases with a term of 12-months or more that contain an option to purchase or where the underlying asset has anything other than a low value and has elected for exemption to the reporting requirements of IFRS 16 (Leases).

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS also require management to exercise its judgement in the process of applying the Group's accounting policies.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

Recoverability of investment balances in the Parent Company balance sheet

Determining whether subsidiary companies' investments and intercompany balances are impaired requires an estimation of whether there are any indications of expected credit losses that result in their carrying values not being recoverable, details of which are included in note 13. The Board believes that the carrying values at the year end are recoverable based primarily on the expected realisation value of the exploration assets even though they are unlikely to be repaid until the projects are successful and the subsidiaries start to generate revenues.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred resources, future technological changes which could impact the cost of drilling and extraction, future legal changes (including changes to environmental restoration obligations), changes to commodity prices and licence renewal dates and commitments.

To the extent that capitalised exploration and evaluation expenditure is determined to be irrecoverable in the future, this will reduce profits and net assets in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made. Details of impairments of capitalised exploration and evaluation expenditure during the year are included in note 12.

Capital markets / going concern

The Group relies on the UK equities market and the market for equity participations in oil and gas exploration assets in order to raise the funds required to operate as a listed entity and complete the respective work programmes for its oil and gas exploration assets. From time to time, and especially in light of the repercussions of events in the Ukraine, general economic and market conditions may deteriorate to a point where it is not possible to raise equity finance to fund exploration projects, nor debt to develop projects.

Additional financing may therefore not be available to the Group restricting the scope of operations, risking both its long-term expansion programme, its obligations under contracts which may be withdrawn or terminated for non-compliance and ultimately the financial stability of the Group to continue as a going concern.

Please see note 1 (c) for a more detailed discussion of going concern matters.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model and by reference to the value of the fees or remuneration settled by way of granting of warrants. The determination of fair value using the Black Scholes methodology is based on the input parameters chosen and will therefore contain an element of judgement and uncertainty. Details of share-based payment transactions are included in note 20.

3. Operating segments

The Group has two reportable operating segments: Africa and Head Office. Non-current assets and operating liabilities are located in Africa, whilst the majority of current assets are carried at Head Office. The Group has not yet commenced production and therefore has no revenue. Each reportable segment adopts the same accounting policies. In compliance with IFRS 8 'Operating Segments' the following table reconciles the operational loss and the assets and liabilities of each reportable segment with the consolidated figures presented in these Financial Statements, together with comparative figures for the year-ended 31 December 2023.

	Africa		Head Office		Total	
	2024	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$
Administrative expenses [1]	**62,784**	(122,982)	**(668,940)**	551,670	**(606,156)**	428,688
Share-based payment charges	**-**	-	**(374,305)**	(337,358)	**(374,305)**	(337,358)
Financing costs	**(1,343)**	(596)	**(1,817)**	(544,930)	**(3,160)**	(545,526)
Loss by reportable segment	**61,441**	(123,578)	**(1,045,062)**	(330,618)	**(983,621)**	(454,196)
Total assets by reportable segment [2 / 3]	**36,669,666**	34,779,896	**240,411**	1,431,986	**36,910,077**	36,211,882
Total liabilities by reportable segment [4]	**(1,127,689)**	(1,818,839)	**(87,140)**	(1,044,253)	**(1,214,829)**	(2,863,092)

[1] Administrative expenses include $nil (2023: $1.2 million) of VAT provision write-backs

[2] Included within total assets of $36.9 million (2023: $36.2 million) are $21.5 million Cameroon (2023: $20.0 million) , $1.3 million Namibia (2023: $908k) and $13.9 million South Africa (2023: $13.8 million).

[3] Carrying amounts of segment assets exclude investments in subsidiaries.

[4] Carrying amounts of segment liabilities exclude intra-group financing.

4. Group operating (loss) / profit

	2024	2023
	$	$
Share-based payment charges included within staff costs	323,286	278,255
Share-based payment charges included within professional costs	51,018	59,103
Gain on foreign currencies	(1,813)	48,022
An analysis of auditor's remuneration is as follows:		
Fees payable to the Group's auditors for the audit of the Group and subsidiary annual accounts	59,586	65,856

5. Employee information

The average monthly number of employees of the Group (including Directors) was:

	2024	2023
Head office	3	3
Africa	3	3
	6	**6**

Group employee costs during the year (including executive Directors) amounted to:

	2024	2023
	$	$
Wages and salaries	48,587	-
Social security costs	1,244	-
Share-based payment charges	323,286	278,255
	373,117	278,255

Key management personnel include the executive and non-executive Directors whose remuneration comprised both cash and non-cash share-based payment charges of $174k (2023: $148k); see Directors' Report for additional detail. During the year $395k (2023: $332k) of the full-year share-based payment charge of $536k (2023: $498k) related to employees and their remuneration as employees.

The highest paid Director was Jeremy Asher $78k (2023: $74k), and Pegasus Petroleum Limited, a company of which Jeremy Asher is the ultimate beneficial owner, also received fees for management services provided by Jeremy Asher as set out in the Directors' Report and in Note 21,

6. Finance costs

During the year covered by these financial statements the Group incurred finance costs of $3k (2023: $545k) in connection with its equity fundraisings (see note 18). The Company incurred finance costs of $2k (2023: $545k).

7. Taxation

	2024 $	2023 $
Current tax		
UK Corporation tax	-	-
Total current tax charge	-	-
The tax charge for the period can be reconciled to the loss for the year as follows:		
Group loss before tax	983,621	454,196
Tax at the UK Corporation tax rate of 25.0% (2023: 23.5%)	(245,905)	(106,738)
Tax effects of:		
Expenses not deductible for tax purposes	80,822	71,721
Tax losses carried forward not recognised as a deferred tax asset	165,083	35,017
Current tax charge	-	-

As at 1 April 2023, the main rate of UK corporation tax increased from 19% to 25%. As the company's financial year straddles this date, a blended corporation tax rate of 23.5% has been applied which is calculated by apportioning the two tax rates on a weighted basis for the proportion of the financial year for which each main tax rate was applicable. For the year ended 31 December 2024, the rate was 25%.

8. Deferred tax

At the reporting date the Group had an unrecognised deferred tax asset of $4.5 million (2023: $4.6 million) relating to unused tax losses. No deferred tax asset has been recognised due to the uncertainty of future profit streams against which these losses could be utilised.

9. Parent company income statement

For the year-ended 31 December 2024 the Parent Company made a profit of $857k (2023: $1.3 million) including financing costs of $2k (2023: $545k) and VAT provision movements of $nil million (2023: $1.2 million). The Company charged finance interest on intercompany loan accounts of $1.8 million (2023: $1.5 million) and fees with respect to the provision of strategic advice and support of $126k (2023: $172k). In accordance with the provisions of Section 408 of the Companies Act 2006, the Parent Company has not presented a statement of comprehensive income.

10. Loss per share

The fully diluted weighted average number of shares in issue and to be issued as at 31 December 2024 is 17,721,463,514 (2023: 6,405,097,403). At 31 December 2024 the dilutive effect of share options outstanding was nil (2023: nil). At 31 December 2024 and 31 December 2023, the fully diluted loss per share has been kept the same as the basic loss per share because the conversion of share options and share warrants would decrease the basic loss per share and is thus anti-dilutive. The number of anti-dilutive shares that were excluded from this computation of profit per share was 548,279,409 (2023: 9,382,490).

	Basic & Diluted	
	2024	2023
	$	$
Loss for the year	**(983,621)**	(454,196)
Weighted average number of ordinary shares in issue during the year	**17,721,463,514**	6,405,097,403
Dilutive effect of share options outstanding	-	-
Fully diluted average number of ordinary shares during the year	**17,721,463,514**	6,405,097,403
Loss per share (USc)	**(0.01c)**	(0.01c)

11. Property, plant and equipment

	Group	**Company**
Year-ended 31 December 2024	**$**	**$**
Cost		
At 1 January 2024	**1,046**	**1,046**
At 31 December 2024	**1,046**	**1,046**
Depreciation		
At 1 January 2024	**1,046**	**1,046**
At 31 December 2024	**1,046**	**1,046**
Net book value		
At 31 December 2024	**-**	**-**
At 31 December 2023	-	-

	Group	Company
Year-ended 31 December 2023	**$**	**$**
Cost		
At 1 January 2023	1,046	1,046
At 31 December 2023	1,046	1,046
Depreciation		
At 1 January 2023	1,046	1,046
At 31 December 2023	1,046	1,046
Net book value		
At 31 December 2023	-	-
At 31 December 2022	-	-

12. Intangible Exploration and Evaluation (E&E) assets

	Exploration and evaluation assets	Goodwill	Total
Year-ended 31 December 2024	**$**	**$**	**$**
Cost			
At 1 January 2023	106,779,386	8,023,292	114,802,678
Additions during the year	1,839,436	-	1,839,436
At 31 December 2024	**108,618,822**	**8,023,292**	**116,642,114**
Amortisation and impairment			
At 1 January 2023	(72,008,462)	(8,023,292)	(80,031,754)
Impairment during the year	-	-	-
At 31 December 2024	**(72,008,462)**	**(8,023,292)**	**(80,031,754)**
Net book value			
At 31 December 2024	**36,610,360**	**-**	**36,610,360**
At 31 December 2023	34,770,924	-	34,770,924

	Exploration and evaluation assets	Goodwill	Total
Year-ended 31 December 2023	**$**	**$**	**$**
Cost			
At 1 January 2023	103,842,133	8,023,292	111,865,425
Additions during the year	2,937,253	-	2,937,253
At 31 December 2023	**106,779,386**	**8,023,292**	**114,802,678**
Amortisation and impairment			
At 1 January 2023	(72,008,462)	(8,023,292)	(80,031,754)
Impairment during the year	-	-	-
At 31 December 2023	**(72,008,462)**	**(8,023,292)**	**(80,031,754)**
Net book value			
At 31 December 2023	**34,770,924**	**-**	**34,770,924**
At 31 December 2022	31,833,671	-	31,833,671

During the year the Group capitalised amounts totalling $1.8 million (2023: $2.9 million) with respect to the following assets:

	2024	2023
	$	$
Cameroon	**1,381,042**	2,651,002
Namibia	**350,279**	156,851
South Africa	**108,115**	129,400
Total	**1,839,436**	2,937,253

The carrying values of E&E assets at the year end were:

	2024	2023
	$	$
Cameroon	**21,454,648**	20,073,606
South Africa	**13,897,512**	13,789,397
Namibia	**1,258,200**	907,921
Total	**36,610,360**	34,770,924

Prime Global Energies Limited

The Group signed a farmout agreement with Prime Global Energies Limited on 10 January 2025 for minority, non-operated interests in its Thali license, offshore Cameroon, and PEL96 offshore Namibia. Through Tower Resources Cameroon S.A., an agreement to farm-out a 42.5% non-operated interest in the Thali license to Prime in exchange for a $15.0 million cash contribution towards the Thali work programme including the drilling of the NJOM-3 well in 2025 has been agreed. In addition, through Tower Resources (Namibia) Limited, Prime Global Energies Limited has also agreed to farm-in to PEL96, offshore Namibia, for a 25% non-operated interest. In connection with these farm-outs and related transactions including modifications to existing arrangements and an issue of new shares with Pegasus Petroleum Limited (a significant shareholder of the Company), Tower received $938k in cash and will receive a further $3.4 million in cash on completion of the two farm-out agreements and the related transactions, for a total of $4.4 million in cash. Completion of the farmouts remains subject to granting of certain governmental consents in both Cameroon and Namibia, however, the Directors do not believe that these will be unreasonably withheld and they believe that Completion of both farmouts will occur in due course.

Cameroon

The $1.4 million of capitalised expenditure comprised ongoing NJOM-3 appraisal drilling preparation costs (geotechnical platform site survey plus the capitalised cost of operating the local office in Douala).

The Directors have not provided for any impairment of the Group’s investment in the Thali license, principally because it has signed a farmout agreement with Prime Global Energies Limited (as noted above), and both this and the Company’s internal internal cash flow projections support the Directors’ view that the current carrying value is recoverable in full. The operating company, Tower Resources Cameroon SA, has applied for and is expected to receive an extension of the First Exploration Period of the license at the same time as the farmout to Prime Global Energies Limited is approved by the Government of Cameroon.

Namibia

The Group continued to make various licence commitment and training payments to the Government of the Republic of Namibia in addition to completing basin modelling work and other work in line with the work programme commitments.

The Company’s investment in the current license is currently $1.3 million (2023: $908k), which appears well supported by the valuations implied by recent transactions in the region, allowing for the early stage of the evaluation and appraisal process in addition to the implied value of the farmout to Prime Global Energies Limited (as noted above). Furthermore, the Directors continue to believe firmly that the relatively modest amounts of expenditure incurred on acquiring and securing tenure to the licence is fully supported by their initial view of its prospectivity based on the information that is currently available.

Application to move to the next phase of the licence was made in October 2024 and is pending formal approval by the Government of Namibia.

South Africa

In South Africa, Rift Petroleum Limited, Tower’s wholly owned subsidiary, and its JV partner and operator New African Global Energy SA (Pty) Ltd, continued to work on planning the 3D seismic acquisition, the tendering and evaluation process for which is ongoing. The Petroleum Authority of South Africa (“PASA”) formally approved the application to enter the second renewal period, submitted by the Operator NewAge Energy Algoa (Pty) Ltd, on 17 November 2020, having confirmed that the first renewal period work programme had been completed to its satisfaction. The second renewal period commits the JV to the acquisition of 700km of 2D seismic acquisition or the acquisition of 300km of 3D seismic. The minimum spend is $5.0 million in total to the JV and this period will conclude upon the completion of the work programme, representing a commitment to acquire a minimum of 700km 2D or 300km of 3D seismic over the block. Acquiring the additional seismic data in 2025 is now unlikely to be possible, and as a result, the JV partners do not expect to acquire the new 3D seismic data over the block until 2026 at the earliest. The operator has told the Company that PASA accepts this position and merely requires that the seismic acquisition obligation is completed before the JV enters the next renewal period.

The Directors have not provided for any impairment of the Group’s investment in the Algoa Gamtoos JV principally because the economic evaluation of the main leads in the license area remain very attractive, and also because the current farmout discussions and the valuation of similar early-stage licenses in Namibia indicate that there is still significant value in this license.

Impairment

In accordance with the Group's accounting policies and IFRS 6 'Exploration for and Evaluation of Mineral Resources' the Directors have reviewed each of the exploration license areas for indications of impairment. Having done so, it was concluded that a full impairment review was not required on the Cameroon, South African or Namibian CGUs.

13. Investment in subsidiaries

	Loans to subsidiary undertakings	Shares in subsidiary undertakings	Total
Company	**$**	**$**	**$**
Cost			
At 1 January 2023	**91,105,097**	**32,216,739**	**123,321,836**
Net advances during the year	**4,421,544**	**-**	**4,421,544**
At 31 December 2024	**95,526,641**	**32,216,739**	**127,743,380**
Provision for impairment			**-**
At 1 January 2023	**(64,862,126)**	**(19,908,973)**	**(84,771,099)**
Provision for impairment	**-**	**-**	**-**
At 31 December 2024	**(64,862,126)**	**(19,908,973)**	**(84,771,099)**
Net book value			**-**
At 31 December 2024	**30,664,515**	**12,307,766**	**42,972,281**
At 31 December 2023	26,242,971	12,307,766	38,550,737

Included within loans to subsidiary undertakings during the year of $4.4 million (2023: $5.3 million) are amounts of $3.1 million Cameroon (2023: $4.3 million), $258k South Africa (2023: $402k), $959k Rift Petroleum Holdings (2023: $610k) and $81k (2023: $110k) Namibia.

Loans made by the parent company to subsidiary undertakings are interest-bearing in accordance with loan agreements made in 2015, and are repayable to the parent company on demand. Although they are repayable on demand, they are unlikely to be repaid until the projects become successful and the subsidiaries start to generate revenues

Credit loss allowances for amounts due from subsidiary undertakings amount to $64.8 million (2023: $64.8 million) and are based on the expected outcomes of the E&E projects and whether the expected value of the projects will be less than the carrying values of the loans. Material adverse changes in the underlying value of the E&E assets could result in further credit losses on our intercompany receivables in the future. There is no impact to the Group Consolidated Statement of Comprehensive Income or the Consolidated Statement of Financial Position from credit losses on intercompany receivables, or the subsequent reversal thereof.

The subsidiary undertakings at the year-end are as follows (these undertakings are included in the Group accounts):

	Country of incorporation	Class of shares held	Proportion of voting rights held		Nature of business
	2024	2024	2024	2023	2024
Tower Resources Cameroon Limited [1]	England & Wales	Ordinary	100%	100%	Holding company
Tower Resources Cameroon SA [2]	Cameroon	Ordinary	100%	100%	Oil and gas exploration
Rift Petroleum Holdings Limited [1]	Isle of Man	Ordinary	100%	100%	Holding company
Rift Petroleum Limited [3]	Zambia	Ordinary	100%	100%	Oil and gas exploration
Rift Petroleum Limited [3]	Isle of Man	Ordinary	100%	100%	Oil and gas exploration
Tower Resources (Namibia) Holdings Limited [1]	England & Wales	Ordinary	100%	100%	Holding company
Tower Resources (Namibia) Limited [4]	England & Wales	Ordinary	100%	100%	Oil and gas exploration

[1] Held directly by the Company, Tower Resources plc

[2] Held directly or indirectly through Tower Resources Cameroon Limited

[3] Held directly or indirectly through Rift Petroleum Holdings Limited

[4] Held directly or indirectly through Tower Resources (Namibia) Holdings Limited

14. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	$	$	**$**	$
Trade and other receivables	**15,599**	1,420,325	**15,597**	1,420,323

Trade and other receivables include VAT recoverable from HMRC on late appeals owed to the Company, which at the end of 2024 were $nil (2023: $632k), all amounts for which were repaid by HMRC in May 2024.

At 31 December 2023 there was an amount due on the settlement of shares placed on 18 December 2023 of $759k, which was received in January 2024.

15. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	$	$	**$**	$
Trade payables	**339,005**	291,647	**3,979**	188,626
Other payables	**-**	757,719	**-**	757,719
Accruals	**857,991**	1,782,761	**65,330**	66,945
	1,196,996	2,832,127	**69,309**	1,013,290

Other payables comprise amounts prepaid by EECP against shares not yet drawn down against the Share Placement Deed, which was fully repaid during 2024 (see note 17)

Accruals include UK $65k (2023: $67k); Cameroon $590k (2023: $1.4 million); Namibia $203k (2023: $221k) and South Africa $nil (2023: $128k) and comprise operational and other asset related costs due plus amounts payable to Ministerial bodies with respect to licence tenure, most of which have been settled subsequent to the year-end.

Group creditor payment days are approximately 30 days (2023: 30 days).

16. Borrowings

Total borrowings for the Group and Company are noted below:

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Principal balance at beginning of year	**30,728**	**41,088**	**30,728**	**41,088**
Amounts drawn down during the year	-	-	-	-
Principal repaid during the year	(12,786)	(12,465)	(12,786)	(12,465)
Currency revaluations at year end	(193)	2,105	(193)	2,105
Principal balance at end of year	**17,749**	**30,728**	**17,749**	**30,728**
Financing costs at beginning of year	**237**	**442**	**237**	**442**
Changes to financing costs during the year	-	-	-	-
Interest expense	473	696	473	696
Interest paid during the year	(625)	(921)	(625)	(921)
Currency revaluations at year end	(1)	20	(1)	20
Financing costs at the end of the year	**84**	**237**	**84**	**237**
Carrying amount at end of period	**17,833**	**30,965**	**17,833**	**30,965**
Current	12,604	12,867	12,604	12,867
Non-current	5,229	18,098	5,229	18,098

PRINCIPAL REPAYMENT DATES	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Due within 1 year	12,604	12,867	12,604	12,867
Due within years 2-5	5,229	18,098	5,229	18,098
Due in more than 5 years	-	-	-	-
	17,833	**30,965**	**17,833**	**30,965**

Borrowings represent a 5-year Barclays Bounceback loan taken out in June 2021 and repayable in June 2026. During the year, the Group and Company entered into no new facilities (2023: $nil).

17. Share capital

	2024	2023
	$	$
Authorised, called up, allotted and fully paid		
23,394,207,794 (2023: 12,467,459,075) ordinary shares of 0.001p	**18,534,081**	18,394,680

The share capital issues during 2024 are summarised as follows:

	Number of shares	Share capital at nominal value	Share premium
		$	$
At 1 January 2024	12,467,459,075	18,394,680	156,166,470
Shares issued for cash	10,089,355,877	128,805	2,719,132
Shares issued on settlement of third party fees	837,392,842	10,596	220,311
Share issue costs	-	-	(310,502)
At 31 December 2024	**23,394,207,794**	**18,534,081**	**158,795,412**

In December 2022, the Company entered into a Share Placement Deed ("SPD") with Energy Exploration Capital Partners LLC ("EECP") under which EECP advanced $1.3 million in January 2023 against subsequent share placements as outlined under the SPD. On 4 January and 9 February 2024 the final placements were made under the deed of 440,567,445 and 396,825,397 respectively.

On 15 February 2024 the Company raised $674k net of fees by placing 3,333,333,333 shares for cash at 0.018 pence per share.

On 6 June 2024 the Company raised $170k net of fees by placing 1,195,652,174 shares for cash at 0.018 pence per share.

On 1 October 2024 140,000,000 shares were issued following the exercise of broker warrants to Axis Capital at 0.018 pence per share raising $32k.

Between 22 October and 6 November 2024 the Company raised $1.4 million net of fees by placing 4,401,851,851 shares for cash at 0.027 pence per share.

On 11 November 2024 the Company raised $225k net of fees by placing 1,108,518,519 shares for cash at 0.027 pence per share.

18. Reserves

Reserves within equity are as follows:

Share capital

Amounts subscribed for share capital at nominal value.

Share premium account

The share premium account represents the amounts received by the Company on the issue of its shares which were in excess of the nominal value of the shares.

Retained losses

Cumulative net gains and losses recognised in the Statement of Comprehensive Income less any amounts reflected directly in other reserves.

19. Financial instruments

Capital risk management and liquidity risk

Capital structure of the Group and Company consists of cash and cash equivalents held for working capital purposes and equity attributable to the equity holders of the Parent, comprising issued capital, reserves and retained losses as disclosed in the Statement of Changes in Equity. The Group and Company uses cash flow models and budgets, which are regularly updated, to monitor liquidity risk.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each material class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Due to the short-term nature of these assets and liabilities such values approximate their fair values at 31 December 2024 and 31 December 2023.

	Carrying amount / fair value	
	2024	2023
Group	$	$
Financial assets (classified as loans and receivables)		
Cash and cash equivalents	284,118	20,633
Trade and other receivables	2	1,390,978
Total financial assets	284,120	1,411,611
Financial liabilities at amortised cost		
Trade and other payables	339,005	1,049,366
Borrowings	17,833	30,965
Total financial liabilities	356,838	1,080,331

	Carrying amount / fair value	
	2024	2023
Company	**$**	$
Financial assets (classified as loans and receivables)		
Cash and cash equivalents	224,814	11,663
Trade and other receivables	-	1,390,976
Loans to subsidiary undertakings	30,664,515	26,242,971
Total financial assets	**30,889,329**	27,645,610
Financial liabilities at amortised cost		
Trade and other payables	3,979	946,345
Borrowings	17,833	30,965
Total financial liabilities	**21,812**	977,310

Group	**Carrying amount**	**Amortised cost**	**Carrying amount**	**Amortised cost**
	2024	**2024**	**2023**	**2023**
Loans and receivables	**£**	**£**	**£**	**£**
Cash and cash equivalent	284,118	284,118	20,633	20,633
Trade and other receivables	2	2	1,390,978	1,390,978
Total financial assets	**284,120**	**284,120**	**1,411,611**	**1,411,611**
Financial liabilities measured at amortised cost				
Trade and other payables	339,005	339,005	1,049,366	1,049,366
Borrowings	17,833	17,833	30,965	30,965
Total financial liabilities	**356,838**	**356,838**	**1,080,331**	**1,080,331**
Total financial instruments	**(72,718)**	**(72,718)**	**331,280**	**331,280**

Company	Carrying amount	Amortised cost	Carrying amount	Amortised cost
	2024	2024	2023	2023
Loans and receivables	£	£	£	£
Cash and cash equivalent	224,814	224,814	11,663	11,663
Trade and other receivables	-	-	1,390,976	1,390,976
Loans to subsidiary undertakings	30,664,515	30,664,515	26,242,971	26,242,971
Total financial assets	**30,889,329**	**30,889,329**	**27,645,610**	**27,645,610**
Financial liabilities measured at amortised cost				
Trade and other payables	3,979	3,979	946,345	946,345
Borrowings	17,833	17,833	30,965	30,965
Total financial liabilities	**21,812**	**21,812**	**977,310**	**977,310**
Total financial instruments	**30,867,517**	**30,867,517**	**26,668,300**	**26,668,300**

Financial risk management objectives

The Group's and Company's objective and policy is to use financial instruments to manage the risk profile of its underlying operations. The Group continually monitors financial risk including oil and gas price risk, interest rate risk, equity price risk, currency translation risk and liquidity risk and takes appropriate measures to ensure such risks are managed in a controlled manner including, where appropriate, through the use of financial derivatives. The Group and Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Interest rate risk management

The Group and Company borrowings carry a fixed interest rate of 1% per month and are therefore not exposed to any sensitivity risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and assuming the amount of the balances at the reporting date were outstanding for the whole year.

A 100-basis point change represents management's estimate of a possible change in interest rates at the reporting date. If interest rates had been 100 basis points higher and all other variables were held constant the Group's profits and equity would be impacted as follows:

	Group		Company	
	Increase		Increase	
	2024	2023	2024	2023
	$	$	$	$
Cash and cash equivalents	2,141	4,013	1,607	3,311
Borrowings	244	366	244	366
	2,385	4,379	1,851	3,677

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on classes of financial assets and financial liabilities, was as follows:

	2024	2024	2023	2023
	Floating interest rate	Non-interest bearing	Floating interest rate	Non-interest bearing
	$	$	$	$
Cash and cash equivalents	256,669	27,449	14,123	6,510

Foreign currency risk

The Group's and Company's reporting currency is the US dollar, being the currency in which the majority of the Group's revenue and expenditure is transacted. The US dollar is the functional currency of the Company and the majority of its subsidiaries. Less material elements of its management, services and treasury functions are transacted in pounds sterling. The majority of balances are held in US dollars with transfers to pounds sterling and other local currencies, as required to meet local needs. The Group does not enter into derivative transactions to manage its foreign currency translation or transaction risk as it does not believe such risks are material.

At the year-end the Group and Company maintained the following cash reserves:

	Group		Company	
	2024	2023	2024	2023
Cash and cash equivalents	$	$	$	$
Cash and cash equivalents held in US$	144	2,167	144	2,167
Cash and cash equivalents held in GBP	247,447	11,149	224,670	9,496
Cash and cash equivalents held in XAF	31,855	2,460	-	-
Cash and cash equivalents held in other currencies	4,672	4,857	-	-
	284,118	20,633	224,814	11,663

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group or Company. The Group and Company reviews the credit risk of the entities that it sells its products to or that it enters into contractual arrangements with and will obtain guarantees and commercial letters of credit as may be considered necessary where risks are significant to the Group or Company.

The Group has cash and cash equivalents of $284k as at 31 December 2024 (2023: $21k). The cash and cash equivalents are held with financial institutions which are rated below. Wherever possible ratings are provided by Fitch Ratings, however, where no rating was available from either Fitch Ratings or either of the other major international credit rating agencies such as Standard & Poor's or Moody's, the bank's local credit rating was used:

		Group		Company	
		2024	2023	2024	2023
Cash and cash equivalents	**Rating**	$	$	$	$
Barclays Bank plc	A+	224,814	11,663	224,814	11,663
Royal Bank of Scotland	A+	27,449	6,510	-	-
First Afriland Bank	B	31,476	2,081	-	-
BGFI Bank	A+	379	379	-	-
		284,118	20,633	224,814	11,663

20. Share-based payments

	2024	2023
	$	$
Share-based payment charges included within the statement of comprehensive income	374,305	337,358
Share-based payment charges included within the share premium account	116,129	106,789
Share-based payment charges capitalised and included within intangible exploration assets	71,303	53,990
	561,737	498,137

The share-based payments include the cost of warrants issued in respect of the company's equity financings and bridging loan, and also share-based payments for a number of services to the Group's various contractors and brokers and payments in lieu of Director fees.

Options

Details of share options outstanding at 31 December 2024 are as follows:

	Number in issue
At 1 January 2024	688,000,000
Lapsed during the year	(70,000,000)
Awarded during the year	1,182,000,000
At 31 December 2024	**1,800,000,000**

Date of grant	Number in issue [1]	Option price (pence)	Latest exercise date
18 Dec 2020	86,000,000	0.450	18 Dec 2025
01 Apr 2021	88,000,000	0.450	01 Apr 2026
16 Aug 2022	148,000,000	0.300	16 Aug 2027
16 May 2023	296,000,000	0.100	15 May 2028
15 Feb 2024	1,182,000,000	0.018	14 Feb 2029
	1,800,000,000		

[1] These options vest in the beneficiaries in equal tranches on the first, second and third anniversaries of grant.

The following Directors held interests, directly or indirectly, in share options at the year-end:

	2024	2023
	No.	No.
Jeremy Asher	**1,220,000,000**	480,000,000
Total	**1,220,000,000**	480,000,000

Warrants

Details of warrants outstanding at 31 December 2024 are as follows:

	Number in issue
At 1 January 2024	983,333,174
Awarded during the year	1,278,186,434
Exercised during the year	(140,000,000)
Lapsed during the year	(202,168,727)
At 31 December 2024	**1,919,350,881**

Date of grant	Number in issue	Warrant price (pence)	Latest exercise date
31 Mar 2020	49,816,850	0.200	30 Mar 2025
29 Jun 2020	19,719,338	0.350	28 Jun 2025
01 Oct 2020	10,960,907	0.390	30 Sep 2025
01 Dec 2020	4,930,083	0.375	30 Nov 2025
31 Dec 2020	12,116,316	0.450	30 Dec 2025
01 Apr 2021	16,998,267	0.450	31 Mar 2026
01 Jul 2021	24,736,149	0.250	30 Jun 2026
01 Oct 2021	16,233,765	0.425	30 Sep 2026
01 Jan 2022	17,329,020	0.425	01 Jan 2027
01 Apr 2022	19,851,774	0.263	01 Apr 2027
01 Jul 2022	16,831,240	0.295	01 Jul 2027
03 Oct 2022	26,114,205	0.250	03 Oct 2027
15 Feb 2023	29,114,906	0.175	15 Feb 2028
02 May 2023	43,053,960	0.143	01 May 2028
16 May 2023	112,500,000	0.100	16 May 2026
03 Jul 2023	128,571,426	0.050	02 Jul 2028
18 Dec 2023	65,000,000	0.040	18 Dec 2026
02 Oct 2023	167,286,241	0.050	01 Oct 2028
04 Jan 2024	438,596,490	0.030	03 Jan 2027
01 Jul 2024	357,142,855	0.018	01 Jul 2027
13 Aug 2024	71,428,571	0.018	13 Aug 2027
16 Oct 2024	220,092,592	0.027	16 Oct 2027
11 Nov 2024	50,925,926	0.027	11 Nov 2027
	1,919,350,881		

The following Directors held interests, directly or indirectly, in share warrants at the year-end:

	2024	2023
	No.	No.
Jeremy Asher	**545,451,148**	333,341,403
Paula Brancato	**256,129,357**	96,981,488
Mark Enfield	**254,285,509**	95,137,640
Stacey Kivel	**71,428,571**	-
Total	**1,127,294,585**	525,460,531

The weighted average exercise price of share warrants was 0.07p (2023: 0.28p) with a weighted average contractual life of 2.4years (2023: 2.8 years). At 31 December 2024 and 2023 all warrants had fully vested.

In compliance with the requirements of IFRS 2 on share-based payments, the fair value of options or warrants granted during the year is calculated using the Black Scholes option pricing model. For this purpose, the volatility applied in calculating the above charge varied between 73% and 151% (2023: 20% and 100%), depending upon the date of grant, and the risk-free interest rate was 3.7%-4.1% (2023: 3.5%) and the Dividend Yield was nil% for 2024 and 2023.

The Company's share price ranged between 0.04p and 0.02.p (2023: 0.02p and 0.2p) during the year. The closing price on 31 December 2024 was 0.04p per share (2023: 0.03p). The weighted average exercise price of the share options was 0.1p (2023: 0.4p) with a weighted average contractual life of 3.6 years (2023: 3.1 years). The total number of options vested at the end of the year was 263.3 million (2023: 214.7 million).

21. Related party transactions

Related party transactions include both transactions between group companies and the Directors of the Company, and also intercompany transactions within the Group.

The key management of the Group comprises the Directors of the Company. Except as disclosed, there are no transactions with the Directors other than their remuneration and interests in shares, share options and warrants. As noted in the Directors' Report, Pegasus Petroleum Ltd ("Pegasus"), a company owned and controlled by Jeremy Asher, received $587k (2023: $567k) in fees for management services provided by both Jeremy Asher and third parties. Further information on Directors' remuneration is detailed in the Directors' Report and their total remuneration in each of the categories specified in IAS 24 'Related Party Disclosures' is shown below:

	Group		Company	
	2024	2023	**2024**	2023
	$	$	**$**	$
Fees charged by companies associated with Jeremy Asher for services provided by Jeremy Asher [1]	**531,161**	521,862	**-**	-
Fees charged by companies associated with Jeremy Asher for other financial and administrative support services [1]	**56,097**	45,787	**-**	-
Share-based payments paid to Directors	**123,781**	148,423	**123,781**	148,423
Share-based payments paid to companies associated with Jeremy Asher [1]	**199,506**	129,831	**199,506**	129,831
Finance interest on intercompany loan accounts	**-**	-	**1,776,236**	1,487,503
Fees charged with respect to the provision of strategic advice and support by the parent	**-**	-	**125,831**	172,135
	910,545	845,903	**2,225,354**	1,937,892

[1] Charged by Pegasus Petroleum Limited ("Pegasus"), a company registered in the Channel Islands, to Rift Petroleum Holdings Limited, a wholly owned subsidiary of Tower Resources plc and registered in the Isle of Man. Pegasus Petroleum Limited ("Pegasus") is owned and controlled by a family trust of which Jeremy Asher is the settlor and lifetime beneficiary.

The following amounts were owed by subsidiary undertakings at the balance sheet date:

	Rift Petroleum Holdings Limited ($000)	Rift Petroleum Limited ($000)	Tower Resources (Namibia) Holdings Limited ($000)	Tower Resources Namibia Limited ($000)	Tower Resources Cameroon Limited ($000)	Tower Resources Cameroon SA ($000)	TOTAL ($000)
2024	**4,184**	**2,545**	**20**	**549**	**6**	**23,360**	**30,664**
2023	3,225	2,287	16	472	4	20,239	26,243

22. Control

The Company is under the control of its shareholders and not any one party.

23. Leases and capital commitments

The Group is committed to funding the following exploration expenditure commitments as at 31 December 2024

	Country	Interest	2025	2026 onwards
Cameroon Thali [1]	Cameroon	100%	$15.00 million	-
South Africa Algoa-Gamtoos [2]	South Africa	50%	$0.14 million	$3.62 million
Namibia Blocks 1910A, 1911 and 1912B [3]	Namibia	80%	$4.50 million	-
			$19.64 million	$3.62 million

[1] Extension and farmout award pending Government consent

[2] Period ends on completion of work programme commitments

[3] Current period expiry October 2024. Application submitted for formal approval of second period. All commitments fulfilled for first period.

24. Subsequent events

10 January 2025: Transformational farm-out agreements executed with Prime Global Energies Limited ("Prime") for minority, non-operated interests in the Company's Thali license, offshore Cameroon, and PEL96 offshore Namibia.

Tower agreed to farm-out a 42.5% non-operated interest in the Thali license to Prime in exchange for a US$15,000,000 cash contribution towards the Thali work programme and drilling of the NJOM-3 well in 2025, and further terms as set out in the announcement. In addition, Prime has also agreed to farm-in to PEL96, offshore Namibia, for a 25% non-operated interest. The Company's shareholder Pegasus Petroleum Limited ("Pegasus", a company owned by the Asher Family Trust, of which the Company's Chairman Jeremy Asher is the lifetime beneficiary) agreed to modify certain agreements between Pegasus and Tower and also to subscribe to further shares in Tower, as set out in the announcement. As a result of these arrangements, the Company received cash proceeds of $937,500 in cash immediately and will receive a further $3,437,500 cash following completion of the two farm-out agreements.

22 January 2025: A broker to the Company exercised rights over 271,018,518 Ordinary shares comprised of 271,018,518 Warrants at an exercise price of 0.027p per share and at an exercise cost of £73,175.

7 March 2025: Tower Resources (Namibia) Limited agreed to purchase an additional 5% interest in the PEL96 license offshore Namibia from its local partner, ZM Fourteen Investment (Pty) Ltd for a cash consideration on completion of $375k.

At the same time, the Company noted that Tower Resources Cameroon SA has submitted the TRCSA-Prime farm-out agreement documentation and the request for a year's further extension of the First Exploration Period of the Thali license to the Cameroon Minister of Mines, Industry and Technological Development for approvals.

26 March 2025: The Company announced that it had agreed an unsecured fixed-price convertible bridge loan of £500,000 with Prime Resources Limited with a term of up to 12 months, and convertible into ordinary shares at a fixed conversion price of 0.05588 pence per share if not prepaid earlier. Prime Resources Limited is a Gibraltar-registered private investment company and is not related to the Company's prospective farm-in partner Prime Global Energies Limited.

9 April 2025: The Company announced that it had made an annual award of 1,540,000,000 Restricted Shares to directors, employees and consultants under its Long Term Incentive Plan (LTIP).

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
PROFESSIONAL ADVISERS

Nominated Adviser and Joint Broker:
SP Angel Corporate Finance LLP
35 Maddox Street,
London, W1S 2PP

Joint Broker:
Axis Capital Markets Limited
St Clements House
27 Clements Lane
London EC4N &AE

Joint Broker:
Novum Securities Ltd
Lansdowne House,
57 Berkeley Square,
London, W1J 6ER

Solicitors:
Watson Farley & Williams LLP
15 Appold Street,
London EC2A 2HB

Group Auditors:
UHY Hacker Young LLP
4 Thomas More Square,
London E1W 1YW

Registrars:
Link Asset Services Limited
Bourne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU

Bankers:
Barclays Bank plc
Level 27
One Churchill Place
London E14 5HP

Financial PR:
BlytheRay
4-5 Castle Court
London EC3V 9DL

TOWER RESOURCES PLC
YEAR-ENDED 31 DECEMBER 2024
REGISTERED OFFICES

Tower Resources plc

Tower Resources Namibia (Holdings) Limited

Tower Resources Namibia Limited

Tower Resources Cameroon Limited

134 Buckingham Place Road

Westminster

London

SW1W 9SA

United Kingdom

Rift Petroleum Holdings Limited

Rift Petroleum Limited

36 Hope Street

Douglas

IM1 1AR

Isle of Man

Tower Resources Cameroon SA

Building 626, 4th Floor

Rue 1239, Douala Bonapriso

P.O. Box 536, Douala

Republic of Cameroon

tower resources
oil and gas

Tower Resources plc
134 Buckingham Palace Road
London
SW1W 9SA

tel: +44 (20) 7157 9625
email: tower@towerresources.co.uk
web: www.towerresources.co.uk