

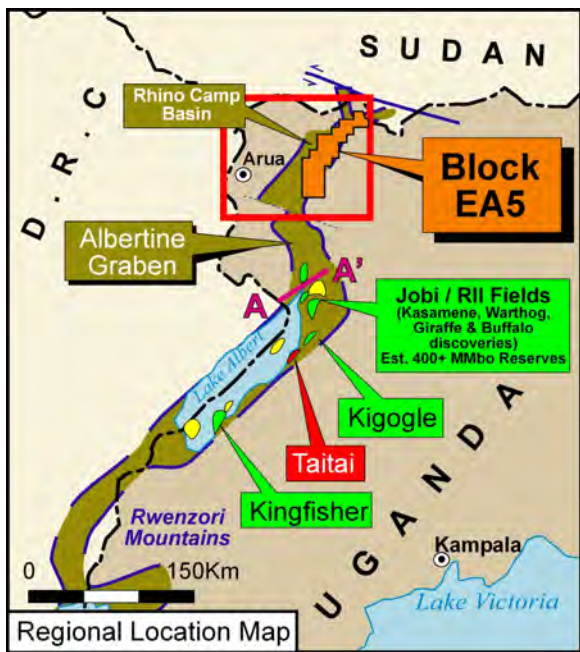


## New Project Introduction

### UGANDA ~ Onshore Uganda (Block EA5):

### Participation in progressing & accelerating the exploration programme in underexplored extension of the prolific Albertine Graben

**Introduction:** Envoi has been commissioned to assist AIM listed London-based independent Tower Resources plc, in the search for a partner to join them in progressing and accelerating the exploration of Block EA5 in the northern part of Uganda which is owned and operated 100% by their wholly owned subsidiary Neptune Petroleum (Uganda) Ltd. Tower's large 2,941 Km<sup>2</sup> Block is located in the so called Rhino Camp Basin which lies in the northern part of the prolific new producing area of the Albertine Graben, itself the western arm of the East African Rift system. In Uganda this rift system is made up of a series of discontinuous offset segments that extended the entire length of the country's western boundary. Block EA5, lies immediately north of an SE-NW trending offset zone which today separates the under-explored Rhino Camp Basin from the prolific part of the Albertine Graben at the northern end of Lake Albert where a host of new discoveries have been made in Block EA1 since 2007. These include the Buffalo, Giraffe and Kasamene oil discoveries made by Heritage and Tullow which have combined estimated reserve of 400 MM bbls oil that have produced up to 14,000 bopd from wells penetrating excellent stacked Cenozoic (Miocene & Pliocene) syn-rift clastic reservoirs. The limited 2D seismic and two historical wells in Block EA5 confirm that not only is the area largely unexplored but that there is significant underexplored potential of equivalent age and structure to the prolific reservoirs proven by the fields to the south.



**History & Future Prospectivity:** Block EA5 was originally awarded to Tower's subsidiary, Neptune, and the PSA signed in September 2005. Within the first two, two year exploration periods, gravity and magnetic surveys, geochemical and G&G studies and geological mapping were carried out, building upon data collected by PEPD (State Petroleum Department) and the Geological Survey since the 1960's. Tower completed a new 300km 2D seismic programme in February 2008 to confirm the structure and determine the basin depth across the prospective areas identified from the gravity data. This new data now shows analogous structure in Tower's acreage to those now producing in to the south, although separated and offset by a transverse zone and differentiated by reversed polarity of their main axial structures. The western part of the original Block was relinquished at the end of March 2010 when the second term expired. The relinquishment included the least prospective area of the original (6,040 km<sup>2</sup>) Block over mostly metamorphic basement. Neptune has retained over 2,941 km<sup>2</sup> of the original Licence and the majority of the prospective rift basin.

The EA5 licence is therefore now bounded to the west by a gradual shallowing to metamorphic basement and defined to the east by a 250m high scarp although this decreases in height northwards. Only two wells, Iti-1 and Avivi-1, have been drilled in the Licence which only tested the extent of the main axial northwards dipping ridge of the basin, which is crossed by a transverse and now infilled mini-graben. Though neither well appears to have logged hydrocarbon shows whilst drilling, subsequent geochemical analyses of cuttings and MDT samples from both wells confirm the presence of migrated oil comparable to that of Lake Albert seeps in the South. Surface geochemical analysis from sites across the Licence Block also now confirms

oil generation has occurred from a mature Late Cretaceous-Tertiary lacustrine source rock, again consistent with data from Block EA1. Tower now believes that these early wells have proven that the depositional model in their acreage is analogous to the blocks further south and also accounts for the regional variation and evolution of the Nile River's northward course and associated deposition. Tower's work to date has also confirmed and delineated two prospects in their Block named Sambia and Obongi which are both situated along the central ridge in the centre of the graben. The Sambia prospect has a minimum 17 km<sup>2</sup> closure formed by two converging alluvial fans fed by basement highs to the east, and could be have a much larger 31 km<sup>2</sup> closure if the transverse graben to the southwest provides a fault seal. *Significantly, the combined MDT pressure data also provide credible evidence of an oil column in the Iti closure and even a possible Oil-Water Contact at the spill-point of the Iti/Sambia structural closure.* This prospect is therefore estimated capable of potential reserves between 50 and 100 MMbbls based on conservative reservoir properties when compared with those already proven to the south, and is currently a target for drilling in 2011.

**Planned Work Programme:** Block EA5 began its 3<sup>rd</sup>, two year Exploration term in March 2010 following completion of all its obligations in the previous two periods. Tower is now required to acquire a 400 - 500 km infill seismic and at least one firm well (with one contingent well) before the 3<sup>rd</sup> term expires in March 2012. A high tech aero-gradiometry survey (est. cost US\$1.5 million) to provide basement level structure detail, as used successfully in the blocks to the South to delineate prospects is due to start imminently. This will be supplemented by new targeted 2D infill seismic commencing in Q3 2010 and will include lines across the Balala swamp and the Nile flood plain against the eastern graben wall where there is no data at present. Further exploration is also being planned in the unexplored northern part of the block.

**Offer:** Tower has to date spent US\$ 35 million and is looking for a new partner to earn up to a 50% working interest in the Block based on a negotiated ground floor contribution to the forward work programme including the infill seismic and at least one exploration well before March 2012.

**Further Information:** Envoi is currently working on its traditional more detailed Synopsis which will be made available very shortly along with access to key data after execution of the appropriate CA. Seriously interested parties will be invited for a presentation and hard copy data review in Tower's Ugandan or London offices. Please do not hesitate to contact us in the interim if you have any queries or you would like a copy of the CA.



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Prepared May 2010 by

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